



Top 3 TFSA-Growth Stocks to Own for the Next 15 Years

Description

In an age of tech-driven disruption, buying stocks with the intention of holding onto them forever is no longer practical.

In aggregate, the high barriers to entry in the wide-moat companies of yesteryear are at risk of being lowered thanks to the rise of hungry tech-leveraging disruptors that aren't going to stop at anything if there's an [opportunity to realize economic profits](#) regardless of the industry.

Even traditional low-tech industries are at risk, leaving highly-regulated businesses as the only real "wide" moat companies out there today.

This piece will look at three Canadian companies that will continue to enjoy high barriers to entry thanks to their highly regulated nature, making it difficult, if not impossible, for up-and-coming disruptors to erode their wide moats.

Canadian National Railway

CN Rail ([TSX:CNR](#))([NYSE:CNI](#)) is a Dividend Aristocrat that Bill Gates loves. The company is the backbone of the Canadian economy, and if it's ever down for just a week (the recent [Teamsters strike](#) lasted just over a week), the entire country will feel the impact.

While the business of railroading has been around for many decades, few non-rail transportation firms have been able to steal CN Rail's slice of the pie.

With a rail network spanning all three North American coasts, it would not only take billions of dollars for a new company to build a comparable railway, but it'd take years, if not decades, to pass high regulatory hurdles even if regulators allowed for such a project to proceed — and it's highly unlikely!

As a result, CN Rail has one of the widest moats out there and is likely to retain its wide moat over the next 15 years, even as transportation tech advances.

One could argue that advances in IoT and autonomous driving would help CN Rail automate a big chunk of its workforce, leaving it less vulnerable to strikes in the distant future.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is a regulated gas and electric utility that's not going to see its market share taken by an up-and-coming innovator anytime soon.

The company provides vital services to the community it serves. And until individual households can become self-sustaining, Fortis will continue to enjoy mid-single-digit annualized dividend growth for many years to come.

Fortis has grown its portfolio regulated operations and has safe and "growthy" U.S. assets that could allow for 6-7% in bottom-line growth moving forward.

Given the high degree of regulation when it comes to utilities, I'd say that the mid-single-digit growth is pretty much guaranteed regardless of which direction the economy heads next.

With a 3.6% dividend yield and a modest 14.7 times trailing earnings multiple, Fortis is a name that you can buy today and forget about over the next 15 years.

Hydro One

Hydro One ([TSX:H](#)) arguably has the widest moat of any **TSX**-traded stock. The company essentially has a monopoly over Ontario's transmission network and with few (if any) alternatives for the customers it serves, Hydro One calls the shots.

Unfortunately, Hydro One's monopolistic position has made it subject to regulations that disallow the company from hiking its rates by unreasonable amounts.

The degree of regulation with the company is so high that it's become somewhat of a burden for growth-oriented income investors.

The Canadian regulatory scene makes long-term returns less attractive than in the U.S. market, where higher growth can be unlocked for regulated utilities like Hydro One.

Unfortunately, Hydro One's attempt to break into the U.S. market with Avista was halted, and with no meaningful growth catalyst to look forward to, the name has only made sense to own for extremely conservative investors who seek to play defence.

We're overdue for a recession, however. If it doesn't happen over the next two years, as some so-called pundits predict, it's very likely that a recession or two will occur over the next 15 years.

When it does happen, you'll be glad you owned Hydro One (and its 3.7% dividend yield), a wide-moat behemoth that's the epitome of stability.

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3. TSX:CNR (Canadian National Railway Company)
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Author

joefrenette

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