



Introducing the 3-Stock Portfolio for \$500

Description

Finding the right mix of investments is something that concerns both novice and seasoned investors alike. Balancing both income and growth investments can be daunting at times. Fortunately, there is a way to balance your portfolio while still keeping on track. Here's a three-stock portfolio that can provide income and growth prospects for under \$500 per month.

Stay the course

Adding one or more defensive investments to your portfolio is always a good tactic. This is one of the lessons learned from the unprecedented and highly volatile market we've seen in 2020.

One defensive investment to counter that volatility is **Alimentation Couche-Tard** (TSX:ATD.B). Couche-Tard owns and operates nearly 15,000 convenience stores and gas stations around the world. These are interesting businesses that are often overlooked yet very necessary (and defensive) options to consider.

To be clear, Couche-Tard is not an [income investment](#). The paltry dividend on offer amounts to just a 0.65% yield. Instead, investors should be looking toward long-term growth. By way of example, so far in 2020, Couche-Tard is up over 4% to date, while the market continues to struggle to break even. Over a longer two-year term, Couche-Tard is up over 45%.

Additionally, Couche-Tard is well known for taking an aggressive stance on expansion. The company has an established record of ever-larger acquisitions and integrating those acquisitions into its global network.

For under \$180 each month, determined investors could purchase four shares of Couche Tard for your three-stock portfolio. After a year, that investment would be well over \$2,000, without factoring growth.

This big bank will provide you with big income

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) is not the largest or most well known of Canada's big banks. What Bank of Nova Scotia *can* offer you, however, is handsome growth and long-term income-earning prospects.

Specifically, Scotiabank's move into the Pacific Alliance nations of Columbia, Chile, Peru, and Mexico has provided the bank with a growing and diversified revenue stream. Furthermore, expanding into Latin America has tamed pundits' concerns about the bank needing to diversify more.

In terms of a dividend, Bank of Nova Scotia's quarterly payout currently works out to an appetizing 6.16%. This puts Scotiabank's dividend on the upper side of Canada's big banks and makes it an appealing option to consider.

At the time of writing, Bank of Nova Scotia trades at just shy of \$58, which is still off from the 52-week high set earlier this year. As for your three-stock portfolio, for well under \$180, you could easily buy three shares of Scotiabank. Investing this amount on a monthly basis would provide over \$125 in dividends after the first year outside of growth.

Your three-stock portfolio needs this stock

When a stock slashes its dividend, often what follows is a mass exodus of income-seeking investors. When it comes to **Inter Pipeline** (TSX:IPL), however, it might be a [better strategy](#) to hold onto the stock for now.

Back in March, Inter Pipeline slashed its once attractive monthly dividend by over 70%. This means Inter Pipeline is no longer a Canadian Dividend Aristocrat boasting over a decade of growth. To be fair, Inter Pipeline's new yield is still a respectable 3.86%.

But why should investors hold out? The answer to that is Inter Pipeline's Heartland Petrochemical complex. The multi-billion-dollar facility that will convert propane to the in-demand plastic known as polypropylene. The complex will be the first of its kind in Canada when it opens in 2021, and is expected to generate \$400 million in EBITDA for the company.

Until the complex opens and ushers in that expected growth, investing just over \$160 each month will buy 13 shares of Inter Pipeline. After one year, that investment will be close to \$2,000, without factoring in dividend reinvestments. That's a solid option for any three-stock portfolio.

Final thoughts

The need to diversify your portfolio with a variety of investments is well known. The same could be said about the need to build a sizable portfolio for retirement. What this well-known theory only infers, however, is that doing this takes time.

This is where consistently investing in a three-stock portfolio could help. For under \$500 per month, Scotiabank, Couche-Tard, and Inter Pipeline provide a well-diversified portfolio that caters to both growth and income-earning investors.

Buy them, hold them, and let your three-stock portfolio make you rich.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:BNS (Bank Of Nova Scotia)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/07/23

Date Created

2020/06/20

Author

dafxentiou

default watermark

default watermark