



Interested in Building Your 1st Portfolio? Start With These 3 Stocks!

Description

So, you've decided to start investing? Congrats! It may not seem like it, because the market has been very weak this year, but it's a great time to start investing. This is because investors have the opportunity to buy lots of shares at bargain prices! However, regardless of how the market looks, building your first portfolio can certainly be intimidating. It's important to buy a mix of different companies, which we'll cover in this article. Here are three stocks to help you get started on your first portfolio!

Buy one of the Big Five banks

In my opinion, investors should target one of the Big Five banks as their first purchase. This is because these companies have established very formidable moats in the Canadian banking industry. In addition, because these companies have become so prominent, nearly every Canadian should be familiar with them. Finally, banks have very simple business models that are easy to understand. For all these reasons, I believe one of these stocks would be a great addition to a new investor's portfolio.

Of that group, you really can't go wrong. However, my top choice is **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)). It is a Canadian Dividend Aristocrat, having increased its distribution for more than a decade. More impressively, Bank of Nova Scotia hasn't missed a dividend payment since it started [paying shareholders](#) 189 years ago. Bank of Nova Scotia offers investors a forward dividend yield of 4.29%.

Look for blue-chip companies with long track records of success

Once you've bought one of the banks, continue to look for [blue-chip companies](#) that interest you. One way you can find great companies is by looking through the **S&P/TSX 60**. This is an index of 60 large companies that lead important industries in Canada. One company that I believe should be held by

most investors, new and experienced alike, is **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)).

Through its subsidiaries, Brookfield has exposure to the infrastructure, real estate, utility, and private equity industries. All considered, its portfolio amasses to approximately \$690 billion of assets under management. This makes it one of the largest alternative asset firms in the world. Since its IPO, Brookfield stock has grown at a CAGR of about 15%. Over the same period, the TSX has generated an average annual return of about 5%. That makes Brookfield a major market outperformer, and a stock that you should consider for your portfolio.

Add some stocks with growth potential

By now, you should have a solid core of reliable companies capable of keeping your portfolio afloat regardless of what the economic situation may be. But I'm sure you're eager to include at least one or two high-growth stocks into your portfolio. For a new investor, I would recommend considering **Constellation Software** ([TSX:CSU](#)). It's a tech conglomerate, focusing on the acquisition of vertical market software businesses.

Constellation Software has been so successful since its inception, that many companies have tried to copy its strategy. Because of that, the company's president Mark Leonard has ceased his annual shareholder letters. Instead, he only writes to shareholders when a significant change happens with the company. Last year, he stated that Constellation Software would finally start targeting large-sized VMS businesses for acquisition. Since its IPO, Constellation Software stock has grown at a CAGR of about 35%.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. NYSE:BNS (The Bank of Nova Scotia)
3. TSX:BN (Brookfield)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:CSU (Constellation Software 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. jedlloren
2. kduncombe

Category

1. Investing
2. Stocks for Beginners

Date

2025/07/02

Date Created

2022/03/04

Author

jedlloren

default watermark

default watermark