



3 No-Brainer Dividend Stocks to Buy and Hold for the Next Decade

Description

To make my no-brainer dividend stock buy-and-hold list, the stocks must have an underlying quality business, provide a nice yield, and are expected to grow at a decent pace.

All three stocks are trading at good valuations for buying today, but if they should correct in a bear market, it would be an excellent opportunity to load up more shares.

Canadian bank stocks: A buy-and-hold dividend stock

The first no-brainer dividend stock pick is a big Canadian bank stock. I want to explain a little more about this pick. Over the weekend, I published an article about stock portfolio diversification on my blog and shared it on a Canadian dividend stock investing **Facebook** group.

In my article, I wrote, “you wouldn’t want 50% of your dividend portfolio in bank stocks, because they would get hit hard in a financial crisis or recession. Although during a recession, likely all sectors and industries will be impacted, some will recover faster than others. That’s where it’s advantageous to hold a diversified portfolio versus one that’s concentrated.” I still stand behind what I wrote, but one reader replied with a rebuttal.

Essentially, her argument is that the big Canadian banks have a long history of paying safe dividends. She stated that bank stocks would particularly interest retired or income investors as buy-and-hold stocks for income. During the last financial crisis, she had 50% of her portfolio in bank stocks. Most commentators were strong supporters of the banks as well, with another guy saying that he is about 40% in bank stocks right now! 12 people liked her comment, which speaks a lot given that only six liked my original post.

The 50% figure originated from me hearing about certain retail Canadian portfolios owning 50% in the Canadian banks, which I thought was a lot. From this little informal discussion, it appears the concentration in bank stocks for Canadian stock portfolios could be more common than I initially thought.

To be clear, I'm not against the bank stocks' validity as safe dividend stock investments when bought at good valuations. I would personally be uncomfortable if I had 50% of my portfolio in banks, though.

The Canadian bank stocks tend to move in tandem. So, I reviewed the Big Six Canadian banks. **Toronto-Dominion Bank** stock appears to be the best value of the bunch today and provides a decent yield of 3.8%.

A top dividend stock

Brookfield Infrastructure Partners ([TSX:BIP.UN](#))([NYSE:BIP](#)) is a no-brainer buy-and-hold [dividend stock](#) as well.

First, it's diversified by geography and industries across essential infrastructure assets. Second, it's a value investor that owns and operates high-quality, cash-cow assets and isn't shy about taking profits in mature assets to redeploy proceeds for higher returns.

Third, it has a track record of outperformance to prove it's the cream of the crop. Since its inception in 2009, its total return has been close to 20% per year. Let me know if you find another utility stock that beats its track record. Currently, BIP stock is fairly valued and yields almost 3.6%. From current levels, long-term annualized returns of at least 10% are in the cards.

A must-buy Canadian REIT

Canadian Net REIT ([TSXV:NET.UN](#)) is an awesome way to invest in real estate passively. It is led by a professional management team that aims to invest in a portfolio of quality commercial real estate properties in the long run. It benefits from triple-net and management-free leases as well as from development opportunities that can drive higher returns.

As of writing, the REIT consists of 86 properties in eastern Canada with a high occupancy rate of 99%. Investors can feel at ease that insiders' interests are aligned with theirs, as insiders own approximately 15% of the REIT.

The dividend stock compounded returns at about 18% per year over the last 11 years. The dividend stock is [undervalued](#) today and offers an initial yield of almost 3.8%.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
3. TSXV:NET.UN (Canadian Net Real Estate Investment Trust)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. kayng
2. kduncombe

Category

1. Bank Stocks
2. Dividend Stocks
3. Investing

Date

2025/08/21

Date Created

2021/09/14

Author

kayng

default watermark

default watermark