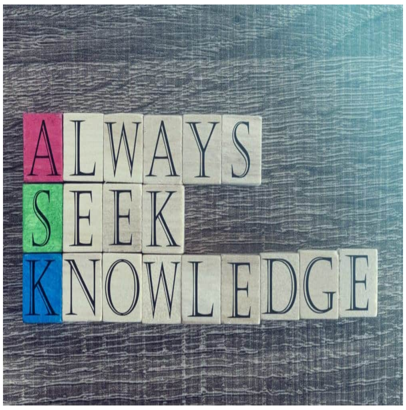

3 Boring, Defensive Long-Term Winners

Description

Long-term investors like me prefer boring companies that simply perform. Any time a company jumps double digits on a daily basis on some insignificant piece of news, it's typically an indication to investors like myself that such a company is far too levered to a hyped-up growth rate or out-of-this-world expectations, and should be ignored.

In this article, I'm going to discuss three companies that are nice and boring for investors looking for less excitement in their portfolios.

Let's start with the railroads:

CN Rail

One of the reasons I like **Canadian National Railway Company** (TSX:CNR)(NYSE:CNI) compared to its competitors, and most other dividend companies out there is the fact that CN has been able to raise its dividend yield faster than most companies out there.

In fact, its light-speed dividend growth of nearly 15% per year (for the past decade) puts this company in the upper echelon of dividend growers for long-term investors.

Playing economic growth is another reason to play either CN or CP Rail — another top pick of mine for defensive Canadian investors with a long-term lens.

CP Rail

Canadian Pacific Railway Limited (TSX:CP)(NYSE:CP), another Canadian railroad, is really a play on domestic growth in both Canada and the USA.

I expect shares of CP rail to continue to rally as details of a U.S.-China trade deal are hammered out and agricultural product shipments that have slowed somewhat due to this trade dispute begin to move in typical volumes again.

Both CP and CN are excellent plays for investors considering a way to play the "rail by crude" phenomenon that will see crude shipments by rail increase substantially in the medium term following the announcement by Premier Notley that rail cars will be purchased for this purpose to clear the backlog heavy oil producers have created due to limited pipeline capacity — which brings me to my next pick.

Enbridge

The Line 3 expansion at **Enbridge Inc.** (TSX:ENB)(NYSE:ENB) is certainly one of the catalysts being relied upon to relieve much of the pressure Western Canadian oil producers have felt via the all-time high discounts received for heavy WCS compared to WTI or Brent in recent months.

The reality is that our society requires oil and the byproducts of oil & gas (plastics, heat, electricity), and even if every car on the road were to switch to an electric vehicle, oil and gas power plants would still provide most of the power we use for our day to day functions.

Enbridge helps get raw materials that create the products we use to the places it needs to go to make use of the raw materials that belong to all Canadians.

Bottom line

Any or all of the aforementioned defensive long-term plays should bode well for investors with patience and the ability to wait to see economic growth develop.

Betting on companies that are tightly tied to domestic growth provides for both excellent long-term returns, as well as a feeling of positivism, knowing the investments made were in companies which support Canadian infrastructure over the long-haul.

Stay Foolish, my friends.

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3. NYSE:ENB (Enbridge Inc.)
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