



## 3 TSX Stocks That are Great Long-Term Picks

### Description

When [looking for stocks](#) to add to your portfolio, investors should consider whether a company could remain successful over the long term. This is because investing is a long-term activity. As such, short-term successes aren't as important as a company's long-term potential. For example, if a company is leading its industry today, could it remain a leader in 10 years' time? In this article, I discuss three **TSX** stocks that could be great long-term picks!

#### This bank stands atop the rest

If I could only pick one stock to hold over the long term, it would certainly be one of the Canadian banks. This is because Canada's banking industry is highly regulated. As a result, it's more difficult for new competitors to enter the scene and smaller companies to climb the ranks and become industry leaders. With that said, the companies that currently hold leadership positions in this industry have a massive advantage. Of the Big Five Canadian banks, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) would be my top pick.

Bank of Nova Scotia separates itself from its peers with its focus on international growth. In its [Q2 2022 earnings presentation](#), the company reported that net income growth was mainly driven by its international business segment. The multinational bank reported a 50% year-over-year increase in net earnings from its international business. The fact that the Bank of Nova Scotia is a reliable dividend stock is the cherry on top for me. The company has successfully distributed a dividend to shareholders in each of the past 189 years.

#### Another outstanding financial institution

**Brookfield Asset Management** ([TSX:BAM-A](#))([NYSE:BAM](#)) is another financial institution that investors should consider holding for the long term. Through its subsidiaries, this company has exposure to the infrastructure, insurance, real estate, renewable utility, and private equity industries. All considered, Brookfield's portfolio holds about US\$725 billion of assets under management. This makes the company one of the largest alternative asset management firms in the world.

What's even more impressive about Brookfield's portfolio is how fast it has grown. In 2018, the

company had about US\$283 billion of assets under management. That represents a compound annual growth rate of 26% over the past four years. At that rate, Brookfield could have a portfolio of assets worth more than US\$1 trillion in two years' time. This company may be juggling operations in many industries, but there's no denying its position as one of the world's largest and most diversified asset managers.

### Canada's leading railway company

Finally, I believe that **Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)) could be an excellent stock to hold for the long term. With nearly 33,000km of track, this company operates the largest rail network in Canada. It runs lines that stretch from British Columbia to Nova Scotia and even as far south as Louisiana. Despite a more challenging operating environment, CN was able to increase its operating ratio (operating expenses as a percentage of revenues) by 4.4 points to 66.9% in Q1 2022 over the year-ago period. The railway's historically strong operating efficiency should be a long-term growth lever as the economy rebounds.

Canadian National Railway is also an excellent dividend stock. It has managed to increase its dividend distribution in each of the past 25 years. That makes it one of only 11 TSX-listed stocks to currently surpass that milestone. Over that period, Canadian National's dividend has also grown at a compound annual growth rate of 12.2%.

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2. NYSE:BNS (The Bank of Nova Scotia)
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