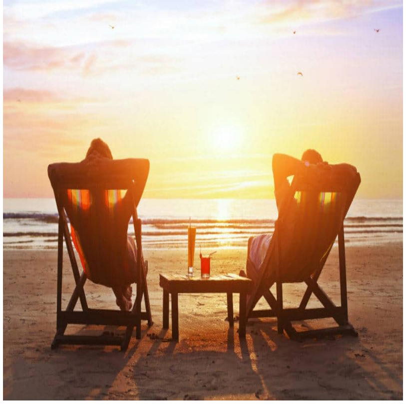

2 Great Canadian Buy-and-Hold Stocks for Lazy Investors

Description

Canadian investors looking for low-maintenance stocks to add to an income-based portfolio have some solid choices. With good value for money to be had in very stable sectors such as utilities, banking, infrastructure, and real estate, the **TSX** is a major source of returns for both casual and professional investors.

Two of the very best stocks from this pool of defensive resources are detailed below and would make strong additions to an existing portfolio or as a sturdy starting point for a new one.

Is this the strongest stock on the TSX?

Fortis (TSX:FTS)(NYSE:FTS) is often touted as a top suggestion for defensive passive income. It's a true income aristocrat and among the first places a new investor should look to for dividend growth.

Its mix of growth and classic defensive qualities also make it a solid first port of call for a TFSA or RRSP, with a track record that spans four-and-a-half decades of payment hikes.

Although Fortis is trading just below its 52-week high, it's still good value for money based on its fundamentals. Selling at 1.5 times book value, Fortis undercuts the Canadian electric utilities average P/B ratio of 2.2. In short, for a mix of value, market share, passive income, and defensiveness, Fortis is one strong dividend stock.

Canada's top-third banker is a number one stock

Bank of Nova Scotia (TSX:BNS)(NYSE:BNS) commands third place in the Big Five, giving it a huge market share. As a wide-moat stock, it does vie with other Canadian banks; however, with a possible change in the interest rates, plus the potential for big movements in the Canadian housing market, domestic banking could be due for a reshuffle.

However, with its strong standing in the Pacific Alliance, a group of Latin American countries that includes Chile, Colombia, Mexico, and Peru and so named for their shared borders with the Pacific Ocean, Scotiabank is a highly attractive investment for growth and stability in the financial sector. Scotiabank also draws key income from its U.S. presence, further adding to its foreign diversification.

While stacking shares in Scotiabank potentially leaves investors exposed to some of the risks of the housing market, the bank's revenue from Latin American markets should even out a portion of that risk by adding geographical spread and a source of growth.

Scotiabank's community-driven focus on domestic markets remains a mainstay of its Canadian growth, meanwhile, and forms the basis of its revenue.

A 3.47% dividend yield in a solidly defensive sector makes Fortis an indisputable leader in the utilities segment of the TSX. Its 45-year track record of payment hikes adds peace of mind and secures the major utilities player as a buy-and-hold dividend stud.

Scotiabank's 4.76% yield and solid footing in the Canadian banking space makes it another great low-maintenance pick.

The bottom line

Fortis and Scotiabank are solid picks for new investors. Whether padding out a TFSA with defensive buy-and-forget assets, strengthening a long-term stock portfolio, or beginning a retirement savings plan, both stocks represent market leaders and offer a strong play for defensive passive income.

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