

## Attention Millennials: Here's Your Instant 3-Stock Retirement Portfolio

### Description

Young people have a lot on their plates these days, and planning for retirement is often the last item on the to-do list.

It's understandable why.

Work, school, and young families command most of their time and energy, and those "golden" years seem so far away. But that's the exact reason why young people should be investing now.

Time is the great builder of wealth, and the more time people have before they retire, the less money they need to invest to ensure a comfortable post-work lifestyle.

Here are the reasons why **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)), **Telus Corporation** ([TSX:T](#))([NYSE:TU](#)), and **Canadian National Railway Company** ([TSX:CNR](#))([NYSE:CNI](#)) are solid picks to start a retirement portfolio.

#### Bank of Montreal

Bank of Montreal is often bypassed in favour of its larger peers, but that strategy might not be the best one.

The company has a diversified revenue base that is particularly attractive right now because it includes a growing U.S. business. As Canada works its way through an economic rough patch, BMO's operations south of the border are helping offset some of the domestic weakness, and the division will become more important in the coming years.

BMO also has a strong wealth management group with operations spread out around the globe.

The stock trades at an attractive 10 times forward earnings and offers investors a nice 4.7% dividend yield. BMO has paid a dividend every year since 1829. That's a track record young investors can count on.

#### Telus Corporation

Telus is Canada's fastest-growing telecom company, and its commitment to providing superior customer service is a big reason for the success.

Telus boasts the lowest mobile churn rate in the industry. This is important because smartphone users are a lucrative segment and it costs a lot of money to win them back after they leave.

Blended average revenue per user (ARPU) is another key metric for gauging how well telecom companies are doing. Telus just reported its 19th consecutive year-over-year quarterly ARPU increase. It appears that happy customers spend more money.

The company is also winning the battle for wireline customers as new subscribers flock to its Telus TV and broadband Internet offerings.

Telus has increased its dividend 11 times in the past five years. The current distribution yields 3.9%. This is a great defensive pick, one that investors can simply buy and forget about for the next 30 years.

### **Canadian National Railway**

Canadian National Railway is probably the best no-brainer buy in the group. The company operates North America's only rail network that offers access to three coasts. That's a great situation to be in because the odds are pretty low that someone would build another system to compete along the same routes.

Canadian National Railway doesn't rest on its laurels though. The company constantly invests to improve efficiency and maintain its competitive edge. In fact, Canadian National Railway is often cited as the best-run railway on the continent.

The railway has been a fantastic builder of wealth for decades, and that trend should continue. Management increased the dividend by 25% earlier this year and plans to give investors a larger slice of the profit pie going forward.

That's probably why Bill Gates owns 14% of the company.

### **How should millennials invest?**

Using the tax-free savings account is the best way to build wealth. Young investors can buy reliable dividend stocks and reinvest the distributions in more shares without paying any taxes. Over time, the compounding effect can build the portfolio substantially. When it comes time to use the money, the gains are all tax-free.

### **CATEGORY**

1. Bank Stocks
2. Investing

### **TICKERS GLOBAL**

1. NYSE:BMO (Bank of Montreal)
2. NYSE:CNI (Canadian National Railway Company)
3. NYSE:TU (TELUS)
4. TSX:BMO (Bank Of Montreal)
5. TSX:CNR (Canadian National Railway Company)
6. TSX:T (TELUS)

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**Date**

2025/08/21

**Date Created**

2015/09/08

**Author**

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