3 Beginner Stocks to Buy and Hold Forever

Description

When people start dressing more sensibly than they did in their teens or college years as they enter their professional lives, it’s called maturity. For investors, maturity is when they get rid of their beginner “mistakes,” or securities they bought as novice investors. As they mature and learn more about investments, they realize that many of them are not worth holding long term.

However, there are many beginner stocks that investors can and should try to hold forever for maximum gains.

A golden giant

Franco Nevada (TSX:FNV)(NYSE:FNV) is the gold royalty giant of North America, which allows it to offer relatively shielded gold exposures to its investors. As a royalty and streaming company, it mostly only has a monetary interest in various gold projects around the globe. And since none of its physical assets are tied to gold operations, it’s not as financially vulnerable as gold prices go down.

This is one of the reasons why it manages to outperform, even a healthy market — something most gold stocks are unable to do. But the company has other strengths as well. It has a diversified portfolio of investments, not just geographically diversified but also from an asset class perspective. About 30% of its revenues come from non-gold commodities.

As a Dividend Aristocrat with a stellar growth record and exposure to a hedging asset class, it’s the kind of beginner stock that you may never need to let go of.

A solid-waste collection leader

Waste Connections (TSX:WCN)(NYSE:WCN) is one of the largest publicly traded companies in the waste-collection business. For most countries, including North America, this is something the government usually takes under its wing, as it's considered an essential service. But WasteConnection has proven that it can also be a very healthy and profitable business.

Its financials are both secure (thanks to the business model) and steadily growing. And the growth reflects in the capital-appreciation potential of the stock as well, which has only gotten more attractive over the years. It offers a healthy and sustainable five-year CAGR of 19.22% and is easily capable of doubling your capital in the next five years by just sustaining its current pace.

A railway giant

Even though **Canadian Pacific Railway** (TSX:CP)(NYSE:CP) plays second fiddle to **Canadian National Railway** when it comes to market cap and, to an extent, assets and revenue potential, Canadian Pacific is a much stronger growth stock. It has also become significantly huger by acquiring a U.S.-based railway, extending the reach of its railroads to Mexico.

However, the company is going through some internal troubles now, which may have dire consequences for the Canadian supply chain, of which Canadian Pacific is an important part. It can also have a huge negative impact on the stock price, and it may be available at a much more discounted price. Its long-term capital-appreciation potential is still solid, making it a smart investment to hold on to forever.

Foolish takeaway

When you are learning how to invest, especially in Canada, one of the first "lessons" you get is about the safety of Dividend Aristocrats. Many, like the three above, are great picks for their capital-appreciation potential.

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1. Investing
2. Stocks for Beginners

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