



2 Necessary Defensive Investments

Description

The market is full of volatility at the moment. Apart from the ongoing global pandemic, there are other events adding to overall market volatility. In recent weeks, that volatility has been fueled by short-sellers. To limit that volatility, adding one or more necessary defensive investments is always a good idea.

Here are two necessary defensive investments to consider for your long-term portfolio.

Power up your portfolio

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is a name that should be familiar to nearly all long-term investors. The company is one of the largest utilities on the continent, with operating regions spanning through Canada, the U.S., and the Caribbean.

Utilities are notoriously great investments for those investors looking for stable, long-term gains. This is due to the business model that utilities offer. In short, utilities provide a regulated service. That service is backed up by a long-term contract that spans decades. The contract ensures a steady stream of recurring revenue for the utility. That revenue stream [helps fuel growth](#) and provides investors with an ample dividend.

In the case of Fortis, the company provides a quarterly dividend that works out to a respectable 3.85% yield. Adding to that appeal is the fact that Fortis has provided investors with healthy consecutive annual bumps to that dividend going back well over four decades. That factor alone makes Fortis a great addition to a list of necessary defensive investments.

A century of dividends and it's still offering massive long-term growth

Canada's telecoms are [incredibly defensive investments](#). Chief among those Big Telecoms is **BCE** ([TSX:BCE](#))

)([NYSE:BCE](#)). BCE offers investors the full package. Apart from the bevy of typical subscription-based services, BCE has a massive media portfolio of TV and radio stations. The company even has an interest in professional sports teams.

Across all those segments, the company's wireless segment is what investors should be most excited about. Wireless devices and the data connectivity they offer are taking on a larger role in our daily lives. They've already replaced hundreds of standalone devices we used to have in just over a decade. Additionally, each new device release brings with it the promise of additional functionality (and revenue for BCE). By way of example, in the most recent quarter, BCE reported 128,168 net new wireless subscribers.

Those subscribers and the revenue they provide help fuel BCE's outstanding quarterly dividend, which provides a yield of 6.01%.

Necessary defensive investments are everywhere

Both BCE and Fortis offer investors a path to long-term growth while providing a stable income stream. The defensive segments of the market that they operate in makes them less prone to the volatility we've recently seen. Additionally, the fact that both have provided dividends to investors without fail for decades solidifies their position as necessary defensive investments for every portfolio.

In my opinion, both stocks should be part of any well-diversified, long-term portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

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2. NYSE:FTS (Fortis Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:FTS (Fortis Inc.)

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