



## 1 Stock for Solid Growth and Recurring Income

### Description

Is your portfolio diversified? Finding the right mix of investments that can provide both solid growth and recurring income takes time and patience. [New investors](#) sometimes find the whole process overwhelming, especially considering how many options there are!

Fortunately, there's an easier and quicker way to find that perfect investment. It comes from a single stock that all investors should seriously consider as part of their portfolio.

### The one stock you need is here. But first, let's dispel some myths

The stock that can cater to both needs is **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)). For those that are unfamiliar with Fortis, the company is one of the largest utilities in North America. Fortis has a growing presence across the United States, Canada, and the Caribbean.

Unfortunately, there are some investors that see Fortis as a boring stock that lacks any real growth. That stereotype stems from the belief that utility stocks like Fortis have little incentive (or the funds, after paying out a juicy dividend) to invest in growth.

In the case of Fortis, that couldn't be further from the truth. Fortis's stable business model provides a reliable revenue stream and, in turn, a handsome dividend (more on that in a bit). That stable revenue stream is backed by long-term regulatory contracts that span decades.

The necessity of the service provided is also worth mentioning. Unlike a grocery visit, where you can opt for less-expensive items, there's little to do about your utility bill.

Keep in mind that the defensive appeal of a stock like Fortis continues, despite the overall sentiment of the market.

In case you're wondering, Fortis's defensive moat is one of the most secure on the market. Yes, it may be viewed as a boring stock, but it's stable, provides a good income, and, to dispel another myth, has

plenty of growth.

That growth has historically come from several well-executed acquisitions. Those deals have allowed Fortis to grow into the behemoth it is today. In recent years, however, that growth has shifted to be less about acquisitions and more about transitioning — more specifically, setting a path towards renewables.

Fortis has earmarked billions towards a massive capital improvement fund that is tasked with getting towards renewables while also improving existing facilities.

## Let's talk about income

Utilities are well known for their stable dividends, and Fortis keeps to that tradition. The company has provided handsome annual upticks to its quarterly dividend for over 48 consecutive years. This means that Fortis will achieve Dividend King status within the next two years.

If that isn't reason enough to consider Fortis as both a solid growth stock and recurring income stock, there's another point to keep in mind. Not only is Fortis committed to hitting 50 consecutive years of increases, but the company is looking to surpass it.

Fortis is currently forecasting a 6% annual dividend through 2025. Given the current yield of 3.44%, Fortis could be a great income stock.

By way of example, a \$35,000 investment in Fortis will generate a first-year income of just over \$1,200. Even better — investors not ready to draw on that income just yet can reinvest those dividends, allowing them to grow even quicker.

## Solid growth and recurring income from a single stock is possible

No stock is without some risk, and that includes Fortis. Where Fortis does shine, however, is in the defensive appeal and income earning potential offered. This will allow investors to benefit from solid growth and recurring income.

In my opinion, Fortis should be a core holding as part of every well-diversified portfolio.

### CATEGORY

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2. Stocks for Beginners

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