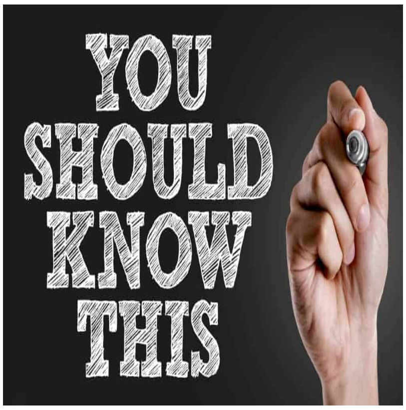

1 Strategy to Manage Risks and Maximize Returns

Description

The stock market is not without risks, as prices generally spike and dip. Also, investors' sentiment changes often depending on news or events that prop up or upset the market. Hence, the goal of every investor is to protect capital by reducing risks.

But if you were to heed Warren Buffett's advice, long-term investing is the only strategy to manage risks and maximize returns. The legendary investor said, "Our favourite holding period is forever." I would suppose the quote also refers to a buy-and-hold strategy.

One successful strategy

The long-term investing strategy means if you're saving for the future, the concern is not chasing after high-flying stocks for short-term gains. Building wealth or a significant nest egg takes time and continuous accumulation of shares. Likewise, the critical aspect of the strategy is making the right investment choices to meet your long-term financial goals.

On the TSX, buy-and-hold dividend stocks are plenty. However, it would help if the prospect offered growing dividends for a faster churning of money. Right now, **Canadian Utilities** (TSX:CU) and **TELUS** (TSX:T)(NYSE:TU) are suitable investments for long-term, risk-averse investors.

Longest dividend-growth streak

Canadian Utilities is excellent as a core holding, because it boasts the longest dividend-growth streak record. This $9.44 billion diversified utility company hasn't missed increasing its dividends since 1972. The 49 consecutive years of dividend increases is a mean feat and unmatched on the TSX.

The share price is $34.99, while the dividend yield is 5.03% if you invest today. Assuming your capital is $50,000 in a 20-year time frame, the investment value will compound approximately $133,425.03. The actual amount should be higher since dividends are growing annually.

Canadian Utilities's core investments are in pipelines & liquids, electricity, and retail energy. Besides Canada, the company operates in Australia and Latin America. Since 95% of earnings come from highly regulated sources, cash flows are predictable and recurring. Thus, dividend payouts are safe and sustainable.

More importantly, the utility stock price hardly experiences wild price swings. As of September 10, 2021, current CU investors enjoy a 16.94% dividend on top of the generous dividends. Now that the TSX appears to be correcting, you need a recession-resistant asset.

Income and growth

TELUS is the perfect complement to Canadian Utilities, although it could be a standalone core holding. The $39.8 billion telco is smaller than **BCE**, but it's more aggressive in capital spending and product innovations.

Unlike BCE, TELUS has no media assets. However, it has ventured into the health and agriculture sectors. Meanwhile, **TELUS International** is starting to carve a name in the digital customer experience solutions industry. TELUS is keeping in step with its industry peers in the 5G network rollout , too.

Management said it expects more than 70% of the country's population to have access to its blazing-fast 5G network by year-end 2021. Performance-wise, TELUS has been pretty stable. At $29.25 per share, the year-to-date gain is 20%. The dividend yield is 4.32%. While the dividend-growth streak isn't as long as CU's, TELUS has raised its dividend for 18 consecutive years.

Time tested

Manage the risks through a proven investment strategy. By keeping a long-term view, you shut down the market noise while working towards your financial goals.

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