



Attention Millennials: 2 Best-in-Class Stocks for Your Starter Portfolio

Description

It is essential to start investing money pretty much right when you start making it to maximize compounding of returns.

But [it can be daunting, so it's best to ease into it.](#)

Here are two best-in-class companies to get you started.

Intact Financial Corporation ([TSX:IFC](#)) offers investors a defensive, reliable, high-quality name that has a proven history of value creation. The stock is hitting highs, and this is justified by these factors. I think that it still [represents a good buy](#) for investors looking for these qualities in a stock.

The dividend yield currently stands at 2.4%, and the company's balance sheet remains strong with a debt-to-cap ratio of under 23%.

The Canadian property and casualty insurance (P&C) industry is a mature one, and, accordingly, Intact has grown mostly through acquisitions to the leading position it has today, with over \$9.9 billion in direct premiums written and a \$14.9 billion investment portfolio.

With a successful acquisition history, which has given the company scale and size to drive down costs and bring up returns, Intact has now ventured into the U.S. with the acquisition of U.S. specialty insurer OneBeacon Insurance Group Ltd. for \$2.3 billion.

Intact plans to continue to leverage its strong balance sheet to continue to be a consolidator in the property and casualty insurance industry. The company continues to target acquisitions of \$500 million or more in direct premiums written, with an acquisition target internal rate of return of 15%

Management expects that 15-20% market share will change hands in the next five years. And given that barriers to entry are high in this business, this leaves Intact well positioned to continue to be the consolidator in Canada and in the U.S.

With a dividend yield of 3.99%, **Brookfield Infrastructure Partners L.P.** ([TSX:BIP.UN](#))([NYSE:BIP](#)) is

well positioned to offer investors a steady, secure income stream along with the potential for capital appreciation.

From utilities to communications to energy, Brookfield owns and operates one of the largest portfolios of globally diversified global infrastructure assets.

The company's assets are long-life assets that provide essential services. Assets such as regulated utilities terminals, energy transmission and distribution, railroads, toll roads, as well as in newer, faster-growing industries, such as communications infrastructure and water infrastructure.

And these assets bring predictable cash flows and have long-term contracts that are steady and secure.

Investors can also feel reassured and have confidence in this dividend by looking at the company's history of dividend increases. Since 2009, Brookfield has grown its funds from operations by a cumulative average annual growth rate (CAGR) of 24% and its per unit distribution by a CAGR of 12%.

Management's plan, which is targeting 5-9% annual growth in distributions and long-term ROEs of 12-15%, appears highly reliable.

These are just a couple of investments that will begin to provide a strong base in your portfolio, so you can slowly venture into other higher-risk, higher-return potential stocks.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
3. TSX:IFC (Intact Financial Corporation)

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