



2 Superb Picks for Newer Investors

Description

Finding the right mix of investments takes time and patience. Newer investors looking at the market of late might be put off by the ability to find those investments. Specifically, inflation, interest rate hikes, and an overall pullback on the market have all contributed to volatility.

Fortunately, there is hope for [new investors](#). There are some stellar investment options that not only offer some reprieve from volatility but also offer long-term growth and income potential.

Here's a look at two options to add to your portfolio.

Option #1: The defensive titan

Adding one or more defensive investments is a must during times of volatility. Utilities such as **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) are superb options in this regard. Fortis is one of the largest utilities in North America, with both distribution and generation operations scattered across Canada, the U.S., and the Caribbean.

The defensive appeal of a utility is off the scale. Utilities provide a necessary service for which there is no direct or more frugal alternative. The service that utilities provide is also backed by long-term regulatory contracts, which can span decades.

In other words, utilities are defensive buy-and-forget investments that should appeal to all investors, not just new investors.

In the case of Fortis, the company also boasts an aggressive stance toward growth. Over the past few years, that stance has shifted from external growth via acquisition to more internal efforts. Think transitioning to renewables and upgrading existing facilities. This only adds to the defensive appeal of the stock.

Finally, let's talk dividends, which is a key reason why investors continue to flock to Fortis. Fortis provides investors with a juicy quarterly dividend that works out to a 3.44% yield. Further to this, Fortis

continues to provide investors with an annual uptick in that dividend.

In fact, Fortis has maintained that cadence for an incredible 48 consecutive years and plans to continue that precedent.

Option #2: The bank

Canada's big banks remain some of the best long-term options for new investors to consider. Coincidentally, the current market also represents one of the best times to buy those big bank stocks in several years.

Specifically, let's take a moment to talk about **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)).

Like all the big banks, BMO has seen its stock drop in 2022. As of the time of writing, the stock is down 12% year to date. Despite that dip, BMO remains a solid long-term buy for both growth- and income-seeking investors.

Speaking of growth, BMO moved late last year to acquire the Bank of the West. The US\$16.3 billion deal, which has yet to close, will expand BMO's operations into multiple new U.S. markets. The deal will also propel BMO into position as one of the largest banks in key markets such as California.

Turning to income, BMO is the oldest dividend-paying stock in Canada. The bank first started distributing dividends back in 1829 and has done so without fail since then. The current yield on that quarterly dividend works out to 4.64%. This also makes BMO one of the higher-paying stocks on the market.

To put that earnings potential into context let's look at a \$30,000 investment. For that initial outlay, investors will earn a first-year income of just over \$1,390. Keep in mind that new investors who aren't ready to draw on that income yet can reinvest it for further gains.

In other words, like Fortis, Bank of Montreal is a buy-and-forget candidate that should be a core holding in every well-diversified portfolio.

Final thoughts

No investment is without risk. Fortunately, both BMO and Fortis are superb defensive investments to consider. Additionally, they both boast growth and income-earning capabilities that should make them great options for any well-diversified portfolio.

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2. Stocks for Beginners

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2. NYSE:FTS (Fortis Inc.)

3. TSX:BMO (Bank Of Montreal)
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Author

dafxentiou

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