



New Investors: 2 Great Long-Term Picks to Consider Today

Description

Stock market investing has gained the reputation of providing investors with stellar growth in a short time span, largely due to the tech sector boom amid the pandemic. However, seasoned investors know not to treat stock market investing as a short-term wealth growth tool. Ideally, you should consider it a marathon, where you grow your wealth in a sustainable manner over a long time.

Identifying high-quality companies with strong underlying businesses and the potential for long-term success and investing in their shares can help you get a good start on your journey to enjoying financial freedom. New investors looking for [beginner stocks](#) have a wealth of options available to them in the stock market for long-term picks.

Today, I will discuss two TSX stocks that could be excellent long-term assets to buy and hold in your self-directed investment portfolio.

Canadian National Railway

Canadian National Railway ([TSX:CNR](#))([NYSE:CNI](#)) is a \$112.53 billion market capitalization Canadian railway company headquartered in Montreal. The company is one of the most boring assets to own for investors interested in high-growth and exciting stocks. However, it is one of the most reliable assets for long-term investors.

Canadian National Railway owns and operates the country's largest railway network. It spans from British Columbia to Nova Scotia, running almost 33,000 km of track. CN Railway is responsible for transporting a major chunk of goods, and its ability to operate from coast to coast makes it an integral part of the Canadian economy.

At writing, Canadian National Railway stock trades for \$162.36 per share and boasts a 1.80% dividend yield.

Constellation Software

Constellation Software ([TSX:CSU](#)) is a diversified \$46.09 billion market capitalization software company. Headquartered in Toronto, Constellation Software is another excellent long-term pick you can consider.

Established almost 30 years ago, Constellation Software has acquired several vertical market software businesses. The company's ability to identify high-potential businesses, acquire them, and grow them has made it very successful.

The company's immense success has even inspired several other companies that follow a similar acquisition strategy. After primarily focusing on acquiring small- and medium-sized businesses for over two decades, it has finally started looking into larger businesses.

It remains to be seen how the change in tack plays out, but it could provide a significant boost to its long-term returns.

At writing, Constellation Software stock trades for \$2,168.81 per share, and it is a rarity among tech stocks because it pays shareholder dividends at a 0.24% dividend yield.

Foolish takeaway

Buying and holding on to shares of fundamentally strong businesses for several years or decades can provide you with substantial returns on your investment through capital gains. You can sell your stakes in these high-quality assets at much later dates to enjoy significant returns.

Allocating your investment capital to industry-leading companies with a track record of excellent performance could be a safer bet than investing in high-growth but high-risk stocks. Creating a well-balanced investment portfolio does require taking on some risk, but it would be better to build a strong base through stable stocks before you add higher-risk assets to your portfolio.

Canadian National Railway stock and Constellation Software stock can be excellent additions to your portfolio for this purpose.

CATEGORY

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2. TSX:CNR (Canadian National Railway Company)
3. TSX:CSU (Constellation Software Inc.)

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Author

adamothonman

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