



Cheap Investors: Turn \$5000 Into \$500,000 in 20 Years

Description

Let's face it: whether you would admit it publicly or not, we all like to be cheap. Whether it's out of necessity or just the thrill of paying a little to get a lot, being cheap can certainly have its rewards.

But those rewards don't always come easily. That is, unless you're looking in the right place. Now I'm not suggesting that you go out and purchase a bunch of high-risk, high-reward stocks right now. Rather, what I'm suggesting is creating a long-term, buy-and-hold portfolio consisting of strong, conservative stocks.

For my scenario, you won't need much to get there. I'm going to assume you can scratch together a minimum of \$5,000 to put aside for this portfolio and turn that into \$100,000. It's not a magic trick, just solid investing.

Bank of Nova Scotia

Luckily for you, now is the time to invest. The market has gone up, then down, then up, then down again to where it is now. For instance, take a look at the **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)).

While this bank has a steady performance in share price, increasing by almost 150% in the last decade, in the last little while, it's been pretty cheap.

That's mainly because of the overall market worry of a mortgage crisis. Analysts are stirring the pot and pushing bank stocks down, and Scotiabank isn't immune. That means that buying up this stock now provides you with a perfect opportunity to see incredible gains.

In the meantime, Scotiabank is expanding on a global scale, and through wealth management acquisitions.

Enbridge

Another company experiencing a short-term downturn is **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)). There are two factors here. First, the oil and gas industry overall is putting a strain on this oil and gas pipeline company. Second, the company's [Line 3 expansion](#) has been delayed yet again by the courts, sending the share price down further.

Again, it's the perfect time to buy. The long-term outlook for Enbridge is phenomenal. With a number of growth projects in the works set to come online by 2021, it will completely change the company's bottom line. Yet Enbridge already has a number of long-term contracts that will see the company bring in free cash flow for decades.

Stars Group

Finally, we have **The Stars Group Inc.** ([TSX:TSGI](#))([NASDAQ:TSG](#)). This company hit a peak last month when shares went up to \$27, but have since dropped down to the \$22 range. Analysts are betting this stock is [set to climb](#) right back up there in the next 12 months, to \$29 or even \$31 per share.

Stars has been acquiring companies like crazy, and doesn't plan on stopping. In fact, it has now started focusing on acquiring rival gaming sites, making a clear path to put the competition completely in its rearview.

There's also the potential for U.S. expansion, as once the U.S. legalizes online gaming the share price could sky rocket. The company already has a foothold through a **Fox** sports partnership to run Fox Bet.

Foolish takeaway

Now the moment you've been waiting for. By looking at historical performance, an investment of \$1667 in Scotiabank, \$1,700 in Enbridge, and \$1,633 in Stars Group would bring you to \$503,515 in just 20 years.

CATEGORY

1. Bank Stocks
2. Investing

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:BNS (Bank Of Nova Scotia)
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