



This 3-Stock Portfolio Has You Covered

Description

How diversified is your portfolio? While many investors [strive to diversify](#) their portfolios, there's a tendency to gravitate back to what we like best. This could be income-centric stocks or long-term growth machines. Either way, there's an abundance of great investments on the market to choose from, if you know where to look. Here's a three-stock portfolio that balances both growth and income-producing stocks, with some defensive aspects thrown in for good measure.

Start with some income

There are plenty of great income-producing investments on the market. Fortunately, we can narrow down the selection. There are few investments that can provide the long-term returns that **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) can.

Enbridge is an energy infrastructure behemoth. The company operates one of the largest pipeline networks on the planet, hauling crude and gas from oil-rich regions to storage and refinery facilities across Canada and the United States. That pipeline network provides Enbridge with a steady and recurring revenue stream, operating not unlike a toll-road network. An important point to note is that Enbridge does not charge based on commodity prices. In other words, Enbridge isn't directly impacted by the volatile nature of oil prices.

That steady stream of revenue also means that Enbridge can provide investors with a handsome quarterly dividend. That dividend currently works out to a mouth-watering 7.77%, making it one of the best-paying returns on the market.

Add some growth

Alimentation Couche-Tard (TSX:ATD.B) is the name behind one of the largest global networks of gas stations and convenience stores. Couche-Tard is a superb growth-focused investment suitable for any portfolio. Couche-Tard's business is both defensive and growth-focused. The necessary nature of the services that Couche-Tard provides makes it a defensive pick, while the company's insatiable appetite

for growth makes it an excellent growth-focused stock.

Couche-Tard's emphasis on growth has allowed the company to quickly acquire smaller regional and local players with ease. Those locations and brands are then woven into the Couche-Tard network. Over time, the company realizes significant synergies on those deals. In a market that is heavily reliant on smaller regional players, Couche-Tard's position will continue to [lead to solid growth](#).

Finish up on the defence

Every portfolio should have one or more defensive stocks. These are stocks that have reliable business models and aren't severely impacted by the volatile nature of the market. **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is a great example of that.

Fortis is one of the largest utilities on the continent. The utility provides service to over three million customers across Canada, the U.S., and the Caribbean. Fortis's utility service is backed by regulated contracts that often span several decades. More importantly, that regulated business provides a stable and recurring revenue stream for Fortis. This fuels Fortis's impressive quarterly dividend, which currently works out to an appetizing 3.82% yield.

Additionally, Fortis has provided investors with a handsome annual bump to that dividend for over four decades without fail. That factor alone could be reason enough to include Fortis in your portfolio.

Your three-stock portfolio is ready

All investments carry some risk, and this is one of the primary reasons diversifying is so important. A lesser-known but still important factor that prospective investors should take note of is that growth takes time. Yes, there are going to be investments that double your money in under a year. But there are going to be plenty more investments that triple or quadruple your initial investment over the longer period.

In other words, great investing needs patience, and the three stocks noted here will all benefit from a buy-and-hold approach. Buy them, forget about them, and let them make you rich.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:FTS (Fortis Inc.)
3. TSX:ATD (Alimentation Couche-Tard Inc.)
4. TSX:ENB (Enbridge Inc.)
5. TSX:FTS (Fortis Inc.)

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