



## TFSA Investors: Even Boring Stocks Like Enbridge Inc. (TSX:ENB) Can Make You a Millionaire

### Description

It seems counterintuitive, but it turns out that Canada's boring blue-chip stocks have traditionally been some of the best performers.

Many investors are enamored with growth, jumping from one sure-fire winner to the newest sexy situation. They ride their winners and dump the losers without a second thought. If executed properly, this can be a terrific strategy. Unfortunately, it comes with a lot of challenges.

Growth stocks will always come with huge drawdowns — a byproduct of investing in these names. When the overall market falls 10%, often investors will sell these stocks first, causing them to dip even further than the market. It takes a lot of intestinal fortitude to hang onto a losing stock when it's falling twice as fast as other shares.

I propose a different strategy. Investors should buy and hold tried-and-true blue chip stocks. Sure, you'll likely avoid the kind of eye-popping returns that are possible with growth stocks, but that's a small sacrifice to make for minimizing volatility.

In other words, these boring stocks have lower highs and higher lows, but they still keep chugging along.

Let's take a closer look at how one mature company has made countless investors rich. Will you be next?

### Enter Enbridge

**Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)) is already a giant. After completing a recent merger, it is officially the largest energy services company in North America.

Most of Enbridge's earnings come from its network of pipelines, which span more than 27,000 kilometers across North America. The company transports some 2.9 million barrels of oil and other

liquids each and every day. Enbridge also has natural gas pipelines, a natural gas utility, energy storage facilities, and a wind-fired power generation division.

Together, these businesses will generate approximately \$50 billion in revenue in 2019, delivering some \$13-\$14 billion in earnings before interest, depreciation, and taxes. It is a true monster.

It's also a business with some growth potential. Enbridge brought \$7 billion worth of projects online in 2018, assets that will start adding to the bottom line in a big way in 2019. Growth will be a little more muted going forward, but management expects enough bottom line improvement to hike the dividend by 7-10% in 2019 and then 5-7% annually after that.

Speaking of the dividend, Enbridge isn't just a dividend growth stud. It also offers investors an attractive payout today. The current yield is 6.2%.

## Get rich slowly

If you held Enbridge shares over the last 20 years, then you're likely pretty happy with your choice.

If you purchased Enbridge shares in mid-February, 1999 and reinvested every dividend back into new shares, you'd be looking at a total annual return of 12.87%. Or, to put it another way, that's enough to grow a \$10,000 investment into one worth \$112,780.

No, that's not a typo. Just one small investment into a proven compounder like Enbridge over the long term is enough to get a big start on becoming a millionaire.

Say Enbridge doesn't quite return 12.87% annually going forward. Perhaps it only returns 9%. If you invested the maximum TFSA contribution — which currently sits at \$6,000 — into the stock, you'd be looking at a million dollar portfolio in 30 years.

Can you afford \$6,000 annually? I think the more apt question is: can you afford *not* to invest in great companies like Enbridge?

## The bottom line

At the end of the day, you likely won't impress anybody by disclosing you own boring ol' Enbridge shares. But you will slowly get rich, which is ultimately the whole goal. Save the growth stocks for those who do care about impressing their friends and embrace a *get rich slowly* attitude. Your future self will thank you.

## CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

## TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)

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