



Balance Your Portfolio With 4 Superb Stocks

Description

Diversifying your portfolio can be a daunting task. Often, the need to include stocks that cater to competing growth and income objectives across a broad section of the economy can be too much for some investors. Fortunately, there is hope for investors. Here are four superb stocks to balance your portfolio.

Stock #1: Canadian Tire

Canadian Tire ([TSX:CTC.A](#)) is one of Canada's largest retailers. It also happens to be a well-diversified operation that extends beyond its namesake store. The company has branched out in recent years to include other retailers and distribution channels, including sportswear. This has created a defensive moat of exclusive brands around the retailer and a growing online channel to provide those goods.

Apart from that strong growth potential, Canadian Tire also offers investors a handsome quarterly dividend. The stock currently boasts a yield of 2.68%, which is both rare and impressive for the segment.

Stock #2: TD Bank

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) is well known to Canadians as one of the largest of the Big Five banks. What many investors may not realize is that TD has a growing presence in the lucrative U.S. market. That expansion comes thanks to a series of well-executed acquisitions shortly after the Great Recession. Those acquisitions were stitched together to form a massive branch network that now stretches from Maine to Florida.

In terms of earnings, in the most recent quarter, TD reported an adjusted net income of \$3,380 million. This was a whopping 10% improvement over the \$3,072 million reported in the same period last year.

TD's growing and diversified branch network continues to feed a lucrative quarterly dividend. The

quarterly payout provides an ample 3.81% yield. Even more impressive is that TD has been paying that dividend for well over 160 years without fail. In terms of annual hikes, TD boasts well over a decade of consecutive annual or better hikes.

Stock #3: Metro

The best types of investments are those that we interact with on a daily basis. Grocers such as **Metro** ([TSX:MRU](#)) fit this description perfectly. Grocers like Metro provide an essential service to customers, and the importance of that service has only increased since the pandemic began. This makes a grocery stock like Metro a key investment to balance your portfolio.

That growing importance helped Metro report a 6.2% bump in sales in the most recent quarter to \$4,278.2 million. The grocer reported net earnings of \$191.2 million in the most recent quarter, reflecting a 12.3% bump over the same period last year.

In terms of a dividend, the 1.74% yield is not the highest return on the market, but it is stable. The grocer has provided investors with 26 years of consecutive annual bumps to that dividend.

Stock #4: Hydro One

Utilities are some of the best long-term passive investments to be found anywhere. The business model is fairly simple; the utility provides a service for a set amount of compensation. Those terms are set out in long-term regulated contracts that can span decades. In other words, as long as the utility continues to provide that contracted service, it will generate a stable and recurring stream of revenue. This makes the business an incredibly stable and reliable choice for nearly any portfolio.

But which utility should you invest in? An intriguing option to consider in this space is **Hydro One** ([TSX:H](#)). Hydro one is one of the largest transmission and distribution providers in Ontario. The utility has 1.4 million customers, servicing one-quarter of all customers in the province. Hydro One's dominant position in the province only adds to its appeal as a [superb defensive holding](#).

The reliable revenue stream also means that Hydro One provides a handsome dividend to investors. That dividend currently works out to a respectable 3.42%, and the company has maintained annual hikes to that dividend since it started paying a dividend back in 2016.

Balance your portfolio

The four stocks noted above [provide growth and income-earning capabilities](#), making them must-have options to balance your portfolio. In short, buy them, hold them, and forget about them for a decade or more.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:CTC.A (Canadian Tire Corporation, Limited)
3. TSX:H (Hydro One Limited)
4. TSX:MRU (Metro Inc.)
5. TSX:TD (The Toronto-Dominion Bank)

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