



New Investors: 3 Stocks You Should Hold for the Long Term

Description

Building a portfolio for the first time can be both exciting and nerve wracking. Fortunately, there are many resources available to new investors today, that can help make this process easier. Personally, I believe the perfect portfolio for new investors will contain Dividend Aristocrats, blue-chip growth stocks, and a broad market ETF. Finding the right mix between these different asset types will depend on each investor's financial goals and risk tolerance. In this article, I'll discuss three stocks that could help you get started.

Start by finding excellent dividend stocks

When building your first portfolio, I believe it's crucial that investors start by building a core of solid dividend stocks. This is because dividend stocks tend to be less volatile than growth stocks. It's also a lot easier, in my opinion, to assess dividend stocks. This is because they tend to have a longer history that investors can use to assess performance.

Because of the reasons given above, new investors should focus on Canadian Dividend Aristocrats. These are companies that have been able to raise their dividends for at least five consecutive years. A company's inclusion in this list shows that its management company is capable of allocating capital intelligently. One stock that investors should consider that satisfies this characteristic is **Bank of Nova Scotia**. One of Canada's Big Five banks, Bank of Nova Scotia has managed to [pay a dividend](#) for 189 consecutive years.

Add some growth to your portfolio

Once you've found a group of dividend stocks that are able to serve as the core of your portfolio, consider adding some blue-chip growth stocks. These are companies that are established in their respective industries yet have a lot of room to continue growing. An example of such a company would be **Shopify**. This company has grown into one of the largest players within the global e-commerce industry. However, despite its size, Shopify could still become a much larger company than we know it as today.

Don't forget that companies outside of the tech sector could also provide solid growth over the long term. With about \$690 billion of assets under management, **Brookfield Asset Management** is one of the largest alternative asset management firms in the world and is led by long-time CEO Bruce Flatt. I would recommend this stock to new and experienced investors alike.

Don't shy away from ETFs

Finally, investors shouldn't avoid [exchange-traded funds](#) (ETFs). These are a basket of assets similar to what you'd find in a mutual fund. However, unlike a mutual fund, ETFs are much more liquid. This means that investors can buy and sell shares of these funds as much as they please (given that the market is open, of course).

An example of an ETF that new investors should consider holding is the **Vanguard S&P 500 Index ETF**. Holding shares of this ETF will give an investor exposure to the largest companies in the United States. This includes the likes of **Apple, Amazon, Tesla, Visa**, and much more.

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