3 TSX Stocks I Will "Never" Sell

Description

Finding the stocks you can keep in your portfolio forever is more difficult than many think. There are plenty of stocks that have turned the wrong corner after decades of exceptional performance. So when you are looking for stocks you may never have to sell, try and look deeper than the past performance and look for fundamentals that can stand the test of time.

A food and pharmacy retail giant

When it comes to businesses that may endure for decades, groceries and pharmacies might be near the top of the list. Food and health are the top spending priority of almost every household, and this is the fundamental strength of **Metro** (TSX:MRU), one of the top stocks in Canada.

It's not *the* food and pharmacy retail giant in Canada, but it's one of the largest ones, with 950 grocery stores and 650 pharmacies to its name.

Not all of its stores bear the Metro name, and the multitude of brands that operate under the Metro banner gives the company a slight edge. With different brand names come different loyal client bases that may stick to their trusted brand, even if the parent company's reputation is in peril.

Another reason Metro deserves a permanent place in a portfolio is its growth potential. The price has gone up 260% in the last decade alone, and if it can continue going up at this speed, the long-term returns might be quite exceptional.

An asset management company

With a market capitalization of about $99 billion, **Brookfield Asset Management** (TSX:BAM.A)(NYSE:BAM) isn't merely one of the large-cap stocks in Canada; it's one of the biggest companies currently trading on the Canadian stock market. This global asset management company has roughly $750 billion worth of assets under management (AUM).

But it's not just the size of the portfolio that's impressive and makes the company a solid bet for long-term holding; it's the spread and industry focus that makes it special. The portfolio is spread out over five countries and split into five categories (sectors), three of which are infrastructure, real estate, and renewables.

With a significant portion of its capital tied to asset classes that are relevant and might remain relevant for decades, Brookfield seems like a worthy long-term holding, especially if you consider its powerful growth history stretching back about two-and-a-half decades.

An alternative financial company

Banks dominate the lending market in Canada. From personal loans and mortgages to business loans, the big banks are the first choice for most Canadian individuals and businesses when it comes to a loan. But not all people qualify for these loans, which allows companies like **goeasy** ([TSX:GSY](TSX:GSY)) to create a market for themselves by issuing loans to people who can't get them from the big banks.

And goeasy has proven itself to be one of the best players in this niche market. Its footprint of over 400 branches spread out over the country is comparable to a sizeable bank. The performance of the stock has reflected the commercial success of this company.

And even though it has been in a bit of trouble since September 2021, the stock's long-term growth potential might still be decent enough to hold it in your portfolio forever.

Foolish takeaway

A strong long-term return potential is a necessary ingredient in a "forever" stock. A cyclical stock, no matter how fundamentally strong the underlying business is, may not prove to be a fruitful long-term holding, unless the dividends are generous enough to make up for the weak growth potential.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:BN (Brookfield)
3. TSX:GSY (goeasy Ltd.)
4. TSX:MRU (Metro Inc.)

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