These 3 “Boring” Stocks Turned $10,000 Into $100,000

Description

Investing is funny sometimes.

Although you’d think the sexy companies in new and exciting industries would create the most wealth, oftentimes the exact opposite thing happens. These companies crash and burn while blue-chip stock in boring sectors continue to chug along.

Some of these boring stocks generate serious wealth. Here are three that turned an initial $10,000 investment into something worth at least six figures.

Richelieu Hardware

Many Canadian investors haven’t even heard of **Richelieu Hardware** (TSX:RCH), despite the stock being one of the best growth stories out there over the last decade.

Richelieu supplies contractors and different hardware stores with a vast array of products it either sources from third parties or owns itself. It has steadily grown the business by acquiring competitors or buying companies that make interesting products. This two-pronged expansion approach has served it quite well.

Both revenue and operating income have more than doubled since 2009, and that’s with the bottom falling out of the U.S. housing market. Further growth is still very possible, since Richelieu only does approximately $1 billion in annual revenue.

A $10,000 investment in the stock 20 years ago would be worth nearly $214,000 today assuming an investor reinvested their dividends. That’s the kind of performance that can make or break a portfolio.

Toronto-Dominion Bank

I remember when I first started investing back in 2002, and **Toronto-Dominion Bank** (TSX:TD)(
NYSE:TD

) was widely viewed as the weakest of the so-called Big Five banks.

Things sure have changed in the last 17 years. TD has turned that reputation completely around and is known as the cream of the crop nowadays thanks to its impressive growth in Canada, its successful U.S. expansion, and various shrewd acquisitions in the credit card space. It also has a large stake in **TD Ameritrade**, an asset everyone in Canada seemingly forgets about.

Canada's bank stocks have sunk lately, and most of us at Fool Canada agree they're good buys today. TD is no exception. Investors who get in today are locking in a 3.9% dividend and are picking up shares at less than 10 times forward earnings expectations. TD shares haven't been this cheap in years.

Even accounting for this recent weakness, TD has been a wonderful long-term investment; $10,000 invested in the stock 21 years ago would be worth $103,731 today, assuming you'd reinvested all the dividends.

Fortis

Fortis (TSX:FTS)(NYSE:FTS) has quietly grown into one of North America's premier utilities. It owns both power and natural gas assets across Canada, power assets in the United States, and even a sprinkling of exposure to the Caribbean. Approximately 60% of income comes from the United States.

These days, Fortis is more focused on organic growth. It plans to spend $17.3 billion on capital projects over the next five years to help grow its current utility businesses. This plan should support solid dividend growth; management says investors can expect an average of 6% dividend growth during that time. Not bad for a stock that yields 3.8% currently.

Fortis has long been one of the TSX's top-performing stocks, despite it being in a somewhat lackluster industry. A $10,000 investment in the stock 22 years ago would be worth just over $127,000 today if dividends were reinvested. That's an annual return north of 12%.

The bottom line

As you can see, it doesn't take risky stocks to turn moderate investments into big money. It comes down to finding great companies with ample growth opportunities ahead of them. Richelieu Hardware, Toronto-Dominion Bank, and Fortis still fit that description today. All three would make great long-term additions to any portfolio.

CATEGORY

1. Bank Stocks
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2. NYSE:TD (The Toronto-Dominion Bank)

3. TSX:FTS (Fortis Inc.)
4. TSX:RCH (Richelieu Hardware Ltd.)
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Date
2025/07/03
Date Created
2019/01/12
Author
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