



## 3 Stocks Perfect for Any Retirement Plan

### Description

Many investors like to separate their investments into two buckets. In one, the investor picks stocks that are more speculative – they may explode in value, or they may flame out. Ideally these picks help keep investing fun and interesting, but of course this bucket should be kept as small as possible.

The lion's share of the money should go into stocks that are more secure, ones that can be relied on for the long term. Ideally it is this bucket that will fund a comfortable retirement. On that note, below we look at three stocks that should go in this bucket.

### Royal Bank

**Royal Bank of Canada** ([TSX: RY](#))([NYSE: RY](#)) is Canada's largest company by market capitalization, and is very well-positioned too. First of all, it has a top two market position in practically every Canadian banking product. And Canadians are much more loyal to their bank than even a few years ago, so this leadership position is not under serious threat.

Secondly, RBC has one of the world's largest wealth management and capital markets businesses. These are areas where other big banks have been pulling back in the aftermath of the financial crisis. So RBC has been able to pick up some cheap acquisitions and some market share over the past few years, and there's little reason to expect this to stop.

RBC is also not priced too high, at 13.4 times earnings. So if you're willing to hold on to this company for the long term, the odds are in your favour.

### Canadian Natural Resources

**Canadian Natural Resources** ([TSX: CNQ](#))([NYSE: CNQ](#)) is a best-in-class energy operator, with production mainly coming from Alberta. Over its history, the company has earned a fantastic reputation for buying assets cheaply and keeping costs under control. This has allowed CNRL to thrive even when the market is depressed.

The company isn't priced aggressively either, trading at less than a 3% premium to its reserves (using

a 10% discount rate). So once again, the odds are in your favour if you're a long-term investor.

## Fortis

**Fortis** ([TSX: FTS](#)) is Canada's largest investor-owned distribution utility. So its product will always be in demand as long as we need to keep the lights on. And this kind of stability shows up in the company's numbers – in fact, Fortis has raised its dividend every year for over four decades.

Fortis is arguably a very boring investment option. But this is exactly what you should be looking for, and with a dividend yield of nearly 4%, the shares aren't overly priced either.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. NYSE:RY (Royal Bank of Canada)
3. TSX:CNQ (Canadian Natural Resources Limited)
4. TSX:FTS (Fortis Inc.)
5. TSX:RY (Royal Bank of Canada)

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