



Yes, Even Boring Stocks Like Fortis Inc. (TSX:FTS) Could Make You a TFSA Millionaire

Description

I must admit, a \$1 million TFSA sounds far-fetched and unattainable, especially for millennials, many of whom can only dream of accumulating enough wealth to own a home one day. In a previous piece, I took it [a step further](#) by claiming that millennials not only could realistically become TFSA multi-millionaires if they stuck with a disciplined plan (maximizing annual TFSA contributions and sticking with quality blue-chip stocks), but they would inevitably become TFSA multi-millionaires over the course of decades with the profound power of tax-free compounding.

We did the math together and came to the conclusion that a \$1 million TFSA was not just realistic, but it was inevitable for many long-term investors willing to take a “hands-off” approach to investing, with a simple security like **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) or a diversified ETF of premium Canadian stocks.

You don't need to be an experienced trader of stocks to amass massive wealth over the long term. You do require patience, a long-term horizon, a contrarian mindset, and a very strong stomach, however. And it's these traits that many of today's young investors are lacking.

We all want the quickest returns in the shortest amount of time possible, and when presented with volatile times, many of us are compelled to time our market entries and exits with the hopes of maximizing profit and minimizing damage, leading us to follow the herd, potentially paving the way for sub-par results versus that of an index fund.

Buy quality, then sit on your bum!

To unlock the full potential of a TFSA, you need to keep out of your own way. And that means [sitting on your bum and letting your holdings run](#) after you've purchased shares of a company that you have conviction in.

Sitting on your bum is the hardest part of investing. Our brokers want us to flip stocks as soon as we've bought them, and unless you're one of the few old-fashioned investors who intend to hang on to their

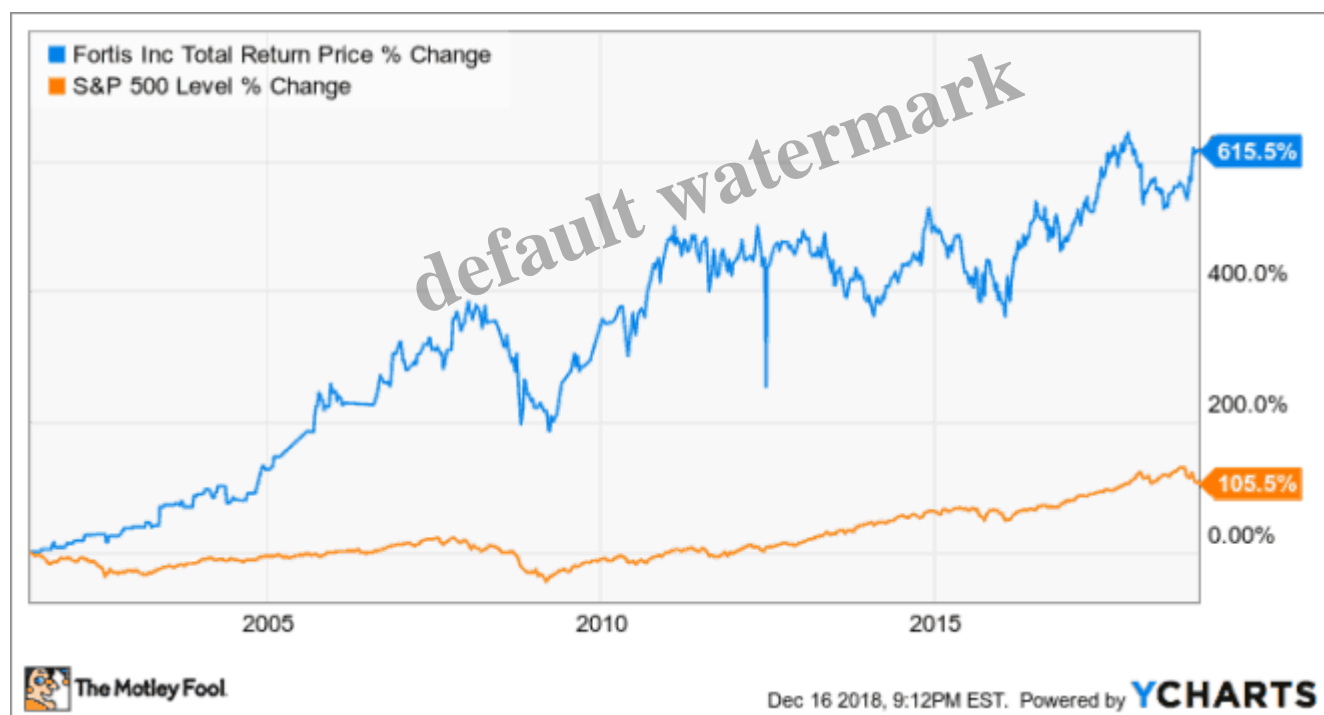
shares for decades at a time, you're inevitably going to run into fear-inducing headlines that'll inspire you to sell a stock, likely at the worst possible time.

So, as a beginner, how does one maintain conviction for years after they've purchased a stock?

Stick with boring, unsexy businesses that seldom make the headlines in the mainstream media. We're talking wide-moat, free-cash-flow-generative companies with strong management teams and a proven track record for outperformance — in other words, a stock just like Fortis.

Now, Fortis gets a bad rap from young investors due to its reputation as a “boring, retiree-friendly stock.” Nevertheless, the rock-solid Dividend Aristocrat is one of the most attractive candidates for a long-term TFSA for those who seek superior risk-adjusted returns.

The company has hiked its dividend every single year and is slated to continue its streak for many years and decades to come. With a commitment to grow its dividend by at least 4% per year, Fortis is one of the few long-term wealth creators that will grant you a nearly guaranteed raise every single year, regardless of what state the economy is in.



Sure, you'll likely get a far better near-term return in an upmarket from a more cyclical, higher growth security, but from a longer-term perspective, you've got to consider the big bumps (recessions, sell-offs, bear markets and all the sort) in the road that you're bound to run into. Fortis rides out these bumps very well thanks to its predictable, highly regulated business, and if you're not interested in timing market cycles, the stock is a proven long-term winner that no young person should feel ashamed in owning.

Foolish takeaway on Fortis

Want to be a TFSA multi-millionaire?

It's as easy as buying a snooze fest of a stock in Fortis and forgetting you own it for decades at a time. All you need to do is plant the seed (by buying the stock for your TFSA), water it on occasion (reinvesting the dividends), and soon enough you'll have a fully grown tree (a \$1 million TFSA) that'll yield ample fruit (growing dividend payments) for the rest of your life.

Stay hungry. Stay Foolish.

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