



3 Canadian Stocks to Own for the Next 10 Years

Description

Taking a long-term view of financial markets requires avoiding the temptation to become a day trader. Setting an investment timeline to rebalance and/or adjust positions periodically is great. Setting an investment time horizon for your portfolio is another great tool to accomplish this.

For those with a longer-term investing time horizon, here are three stocks I expect will outperform over the next decade.

Enghouse Systems

A company I haven't touched on too often in the past, **Enghouse Systems** ([TSX:ENGH](#)) is a great Canadian technology success story. Like other growth tech players, Enghouse has used an acquisition-based growth strategy. The company has successfully used this strategy to hit critical mass and diversification in the technology services space.

Enghouse's various income streams are consistent and reliable. This provides investors with a combination of near-term defensiveness and long-term growth. This is a pairing I think will increase the company's value. Further, this is particularly true, as investors look for both near-term stability and long-term growth coming out of this pandemic.

This company has done a great job of only investing in profitable, growth-oriented technology services businesses. Among the company's portfolio of companies, I like Enghouse's exposure to the telehealth and call centres. Telehealth has now become a key focal point for healthcare systems in responding to the COVID-19 pandemic.

I expect these needs for virtual care will continue on in the post-COVID world. In essence, I believe this transition has simply been accelerated by the coronavirus. Enghouse's growth profile is further enhanced by its ability to acquire additional growth-oriented businesses. This is due to the company's relatively strong balance sheet.

Brookfield Infrastructure Partners

Thinking about which companies will continue to be strong 10 years from now requires a look at such companies underlying sectors/growth drivers. The infrastructure sector is one such area of focus I have determined is highly likely to retain strong growth a decade from now. This is due to an increasing need for two key components the infrastructure sector provides: jobs and infrastructure updates.

With government deficits now not under any scrutiny at all (government seems to have a blank check to “invest in jobs”), infrastructure spending and new projects should shoot through the roof. The need to get folks back to work while replacing desperately old infrastructure is going to be a key government focus long term.

In Canada, **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)) is the largest player in this space. The company gives Canadian investors access to what I believe is [a sector with great value](#), fundamentally speaking, relative to historical levels. Brookfield Infrastructure also could invest globally. This would provide great geographical diversification. In addition, the company could invest across sectors (i.e., in utilities, highway, bridges, and other large projects).

Waste Connections

The premier garbage collection company in Canada, and the most profitable such company in North America, **Waste Connections** ([TSX:WCN](#))([NYSE:WCN](#)) has performed very well in recent years. I think this trend is bound to continue for the long run. The market is just beginning to appreciate the defensive/essential nature of Waste Connections’s business model in concert with the company’s excellent growth profile.

Momentum in this sector seems to be picking up. Investors are placing higher value on such defensive growth. They are starting to consider the long-term outlook of Waste Connections’s ability to continue to consolidate this fragmented sector. I believe Waste Connections is potentially one of the highest-quality and safest growth plays on the TSX today, justifying the company’s valuation, in my view.

Stay Foolish, my friends.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. canada
2. coronavirus
3. infrastructure
4. real estate

TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. NYSE:WCN (Waste Connections)
3. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
4. TSX:ENGH (Enghouse Systems Ltd.)
5. TSX:WCN (Waste Connections)

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Date

2025/09/28

Date Created

2020/06/20

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