



4 Stocks to Buy and Never, Ever Sell

Description

Decision-making should almost always be logical, but it rarely is. Most decisions we take in life, whether social or financial, are usually driven by need or sentiment, and the emotional element makes them flawed. It's the same with investing. An investor's biases towards assets can lead to inefficient investment decisions, like exiting a position too late or taking too long to buy a rising star.

As an investor, you can limit the emotional element of decision-making by focusing on forever stocks. You only have to be logical when selecting such stocks, then simply forget about that segment of your portfolio, so it remains sheltered from flawed, sentiment-driven decision making.

And if you are looking for forever stocks, there are four that should be on your radar.

A utility stock

Fortis ([TSX:FTS](#))([NYSE:FTS](#)), the second oldest aristocrat and one of the most stable and reliable stocks currently trading on the TSX, is the textbook definition of a “forever stock.”

It has a rock-solid revenue generation source (utility consumers), a dominant position in the industry, decent capital growth potential, and stellar dividend history. All these ingredients make it a powerful candidate for stocks that you can virtually keep in your portfolio forever.

Currently, the company is offering a decent 3.5% yield and a 10-year CAGR of 10.3% and is trading at almost a fair price. You might consider waiting for the stock to dip or the market to crash, so you can lock in a better yield and buy the company at a better price, but if your holding period is decades, not years, the stock has the potential to make you rich even if you buy right now.

A niche real estate stock

If you want to add more growth to your portfolio, **StorageVault Canada** (TSXV:SVI) is worth considering. Its 10-year CAGR of 37.4% places it among the [top growth stocks](#) of the country. More

importantly, it operates in a niche market segment (self-storage spaces), where there is little to no competition, and the company has consolidated most major names under its banner.

The stock is currently quite expensive, but if it can sustain its 10-year CAGR for even one more decade before normalizing, buying it despite the heavy price tag would be the right move.

A media company

Thomson Reuters ([TSX:TRI](#))(NYSE:TRI) is no longer just a media company and has grown into much more than what its origins indicated. It's a tech-heavy "answer" company that offers solutions to a wide variety of industries. Its legal and tax products cater to the top-tier clientele — i.e., fortune 500 companies — about 85% of which uses TRI's legal products and almost all (99%) use its tax products.

Couple that with a stellar dividend history, an aristocratic status, and powerful capital appreciation/growth potential, and you have another worthy forever stock at hand. The price is also right, and thanks to both its history and its flexibility (the way it evolved with the needs of the market), it's expected to thrive in both the short and long term.

A software company

Constellation Software ([TSX:CSU](#)) is one of the most [consistent growth stocks](#) currently trading on the TSX. It has now grown to become the most expensive one as well (from a share price perspective) and is currently trading at over \$2,150 per share. Constellation focuses on building, acquiring, and managing industry-specific, niche software for select industries and companies.

It has an impressive global presence and has over 125,000 customers in 100 countries. Its 10-year CAGR of 44% is one of the highest, as is its through-the-roof price-to-book ratio of 40.9 times.

Foolish takeaway

Whether you are just [learning how to invest](#) in stocks or are already a seasoned investor, these forever stocks are always worth considering. They can form the core of your portfolio and, over decades, accumulate to make up the bulk of your retirement nest egg.

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:TRI (Thomson Reuters)
2. NYSE:FTS (Fortis Inc.)
3. TSX:CSU (Constellation Software Inc.)
4. TSX:FTS (Fortis Inc.)
5. TSX:SVI (StorageVault Canada Inc.)

6. TSX:TRI (Thomson Reuters)

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