TFSA Investors: 2 Stocks to Buy and Hold Forever

Description

It can be difficult to choose stocks that we can put in our TFSAs and hold for the long term. Over the past 100 years, companies have risen and companies have fallen.

There are basically no original **Dow Jones** components left in the index which were there when the index began back in 1896. It can be just as tricky to pick companies whose products will be around in 10 or 20 years' time.

Nevertheless, investors can make reasonable assumptions that certain companies will be growing for years to come. Much of this depends upon their product or business model and how it will be in demand even as time marches on.

We need food

One company that is making products that will almost certainly be in high demand in the future is **Nutrien Ltd.** (TSX:NTR)(NYSE:NTR). This company helps farmers produce food, and it seems highly likely that as the population of the earth grows we are going to need a lot more of this.

Nutrien has both a commodity business and retail locations, so the volatility of the commodity space should be mitigated by the relatively more stable retail business.

Its dividend is excellent, with the current yield of about 3.65% being supported by solid free cash flow generation. In the first half of 2019 alone, Nutrien produced US$1.7 billion in free cash flow, up 47% year over year that it used to buy back shares and increase the dividend by 5%.

Given that this was on the back of a terrible spring planting season in North America, this is a very good indicator of the company's profitability and the promise of future dividend growth.

A growth leader

Although it is a little hard to see with the stock retreating 3% yesterday, **CAE Inc.** (TSX:CAE)(NYSE:CAE) has been a growth leader for the past several years.

As a global leader in aviation training, CAE's edge lies in the fact that it can continue to train pilots no matter the change in the aerospace industry.

As time goes on, the company will be able to adapt its training centres to new challenges and situations, whether this includes standard airplanes or even training space pilots for trips to Mars — who knows?

While its dividend is not massive at only 1.21%, its size is dwarfed by the capital gains that it has experienced. Its revenue continues to grow steadily, with a 14% increase year-over-year as compared to the second quarter of 2019.

Much of this revenue is reoccurring, allowing the company to predictably plan for capital expenditures and dividend growth. In the second quarter, the company announced that it would be increasing its dividend by 8.6% earlier this week.

Build your TFSA with growth companies

To mind, one great way to grow your TFSA is through a combination of dividend growth and capital appreciation. When you don't have to shift your portfolio much, investing becomes much easier and you tend to have better results.

Buying companies with products or services that will be around for years will let you sleep easy as your stocks continue to build your savings tax-free over time.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CAE (CAE Inc.)
2. NYSE:NTR (Nutrien)
3. TSX:CAE (CAE Inc.)
4. TSX:NTR (Nutrien)

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Date
2025/08/23
Date Created
2019/08/17
Author
krisknutson