



The 4-Stock Portfolio Every Investor Needs

Description

When beginning down the investing path, many new investors get overwhelmed by the myriad of data, companies, and figures that go into researching whether or not to invest money in a company with the ultimate hope of seeing that investment grow.

So, where should a new investor begin? Here are a few great picks to start with.

The telecom giant

BCE Inc. ([TSX:BCE](#))([NYSE:BCE](#)) is the largest telecom in the country. Over the years, it has amassed a massive empire of core telecom subscription services, TV and radio stations, and even professional sports teams.

BCE's massive moat affects most of us in ways that we don't even realize. In fact, chances are you have used part of the BCE empire at some point today. It could be sending a text message over the BCE network, listening to a broadcast from a BCE media asset, or the internet connection you're using right now.

That moat provides BCE with huge revenue potential. The company rewards shareholders with a great dividend that pays out an incredible 4.84% yield.

In short, buy BCE early, reinvest the dividends, and let your investment grow.

The diversified bank

Canada's big banks are some of the best-performing stocks on the market, and for good reason. They have perennially surpassed expectations during earnings season and have steadily hiked their dividends to very appetizing levels.

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) presents a very intriguing opportunity for investors. The quarterly dividend, which provides a handsome 3.56% yield, is a great addition that should help your investment grow. The bank continues to surpass expectations during earnings season, which has

helped propel the stock up nearly 15% year-to-date.

Toronto-Dominion also has a larger presence outside Canada, specifically in the U.S. where the number of branches surpasses those in Canada. Those U.S.-based holdings provide another diversified source of revenue for the bank in a market that has higher interest rates for investors.

Toronto-Dominion is another great buy-and-forget holding.

This utility has huge potential

I absolutely love utility investments, and no mention of a utility stock would be complete without mentioning **Algonquin Power & Utilities Corp.** ([TSX:AQN](#))([NYSE:AQN](#)). Utilities typically receive most of their revenue from regulated contracts, which translates into a steady stream of revenue for the company. Even better, those regulated contracts can span upwards of 20 years.

The downside of utility investments comes in the form of limited growth prospects, as the bulk of their revenue comes from regulated rates. Algonquin differs in this regard in two ways that place the company ahead of its peers.

First is Algonquin's transition to renewable energy facilities, which is steadily creating a diversified mix of facilities for both the Canadian and U.S. markets that Algonquin operates in. The second point to make is Algonquin's appetite for growth, which has seen the company complete a string of acquisitions over the years that have fueled incredible dividend growth.

That growth has been so impressive that Algonquin is on track to continue hiking the already impressive dividend by 10% annually over the next four years.

Growth from the railroad

One of the most lucrative, yet underappreciated investments in the market are railroads. **Canadian National Railway Company** ([TSX:CNR](#))([NYSE:CNI](#)) is one of the largest railroad operators on the continent, and the only railroad that has access to three coasts in North America.

While many investors often dismiss the importance of the railroad in a modern economy, railroads are, in fact, responsible for a significant portion of all freight movements in the U.S. thanks to the network of tracks that pass through and between every major and minor city on the continent.

That extensive network provides a defensive moat that makes any new competitor to the marketplace virtually an impossibility, and when factoring in Canadian National's industry-leading operating ratio, the long-term potential of this investment becomes very clear.

CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

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1. Editor's Choice

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BCE (BCE Inc.)
3. NYSE:CNI (Canadian National Railway Company)
4. NYSE:TD (The Toronto-Dominion Bank)
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