3 Companies to Buy Now and Sell After Decades

Description

Slow and steady wins the race. This golden adage works for almost all aspects of our lives, including investment. Time is a crucial component when it comes to investing, and one of the simplest ways of getting rich through investing is buying the right companies and staying with them for long enough — i.e., decades instead of years.

There are three such buy-and-hold companies that you might consider investing in now.

An equity company

Alaris Equity (TSX:AD.UN) is quite attractively valued right now. But, more importantly, it appears to be a better buy for dividends than for growth, at least from its recent history and its highly attractive 6.8% yield. But if you think long term and compare the current market condition (though it's not a true parallel) to the market after the Great Recession, Alaris would seem like a powerful growth opportunity.

The company invests in businesses without assuming control in lieu of better financial returns. That strategy helped the company grow by over 660% in the post-recession bull run. If history repeats itself, the stock might easily grow three or four times in the next few years. If you buy now, you can get the added bonus of locking in a high yield and its attractive valuation.

A growth-oriented REIT

While Alaris's growth potential is a promise based on a historical pattern, **Allied Properties REIT's** (TSX:AP.UN) entire history is an endorsement of its capital-appreciation potential. However, that track record has been suffering profusely ever since the 2020 crash. Before the pandemic, the REIT grew quite consistently, albeit at a relatively slow pace. What the REIT lacks in growth, it makes up with a modestly high but secure 3.8% yield.

It's also one of the more sizeable REITs in the country, with a market capitalization of $5.6 billion and a portfolio of 194 properties collectively worth $8.1 billion. The bulk of the portfolio is concentrated in

Toronto and Montreal.

A well-established aristocrat

Toromont Industries (TSX:TIH) has been growing its payouts for 31 consecutive years, making it an aristocrat, even under the stricter U.S. standards. However, the 1.2% yield is not nearly high enough to become a deciding factor for investors, even with the promise of continuous payout growth. What does make Toromont Industries quite attractive, though, is its capital-growth potential.

Its 10-year CAGR of 21.1% places it quite close to the top tier of the most reliable growth stocks currently trading on the TSX. The company is also quite financially sound, with low debt and cash and short-term investments more than enough to cover its debt.

The equipment group of Toromont is the primary authorized **CAT** heavy equipment dealer in seven Canadian provinces and one territory. And even though it also has another business division (CIMCO), the equipment segment is the primary revenue driver.

Foolish takeaway

Two out of three companies are consistent growers, whereas one (Alaris) has amazing growth potential when the market conditions are right (which they are right now). And if you stick to one of the basic investment strategies that everyone learns when they are just starting to invest — holding good companies long term — these three companies can help your portfolio go a long way towards your growth goals.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:AD.UN (Alaris Equity Partners Income Trust)
2. TSX:AP.UN (Allied Properties Real Estate Investment Trust)
3. TSX:TIH (Toromont Industries Ltd.)

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