



TFSA Investors: 2 Dividend Stocks to Buy and Hold Forever

Description

Banks and energy stocks have been some of the best choices for investors looking to buy and hold for decades. The stocks usually offer strong historical performance for long-term investors, with a solid amount of capital gains, dividends, and even dividend growth.

While there are lot of options out there, it really comes down to only a few choices within both industries for investors looking for bank and energy stocks that offer up this list of ingredients. That means looking at the top performers in each area and those that offer the best opportunity for investors looking forward.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) has exactly what investors want to see when looking at its maximum historical performance. The stock has grown 736% in the last 25 years, starting out at about \$6.19 and growing to where it is today at \$51.78. Even better, there are hardly any dips on the radar, even during the last financial crisis.

That's because the electricity and gas utility operator provides a necessity. Whether the markets go up or down, people still need to keep the lights on, and Fortis's diversified asset base means when one area goes down, the others pick up the slack. It also provides these services across North America and the Caribbean, providing the company with even more diverse growth. The company has also started to grow further, with two [recent acquisitions](#).

Although this means the stock is strong, it also means investors shouldn't see a sudden jump anytime soon. Analysts expect the stock to appreciate by only about 2% in the next 12 months. But over time, that increase adds up. Just look at a \$20,000 back in 1995, which would be worth \$167,302 today.

On top of that, there is the company's dividend, which has increased by 41% in the last five years. The company expects to continue growing the 3.47% dividend yield by about 6% annually through 2023.

TD

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) is another [great option](#) for investors looking at strong historical performance coupled with promising future growth. TD has grown 1,371% in the last 25 years, starting at about \$5.22 and growing to where it is at writing at \$76.77 per share. While the stock dipped during the last recession, it rebounded to where it was before the crisis within nine months.

That's due to the bank's ability to set itself up for impending disaster, which it has proven even recently by putting out strong results and showing investors it has money set aside should a crisis occur. A lot of that recent growth has come from the bank's expansion into the United States, where TD has become one of the top 10 banks in America.

Moving forward, TD and analysts both expect even more growth, as the bank moves into the highly lucrative area of wealth and commercial management. With these two areas combined, TD should continue to produce incredibly strong gains in revenue. Analysts expect the stock to increase steadily, with a slight jump moving forward to bring it back to fair value. Over time, it all adds up, with a \$20,000 investment being worth \$294,137 today.

Then, of course, there's the bank's dividend, which has increased by 61% in the last five years. That dividend should continue to grow steadily, right along with the share price.

Foolish takeaway

Both of these stocks provide investors with ample opportunity to make strong and steady gains over the next 25 years, with dividend income coming in that can be used as cash or reinvested. If you were to take 25 years ago as an example and put \$20,000 into each stock, you could have \$147,066 and \$274,833 25 years from now from both Fortis and TD, respectively. That's not even including dividends reinvested.

CATEGORY

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2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:FTS (Fortis Inc.)
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