



Got \$2,500? 2 Top Stocks That You Can Buy and Hold for a Lifetime

Description

Every investor seeks to earn a solid income. Unfortunately, new investors often lack the \$40,000 or more needed to establish that income stream. Fortunately, there are options for those investors. Here are two stocks to buy and hold for a lifetime that can start you off, with just \$2,500.

Fortis provides ample buy-and-hold potential

The first investment that is a buy-and-hold for a lifetime is **Fortis** ([TSX:FTS](#)). Fortis is one of the largest utilities on the continent. The company has 10 operating regions that include facilities scattered across the U.S., Canada, and the Caribbean.

Utilities are among the most defensive investments on the market. Part of that appeal stems from the regulated nature of the business. In short, Fortis generates a stable and recurring revenue stream that is bound by long-term regulatory contracts.

Also worth noting is that the defensive appeal of that stable revenue stream is largely unaffected by market volatility. This makes Fortis one of the most defensive options on the market, and a great reason to buy and hold for a lifetime.

Turning to results, the most recent set of results was for the third fiscal back in October. In that quarter, Fortis reported net earnings of \$326 million, or \$0.68 per common share. This was a noted increase over the \$295 million, or \$0.63 per common share reported in the same period last year.

Overall, the company earned \$0.71 per common share, reflecting a \$0.07 per common share increase.

The solid results and stable revenue stream also mean that Fortis can provide a juicy [dividend](#) to investors. Fortis provides an appetizing quarterly income stream, which works out to a yield of 4.19%. This means that a \$2,500 investment will earn just over \$100 in income. That's obviously not enough to retire on, but it *is* enough to let those reinvested dividends begin to grow your portfolio.

If that's not enough, Fortis has an established practice of providing annual bumps to that dividend.

That cadence extends to an incredible 49 years. Management's recent guidance for that annual bump is to continue with 4-6% increases through 2027.

That further justifies Fortis as a buy-and-hold for a lifetime investment.

Banking on growth, pocketing some income

It's hard to compile a list of investments to buy and hold for a lifetime without mentioning at least one of Canada's big banks. The big [banks](#) are some of the best long-term investments on the market. They regularly provide strong earnings and show long-term growth potential.

The big banks have also provided handsome dividends for over a century, and provide a reliable annual cadence for dividend increases. But which of Canada's big banks should investors look to?

That bank to consider is **Bank of Montreal** ([TSX:BMO](#)). BMO is Canada's oldest bank and has been paying out dividends for nearly two centuries. Like its peers, BMO also runs a solid domestic business that generates the bulk of its revenue.

Where BMO differs from its peers is with respect to its international growth. BMO's expansion into the U.S. market has primarily focused on the Midwest, but that's changing.

Late last year BMO announced it was buying California-based Bank of the West. The US\$16.3 billion deal will add over 500 branches to its growing U.S. network. Those branches will also bring in billions in loan deposits, placing BMO among an exclusive crowd of the 15 largest banks in the U.S.

Investors looking at BMO as a candidate investment to buy and hold for a lifetime won't be disappointed with the income potential of the stock. BMO's quarterly dividend is a juicy 4.28%. Like Fortis, a \$2,500 investment will provide a dividend that, if reinvested and added to over the years, will provide a nice income.

Buy and Hold for a *Lifetime* – it's not a race!

No investment is without risk, and that includes both Fortis and BMO mentioned above. Building out a solid portfolio takes planning, patience, and most importantly, time. In short, start early, even with \$2,500, and give your portfolio time to grow.

In my opinion, both Fortis and BMO are worthy long-term options to buy and hold for a lifetime as part of a larger, well-diversified portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BMO (Bank Of Montreal)
2. TSX:FTS (Fortis Inc.)

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