



Got \$5,000? Buy These 2 Stocks and Hold Until Retirement

Description

Looking for that perfect mix of investments? Whether you have \$5,000 or \$500,000, there are some stellar stocks to buy now and hold until retirement.

Here's a look at two great options that would do well in any well-diversified portfolio.

Hold until retirement: Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is a stock that should be on the radars of investors everywhere. The company operates a growing utility network that is scattered across the U.S., Canada, and the Caribbean. Collectively, the company boasts over \$60 billion in assets and over 3.4 million utility customers.

As one of the largest utilities on the continent, Fortis benefits from its very defensive business model.

In short, Fortis is contracted to provide utility services. For as long as Fortis keeps providing that service, it receives a steady revenue stream. Those contracts are regulated and very long term, typically spanning decades.

For investors, this means that Fortis generates a stable, recurring revenue stream that allows the utility to pay a handsome dividend to investors. The yield on that dividend works out to a juicy 3.52%.

So then, why should you buy Fortis and hold until retirement?

Fortis is a great buy-and-forget stock. Additionally, Fortis has provided annual generous upticks to that dividend for 48 consecutive years. Even better, Fortis has no plans to stop that practice either.

In short, a \$5,000 investment today that investors hold until retirement will generate a solid income for investors. Over the course of 20 years, that initial investment can grow into a sizable nest egg.

Prospective investors should also note that Fortis is investing heavily in both upgrading and

transitioning its facilities towards renewable energy.

You can bank on growth for decades

When it comes to stocks with decades of staying power, it's hard not to mention one of the big banks. In fact, Canada's big banks remain some of the [best long-term options](#) on the market today. But which bank is right for your portfolio and to hold until retirement?

That would be **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)). BMO is neither the largest or most renowned of the big banks. What it does offer investors is a trio of factors that make the bank a must-have for any portfolio.

First, let's talk about consistency. BMO is the oldest bank in Canada, even pre-dating confederation. Nearly two centuries of growth has allowed the bank to amass a mature domestic network that generates impressive earnings for the bank.

That bump in earnings allows BMO to invest in other areas, such as growth. A great example of that is BMO's US\$16.3 billion deal to acquire the Bank of the West. The deal was announced late last year and, upon completion, will expand BMO's presence into several new state markets.

More importantly, Canadian banks are known for their stability and ability to completely avoid the crises that plague U.S. banks every decade. In short, BMO's presence in new markets like California may be a boon to the bank.

Finally, let's talk dividends. BMO offers investors a juicy quarterly dividend. The current yield works out to 4.12%, making it one of the better-paying returns on the market. As with Fortis, reinvesting those dividends and holding until retirement is key.

This will allow the maximum return on your initial investment, even if it is just \$5,000.

Final thoughts

No stock is without risk. As we've seen in 2022, market volatility is always nearby. Fortunately, both BMO and Fortis boast significant defensive appeal. So far in 2022, both are trading near flat or just slightly below where they finished in 2021.

This means that one or both are great long-term options for any well-diversified portfolio. In short, buy them and hold until retirement.

CATEGORY

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2. NYSE:FTS (Fortis Inc.)

3. TSX:BMO (Bank Of Montreal)
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