



This Coast-to-Coast Portfolio Will Fund Your Retirement

Description

Have you ever heard of the Leaside Stock Index? It's okay if you haven't; not many have.

It's a theoretical portfolio I created for *Leaside Life News* in February 2014; it has 20 stocks (10 Canadian and 10 American) from companies doing business in the neighbourhood where I live in Toronto.

It's up significantly in the 31 months since, so it got me thinking about creative out-of-the-box portfolios that readers could use to simplify their investing while also giving their retirement funds a swift kick in the pants.

The "coast-to-coast" portfolio includes stocks from companies across the 10 provinces in this great country of ours. Basically, you select the biggest public company in terms of revenue from each province, giving you a very passive 10-stock portfolio that *should* outperform the more diversified TSX Composite Index.

Easy as pie. Don't believe me? I've gone back five years and found the top company by revenue from each province. They're listed below.

| Province | Stock | Province | Stock |
|--------------|---|----------|--|
| B.C. | Telus Corporation (TSX:T)(NYSE:TU) | Quebec | BCE Inc. (TSX:BCE)(NYSE:BCE) |
| Alberta | Suncor Energy Inc. (TSX:SU)(NYSE:SU) | N.B. | Major Drilling Group Int'l Inc. (TSX:MDI) |
| Saskatchewan | Viterra Inc. | N.S. | Empire Company Limited (TSX:EMP.A) |

| | | | |
|----------|--|----------------------------|--|
| Manitoba | Great-West Lifeco Inc. (TSX:GWO) | PEI | None qualify |
| Ontario | Manulife Financial Corp. (TSX:MFC)(NYSE:MFC) | Newfoundland & Labrador | Fortis Inc. (TSX:FTS) |

However, before I tell you how this theoretical portfolio would have performed over the past five years, there's some housekeeping to do.

First, as PEI didn't qualify because it had no public company of any description to put forward in 2011, I've added a second Ontario company—**Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#))—to the portfolio for a couple of reasons: The TSX is based in Toronto, and Ontario has the most people of any province in Canada. It's not scientific, so please don't be offended if you live in one of the other nine provinces.

The second thing of note is that **Power Corporation of Canada** actually had the highest revenue of any public company in 2011 that was headquartered in Quebec—not BCE. However, because Great-West Life (a Power Corporation holding) already qualified for Saskatchewan, I moved down the list to the second-highest revenue generator in the province.

Finally, Viterro Inc., Saskatchewan's top revenue generator in 2011, was acquired by **Glencore Plc** in December 2012 for \$16.25 per share, about 51% higher than where its stock would have been trading in August 2011. I included it in the portfolio's calculation because that's what happens in investing—sometimes companies get bought.

And now the moment of truth. How would this \$100,000 (\$10,000 per stock) coast-to-coast portfolio have performed through August 25?

You would have \$150,414 and an annualized total return of 8.5%, 190 basis points higher than the TSX Composite Index.

I'll take this kind of performance every day of the week. It's especially good when you consider the effect recent Safeway problems at Empire Company and the ongoing struggles of Suncor due to low oil prices have had on their respective stock prices.

Who are the components for the 2016 coast-to-coast portfolio? I'll leave that up to you to figure out.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:MFC (Manulife Financial Corporation)
3. NYSE:RY (Royal Bank of Canada)
4. NYSE:SU (Suncor Energy Inc.)
5. NYSE:TU (TELUS)
6. TSX:BCE (BCE Inc.)

7. TSX:EMP.A (Empire Company Limited)
8. TSX:FTS (Fortis Inc.)
9. TSX:GWO (Great-West Lifeco Inc.)
10. TSX:MFC (Manulife Financial Corporation)
11. TSX:RY (Royal Bank of Canada)
12. TSX:SU (Suncor Energy Inc.)
13. TSX:T (TELUS)

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Date

2025/07/21

Date Created

2016/08/26

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