



## 3 Stocks to Buy and Hold for the Next Decade

### Description

How would you like to put your portfolio on autopilot for the next decade? Finding a portfolio mix of growth- and income-producing stocks is a time-consuming task that many investors would love to pass on in lieu of other things.

Fortunately, there is hope. The following three stocks represent intriguing options for nearly any portfolio, offering something for both growth and income seekers alike.

### Why not help save the planet while you get rich?

The ongoing discussion on climate change and, more specifically, the need to transition our power-generating needs over to renewable energy sources is becoming more important by the day.

That's why having at least one renewable energy investment such as **TransAlta Renewables** ([TSX:RNW](#)) is so important to your portfolio.

TransAlta is just [one of several emerging renewable companies](#) that makes a compelling investment case for investors. TransAlta's portfolio consists of 34 renewable energy facilities across the U.S. and Canada, as well as natural gas facilities in Australia. Collectively, those facilities provide 2,407 MW of generating capacity.

The company continues to seek out new opportunities to bolster its portfolio, such as two ongoing wind projects in the northeastern U.S., which should collectively provide an additional 119 MW of capacity once operational later this year.

Adding to that appeal is the regulated nature of utility contracts, which can span decades. The two new projects noted above already have PPAs in place to provide over a decade of recurring revenue.

In the most recent quarter, revenue topped \$127 million, while EBITDA was \$116 million, reflecting year-over-year gains of \$2 million and \$6 million, respectively.

In terms of a dividend, TransAlta offers a monthly distribution with an incredible 6.62 yield, handily making it one of the best returns on the market.

TransAlta trades just above \$14 with a P/E of 15.03.

## This other bank is a steal!

Canada's big banks are constantly mentioned for their ability to generate a handsome income stream while also offering a relatively stable path towards growth.

Looking outside the Big Five, **National Bank of Canada** ([TSX:NA](#)) is emerging as a lesser-known favourite among investors.

The Montreal-based lender may have a smaller footprint than its peers, but it has established an impressive international portfolio that includes an ownership stake in banks in Cambodia, Mauritius, and Mongolia.

That international business was instrumental in the bank posting a healthy 14% year-over-year improvement in the most recent quarter, which also outperformed the 9% gain posted by the domestic arm of the bank.

In terms of a dividend, National's quarterly dividend earns an attractive 4.35%, which sets it ahead of many of its larger peers. National's payout level remains at a healthy 42% over the trailing 12-month period, and the bank has provided bi-annual hikes to that dividend for nearly a decade.

National is competitively priced at below \$64 with a P/E of just 10.53.

## Invest. In. Everything

That's the best way to describe **Exchange Income** ([TSX:EIF](#)). Exchange owns over a dozen subsidiary companies that operate in different segments of the economy, grouped broadly into aviation and manufacturing. That may not sound all that exciting, but this stock is [full of potential](#).

The subsidiary companies all have several key elements in common which combine to make Exchange an intriguing and extremely diversified investment.

First, the companies cater to a unique market where competition is low, yet demand is steady, if not growing. Then there's the fact that those companies continue to generate cash for Exchange, leading to a string of strong results witnessed in the past few quarters, including a bump in both revenue (12%) and EBITDA (18%) in the most quarter to \$297 million and \$64 million, respectively.

Throw in a monthly dividend that earns an appetizing 5.78% yield and you have a compelling long-term investment opportunity.

Exchange Income currently trades at just over \$38 with a P/E of 17.76.

## Final thoughts

Diversification is something that can't be understated enough. The same could be said about adding stocks that can provide income and growth prospects for years to come.

Fortunately, the three stocks mentioned above are great picks in that regard. They may not be the most exciting picks on the market, but they will provide years handsome dividends and solid growth to nearly any portfolio.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:EIF (Exchange Income Corporation)
2. TSX:NA (National Bank of Canada)
3. TSX:RNW (TransAlta Renewables)

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