3 Canadian Stocks to Buy and Hold for 10 Years

Description

Dividend stock investing is a simple way to save for the future or build retirement wealth. While stocks are not risk-free investments due to constant price fluctuations, returns are higher in the long run than other income-producing assets.

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Financial experts say that because investing is a long game, time horizon and the choice of investments are the keys to achieving success. The TSX is home to publicly listed companies like **BCE** (NYSE:BCE)(NYSE:BCE), **Sun Life Financial** (TSX:SLF)(NYSE:SLF), and **Northland Power** (TSX:NPI).

The three Canadian stocks are excellent prospects, because you can hold them for 10 years or more to produce a considerable fortune. You'll have recurring income streams, too, in retirement.

Worry-free investment

BCE, Canada's most dominant telecommunications company, has an incredible moat. It should have no problems maintaining its financial health and funding growth projects, including the emergent 5G network. Furthermore, its dividend track record is enough to make this telco your core holding.

The $59.69 billion industry giant started paying dividends in 1881 or 140 years overall. As of December 20, 2021, BCE trades at $65.69 per share and pays a high 5.33% dividend. Also, current investors are up 27.7% year to date. In Q3 2021, revenue growth versus Q3 2020 was only 0.8%, but it's a whopping $5.83 billion.

BCE's net earnings for the quarter reached $813 million — a 9.9% year-over-year growth. Management said that the company is on track to achieve its 2% to 5% revenue and adjusted EBITDA growth targets for 2021. Right now, the levels of both are back to pre-pandemic Q3 2019.

Diversified business mix

The global pandemic didn't spare insurance companies from harm. However, Sun Life is too formidable to wither despite the disruption in several of its markets. Kevin Strain, SLF's president and CEO, said about its Q3 2021 results, "Sun Life delivered strong third-quarter results, and we continue to see positive momentum."

Sun Life's net income during the quarter and after nine months in 2021 grew 35.9% and 72% versus the same periods in 2020. Strain credits the value of Sun Life's diversified business mix and strong support by its wealth and asset management segments for the impressive earnings results.

The $40.65 billion insurance firm currently has the leading market share in Canada's insurance and asset management industry. In the U.S., it's the leader in health and benefits. The share price is $68.46 (+25.2% year to date), while the dividend yield is 3.82% if you invest today.

Pure-play renewable energy asset

Northland Power, a fast-growing, pure-play renewable energy company, is another option for long-term investors. This utility stock pays a decent 3.21% dividend. Market analysts are bullish on renewable energy assets. They forecast NPI's current share price of $37.40 to climb between 28.5% and 47.1% in 12 months.

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The $8.46 billion independent power producer dominates renewable operations in Eastern Canada. Its two top facilities, Spy Hill (86 MW) and North Battleford (260 MW), have full contracts to generate power using natural gas until 2036 and 2033, respectively. Sustainable investing would be the trend in 2022, so it would be best to own shares of a renewable energy company with an established footprint.

Hedge against inflation

Besides helping Canadians grow their savings, BCE, Sun Life, and Northland Power are perfect hedges against inflation.

CATEGORY

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2. TSX:BCE (BCE Inc.)
3. TSX:NPI (Northland Power Inc.)
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