



If You Don't Buy These 3 Stocks Today, You'll Be Kicking Yourself Later

Description

Many investors make investing far too complicated. To succeed at the craft, all you need to do is put money away on a consistent basis and buy the best stocks possible.

The devil is in the details, of course. What exactly separates a good stock from a bad one? In a world where every investor has unique ideas, it's really hard to separate the good companies from the mediocre.

We must also think about valuation. Some argue valuation no longer matters, especially when we consider the impact low interest rates have on the market. While valuation will always play a role, it certainly matters less than it did before.

These days investors are far more concerned with metrics like [growth potential](#), profit margins, and return on invested capital.

Let's take a closer look at three great Canadian stocks, high-quality names that also trade at a pretty reasonable valuation.

Telus

Canada's telecom stocks are the epitome of fantastic businesses. These companies have little competition, get high returns on invested capital, and have excellent margins. But I think **Telus Corporation** ([TSX:T](#))([NYSE:TU](#)) is the best of the best.

Why do I like Telus so much? The main reason why I like it better than its peers is the lack of a media division. Telus has done a better job sticking to internet, wireless, cable, and home phone, while its two main competitors have diversified into media. Media is an okay business, but it's not nearly as good as telecom.

Telus also has solid growth potential. It should benefit from a continued push to 5G wireless internet, which will help usher in a new era of smart connected devices.

It also has potential to acquire smaller competitors or push further into the health care field. In fact, Telus's health care division has already gotten a big boost with so many doctors moving to virtual visits.

Combine that with the stock's 5.2% dividend yield and excellent total return over the last decade and it's official. Telus is an excellent name that you're going to want to own over the long term.

Canadian Apartment Properties REIT

Canadian Apartment Properties REIT ([TSX:CAR.UN](#)) is one of Canada's largest owners of residential property. It also owns assets like manufactured home parks and apartments in Ireland and the Netherlands. It translates into more than 30,000 apartments in Canada alone, with a significant part of the portfolio located in the Toronto market.

This is an excellent place to be over the long-term. Toronto has a number of things going for it, including being the destination of choice for many new immigrants, a natural green space that will help keep property prices high, and a strong position in both finance and tech. [Toronto real estate](#) has performed well for decades now and is poised to continue its stellar run.

Today is an excellent buying opportunity to load up on this excellent REIT. Shares are off some 20% over the last few months and the dividend yield is a solid 2.9%.

National Bank of Canada

Many investors own a Canadian bank or three in their portfolio. After all, these companies have a history of excellent performance and collectively own the domestic banking market.

Even though the Big Five banks get all the attention, the best investment in the sector might be **National Bank of Canada** ([TSX:NA](#)), the sixth-largest bank in Canada.

National Bank boasts better growth potential than its peers, as it's really concentrated in Ontario and Quebec. It can either grow domestically or continue its international expansion. Less than 10% of National Bank's earnings come from its international division, much less than any of its rivals.

The company consistently posts excellent financial results, including its efficiency ratio and its return on equity. It has a solid balance sheet as well, which is important in today's tumultuous world. It has a higher trailing price-to-earnings ratio as most of its peers, but shares are still cheap at just 10.4 times earnings. And shares also offer a succulent 4.6% dividend yield.

The bottom line

Don't make investing too complicated. Just load up on great stocks like Telus, Canadian Apartment Properties, and National Bank and let them take care of it. You'll be glad you did.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:TU (TELUS)
2. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
3. TSX:NA (National Bank of Canada)
4. TSX:T (TELUS)

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