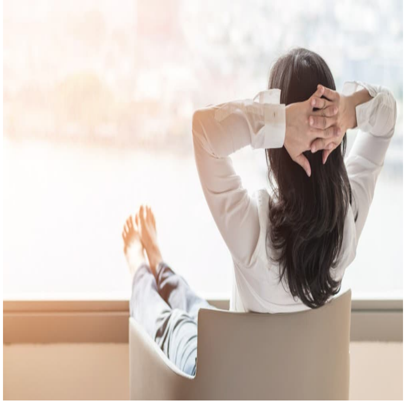

3 Defensive Stocks to Hold for Decades

Description

Despite the fact that markets continue to putter along, there's a growing sentiment among pundits that some form of a market slowdown is likely to transpire over the next year. While nobody can predict when the markets will begin to retreat, investors can add one or more defensive stocks to help minimize any potential losses.

Here are three intriguing picks to consider adding to your portfolio in 2020.

Defensive = utility stock = Fortis

For many investors, the phrase defensive-investment has become synonymous with utility stocks, and **Fortis** (TSX:FTS)(NYSE:FTS) remains a top-pick for investors.

Fortis is one of the largest utilities on the continent, with $53 billion in assets and a massive coverage area spanning across Canada, the U.S. and the Caribbean.

Utilities make great defensive picks because they offer a necessary service that is backed up by long-term regulated contracts that often span out over decades.

Those contracts, known as Power Purchase Agreements (PPAs) stipulate the amount of the utility to be provided and the amount that the utility will be compensated for providing that service.

In other words, Fortis receives a steady flow of revenue that helps fund growth initiatives as well as provide a handsome dividend to investors.

That dividend currently amounts to a 3.29% yield, and Fortis has provided annual upticks to that dividend for 46 consecutive years.

How about some passive toll-booth like income?

Another great example of a solid defensive investment is **Inter Pipeline** (TSX:IPL). Inter Pipeline is an energy infrastructure company that operates across four broad segments that include oil sands transportation, conventional pipelines, NGL processing, and liquid bulk storage.

The pipeline business is often compared to a toll-booth in that Inter Pipeline receives a steady stream of revenue for use of the pipeline, which is independent of the volatility in oil prices.

Adding to that appeal is the fact that Inter Pipeline is in the process of building the $3.5 billion Heartland Petrochemical complex. Once the complex is completed next year, it will process locally sourced propane and convert it into a type of plastic used in a variety of manufacturing processes. In terms of potential, Inter Pipeline is forecasting that the complex could generate up to $450 million in annual EBITDA.

Turning to dividends, Inter Pipeline offers an appetizing monthly payout that currently provides a yield of 7.73%.

You can bank on growth here

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is the third stock to consider. In addition to being the second-largest bank in Canada, TD has aggressively expanded into the U.S. market over the past decade, leading to the bank's 1,200+ branch network in the U.S. that stretches from Maine to Florida.

By expanding into the U.S. market, TD is not only appeasing critics that once saw the bank as not being diversified enough, but is also benefiting from the immense potential to be realized from operating in the U.S. market.

In the most recent quarter, TD's U.S. retail segment posted an impressive 7% gain over the same period last year, coming in at $1,191 million.

TD has offered a dividend to investors for well over 150 years. The current quarterly distribution amounts to an impressive 4.01% yield, making it one of the better options for long-term investors.

Final thoughts

The three investments noted above all offer strong growth and income-producing capabilities that will work well with nearly any portfolio. Buy them, hold them and watch your portfolio grow.

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