3 Stocks to Buy and Hold for the Next 50 Years

Description

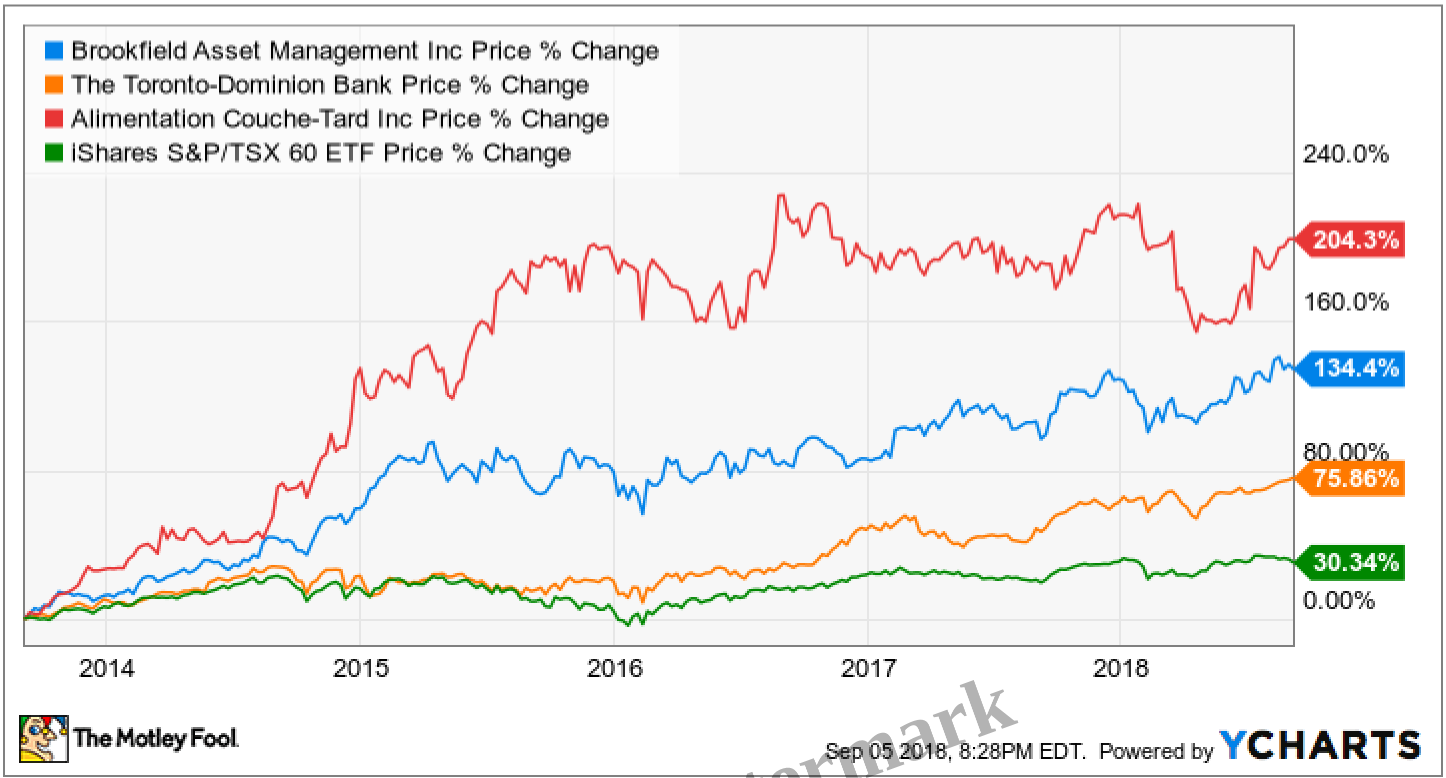
Buying and holding great businesses is a proven method for investors to build wealth. Here are three businesses with strong competitive advantages that cannot only survive but thrive over the next half-century and longer.

Brookfield Asset Management (TSX:BAM.A)(NYSE:BAM) is a leading global alternative asset manager that invests in long-life, best-in-class assets in real estate, infrastructure, and renewable power. It also has a private equity business that's growing at a rapid pace.

Brookfield Asset Management's ever-growing fee-bearing capital is an important driver of the company's profitability. Its fee-bearing capital increased to US$129 billion in the last reported quarter, which was an increase of 10% compared to a year ago.

As of the end of June, Brookfield Asset Management's annualized fee revenues and target carried interest reached US$2.59 billion, which was a 20% increase from a year ago.

Management estimates that the company will continue to experience strong growth by increasing its fee-bearing capital at a rate of about 14% through 2022. Additionally, Brookfield Asset Management also generates significant cash distributions — about US$1.3 billion this year — from its listed investments.



BAM.A data by YCharts – Price appreciation of Brookfield Asetment Management, TD Bank, Couche-Tard, and the Canadian market, represented by XIU.

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) has been a long-term stable performer. It is focused on its retail banking operations in Canada, and it also has significant exposure to retail banking in the United States. In fiscal Q3, TD Bank generated 58% of its net income from its Canadian retail segment and 28% from its U.S. retail segment.

So far, the top bank has about 25 million customers around the world, including about 12 million who are active online or mobile customers.

In the past 20 years or so, TD Bank has increased its dividend per share at a rate of 11%. This is amazing growth for a safe investment in one of the best banks in the world. Going forward, the bank should be able to increase its dividend per share by about 9% a year.

For nearly four decades, **Alimentation Couche-Tard** (TSX:ATD.B) has been expanding its convenience store empire. It now has a leading position in Canada, the U.S., and parts of Europe. Most of its locations offer road transportation fuel that helps attract customers.

The convenience-store industry is still fragmented. So, there are still many global acquisition opportunities. As Couche-Tard keeps on growing its scale, all the more it's going to benefit from economies of scale. As well, it'll learn and apply the best practices at its stores.

For the next three to five years, Couche-Tard is estimated to grow at about 15% per year. At about $63 per share as of writing, the stock is still an excellent buy with a PEG ratio of about 1.13, despite appreciating about 20% from a low in May.

Investor takeaway

Investors looking for quality long-term investments should consider scaling in to the stocks of Brookfield Asset Management, TD Bank, and Couche-Tard on meaningful dips of 5-10%. Of the three stocks, I believe Couche-Tard offers the best value for your buck today.

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Date
2025/09/15
Date Created
2018/09/08
Author
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