



## Here's a 3-Stock Portfolio for Any Investor

### Description

Seasoned investors often state the key aspects of a successful portfolio. Among those key points are to invest early, invest often, and diversify your portfolio across a broad segment of the market. Unfortunately, that statement does little to help investors that are new to the market.

Thankfully, the market provides plenty of opportunities to accomplish those investing goals. Here's a three-stock portfolio that does precisely that, while providing growth and income-earning potential.

### Put your portfolio in the green

Canada's big banks are some of the best investments on the market. Of all the big banks, **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) makes a great candidate for nearly any portfolio. What makes TD a great addition for your three-stock portfolio? There are three key points to consider.

First, let's take a moment to mention TD's approach to growth. As the second-largest of Canada's big banks, TD has captured a sizable share of the domestic market in Canada. More importantly, that led TD to pursue expansion opportunities outside Canada, such as in the U.S.

In the years following the Great Recession, TD acquired several regional banks along the U.S. east coast. Those assets were then stitched together to form a branch network that now stretches from Maine to Florida. That U.S. network, which is larger than its Canadian one, provides a growing portion of TD's revenue.

Speaking of revenues, let's talk about TD's financials. TD's [recent quarterly update](#) came in lower than expected. Earnings per share saw a 4.5% drop over the prior period. Loss provisions stemming from the ongoing pandemic was the primary factor behind that dip. Investors should see this as a temporary drop. In fact, the stock has already recovered nicely from the lows seen in March.

Finally, we have TD's quarterly dividend. The bank currently pays out a mouth-watering 5.24% yield, making it one of the better-paying yields on the market.

In addition to that handsome yield, prospective investors can take solace in knowing that TD has provided annual bumps to that dividend going back years, and TD has been paying a dividend for well over a century.

## Every three-stock portfolio needs this company

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) remains one of the most well-known income-stocks on the market. The energy infrastructure behemoth operates one of the largest pipeline networks on the planet. In terms of volume, Enbridge hauls natural gas and Canadian crude to refineries and storage facilities across the country and into the U.S.

So, why exactly should you consider Enbridge for your three-stock portfolio? Enbridge is a defensive investment that is fueled off a recurring and steady source of revenue. In short, Enbridge charges customers based on the volume traversing its pipeline. This means that irrespective of the volatile price of oil, Enbridge continues to generate a handsome stream of revenue.

That revenue stream leads me to a second point: Enbridge's dividend. Enbridge offers a quarterly dividend, which currently carries an impressive 7.27% yield. Like TD, Enbridge has an established precedent of providing annual or better hikes to that dividend.

## Renew, refresh, and get rich

[Utilities](#) represent another area of stability in a sea of market volatility. Rather than opting for a traditional fossil fuel-burning utility, investors should take a look at what **TransAlta Renewables** ([TSX:RNW](#)) can offer.

TransAlta boasts a portfolio of renewable energy facilities that are scattered across the U.S., Canada, and Australia. The facilities include gas, solar, hydro, and wind elements. This means that TransAlta is well diversified across different energy sources and geographically.

Additionally, TransAlta's renewable portfolio benefits from the same stable model that traditional utilities follow. Specifically, TransAlta has long-term contracts spanning a decade or longer, which guarantees a stable and recurring source of revenue for the company.

That recurring revenue stream in turn helps TransAlta provide an appetizing monthly dividend to investors. The current yield works out to an impressive 6.55% yield.

Finally, it's worth noting that TransAlta is not just an income generator. The company also holds significant growth potential. The industry as a whole is transitioning away from fossil fuels to renewable sources. As a utility already hosting an all-renewable portfolio, this puts TransAlta ahead of its fossil fuel-burning peers and a must for any three-stock portfolio.

### CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:ENB (Enbridge Inc.)
4. TSX:RNW (TransAlta Renewables)
5. TSX:TD (The Toronto-Dominion Bank)

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