The Lucky 7

Description

Investors regularly review their holdings, and sometimes ask themselves, “How did I end up in this situation?” when poring over their investment portfolio. The benefit that retail investors have over institution is that it’s possible to sell out of all holdings and start over once again from a 100% cash position. For those seeking the “Lucky 7” portfolio, here are the names to consider.

The first company on the list is none other than **Canadian National Railway** (TSX:CNR)(NYSE:CNI), which offers a dividend yield of almost 1.8% as shares have recently crossed over the $100 mark. As one of Canada’s most defensive companies, investors shouldn’t be afraid to overweight this name for the long term.

The second name to add is none other than **Bank of Montreal** (TSX:BMO)(NYSE:BMO), which at a price of almost $101 is offering a yield of almost 3.75%. Although this may seem low by historical standards, the catalyst that could move this name forward may just be the higher interest rates that may be around the corner. Over the long term, shareholders are expected to make a substantial and consistent return on their investment.

To round out the financials category, **Laurentian Bank of Canada** (TSX:LB) continues to trade at a discount to tangible book value and offers a yield of no less than 5%. Although this is a much smaller, regional bank (as opposed to the Big Five), the potential for investors to benefit from the booming economy in the Province of Quebec has never been better.

On the energy side, shares of **TransAlta Corporation** (TSX:TA)(NYSE:TAC), which have fallen out of favour over the past several months, are starting to look very attractive, and offer a dividend yield of almost 2.5%. Although there may be only limited capital appreciation to be had, income investors will begin scooping up this name if it falls any further.

To diversify the portfolio, three U.S. stocks may also be added.

Shares of **Tractor Supply Company** (NASDAQ:TSCO) at a current price of US$70 at the time of writing, are paying close to a 2% dividend yield and remained priced as an expensive value investment. The opportunity for investors, however, rests in the growth that is still being experienced by this operator of retail stores that sells everything needed for a farm. The bottom line is that this name will not be going out of style anytime soon.

Rounding out the list are shares of **Exxon Mobil Corporation** (NYSE:XOM) and **Apple Inc.** (NASDAQ:AAPL), which will add to oil (resources) and the technology front.

Although many portfolios are composed of numerous securities, it does not always take a very large number of stocks to obtain diversification across countries, industries, phase of development (growth vs. value), and of course, the source of the return. As almost each one of these names pays a dividend, the source of the returns will be both dividends and capital appreciation.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing
5. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:AAPL (Apple Inc.)
2. NYSE:BMO (Bank of Montreal)
3. NYSE:CNI (Canadian National Railway Company)
4. NYSE:TAC (TransAlta Corporation)
5. NYSE:XOM (Exxon Mobil Corporation)
6. TSX:BMO (Bank Of Montreal)
7. TSX:CNR (Canadian National Railway Company)
8. TSX:LB (Laurentian Bank of Canada)
9. TSX:TA (TransAlta Corporation)

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