



Investors: 3 Boring Stocks That Can Make You Rich

Description

It seems like many investors make the same mistake. Instead of sticking to boring stocks that steadily creep higher over time, they try to hit a home run.

Sometimes paying up for a [sexy growth stock](#) is a solid move. The company continues to hit expectations and it turns into a great investment. But that's not always the case. Sometimes chasing the newest thing can end in tears. Just ask any marijuana investor who first got into the sector in 2019.

I prefer a different method. I've stuffed my portfolio full of boring stocks, the kinds of names that make vanilla look like an exciting flavour. I suggest you do the same.

Here are three ideas for your portfolio, unexciting companies that have delivered succulent long-term returns.

Fortis

I've resisted the idea of buying **Fortis Inc.** ([TSX:FTS](#))([NYSE:FTS](#)) for my own portfolio, simply because shares stubbornly don't get cheap enough. That's been a big mistake; after all, high-quality boring stocks like Fortis seldom get truly cheap.

Fortis has grown to become one of North America's largest utility stocks, owning assets across Canada, the United States, and even into Central America and the Caribbean. The company has two growth paths ahead of it today, including expansion projects for its existing assets as well as acquiring new utilities.

There's only one company in Canada that can boast a dividend growth streak longer than Fortis, which has hiked its payout each year since 1973. Management has already told investors to expect further raises through 2024. Shares yield a robust 3.7% today.

The stock has also delivered excellent long-term returns. Over the last 20 years — including reinvested dividends — Fortis shares are up 1,233%, or 13.83% annually. That's enough to turn a \$10,000

original investment into something worth \$133,488.

TC Pipelines

TC Pipelines ([TSX:TRP](#))([NYSE:TRP](#)) owns oil pipelines, natural gas pipelines, power plants, and various other types of energy infrastructure in Canada, the United States, and Mexico. Its most notable growth project is the Keystone XL pipeline through the Midwestern U.S., a project that has been met with legal challenges and various other roadblocks for years now.

Like many other energy names, TC has been a little weak lately as the price of oil continues to languish. But we must remember that the majority of its assets are in the natural gas space, a commodity that isn't nearly as volatile as oil.

Shares are also trading for a reasonable valuation. Last year the company generated just over \$7 billion in cash flow from operations. It has a market cap of \$56 billion today, putting the stock at well under 10 times trailing cash flow. This also bodes well for the company's 5.3% yield, another payout with excellent dividend growth behind it.

TC shares have also enjoyed excellent total returns over the last 20 years. Including reinvested dividends, a \$10,000 investment made in the stock in June 2000 would be worth \$120,307 today. That's a total return of just over 13% per year.

National Bank of Canada

Despite its five larger competitors getting all the attention, **National Bank of Canada** ([TSX:NA](#)) has quietly been one of the best performers in the sector over the last decade or two.

National Bank offers better growth potential than its peers, both here in Canada and internationally. Remember, the company doesn't do much domestic business outside Ontario and Quebec. It also posts excellent results on a consistent basis, cementing itself as a leader in important banking categories like return on equity and its efficiency ratio.

Although shares have recovered nicely from March's lows, National Bank still offers an excellent dividend. The current yield is 4.6% and the company has raised the payout each year for nearly a decade.

Similar to the others on this list of boring stocks, National Bank has quietly posted excellent long-term returns. Shares have grown at a 12.9% compounded annual rate including reinvested dividends. That's enough to turn a \$10,000 investment made 20 years ago into something worth just over \$113,000 today.

The bottom line on these boring stocks

You won't impress anyone at a dinner party by admitting you like boring stocks like Fortis, TC Energy, or National Bank. That's okay. These stocks should continue to make investors [quietly rich](#), even if they're not the most exciting choice.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. NYSE:TRP (Tc Energy)
3. TSX:FTS (Fortis Inc.)
4. TSX:NA (National Bank of Canada)
5. TSX:TRP (TC Energy Corporation)

PARTNER-FEEDS

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

Category

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

Date

2025/06/29

Date Created

2020/06/21

Author

nelsonpsmith

default watermark

default watermark