3 Beginner Stocks That Are Hard to Screw Up

Description

Almost every investor makes mistakes. Even if you have a fool-proof investment strategy, the market is simply too dynamic and unpredictable to plan for every eventuality. Every now and then, all investors make decisions based on emotions rather than cold-hard logic.

That said, there are certain beginner stocks that are really hard to screw up, especially if you are going to hold them for the long term. And three of these should be on every beginner investors' watchlist.

A utility company

Emera (TSX:EMA) offers decent capital appreciation potential along with strong dividends. It grew over 80% in the last decade, which might not seem appealing, but what it lacked in speed of growth, it made up for in consistency and reliability. And if you add the 4.2% yield to the mix, it's quite easy to decide in favour of Emera as an investment.

However, its holistic return potential is not the only reason it's perfect for beginners. As a utility company, Emera is inherently safer. It has an enormous consumer base (about 2.5 million utility consumers in six countries), and it's going green at a very decent pace. It's on track to reduce its CO2 emissions by 55% in 2025 and achieve net-zero by 2050.

A reliable growth stock

Few growth stocks in the history of the TSX have been as consistent as **Toromont Industries** (TSX:TIH). One of the reasons for its stellar growth history and capital appreciation potential might be its relatively unique business.

It's Canada's specialized and heavy equipment giant and caters to several essential industries. As one of the largest Caterpillar dealers globally, it's the go-to company for a variety of industries, including construction.

The company has also expanded its reach in the rental space and serves its customers through a network of about 70 stores in the country. This business segment, new and used equipment and product support, is responsible for about 85% of the business.

Toromont stock grew about 447% in the last decade, and even though it is a well-established aristocrat, the dividends are usually outshined by its capital appreciation potential.

An insurance giant

Sun Life (TSX:SLF)(NYSE:SLF) is one of the financial services giants in the country. It employs about 50,000 people and caters to 27 different markets. And even though it's well-known for its life insurance business, Sun Life generates more than half of its net income from wealth and asset management. The company has about $1.44 trillion in assets under management.

Even though its operations are geographically diversified, the three main market segments are the U.S., Canada, and Asia.

And even though its stability is reason enough to consider Sun Life as a great beginner stock from a capital preservation perspective, that's not where its "prowess" ends. It offers amazing capital appreciation potential, especially for a financial giant its size. And if you buy now, you can lock in a decent 3.7% yield and take advantage of the company's discounted valuation.

Foolish takeaway

When you are learning how to invest, taking an unnecessary risk can be dangerous in more ways than one. Not only will an ill-taken risk lose you money (most likely), but it may also discourage you from investing. So stick to time-tested stocks like the three above, and you will be hard-pressed to make a mistake with your portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:EMA (Emera Incorporated)
2. TSX:SLF (Sun Life Financial Inc.)
3. TSX:TIH (Toromont Industries 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. jguest

Category

1. Dividend Stocks
2. Investing

Date
2025/06/28
Date Created
2022/04/06
Author
adamothman