



## Got \$500? 3 TSX Stocks for Beginner Investors

### Description

As a [new investor](#), the most important thing to keep in mind is that you've got to start. A lot of potential investors often stay out of the market because they don't have a lot of capital to invest with. On the contrary, I believe that new investors should just make it a habit to start investing, even if they have small amounts of capital. Building these habits early will help you better manage your money when you have more capital to work with. Here are three stocks beginning investors can buy with \$500.

### Buy this utility company

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is the first stock that new investors should consider buying. A provider of regulated gas and electric utilities, it serves more than three million customers across Canada, the United States, and the Caribbean. As of this writing, Fortis stock trades around \$60. With \$500 of capital, investors could buy eight shares. That would also result in an annual dividend of nearly \$17. Although that's not a very large sum, you'll see that figure grow much faster as you continue to buy shares.

Speaking of its dividend, Fortis is well known for it. The company has managed to [increase its dividend](#) in each of the past 47 years. That gives it the second-longest active dividend-growth streak. With a very stable and predictable source of revenue coming in every month, I expect Fortis to be able to continue growing that streak for years to come.

### Another reliable company

**Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)) is another company that beginning investors should consider. If you live in Canada, there's a good chance you're familiar with this company. It operates nearly 33,000 km of track, spanning from British Columbia to Nova Scotia. Trading around \$147, investors would be able to buy three shares with \$500. That would enable you to receive an annual dividend of about \$9.

One reason I like Canadian National Railway is because it leads a very concentrated Canadian railway

industry. There are only two real players in that industry, and Canadian National is the larger of the two entities. In addition, the railway industry holds a very important role in our economy. Currently, there isn't a viable way to transport large amounts of goods over long distances if not via rail. This industry could continue to see lots of demand in the coming years.

## Buy the banks

Finally, I believe new investors should invest in the Canadian banks. These companies are some of the most established, and recognized, in Canada. Because the Big Five banks tend to trade fairly similarly, I'd go as far to say that investors could do just fine if they were to buy shares of the company they bank with. However, if you asked me to choose one, I'd go with **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)). Trading around \$74, investors could buy six shares with \$500.

A position of \$500 would allow you to receive more than \$24 in dividends annually. If there's one thing that investors should know about Bank of Nova Scotia's dividend, it's that it's reliable. The company has been paying shareholders a portion of its earnings for the past 189 years!

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