



3 TSX Stocks I Will “Never” Sell

Description

It's pretty rare that you find a stock you never plan to sell. Often, we buy stocks that we plan on holding for long periods of time, but for an entire lifetime? It seems like a bit much. Many think it's safe to hold highly diversified index funds with 500+ stocks for an entire lifetime, but those funds have a lot of stocks entering and leaving as they grow bigger or smaller in size (by market cap value). In general, it's pretty rare to find stocks that are worth holding for an entire lifetime.

That doesn't mean that such stocks don't exist. **Berkshire Hathaway** has famously outperformed the stock market for six decades. Other stocks have outperformed by even greater margins over fewer decades. There's no shortage of stocks out there that have been worth holding for a lifetime. Canada, in fact, is home to several of them. In this article, I will explore two Canadian stocks (and one ETF) I would 'never' sell – I use scare quotes because I did sell one of them, but I wouldn't sell it if I still owned it today.

TD Bank

The Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) is a Canadian bank stock that has outperformed the average Canadian bank over the last few decades. TD started buying up U.S. bank chains shortly after the 2008/2009 financial crisis. Because it bought in right after the crisis, when banks were selling for next to nothing, it managed to buy up many assets on the cheap. As a result, it grew to become the ninth biggest bank in the United States. Today, it has 36% of its earnings coming from the U.S., and is in the process of acquiring its biggest U.S. chain yet – **First Horizon National**. When the deal closes, TD will be the sixth largest bank in the United States.

The TSX 60 Index

The **iShares S&P/TSX 60 Index Fund** ([TSX:XIU](#)) is an [exchange traded fund \(ETF\)](#) I have held ever since I started building up my current portfolio in 2018. I have no plans to sell it at any point in the foreseeable future.

XIU is a fund built on the TSX 60 – that is, [the 60 largest](#) publicly traded companies in Canada. It has a lot of exposure to banks, utility stocks, and energy stocks. Utilities and energy are among this year's top performers, while banks were top performers last year.

The XIU fund has a lot of things going for it. It has 60 stocks, which is a good amount of diversification. It has a 2.6% dividend yield, which is pretty good for a broad-market index fund. Finally, XIU's the most traded Canadian index fund by far, which lowers trading costs as it reduces the spread between the bid price and ask price. All considered, I'm probably never selling this solid Canadian ETF.

The one I did sell but shouldn't have

The one TSX stock I sold but should have held is the **Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)). I never soured on this stock, but I sold it when I got more interested in Berkshire Hathaway and needed to raise funds to buy it. One of Berkshire's biggest businesses is BNSF, a railway like CNR. I figured with Berkshire I'd get solid exposure to railways while also enjoying more diversification.

In hindsight, I probably shouldn't have sold CNR stock when I did. Its current price is around \$150, which is the same level I sold it at – I haven't missed out on any gains. However, the company is really starting to deliver good results. In its most recent quarter, it grew its revenue by 22% and earnings by 30%. CN Railway is doing well but its stock isn't following suit – this is the type of scenario that tends to lead to stronger stock performance in the future.

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2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:CNR (Canadian National Railway Company)
4. TSX:TD (The Toronto-Dominion Bank)
5. TSX:XIU (iShares S&P/TSX 60 Index ETF)

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