



3 Green Assets You Can Hold for the Next Two Decades

Description

A lot of people are now concerned about the ESG and sustainability profile of the businesses they interact with. People believe in “voting with their wallets” and think if their money is going to businesses that care about and invest in the good of the environment and social practices, they are contributing to the good of the environment and society by extension.

But even that’s not enough of a reason to encourage you to invest in green stocks; the pragmatic view of their potential future should encourage you to lean in their favour anyway. In the coming years, demand and focus will shift to green stocks (energy or other types of green stocks), which is likely to trigger a lot of investment activity. And if you have them in your portfolio before that, they might prove to be powerful assets.

A lithium company

While the mining practices surrounding Lithium might be questionable, there is no doubt that Lithium is contributing to a green future (like Lithium-ion batteries used in EVs). So we can extend the range of green stocks to include a company like **Critical Elements Lithium** ([TSXV:CRE](#)). In the last five years, the stock has spiked twice. The stock once rose almost 1,000% between February 2016 and October 2017.

And the investors in the company are currently experiencing a second spike. The stock is up 280% from May 2020 and has been hovering around the peak for the last several months. The stock is currently heavily overpriced, and it might experience a correction as it did after the 2017 spike. And once it reaches rock bottom, you should consider adding it to your portfolio.

A utility company

Many people, especially consumers, know about **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) through its operating business, Liberty. [The company](#) is heavily U.S.-focused and operates in 13 U.S. states, compared to just one Canadian province. Its utility assets portfolio is worth \$6.8 billion, and the

company serves about a million customers.

All of this culminates in a healthy utility company. The green part comes from Algonquin's renewable energy group, which operates fifty-plus renewable and clean energy facilities and has an installed capacity of over two gigawatts.

Algonquin is amazing growth and dividend stock right now. It's offering a yield of 3.6% and a 10-year compound annual growth rate (CAGR) of 18%. And the best part is the fair price at which it's currently trading.

A global renewable energy company

Brookfield Renewable Partners ([TSX:BEP.UN](#))([NYSE:BEP](#)) offers you exposure to a wide variety of renewable energy assets around the globe. The three [renewable sources](#) it primarily focuses on are hydro, wind, and energy. The company also holds significant energy transmission assets.

The portfolio is also geographically diversified, with about 10.2 GW production capacity in North America, 5.4 GW in South America, 3.6 GW in Europe, and about 1.2 GW in the Asia-Pacific region.

Brookfield is a decent dividend stock with a yield of 2.5% right now. As for capital growth, the stock was growing quite steadily before the pandemic, albeit at a very measured pace. However, the stock spiked after the pandemic, and despite the 24% slump, it still hasn't reached the full scope of its correction yet. So it's a good idea to keep the stock under observation till then and buy it as soon as it hits rock bottom.

Foolish takeaway

Even you simply wish to invest in reliable [dividend stocks](#), two out of the three are amazing choices. They offer modestly decent yields and the promise of dividend sustainability. But all three stocks have amazing potential for capital growth, especially if you buy them at the right value and stick to them for long enough.

CATEGORY

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2. Investing

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