



2 Stocks You Can Buy and Hold Forever

Description

One of the greatest advantages of being a Foolish investor is peace of mind. No matter if the markets are good or bad, you can take comfort in the fact you've invested in great companies with strong long-term prospects. The buy-and-hold approach allows you to focus on other things that make you happy in life, while you let your money work for you.

However, in order to achieve this Zen state, investors need to identify fantastic companies in areas of need with long-term prospects. **New Flyer Industries Inc.** ([TSX:NFI](#)) and **Allied Properties Real Estate Investment** ([TSX:AP.UN](#)) are two companies that fall into this category and that investors can buy and forget about.

New Flyer

New Flyer is a North American leader in manufacturing and selling transit buses and motor coaches. The company has been able to capitalize on the demand for public transit in large urban centres and developed recurring cash flows through its aftermarket operations.

Its aftermarket operations consist of repairing and selling parts for the buses it sells. Since the buses are usually operating +16 hours a day, they require more maintenance and repairs. Therefore, New Flyers is able to generate recurring cash flows after the initial sale of its buses and motor coaches.

The company only offers a dismal dividend yield of 1.9%, but don't let it lead you astray. This company is a market leader in an industry of need, and it continues to increase its market share. Therefore, the company has plenty of room for growth and should provide reliable returns over the long term.

Allied

Allied owns and operates large office buildings in nine of Canada's largest urban centres. The stock price is currently trading at a price-to-earnings ratio of 9.45, which is below its five-year average of 10 and well below the industry average of 13.8. Therefore, investors aren't overpaying for a well-established company with a generous yield of 4.1%.

Since 2008, the company has produced an average annual return of over 13.5%, meaning an investor would have tripled their initial investment by now! Obviously, there is no guarantee Allied will offer the same returns in the coming years, but investors are better off acquiring shares in a company that's currently undervalued with a proven track record of performance.

Foolish bottom line

There is no doubt that buying and holding fantastic companies is the best way to keep an even temperament through your investing journey. It's a proven method that provides astounding returns over the long term. Not every company you buy will be an absolute stud; however, your chances are much greater with the Foolish mindset.

Stay Foolish.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:AP.UN (Allied Properties Real Estate Investment Trust)
2. TSX:NFI (NFI Group)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/07/20

Date Created

2017/04/11

Author

cbeck

default watermark