



Building a Portfolio? Start With This 1 Stock

Description

Stock market investing has become increasingly popular in recent years. Those new to the market might find investing to be an overwhelming task. If you have been following stock market investing advice to understand [how to start investing](#), you might know that it helps to accept some risk and part with hard-earned money with the hopes of generating long-term returns.

Investing in any stock carries an inherent risk to your investment capital. However, the **TSX** boasts several opportunities for you to add assets that can generate reliable shareholder returns. Today, I will discuss one Canadian Dividend Aristocrat that you could consider adding to your investment portfolio to begin investing on the right foot.

A solid and defensive asset

TSX utility stocks have been one of the go-to areas for stock market investors who are worried about investment returns during volatile operating environments. Safe-haven utility assets like **Fortis Inc.** ([TSX:FTS](#))([NYSE:FTS](#)) stock tend to underperform in bull markets, as had been the case during the recovery for the TSX after March 2020 low levels. However, that same resistance to moving with the broader market plays well during bear markets.

Fortis stock is Canada's top utility stock. The \$27.33 billion market capitalization utility holdings company owns and operates 10 utility businesses. The company is responsible for providing electric and natural gas utility services to around 3.4 million customers across Canada, the US, and the Caribbean.

Most of Fortis stock's revenues come through highly rate-regulated and long-term contracted assets. It means that the stock does not offer much in terms of exciting price movements but generates predictable cash flows regardless of harsh economic environments.

Reliable income-generating machine

Fortis stock is a Canadian Dividend Aristocrat with a 48-year dividend growth streak. The Canadian utility holdings company is just two years shy of becoming a Canadian Dividend King. Fortis stock's stellar track record for delivering dividend hikes for several years without missing a beat makes it the ultimate bond proxy for Canadian investors.

Buying Fortis shares virtually guarantees that you can rely on the utility stock to provide you with [reliable quarterly shareholder dividends](#) that keep increasing each year. Its geographically-diversified operations and predictable cash flows allow Fortis stock to comfortably fund its capital programs and growing shareholder dividends.

Foolish takeaway

At writing, Fortis stock is trading for \$57.74 per share, and it boasts a juicy 3.71% dividend yield. The stock is up by 10.68% year to date, while the S&P/TSX Composite Index is up by almost 20% in the same period. The Canadian Dividend Aristocrat might be underperforming the broader market by a significant margin. However, it boasts resistance to upward *and* downward market corrections, making it [a safe bet during bear markets](#).

You could consider buying Fortis stock as a core holding for your investment portfolio to enjoy stellar long-term shareholder returns through capital gains and shareholder dividends. If you choose to reinvest your dividend income through a dividend reinvestment plan, you can unlock the power of compounding to accelerate your wealth growth.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)

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. adamohtman
2. gsmiley

Category

1. Dividend Stocks
2. Investing

Date

2025/08/25

Date Created

2021/12/13

Author

adamothonman

default watermark

default watermark