



Buy and Hold This Dividend Stock for the Next 100 Years

Description

It's not often that you get a chance to buy and hold a stock for a century (let's be optimistic about our longevity). Several key factors have to line up. The company needs to be on solid financial footing, but it must also be targeting a growth opportunity that will persist for decades to come.

Even more rare is a company that can grow for a century *and* pay a [healthy dividend](#) the entire time. But rare doesn't mean non-existent. There's one Canadian stock that looks like the perfect buy-and-hold investment, for the next 100 years and beyond.

Shoot some fish

Warren Buffett says that he likes investments that are like shooting fish in a barrel. The *best* investments are like shooting fish in a barrel with all of the water drained out.

When it comes to easy bets, population growth ranks near the top of the list. Global populations have been on the rise for centuries. The United Nations believes this trend will persist until at least 2100. But how do you bet on rising global populations?

Brookfield Infrastructure Partners L.P. ([TSX:BIP.UN](#))([NYSE:BIP](#)) was created to capitalize on this very phenomenon. As global populations increase, demand mounts for certain types of infrastructure, including highways, bridges, ports, power plants, and more. Brookfield owns interests in a globally diversified portfolio of infrastructure projects, many of which are strategically placed in the fastest growing regions on the planet.

Better yet, Brookfield acts as an *active* buyer in the space, meaning it has the ability to both buy and sell assets. This is a big advantage as the company can monetize projects at market highs, and pick up bargains during a downturn.

For example, in 2019, Brookfield sold four mature assets in the transport, energy, and utility sectors. Proceeds were around \$1 billion. That's 2.5 times what the company paid for the projects, representing a 17% annual return on investment. Now that the project-specific returns have leveled off,

management is recycling the capital back to higher-growth opportunities.

Through 2100 and beyond, demand for Brookfield's assets will continue to mount. That's a good sign for long-term growth. Because these assets also generate free cash flow; the stock pays a healthy dividend of 2.6%. As its portfolio compounds in value, expect this payout to rise commensurately.

How to profit

These no-brainer investments are rare to come by, but when they present themselves, Buffett suggests that you go all in. Popular wisdom suggests that you shouldn't put all your eggs in one basket, but Buffet thinks otherwise. "Keep all your eggs in one basket," he says, "but watch that basket closely."

That doesn't mean that you should ditch diversification. Instead, it means that when you have a high-conviction idea that can compound your capital for decades at a time, don't be hesitant to put money to work.

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