



3 Best-in-Class Stocks to Build Long-Term Wealth

Description

There is no get-rich-quick scheme when investing in stocks. [Investing](#) takes time, patience, and an iron stomach. Trading stocks to make a quick profit is not investing. It is speculating on prices. Investing is when you buy a stock in a real *business* and participate in its long-term growth and profits.

Build wealth by owning stocks for the long term

If you want to build [long-term wealth](#), the best thing to do is to find stocks in high-quality companies and own them for the long run. Find companies with great products/services, a solid history of strong returns, smart management, and healthy balance sheets. Buy a mix of top stocks in a variety of sectors and then hold them for years.

Not only is this the simplest strategy, but it is also the least stressful. If you are looking for best-in-class stocks to build long-term wealth, here are three at the top of my list.

A world-class consulting firm

The rising demand for essential infrastructure is a major long-term tailwind for **WSP Global** ([TSX:WSP](#)). It is one of the world's largest engineering, design, and consulting firms. Since 2012, this stock has earned a 458% total return, or 21.2% annualized.

The company has been very successful [acquiring](#) both small and large consulting firms under its platform. It has acquired over 190 firms since its inception. It has made five acquisitions this year, including the notable Wood Environmental purchase for \$2.4 billion.

This year, WSP has grown revenues, adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) and adjusted net earnings per share by 13%, 12.7%, and 12%, respectively. The company has a huge \$13.3 billion backlog, so its outlook remains robust. The company has a strong balance sheet, and it still has excess capacity to keep acquiring firms that can expand its reach geographically and by vertical.

A global asset manager

Over the past 20 years, **Brookfield Asset Management** (TSX:BAM.A) has grown into a premium alternative asset manager. Today, it has \$750 billion of assets under management (and growing). Over the past decade, BAM stock has delivered a 324% total return, or 15% annually. That doesn't include any spin-outs either.

Speaking of spin-outs, Brookfield is [spinning out](#) a 25% stake in its asset management business on Monday. This move is meant to separate its asset-light, fee-heavy business from its large, somewhat complex array of cash-yielding private and public assets.

This move could unlock long-term value, because it helps make the broader Brookfield organization more transparent to analyze. Beyond this, BAM has an incredibly smart value-focused management team. It has \$125 billion of spare capital to deploy, so it has ample opportunities to grow in the coming years.

An income stock to hold for years

If you want an intriguing combination of stable growth, [value](#), and income for years to come, **Granite REIT** (TSX:GRT.UN) should be on your radar. This dividend stock has earned a 180% return, or 10.8% annually, since 2012.

With a market cap of \$4.85 billion, Granite is Canada's largest industrial properties real estate stock. It has institutional grade assets in Canada, the U.S., and Europe. The real estate investment trust (REIT) has a very stable portfolio with 99% occupancy, long-term leases, and investment-grade tenants.

This REIT is down 27% this year, and it trades at a 15% discount to its private market value. It also has a nice 4% dividend, which it has consistently grown for 12 consecutive years. This REIT has a top management team and sector-leading balance sheet. You'll be hard pressed finding a better, low-risk [income-yielding stock](#) to hold decades to come.

CATEGORY

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TICKERS GLOBAL

1. TSX:BN (Brookfield)
2. TSX:GRT.UN (Granite Real Estate Investment Trust)
3. TSX:WSP (WSP Global)

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