2 Stocks I'm Holding for 20 years — Plus 1 ETF

Description

They say time in the markets beats timing the markets. But let's be honest: it's easier said than done. When you've achieved a big gain on a stock, it can be tempting to sell and enjoy the cash. Sometimes, it's even the right thing to do.

When you've got a major purchase coming up, or are holding an asset that has seen better days, selling is the right call. Nevertheless, in an ideal world, you'd hold your stocks long-term. With that in mind, here are two stocks–and one ETF–that I plan on holding for 20 years or more.

Toronto-Dominion Bank

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is a Canadian bank stock that I've owned for a few years now. It has a lot of things going for it, including:

- A vast and growing U.S. retail business
- A 10% stake in the brokerage giant **Charles Schwab**
- A decent dividend yield and a long-term track record of dividend increases (9.3% annualized over five years).

TD Bank has out-performed the average Canadian bank over the last decade. Its expansion into the U.S. was a huge success, driving much of the bank's earnings growth over the last 10 years. It could easily continue, as TD has yet to tap large West Coast U.S. markets like California and Nevada.

Canadian National Railway

The **Canadian National Railway** (TSX:CNR)(NYSE:CNI) is another Canadian stock I plan on holding for 20 years or more. What makes this stock a long-term holder is pretty simple: it's vital to the Canadian economy. The stock already has a huge shipping network that touches on three coasts. That alone makes it a valuable railroad.

On top of that, it's currently in the process of buying out **Kansas City Southern,** one of the largest railroads in the United States.

The synergies between the two railroads will create significant profit opportunities in the form of a larger service map for CN. As long as the number of goods being shipped across North America grows, CN will grow with it. Its stock will probably rise too.

Vanguard S&P 500 Index Fund

The **Vanguard S&P 500 Index Fund** (TSX:VFV)(NYSE:VOO) is a staple of many investors' portfolios. It's one of the world's most popular exchange-traded funds (ETFs), and with good reason. Tracking the **S&P 500 Composite Index** at an ultra-low fee (0.04%) gives you diversified exposure to the world's most-followed stock index.

With VOO, you get exposure to the big tech names that have given U.S. equities such stunning performance over the last decade. You also get exposure to more traditional industries like banking, retail, energy, and more. It's a diversified basket of stocks of the exact type that finance textbooks will tell you to invest in. No, you'll never get rich by investing in VOO, but it's a very sensible, responsible type of investment.

By the way, you can avoid currency conversion costs by buying this fund as VFVon the TSX. It's the exact same portfolio but trading on a Canadian exchange. VFV does have slightly higher fees than VOO, though, so make sure you weigh the pros and cons of each.

CATEGORY

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TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:TD (The Toronto-Dominion Bank)
3. NYSEMKT:VOO (Vanguard S&P 500 ETF)
4. TSX:CNR (Canadian National Railway Company)
5. TSX:TD (The Toronto-Dominion Bank)
6. TSX:VFV (Vanguard S&P 500 Index ETF)

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