



Start Investing Today: The Balanced 5-Stock Portfolio

Description

The most frustrating part of investing that [new investors](#) struggle with is finding *which* investments to buy. The sheer number of options and the need to balance income and growth options make it a daunting task. Here's a balanced five-stock portfolio to help you start investing today.

Stock #1: Establish a defensive moat around your portfolio

There are a lot of benefits to adding a defensive stock or two as part of your portfolio, and **Canadian Utilities** ([TSX:CU](#)) is the stock to start with.

Utility stocks are great options. They generate a reliable and recurring revenue stream that is backed by long-term regulated contracts.

That reliable income stream allows Canadian Utilities to provide investors with a handsome dividend. That dividend, which Canadian Utilities has provided annual hikes for a whopping 50 consecutive years, carries a yield of 4.44%.

Stock #2: Set and forget for a decade or more

If the impressive payout history of Canadian Utilities sounds nice, investors will love **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)). CIBC is one of Canada's big banks, with both a strong domestic arm and a growing international presence. That international presence is focused on the U.S. market, not unlike its big bank peers.

Concerns over CIBC's large mortgage portfolio have pushed the stock down in recent weeks. Those concerns are pricing in the impact of higher interest rates, and in turn, a reduction in mortgages. That's also weighed down the stock price, which is down over 12% in the past three months.

Despite that risk, the bank remains a stellar option for long-term investors. If anything, the current stock prices should be seen as an opportunity to buy a great stock at a discount.

Additionally, the current 4.75% yield makes CIBC a great income stock to start investing in today.

Stock #3: Growth and monthly income is nice

TransAlta Renewables ([TSX:RNW](#)) is another option for investors to consider. TransAlta is a renewable energy stock that benefits from the stable business model of utility stocks. The company also benefits from the growing importance of renewables.

Specifically, while traditional utilities need to spend billions on transitioning to renewables, TransAlta is already there. Instead, TransAlta can focus on growing its already impressive portfolio and paying its juicy dividend.

Currently, TransAlta boasts a portfolio of renewable facilities located across Canada, the U.S., and Australia.

Turning to income, TransAlta offers a monthly dividend that works out to a yield of 5.50%.

Stock #4: Stability, growth, and opportunity

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is another stock for new investors to start investing in today. BCE is one of the largest telecoms in Canada, which means reliable earnings and a juicy dividend.

Specifically, BCE offers services across multiple segments to subscribers across the country. Of those segments, the mobile and internet arms hold significant opportunities for long-term investors.

That opportunity has only increased since the pandemic began, as more of us are learning and working remotely. This has elevated the need for fast and stable data and internet connections.

BCE also boasts a massive media arm that comprises dozens of radio and TV stations, adding another revenue stream to the company.

As an income stock, BCE is, in a word, *stunning*. The company has been paying out dividends for well over a century without fail. Adding to that is the reliable annual uptick to that payout that investors have come to expect.

The current yield on the dividend works out to an appetizing 5.34%, making BCE a stellar stock to start investing in today.

Stock #5: Start investing today for the future

To round out the portfolio, let's take a look at **Metro** ([TSX:MRU](#)). Metro is one of the largest grocers in Canada, with a strong presence in Quebec and Ontario. In addition to the nearly 950 grocery stores in its network, Metro also operates 650 pharmacy locations.

Grocery stocks perform a necessary service as we all saw during the early days of the pandemic. That necessity makes Metro a superb pick for any long-term portfolio. Adding to that appeal is the company's quarterly dividend.

The current yield works out to a respectable 1.55%. Metro has also provided consecutive annual upticks to that dividend for well over two decades.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
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3. TSX:BCE (BCE Inc.)
4. TSX:CM (Canadian Imperial Bank of Commerce)
5. TSX:CU (Canadian Utilities Limited)
6. TSX:MRU (Metro Inc.)
7. TSX:RNW (TransAlta Renewables)

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