3 Portfolio Boosters to Hold for at Least 1 Decade

Description

Many growth stocks can give your portfolio a solid enough boost, even if you don't hold them for long enough. Just one decade and a decent amount of capital are all that's needed to make a significant change in your portfolio's growth pace. That's *if* the stocks you've chosen for the job continue to perform as they have been in the past.

You may want to assess three such stocks as a decade-long holding in your portfolio.

A financial company

Financial institutions, especially the blue-chip, large-cap stocks in Canada, usually offer a consistent but modest growth pace. There are a few outliers to this trend, and one of them is **Intact Financial** (TSX:IFC). The stock has grown 236% in the last 10 years, and if you add dividends to the return, the number goes up to 332%.

Intact Financial's growth potential is backed up by organic/fundamental strengths of the underlying business. It's the top player in the Property and Casualty insurance market in Canada and has a promising secondary market (i.e., the U.K.).

It's also a noteworthy Dividend Aristocrat, because even though its yield is relatively low at 2%, its dividend-growth rate is quite attractive. Between 2012 and 2022, it increased its payouts by 2.5 times. This dividend growth, combined with its capital-appreciation potential, makes it a stock worthy of a decade-long holding.

A railway company

Canadian Pacific Railway (TSX:CP)(NYSE:CP) is a company on the verge of becoming significantly more potent through an American merger that would make it a railroad connecting Canada, the U.S., and Mexico. The coalition is currently facing challenges and backlash, but many new growth opportunities will open up for the business if it goes through.

The stock has been a good option even before this merger was proposed. It's a faster grower than the other railway giant in the country and has returned over 494% in the last decade through price appreciation. With another decade at this pace, you may see your capital growing almost five-fold. The dividends, even at the low yields, are a bonus.

A tech company

If you are looking for a promising but currently highly discounted stock, so you can augment its regular growth potential with recovery-fueled growth, the tech sector has several good options. One of these options is **Enghouse Systems** (TSX:ENGH). This Markham-based company has been around since 1984 and has four different business divisions, targeting multiple vertical markets.

In the decade before the performance (between Feb. 2012 to Feb. 2020), the stock rose well over 1,200%. Even if the company performs *half* as well in the next decade, it would still be the most potent growth stock on this list.

The post-pandemic rise of the stock was not explosive like it was for several other tech stocks. But the correction was just as brutal, if not more so. It's currently trading at a 47% discount from its pre-pandemic peak. Due to this drastic fall, its yield has also increased quite a bit for a tech stock (2.5%).

Foolish takeaway

The three companies could expedite your portfolio's growth by a significant margin. Based on their past decade's performance, the three (if we average out the growth potential) may offer over a four-fold increase in the next decade. So, if you can allocate just $25,000 to the three companies, you may see it grow to over $100,000 in the next decade.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:CP (Canadian Pacific Railway)
2. TSX:CP (Canadian Pacific Railway)
3. TSX:ENGH (Enghouse Systems Ltd.)
4. TSX:IFC (Intact Financial Corporation)

PARTNER-FEEDS

1. Business Insider
2. Flipboard

3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. adamothman
2. kduncombe

Category

1. Investing

Date
2025/07/20
Date Created
2022/09/29
Author
adamothman