



## 3 Top TSX Stocks to Buy in Any Market

### Description

Portfolio diversification remains extremely important for long-term investors. However, overdiversification can be a bad thing. Investing gurus such as Charlie Munger have spoken out about “de-worst-ification” in the past. The idea that spreading out one’s money evenly over a basket of stocks rather than betting bigger on ones that are high-conviction bets isn’t necessarily a good idea for those looking to beat the market.

That said, picking a few high-quality baskets and putting most of one’s eggs in those baskets is a winning strategy. In this article, I’m going to describe three such baskets long-term investors may want to consider today.

Accordingly, let’s dive into it!

### Fortis

Adding a Dividend Aristocrat to an investment portfolio is always a good idea. Companies like **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) have more than proven their worth in providing steady and consistent [long-term returns](#). And it’s no surprise to many investors that a significant portion of this return comes via dividends.

When one looks at Fortis’s dividend yield, one might not see why this is the case. After all, Fortis only yields 3.7% at the time of writing.

However, Fortis’s dividend-growth track record is what excites most investors in this name. The company’s track record of raising its dividend for nearly five decades is what gets investors motivated to hold this stock. Accordingly, Fortis’s commitment to continue hiking its dividend by high single digits over the coming years makes this stock one to buy and hold for the long term right now.

In this low interest rate environment, bond-like proxies like Fortis tend to provide much more robust returns for investors. Indeed, with a growth-to-value rotation underway, I see more near- to medium-term upside for this stock.

However, over the long term, Fortis remains a top pick of mine. This is a high-quality option for any long-term investor seeking reliable total returns.

## Alimentation Couche-Tard

**Alimentation Couche-Tard** (TSX:ATD.B) is a global player in the gas station and convenience store space. I know — it's not necessarily the most glamorous of businesses out there.

Why should investors own Couche-Tard stock over, say, a sexy tech stock?

Well, the company's historical long-term growth trajectory rivals some of the best tech stocks out there. This company has done this via a growth-by-acquisition strategy, which has provided investors with tech-like returns in a more stable sector.

Of course, the pandemic has provided significant headwinds for Couche-Tard investors of late. However, for optimists who believe the worst of this pandemic is over, Couche-Tard retains a spot as one of the top pandemic reopening plays out there.

I see Couche-Tard as a reliable long-term cash flow-generating machine. It's got core portfolio holding potential for all long-term investors out there today.

## Constellation Software

Okay, now to a top growth pick in the technology space. In Canada, **Constellation Software** ([TSX:CSU](#)) has been one of my top picks in this regard.

Similar to Couche-Tard, Constellation has grown via acquisitions over the years. However, this company's focus on acquiring software companies offers higher leverage to long-term growth than Couche-Tard — or many of its tech peers, for that matter.

Indeed, the company's cash flow growth and return on invested capital remain some of the best in class. It's a long-term growth investor's dream stock and currently trades around 10% off of its all-time highs.

These three picks make for a rather exciting, yet stable long-term portfolio for investors. I'd highly recommend investors consider each of these stocks individually, though all three make for great diversifiers in today's difficult-to-navigate market.

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1. Dividend Stocks
2. Investing
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## TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:ATD (Alimentation Couche-Tard Inc.)
3. TSX:CSU (Constellation Software Inc.)
4. TSX:FTS (Fortis Inc.)

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