3 Stocks to Create a Powerhouse of a Portfolio

Description

Investment portfolios are a reflection of the investment approach of the person creating them. Conservative investors tend to create stable, safe portfolios, even if they have to compromise on the return potential a little. Adventurous investors tend to have very "active" portfolios that actively fluctuate. They usually have equal parts potential for reaching the moon and cratering into a rut.

However, strong growth and stability don't have to be mutually exclusive. With the right securities, it's quite easy to create a powerhouse portfolio with the potential of reliably moving forward long term and at a decent enough pace.

A slow but safe stock

Fortis (TSX:FTS)(NYSE:FTS) is about as safe a security as you can hope for. It's a utility company with an esteemed national and international clientele. It has electric and natural gas consumers, so even if there is trouble in one segment of the business, the other ensures stable revenue generation. It's the second-oldest Dividend Aristocrat in the country and is currently offering a 3.6% yield at a stable payout ratio of 76.8%.

And if you combine that with a highly sustainable 10-year CAGR of 10%, Fortis can be a powerful force for growth in your portfolio. An early double-digit growth rate might not seem like much for the short term, but it's enough to more than double your capital in less than a decade — more if you invest a sizeable sum and reinvest the dividends.

A gold stock

Gold tends to be a typical hedge in many investment portfolios — sometimes as the shiny metal itself; other times as a derivative asset. But if you invest in a decent, growth-oriented gold stock like **Franco-Nevada** (TSX:FNV)(NYSE:FNV), you can get more than just contrarian growth in your portfolio. The company has returned over 349% to its investors in the last decade, making it one of the most generous gold stocks.

Even more compelling than the magnitude of capital appreciation it offers is the consistent pace/pattern of the growth. Many gold stocks have offered way more than that in relatively shorter spans, but those “spikes” are difficult to predict and capitalize on. Franco-Nevada, however, is a buy-and-forget type of stock. It also offers dividends, but the yield is quite low.

A growth monster

Few lists of great Canadian growth stocks would be complete without **goeasy** (TSX:GSY), the small alternative financial company which has grown at a remarkable pace in the last decade. The company has a simple business model, offering loans to people with less-than-ideal credit. That’s a huge population underserved by traditional lenders (the big banks), and companies like goeasy capitalize on this denomination.

goeasy has always been a great stock, but its current numbers are off the charts and somewhat misleading. And that’s because it rode the post-pandemic recovery wave harder than most other companies. The stock rose over 640% post-pandemic and has entered the correction phase only recently. And it still hasn’t dipped enough to be a sound buy, even though it’s already fairly valued.

Foolish takeaway

The three growth monsters are also “elite” dividend stocks — i.e., Dividend Aristocrats. However, their growth usually overshadows that aspect. Still, that’s an added bonus and, in the case of Fortis, a smart way to start a reliable passive income. Franco-Nevada’s dividends are mostly symbolic, though goeasy gets the limelight for its dividend growth, which is overly generous.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:FNV (Franco-Nevada)
2. NYSE:FTS (Fortis Inc.)
3. TSX:FNV (Franco-Nevada)
4. TSX:FTS (Fortis Inc.)
5. TSX:GSY (goeasy Ltd.)

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. adamothman
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date
2025/06/30
Date Created
2022/01/12
Author
adamothman