



## 3 Great Stocks I'm Never Selling

### Description

After years of trying to expertly maneuver the market with a deep-value portfolio, I've taken a different approach to investing. I now advocate a buy-and-hold philosophy, buying positions in great companies with the intention of holding them for a very long time.

This strategy has numerous advantages. I can minimize taxes, since I'm delaying a selling decision for decades. I get to own a portfolio stuffed with proven money makers — stocks that have already made countless investors rich. And I don't need to worry about economic downturns, since the blue-chip stocks in my portfolio are all rock solid.

And I've amassed a portfolio that spins off a decent amount of passive income each and every month — cash I can either spend or put back to work.

Let's take a closer look at the core of my portfolio, highlighting a few large positions that I plan to hold forever.

### Scotiabank

I've been advocating for months now that investors load up on **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) shares, enticed by the company's strong position in Canada, international growth, and its dirt-cheap valuation.

Let's start with those operations. Adjusted earnings for 2018 saw the bottom line increase by more than 8% over last year, growth largely driven by international banking, which saw a 18% uptick in its profits. 2019 should be another solid year for these operations, boosted by strong local economies and further consolidation in the region.

Investors are getting all of this for a very exciting valuation. Scotiabank shares currently trade hands at \$72.60 each. The company is expected to earn \$7.27 per share in 2019. That puts shares almost exactly at 10 times forward earnings. And if that's not good enough for you, Scotiabank shares offer one of the best dividends out there today, currently yielding 4.7%.

I've [been buying recently](#) and suggest you do so, too.

## A&W

I think **A&W Revenue Royalties Income Fund** ([TSX:AW.UN](#)) is the best-kept secret on the TSX. This company has steadily made investors rich since its 2002 IPO, yet nobody seems to pay attention to it.

Buoyed by its new Beyond Meat burger and a move onto the various food delivery apps, A&W's recent results are nothing short of extraordinary. Same-store sales for Canada's second-largest burger chain shot up 9.8% in 2018, with total sales up 14.7% once we factor in new restaurants opening. Distributable cash increased a similar amount, which lead to three different distribution increases in 2018 and one already in 2019. Shares currently yield 4.4%.

If you had invested \$10,000 in the company's shares exactly 15 years ago and reinvested all of your dividends, your investment would be worth more than \$75,000 today. That's an annual return of 15.69%. I'm not sure if results will be that good over the next 15 years, but the company's focus on innovation and quality ingredients ensures it'll be a force in Canadian fast food for decades to come.

## SmartCentres

I like a lot of different REITs in Canada today, but **SmartCentres REIT** ([TSX:SRU.UN](#)) might be my favourite. It has a special combination of great assets, sharp management, and growth potential.

The core of SmartCentres is approximately 100 **Walmart**-anchored shopping centres — locations that have little trouble finding other retailers because the world's largest retailer generates tonnes of foot traffic. Occupancy has hovered at the 98% level for years because of this relationship, which has been beneficial to both sides.

Then there's management. Mitch Goldhar, who is the executive chair of the board, has perhaps been Canada's best developer in his +25 years in the business, including developing more than 250 shopping centres before his company was absorbed to create SmartCenters in 2015.

Smart isn't just limiting itself to retail space, either. The company has several mixed-use developments planned, with some already completed. In five years, it should have significant office, residential, self-storage, and retirement living divisions.

And finally, the company pays a 5.3% dividend today — a payout that has increased every year since 2013.

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3. Investing

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1. Editor's Choice

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1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:AW.UN (A&W Revenue Royalties Income Fund)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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