



5 Top Canadian Dividend Stocks to Buy and Hold Forever

Description

If you're looking for some weird and complicated investment products, such as Bitcoin and Ethereum, then this article isn't for you.

In my opinion, investing shouldn't be complicated. It's all about becoming a partner in solid companies with an intent to remain invested for a long time. Along these lines, I'll explain how to build a portfolio consisting of [dividend stocks](#) that you can hold forever.

The linchpin of this strategy is to buy a few good businesses, keep reinvesting the dividends you get, and hold on for the long haul. Some of the world's greatest investors, such as Warren Buffett, are using this method to grow their wealth.

So, to help you get started on your buy-and-hold portfolio, I have listed five dividend stocks that you could hold for the rest of your life to earn stable and growing income.

There is no doubt that investing in equities comes with risk. These companies, however, are the leaders in their respective areas and have long histories of rewarding their investors.

Stock

Enbridge Inc. ([TSX:ENB](#))([NYSE:ENB](#))

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#))

Brookfield Infrastructure Partners L.P. ([TSX:BIP.UN](#))([NYSE:BIP](#))

BCE Inc. ([TSX:BCE](#))([NYSE:BCE](#))

Canadian National Railway Company ([TSX:CNR](#))([NYSE:CNI](#))

Source: Yahoo! Finance, The Globe and Mail

Canadian utilities are on top of my list for my buy-and-hold portfolio. The number one reason for my liking of utility stocks is that they provide safe and growing income. They have most of their revenues guaranteed from governments, which means a little volatility in their revenue. And competitive threats

to their businesses are also minimal due to huge investment required to reach scale.

Enbridge, the largest pipeline operator in North America, pays a hefty dividend each quarter and plans to grow it 10% each year through 2020, as it undertakes a massive capital-growth program following its acquisition of Spectra Energy last year.

[Brookfield Infrastructure](#) is my other favourite stock in this category. The partnership owns a strong and diversified portfolio of assets, including utilities, transportation, energy, and communications infrastructure across North and South America, Asia Pacific, and Europe.

This portfolio of critical infrastructure assets globally provides long-term investors nice diversification and helps the company generate stable cash flows with minimal maintenance capital expenditures.

Canadian banks are some of the best dividend stocks in Canada. Among them, Bank of Nova Scotia stands out due to its ability to generate superior returns for its shareholders. The lender has hiked its dividends in 44 of the last 45 years — one of the most consistent records for dividend growth among major Canadian companies.

And when it comes to moving freight in North America, no one can beat CN Rail, which has a rail network that reaches coast to coast. This competitive advantage has allowed CN to generate profits which grow year after year.

The bottom line

Building wealth by investing in companies whose businesses are built to last for generations is a tested approach that rarely goes wrong. It's not a rocket science. All you need to do is to pick solid companies and become a long-term partner in their businesses. That style is what I like, and what I think works for all long-term investors.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
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POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
3. NYSE:BNS (The Bank of Nova Scotia)
4. NYSE:CNI (Canadian National Railway Company)
5. NYSE:ENB (Enbridge Inc.)
6. TSX:BCE (BCE Inc.)
7. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
8. TSX:BNS (Bank Of Nova Scotia)

9. TSX:CNR (Canadian National Railway Company)
10. TSX:ENB (Enbridge Inc.)

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