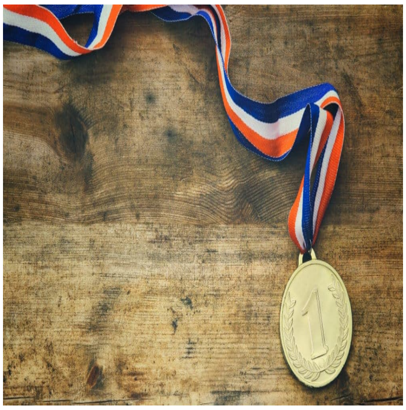

3 Top Growth Stocks to Buy and Hold Forever

Description

Are there investors who would purchase one, two, or three stocks at best and hold them for a lifetime? If the stocks are **Bank of Montreal** (TSX:BMO)(NYSE:BMO), **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM), and **Canadian Utilities** (TSX:CU), then there's a strong possibility.

These stocks are all growth stocks. The chances of them landing on top of an investor's bucket list are high. Let me offer my justifications why investors can buy the stocks and hold them forever.

Canadian banks are investment gems

BMO is an established retail bank in Canada and one of North America's largest in terms of asset size. You might think this is a traditional bank that's stuck in the conventional way of conducting banking services. It's not actually the case for this 20-decade-old bank.

Over the years, when the term ETF was unheard of in the industry, the bank grew in size by perfecting the delivery in its core business. Today, BMO's money-management expertise has been magnified. The bank holds the distinction of being the second-largest ETF provider and the second-largest asset manager as well.

In the last four years, the bank's top line and bottom line are consistently rising. The bank currently pays a 3.7% dividend. With the solid earnings growth expected to continue, the yield could further increase. This is the incentive for passive-income seekers and retirement planners.

CM is a little more than half the size of BMO. However, it's one of the time-honoured dividend stocks of income investors. CM's five-year average dividend yield is 4.54% with a current yield of 5.1%. Net income is also trending upward in the last three years; that dividend growth is almost certain.

By the time this article is published, CM will have reported its 2019 second-quarter results. Regardless of the outcome, analysts see the stock climbing past its 52-week high of $125.21 to $135. Should the quarterly earnings miss estimates and cause the price to drop, all the more reason you should buy the stock on a dip.

A solid long-term hold

If a company has 47 years of dividend growth, the stock is obviously for keeps. That is the primary reason Canadian Utilities is a top choice in the utility sector. The current yield is 4.6% with a 10-year average dividend-growth rate of 9%. A payout ratio of 72.52% is acceptable, too.

Aside from being a fantastic dividend payer, Canadian Utilities has sound fundamentals. The $641 million net income in 2018 is almost double the income from three years ago. Year on year, Canadian Utilities's net income rose 23.3%. The dividend's track record and income-generating potential will deliver market-beating returns.

Fail-safe selections

All three stocks are established high dividend payers with proven track records. You don't need to do an exhaustive evaluation to decide. Also, there's no reason why you can't own them for eternity. The companies are stable and can withstand any adverse market environment.

CATEGORY

1. Bank Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:CM (Canadian Imperial Bank of Commerce)
3. TSX:BMO (Bank Of Montreal)
4. TSX:CM (Canadian Imperial Bank of Commerce)
5. TSX:CU (Canadian Utilities Limited)

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