3 Stocks for Easy Passive Gains in 2022

Description

There's plenty of opportunity on the stock market, but it's rarely easy. The economy is volatile, earnings fluctuate, and even the most robust blue-chip stock isn't immune to shocks. Growth investors have to face sudden drawdowns while value investors are in an endless race against inflation.

That being said, there are some stocks that offer *relatively* easy and predictable returns. Here are the top three stocks you can buy and forget for the long term.

Alimentation Couche-Tard

This little-known Canadian gem is, perhaps, one of the most steady compounders on the market. Couche-Tard operates convenience stores and gas stations across the world. This essential service is relatively recession-proof. In fact, sales across Couche-Tard's outlets grew throughout every previous recession, including the dot-com bust and 2008 real estate crash.

In fact, Couche-Tard's stock performed so well that it has delivered a total return of 11,309% since early-1999. That's a compounded annual growth rate of 22.8% over 23 years. It's probably the most boring 100-bagger on the market.

The stock is up 85% over the past two years, which means it created value despite the COVID-19 crisis that reduced travel and fuel consumption. In 2022, as travel rebounds, Couche-Tard could see significant upside. That's what makes it an easy stock to hold for the long term.

Fortis

Utility giant **Fortis** (TSX:FTS) is better-known than Couche-Tard, but it's still undervalued. The stock trades at 22.9 times earnings per share. It also offers a 3.6% dividend yield that's expected to steadily grow at 5% to 6% every year for the foreseeable future.

Unlike Couche-Tard, Fortis doesn't offer much capital appreciation. The stock is up just 838% since

1995. Not remotely exciting for growth investors. However, if you're seeking passive income that keeps up with inflation, this could be a much better option.

A buy-and-hold strategy combined with regular dividend reinvestments could be the winning formula for Fortis stock. The stock retains its value throughout recessions and can keep expanding payouts for several years ahead. That's why it deserves a spot on your watch list.

Northwest Healthcare REIT

We've already mentioned fuel and electricity, but the only thing more essential than both is health care. The health care real estate market is somewhat detached from the rest of the economy. Real estate investment firms like **NorthWest Healthcare REIT** (TSX:NWH.U) offer convenient exposure to this sector.

NorthWest stock has nearly doubled over the past two years, but that's only because of the rare drawdown it had in March 2020. Besides that, the stock has been remarkably stable for over a decade.

The REIT currently trades at eight times earnings per share and offers a 5.6% dividend yield. That dividend is derived from rental agreements with an average lifespan of 14 years. Put simply, the management team has plenty of visibility on revenue to manage cash flow comfortably. Investors can rely on this stock for safe passive income regardless of the economic cycle.

CATEGORY

1. Dividend Stocks
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1. NYSE:FTS (Fortis Inc.)
2. TSX:ATD (Alimentation Couche-Tard Inc.)
3. TSX:FTS (Fortis Inc.)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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