My Best-Performing Stocks After 5 Years

Description

There are a lot of Canadian investors out there similar to me right now. You're worried about the market and, frankly, aren't used to worrying about the market. Over the last five years, there has been an astounding amount of growth in on the **TSX**. And this comes with over a decade of growth, which is why a market crash was imminent, even without the COVID-19 virus.

Yet here we are. Worry is everywhere. And it has many of us rethinking our investments, as you should! So, I'm looking at those investments and seeing what I should drop, what I should hold, and where I should build a bigger stake. Today, I'm going to share what I've learned based on my own portfolio choices.

Sell: Energy

I recently wrote about how I sold off a stake in **Enbridge** (TSX:ENB)(NYSE:ENB), as over the last five years, it really hasn't performed all that great. Finally, oil and gas prices are soaring, and that's led to Enbridge stock and other energy stocks reaching heights not seen in years. So, what should you do? Sell.

Why? Long-term investors aren't likely to continue seeing growth for decades as they did before. Clean energy is the future, and that's where investment should go. Frankly, I would take my returns from companies like Enbridge stock and put them somewhere else.

Hold: Tech and cannabis

These have been some of the most volatile stocks lately. However, I wouldn't scare off so easily, especially if you're of the younger generations. Youth means you have time, and time is money. Cannabis stocks for example will eventually soar when legalization eventually occurs in the United States. And large tech stocks will rebound after the market volatility we're experiencing.

Some of my best performers continue to be **Shopify** (TSX:SHOP)(NYSE:SHOP), even after the collapse in share price. I bought at a couple hundred bucks, so, frankly, I'll hold on for as long as possible. Shopify stock has far too much for future investors to look forward to. That being said, I don't think I'll up my stake in Shopify stock just yet.

Buy: Finances

When times get tough, the best performers continue to be the Big Six banks. I took a good hard look at my portfolio still in a sea of red. But the green bits? Almost all banks. Banks continue to be the ones set to rebound the fastest out of any turmoil. Interest rate hikes coming in are also good for them, and they all remain a steal.

But of the batch, I recently upped my stake in **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM) for one reason: the dividend. It has the largest dividend at $6.44 per year and yet remains a steal, trading at 11.09 times earnings. And that's while remaining near all-time highs! My returns have been stellar from it and other bank stocks. So, if I get any cash flowing my way, that's exactly where it will go.

Foolish takeaway

It's easy to say you'll get greedy when others are fearful and fearful when others are greedy. But right now, it's a pretty scary time. And of that, there is a *lot* of uncertainty. So, if you're going to buy, stick with the stability of the Big Six banks. But that doesn't mean giving up on past winners like the cannabis and tech sector.

CATEGORY

1. Coronavirus
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2. NYSE:ENB (Enbridge Inc.)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:CM (Canadian Imperial Bank of Commerce)
5. TSX:ENB (Enbridge Inc.)
6. TSX:SHOP (Shopify Inc.)

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