



3 Stocks You Can Hold With a Buy-and-Forget Attitude

Description

[Active investing](#) isn't for everyone. Depending on many different factors, investors may not have the time to keep track of a portfolio of companies on a day-to-day basis. Fortunately, you don't have to. There are many options available to investors that want to have a buy-and-forget attitude. If you're that kind of investor, here are three stocks you should hold!

Choose one of the big banks

The Canadian banking industry is highly regulated. This makes it difficult for smaller companies to disrupt the industry. As a result, companies that lead the industry have established formidable moats. What's even more interesting is that the Big Five banks are so secure that it *really* doesn't matter which one you choose. Of course, some will appear better at times, but all five could be considered good choices. Because of this, I would suggest going with the company you bank with.

If I had to choose one bank to add to my portfolio, it would be **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)). I like this stock because of its growth potential and reliable dividend. Bank of Nova Scotia's growth potential comes from its exposure to the Pacific Alliance. It's forecasted that the region will grow faster than Canada and the U.S. over the coming years due to a growing middle class. In terms of its dividend, Bank of Nova Scotia is a Canadian Dividend Aristocrat with a very attractive forward yield (4.58%).

This stock has outperformed since its IPO

If you can find a stock that has beaten the market over the long term, it's probably safe to say that company's figured something out. Take **Constellation Software** ([TSX:CSU](#)) for example. Since its IPO in May 2006, the stock has grown at a CAGR of about 36%. That greatly outperforms the **TSX**. In fact, an investment of \$10,000 made in 2006 would be worth more than \$1 million today.

Constellation Software has managed to find success by following a disciplined acquisition strategy. In fact, its playbook is so successful that competitors have tried to replicate it in the past. This has

resulted in Constellation's president announcing that he would cease his [annual shareholder letters](#) as an attempt to discourage copycat companies. Over the past year, Constellation Stock has gained about 32%. This suggests that the company is still growing at a very fast rate. This is one stock you can forget about for years.

An ETF you don't have to think about

Passive investors could also consider buying an ETF. This is essentially a basket of companies, spreading your risk across the different stocks in the fund. Many investors would suggest you buy an ETF that tracks the performance of the **S&P 500**, an index of the largest companies in the United States. However, I believe you should just cut out all of the dead weight. The performance of the S&P 500 is market cap weighted. This means that the larger companies have more influence on its performance than smaller companies do.

Because of this, I would suggest holding the **Evolve FANGMA Index ETF** ([TSX:TECH](#)). This ETF only holds the six big tech companies. This includes **Meta Platforms** (Facebook), **Apple**, **Netflix**, **Alphabet** (Google), **Microsoft**, and **Amazon**. While you do face a bit more risk investing in this focused ETF, as opposed to a broad market index, these are some of the most important companies in the world. I struggle to imagine a world where none of these six companies are successful.

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TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:CSU (Constellation Software Inc.)
4. TSX:TECH (Evolve FANGMA Index ETF)

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