



## 2 Fantastic Dividend Stocks I Plan To Hold Forever

### Description

One of the biggest things I like about a buy and hold investing strategy is the simplicity of the whole exercise. All you do is make one decision and then live with the consequences, good or bad.

Although some investors find choosing the best 15 or 20 stocks to hold forever incredibly difficult, many don't. The choices jump out immediately at them.

Where these folks struggle is with the concept of leaving their portfolio alone for years at a time. They just can't resist the urge to tinker, which inevitably leads to selling at exactly the wrong time.

I know I struggle with this as a buy and hold investor. I want to do something when positions in my portfolio aren't performing up to expectations. But I resist the urge, and I'm usually better off by not making that decision.

Let's take a look at two stocks I personally own and plan to keep as long as I'm still investing. In fact, once I accumulate a little more cash, I'll likely buy more of both these stocks.

### A&W

**A&W Revenue Royalties Income Fund** ([TSX:AW.UN](https://www.scribd.com/document/444444444/TSX-AW-UN)), the parent company behind the trademarks of Canada's second-largest fast food chain, has done an excellent job of growing investor capital since its 2002 IPO.

The company has ensured steady growth by adhering to a few timeless philosophies. It uses innovative thinking to put restaurants in new locations ranging from remote communities to the busy downtown cores of major Canadian cities.

It focuses on using only the best ingredients and making a delicious product. It promotes new offerings with slick marketing, and isn't afraid to do something none of its competitors have tried before.

This has translated into some nice long-term success and even better short-term success. In its most

recent quarter, A&W reported a same-store sales increase of 10.3%. You won't find many fast food chains in North America able to match that.

Total royalty income, which included the impact of new restaurants, rose by more than 15% in the quarter.

Despite these fantastic results, however, A&W shares have been weak lately, falling some 20% since hitting a new 52-week high in May. This should prove to be an excellent [long-term buying opportunity](#). Shares are trading at a mere 15 times earnings, a great valuation for a stock that has done so well.

Investors are also treated to a 4.9% dividend to wait, a distribution that has been hiked each of the last six quarters.

## Enbridge

Another great stock I'd be buying today is **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)), the energy services giant with both natural gas and crude oil pipelines crisscrossing North America.

Enbridge also owns the continent's largest natural gas utility and an impressive array of renewable energy power generation assets.

There are a few compelling reasons to purchase Enbridge shares today. The first is valuation; not only are shares near a five-year low, but the company is trading at approximately 10 times distributable cash flow, a proxy that approximates its true earning power.

Shares are beaten up because of certain regulatory issues, but those should be cleared up over time.

The company also has loads of [growth potential](#). One short-term win should be when it replaces its aging Line 3 infrastructure, which will increase the pipeline's capacity.

In fact, management is so confident in the growth plan the company has already pledged it will deliver 10% dividend increases through 2021.

Finally, investors are getting an excellent dividend as a reward for waiting for shares to appreciate. The current yield is 6.3%.

## The bottom line

I envision a time where I still own A&W and Enbridge 20 years from now. After all, we're still going to eat and heat our homes in the future.

The key will be remaining patient and not punting these two studs from my portfolio when short-term issues weigh down each stock. If I can manage that, I think future me is going to be very happy with these two names and the long-term returns both will provide.

### CATEGORY

1. Dividend Stocks

2. Energy Stocks
3. Investing

## **TICKERS GLOBAL**

1. NYSE:ENB (Enbridge Inc.)
2. TSX:AW.UN (A&W Revenue Royalties Income Fund)
3. TSX:ENB (Enbridge Inc.)

## **PARTNER-FEEDS**

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

## **Category**

1. Dividend Stocks
2. Energy Stocks
3. Investing

## **Date**

2025/07/03

## **Date Created**

2019/09/22

## **Author**

nelsonpsmith

default watermark

default watermark