



3 Stocks Every Portfolio Needs to Make You Rich

Description

How diversified is your portfolio? We often speak about the importance of diversifying, which, given the recent volatility of the market, can be a really good thing. Unfortunately, diversifying often leads us down the path of selecting very similar companies, which defeats the purpose of diversification.

Often, some of the best investments to augment your portfolio are hiding in plain sight, and here are three such investments worthy of consideration for your portfolio.

Let it all flow ... into your portfolio

Energy infrastructure stocks remain a favourite among many investors seeking to diversify their portfolios. **Inter Pipeline** (TSX:IPL) is an interesting pick with two very attractive opportunities that will continue to push this stock higher.

The first opportunity to note is the company's expansive 7,800-kilometre pipeline network. That pipeline transports 1.7 million barrels per day, generating revenue akin to a toll-booth model where revenue is based on volume, not commodity prices.

The second is the rapidly emerging Heartland Petrochemical Complex. Inter Pipeline is constructing the \$3.5 billion complex to turn locally sourced propane into an in-demand plastic used in manufacturing processes. The complex will be a first for Canada when it is completed in 2021, and the company is forecasting an additional \$400-\$500 million jump in EBITDA to come from the complex.

As an income-producing investment, Inter Pipeline's monthly distribution earns an insane yield of 7.12%, which, contrary to belief, remains covered by cash flows and improving results. By way of example, in the most recent quarter, Inter Pipeline reported earnings of \$260 million, which was nearly double the amount posted (\$136 million) in the same period last year.

Inter Pipeline currently trades at just over \$24 with a P/E of 14.37.

This bank has it all

Canada's [big banks](#) make great additions to nearly any portfolio. **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) is one of those big banks that has developed a reputation as the perfect investment for both income- and growth-seeking investors.

In the most recent quarterly update announced this month, CIBC reported net income of \$1,398 million, or \$3.06 per diluted share, reflecting a 2% year-over-year improvement and 4% increase over the prior quarter.

A big portion of CIBC's results stems from its U.S. Commercial Banking arm, which saw earnings come in at \$172 million in the most recent quarter, reflecting a solid 6% gain over the same period last year. That's not to say that CIBC's Canadian business isn't moving forward, as in the most recent quarter the segment saw net income come in at \$657 million, which was a 3% improvement over the same period last year.

As an income investment, CIBC's quarterly dividend provides an appetizing 5.63% yield, making it one of the best-paying yields among the big banks.

CIBC trades at just over \$102 with a P/E of 9.02.

Don't discount the power of growth

Rogers Communications ([TSX:RCI.B](#))([NYSE:RCI](#)) is another interesting investment option to consider. Despite being one of the biggest telecoms on the market, Rogers is often dismissed as an investment option owing to its significantly lower dividend yield when [compared to its peers](#).

Rogers currently pays out a yield of 3.08%, which, while respectable, pales in comparison to some of its peers, which offer yields that can push north of 5%.

So, what makes Rogers a compelling investment option for your portfolio? Rogers halted dividend hikes several years ago to focus on revamping itself and lowering its debt. Those efforts have so far proven successful as Rogers posted some of the best growth numbers in a decade from its wireless segment, while a steadily decreasing debt load means more cash is available to responsibly raise dividends (which Rogers did earlier this year for the first time in several years) and invest in other growth areas.

That growth-first approach makes Rogers a solid option for any long-term portfolio.

Final thoughts

No single investment can provide the growth and earnings power to let you retire early and rich. It takes time and a variety of diversified investments to make it to those golden years with a sizable nest egg, and the three investments above should help reach that goal.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. NYSE:RCI (Rogers Communications Inc.)
3. TSX:CM (Canadian Imperial Bank of Commerce)
4. TSX:RCI.B (Rogers Communications Inc.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/07/01

Date Created

2019/08/31

Author

dafxentiou

default watermark

default watermark