



How to Build Your 1st Investment Portfolio

Description

The stock market has had a rough year so far. This has caused many investors, new and experienced, to become hesitant with regards to adding money into new positions. However, I believe this is an excellent time to start investing. Many popular names are trading at massive discounts. Investors that are able to withstand the volatility and continue investing consistently today, set themselves up for success in the future. In this article, I'll discuss how you could go about building your first investment portfolio.

Start by looking at dividend companies

I believe that all [new investors](#) should start by relying on dividend stocks to be the cornerstone of their portfolio. This is because dividend stocks tend to be more established companies. This often results in less volatility, allowing new investors to ease into the stock market. When looking for the best dividend companies to consider adding to a portfolio, I like to refer to the list of Canadian Dividend Aristocrats. This is a list of companies that have raised dividend distributions for at least five consecutive years.

Near the top of that list, you'll find **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)). This company provides more than three million customers across Canada, the United States, and the Caribbean with regulated gas and electric utilities. At 47 years, Fortis holds the second-longest active dividend-growth streak in Canada. That also means that the company has been able to continue increasing its dividend despite having to endure the Great Recession and the COVID-19 pandemic.

Consider investing in companies you know

Another way you can go about finding companies for your first investment portfolio is by looking at the companies that you know. Believe it or not, many of the companies you encounter in your day-to-day life are listed on the stock market. This includes retailers, banks, construction companies, and more. For new investors, I would suggest considering buying shares of the company you bank with. This is because you should already be familiar with its business.

For example, consider **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)). This company is known as one of the Big Five, which is a group of the five largest Canadian banks. What separates the Bank of Nova Scotia from its peers is its focus on international growth. In 2021, nearly a third of its earnings came from sources outside of Canada. [In Q2 2022](#), the company also reported a 50% year-over-year increase in net income in its international business segment. As a cherry on top, Bank of Nova Scotia is an excellent dividend stock. It has paid shareholders a portion of its earnings for the past 189 years.

Add a bit of growth to your portfolio

Finally, I think it'd be okay to add one or two growth stocks to a new portfolio. This could give your portfolio a bit more of a boost during bull markets. One way I look for growth stocks to add to my portfolio is by thinking about the industries that are in position to grow strongly over the coming years. For example, the COVID-19 pandemic has made consumers much more comfortable with buying merchandise online. As a result, the e-commerce industry could see a lot of growth.

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) is a leader within the global e-commerce industry. It provides merchants of all sizes with a platform and all the tools necessary to operate online stores. It's estimated that more than one million merchants rely on Shopify's platform today. Shopify has established a very formidable partnership network with well-known enterprises, which could help it attract more merchants and customers in the future.

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3. NYSE:SHOP (Shopify Inc.)
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6. TSX:SHOP (Shopify Inc.)

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Author

jedlloren

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