3 Stocks to Own for 30 Years

Description

The current volatility in the global financial markets has investors searching for reliable stocks that should be solid long-term performers.

Let's take a look at three top stocks that deserve to be on your radar today.

Bank of Nova Scotia

Bank of Nova Scotia (TSX:BNS)(NYSE:BNS) is Canada's third-largest bank.

Investors often skip the stock in favour of the two larger Canadian peers, but the long-term prospects might warrant a change of view.

Bank of Nova Scotia is making a big bet on growth in emerging markets, with a particular focus on Mexico, Peru, Colombia, and Chile. The four countries are home to more than 230 million people and are all members of the Pacific Alliance trade bloc. Capital, goods, and labour move freely among the markets, and Bank of Nova Scotia's presence in the countries positions it well to benefit from economic growth.

The international division already accounts for nearly a third of total profits, and that should expand in the coming decades.

Bank of Nova Scotia trades at less than 10 times earnings compared to the 12 times earnings investors pay for the other members of Canada's top three banks. A modest discount is expected due to the added risk that comes with the Latin American division, but the gap might be overdone right now.

The dividend is secure and provides a 5% yield.

CN

Canadian National Railway (TSX:CNR) (NYSE:CNI) is a leader in the North American rail industry, transporting more than $250 billion worth of goods every year. The company plays an essential role in the operations of the Canadian and U.S. economies, and that is expected to continue for decades.

CN reported record results for Q2 2019 and says it is on track to deliver diluted earnings-per-share gains of at least 10% compared to 2018.

The company is investing nearly $4 billion this year on capital projects, including new locomotives, rail cars, infrastructure upgrades, and technology initiatives. CN is also using its cash flow to buy back shares and pay investors a dividend.

CN is one of the top dividend-growth stocks in the TSX Index with a compound annual dividend-growth rate of better than 16% over the past 20 years.

The stock isn't as cheap as it was late last year, but it has pulled back from the 2019 highs. Any dip in CN has historically proven to be a solid opportunity for buy-and-hold investors.

Brookfield Asset Management

Brookfield Asset Management (TSX:BAM.A)(NYSE:BAM) actually trades near its all-time high right now, but the stock deserves to be on your radar in the current environment.

Brookfield is an alternative asset management company. It invests in real estate, infrastructure, and renewable energy opportunities around the world, providing shareholders with a vehicle to get global exposure that would otherwise be impossible.

The global trend of negative bond yields and falling interest rates bodes well for this business in the coming years.

In addition, Brookfield does a good job of taking advantage of moments when it can unload an asset for a good profit and deploy the proceeds in new opportunities that should deliver better returns.

The bottom line

Bank of Nova Scotia, CN, and Brookfield Asset Management should be solid picks for a buy-and-hold portfolio. An equal investment in the three stocks would give investors good diversification across sectors as well as exposure to long-term international opportunities.

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2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:CNI (Canadian National Railway Company)

4. TSX:BN (Brookfield)
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