



This 5-Stock Portfolio Will Make Young Investors Rich

Description

For many young people, investing in the stock market for the first time can be very daunting. Once they have some money put aside, there are a variety of options. A number of young investors are eager to take the reins and make their own investment decisions. The good news for new investors is, the capital markets in Canada have improved substantially to allow the purchase of at least five different securities with as little as \$5,000 or \$10,000.

For those wanting to build their own portfolios with only a few thousand dollars, there are a few pillars that are needed to start, and from there, they may be expanded upon.

Let's begin with financials. Shares of **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)), which is a Canadian juggernaut, can be viewed as the least-risky Canadian bank as the company carries a beta of only 0.54 and takes in a substantial portion of its revenues from the United States. Given the American footprint and name-brand recognition, the company is uniquely positioned to deliver returns through price appreciation and dividends to investors for at least the next generation and potentially longer.

Investors can dive into shares of **Pure Industrial Real Estate Trust** (TSX:AAR.UN). As the country's leading industrial real estate investment trust, it offers the certainty of a diversified client base and long-term commitments from their clients. With a current dividend yield of almost 5%, investors will be able to safely hold this name for a long time without having to worry about the long-term solvency of the business. For the past fiscal year, the dividends paid to shareholders represented no more than 68% of cash flow from operations (CFO).

For investors wanting to add a railroad to the portfolio, shares of **Berkshire Hathaway Inc.** (NYSE:BRK.A)(NYSE:BRK.B) will deliver that and more. After increasing by approximately 135% over the past decade, the conglomerate run by famous investor Warren Buffett is a diversified holding company which holds a number of businesses, including railroad BNSF in addition to a number of insurance operations and industrial manufacturing companies.

The fourth name to add will come from the oil sector. Vertically integrated **Suncor Energy Inc.** ([TSX:SU](#)

)([NYSE:SU](#)) will provide investors with the certainty of continued dividends due to their national footprint with their stake in Petro-Canada. With a current 3% dividend and payout ratio accounting for 32% of CFO, shareholders can look forward to continued success from this oil conglomerate. As oil continues to rally, the medium-term prospects for this company also look very attractive.

Investors can allocate a small amount of their portfolios to more speculative names such as **MedReleaf Corp.** (TSX:LEAF), which carries a high amount of potential for profit, but also has the risk to go with it. The caveat of adding in a more speculative name such as this one is that the names will not be equally weighted. With only five names making up an entire portfolio, investors should have no more than 10% of their investments in speculative investments with the balance going into the more established companies.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:BRK.B (Berkshire Hathaway Inc.)
2. NYSE:BRKA (Berkshire Hathaway Inc.)
3. NYSE:SU (Suncor Energy Inc.)
4. NYSE:TD (The Toronto-Dominion Bank)
5. TSX:SU (Suncor Energy Inc.)
6. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

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

Date

2025/08/19

Date Created

2017/10/08

Author

ryangoldsman

default watermark