



5 Undervalued Stocks for a Perfect Buy-and-Hold Portfolio

Description

The idea behind a buy-and-hold portfolio is simple. You don't want to waste time and money coming up with new stock options and then spending your hard-earned cash on commissions. Instead, finding undervalued stocks you can hold long-term will see your funds rise year after year.

Overall, the market trends upward. So even during a market crash, you shouldn't worry. If you're holding for decades, you're still likely to see your funds rise again and again.

With that in mind, these five undervalued stocks comprise the perfect option for Motley Fool Canada investors to consider buying and holding forever.

Brookfield Property

One of the top undervalued stocks to buy today has to be **Brookfield Property Partners LP** ([TSX:BPY.UN](#))(NASDAQ:BPY) based on several key indicators. For one, it currently sports the highest dividend yield at 7.12% as of writing. That dividend continues to shrink as shares climb, up 90% already this year alone!

This stock will continue to climb in a post-pandemic recovery. It has a diverse range of real estate assets scattered around the globe, including iconic properties in large cities. Yet it's still undervalued, despite reaching 52-week highs. Motley Fool Canada investors can currently pick up the stock with a price to book ratio of an incredible 0.7!

This is definitely an ideal stock to buy and hold forever, taking full advantage of the highest dividend yield on the **TSX**.

BCE

Another one of the highest yields goes to **BCE** ([TSX:BCE](#))([NYSE:BCE](#)), but there's even more growth for undervalued stocks in this sector. Telecommunications companies are starting to roll out 5G, and

BCE stock is included. But the main advantage is that this company holds 60% of the market in Canada alone.

Shares of the company are up 16% in the last year, and it offers a valuable 3.1 price to book value as of writing. Analysts expect the stock to continue growing to upwards of 13% in the next year as well. But as this stock has proven, you want it long-term. In the last decade, shares have climbed 169% for a compound annual growth rate (CAGR) of 10.41%. Meanwhile, its dividend yield of 5.74% has risen at a CAGR of 6.43% during that time.

Enbridge

Pipelines are one of the best places to put your investment, and right now **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) continues to be one of the top undervalued stocks. It's about to have \$10 billion in growth projects come online this year alone, with more on the way. Enbridge stock is supported by long-term contracts that will continue seeing growth in both dividends and revenue.

Motley Fool Canada investors can currently pick up the stock at a price-to-earnings ratio of just 15.9, while shares are up 32% in the last year. Analysts expect growth of 21% this year as pipelines see increasing oil and gas demand. Enbridge stock is definitely one of the undervalued stocks that I would buy and never sell in [the years ahead](#).

TD Bank

All the Big Six Banks have been performing well during the last year. After the crash, most were back up to pre-pandemic prices within a few months, **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) included. Now TD stock is rallying with higher interest rates improving net interest margins, and loan loss provisions so low. But the company offers even more growth through its credit card and online investments over the past year or so.

Even as TD stock reaches all-time highs, with shares up 53% in the last year, TD stock continues to be one of the undervalued stocks I'd buy with a P/E ratio of 11.3! You also get access to a dividend yield of 3.63%, one that should rise once government restrictions are lifted. That yield has grown at a CAGR of 9.81% in the last decade, and shares at a 12.22% CAGR.

Horizons

Finally, every long-term portfolio should have a solid ETF. But unlike other ETFs with managers, **Horizons SP/TSX 60 Index ETF** ([TSX:HXT](#)) is run by an artificial intelligence program. It chooses the top 60 TSX stocks [based on data alone](#). That makes it a far superior choice for long-term investors.

Shares are up 37% in the last year and 137% since coming on the market for a CAGR of 8.32%. So you pay practically no commission fees and get access to secure income while paying a fraction of the cost on the TSX. Frankly, it doesn't get much better amongst undervalued stocks.

CATEGORY

1. Coronavirus

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TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:BCE (BCE Inc.)
5. TSX:BPY.UN (Brookfield Property Partners)
6. TSX:ENB (Enbridge Inc.)
7. TSX:HXT (Horizons S&p/tsx 60 Index ETF)
8. TSX:TD (The Toronto-Dominion Bank)

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