# What Would This Blue-Chip 3-Stock Portfolio Yield in 3 Years?

### Description

If you could only own three blue-chip stocks for a mini long-term dividend portfolio, what would they be? Perhaps a banker, an energy giant, some low-debt tech, or a sturdy mining stock? Below you will find the details for an energy-weighted three-stock portfolio that comprises three bellwether tickers on the TSX index, along with a brief breakdown for its performance over a three-year period.



## Enbridge (TSX:ENB)(NYSE:ENB)

Trading at a 27% discount off the future cash flow value, Enbridge is an outperforming stock with a 33% five-year average past earnings growth. While its P/E of 32.6 might be on the high side, a P/B of 1.6 cleaves close to the TSX index average.

Buyers looking to hold Enbridge should be pleased to see a sizable dividend yield of 6.21% on offer. Its outlook is impressive, with a 34.7% expected annual growth in earnings on the way, combining with the rewards of passive income to make this a must-have stock for a TFSA, RRSP, RRIF, or other savings account.

## Suncor Energy (TSX:SU)(NYSE:SU)

A negative one-year past earnings rate in a TSX index energy stock is not necessarily a deterrent, given the hard year that was 2018. More pertinent perhaps in a big oil and gas stock is a positive five-year average: Suncor Energy, for instance, has had a positive half-decade with a past earnings growth of 9.1%.

Though it may be trading near market value in terms of its actual assets, shares in Suncor Energy are, in fact, selling for more than twice their worth per future cash flow. But never mind this suggestion of potential overvaluation revealed by a P/E of 22.4 — Suncor Energy is a solid passive-income pick, bringing a dividend yield of 3.72% to the table.

## TD Bank (TSX:TD)(NYSE:TD)

Trading with a 35% discount against future cash flow value, TD Bank may be on the cusp in terms of earnings (see a P/E ratio of 12.4 for reference), but its P/B of 1.8 is above the market average. Offering a dividend yield of 3.94%, and with a month left until its buy limit, TD Bank bulls still have some time to make a decision.

## How would a combination of these stocks add up?

A three-stock portfolio containing the above listed tickers would yield capital gains of 19.4% in three years, an expected combined dividend income of 13.4%, and a total return on investment of 32.8%. Its five-year beta relative to the market would be a soothing 1.11, mitigating Suncor Energy's solo beta of 1.5. The combined future growth in earnings of this trio would be a solid 29.9%.

However, the energy industry would amount for over 60% of the total value of such a portfolio, leading to potential overexposure. Investors looking for diversification in a defensive dividend stock portfolio may want to round out their industrial spread with a mining stock or some outperforming tech with low debt.



## The bottom line

Of all the best blue-chip stocks to buy now ahead of potential market turbulence, Suncor Energy's 20.6% expected annual growth in earnings suggests a frontrunner. The other two tickers listed here are likewise among the most sturdy dividend payers, and as such would make for a solid selection for a TSX index-focused TFSA or RRSP.

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1. Bank Stocks
2. Dividend Stocks
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4. Investing
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**TICKERS GLOBAL**

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:SU (Suncor Energy Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:ENB (Enbridge Inc.)
5. TSX:SU (Suncor Energy Inc.)
6. TSX:TD (The Toronto-Dominion Bank)

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