# In 5 Years, You'll Probably Wish You'd Grabbed These 3 TSX Stocks

### Description

When it comes to investing, it pays to take the long view. The more you trade, the more brokerage fees you incur. Even on "no-fee" services like Robinhood, you pay for your trades indirectly. So if you just buy once and hold on for the long term, you'll fare better overall. With that in mind, here are five **TSX** stocks looking good for the next five years and beyond.



## Canadian National Railway

The **Canadian National Railway** (TSX:CNR)(NYSE:CNI) is a Canadian railway stock that has done incredibly well in 2020. Despite its earnings being mostly down for the year, its stock is up 19%.

What explains this strong performance amid a turbulent market?

As it turns out, it's due to the same factors that make CNR a strong long term buy for the next five years. CNR has been through many market downturns before. Time and time again, it bounces back bigger and better than ever.

While CNR did take a hit because of COVID-19, investors know that it's the kind of company that will come roaring back as the economy recovers. That's different from other businesses that may have to close permanently because of the damage they took during the pandemic.

CNR moves $250 billion worth of goods a year, and reaches many areas that other railways can't, giving it a durable competitive advantage that helps it outperform year in and year out. In five years, you'll probably wish you had grabbed this stock.

## Toronto-Dominion Bank

The **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) stock ran into some challenges in 2020, but is poised to thrive in the years ahead. The bank suffered increased risk factors because of COVID-19, and had to increase its provisions for credit losses (PCL). This resulted in earnings going down nearly

60% in the second quarter. However, the bank was already recovering in the third quarter, with earnings up nearly 50% sequentially.

By the fourth quarter, earnings were up year over year–1% on an adjusted basis and an astounding 80% on a reported basis! Of course, the massive 80% reported earnings boost was almost entirely due to the acquisition of TD Ameritrade by **Charles Schwab**. That was a one-time factor that won't recur again.

However, being a part owner of Charles Schwab means TD is now a part owner of the world's largest brokerage, which should power consistent earnings growth for five years and beyond.

## Brookfield Asset Management

**Brookfield Asset Management** (TSX:BAM.A)(NYSE:BAM) is an asset management company that earns fees for managing investment portfolios. It manages a number of arm's-length investment vehicles that are publicly traded entities themselves.

At first glance, Brookfield's earnings this year were bad. The company lost $0.20 per share in the first quarter, $0.43 per share in the second, and earned $0.1 (down from $0.61) in the third. But looks can be deceiving. As an investment firm, Brookfield owns a lot of publicly traded assets, which decline in value when markets go down.



That causes mark-to-market (non-cash) losses. In terms of revenue, BAM.A grew in the first quarter and only declined slightly in the second and third. With markets rallying, the company will probably post much better earnings for the fourth quarter than the third and second. As a result, its stock is set to outperform.

**CATEGORY**

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**TICKERS GLOBAL**

1. NYSE:BN (Brookfield Corporation)
2. NYSE:CNI (Canadian National Railway Company)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:BN (Brookfield)
5. TSX:CNR (Canadian National Railway Company)
6. TSX:TD (The Toronto-Dominion Bank)

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