Making a List and Checking it Twice — for Investors

Description

As the most wonderful time of the year is approaching, Santa Claus is not the only one who needs to make a list and check it twice. Investors have to go through the annual process of ensuring that they are managing their portfolios in an optimal manner. Here are a few things that should be on the list of every investor before the year is out.

RESP contributions

For those with children, a Registered Education Savings Plan will allow for free money from the government every year until the year that child turns 18. As the deadline is set at December 31, the money for this year's contribution must be deposited into the account by that date to receive the government grant, which is $1 for every $5 in contributions.

RRSP contributions

Although the Registered Retirement Savings Plan (RRSP) deadline is set 60 days into the new year, investors still need to be aware of their contribution room and amount of cash available for contribution. As RRSPs offer a tax deduction (and refund, in many cases), investors need to pay special attention to this plan as a refund will translate to having more money to invest over the long term.

Capital gains and losses

As capital gains and losses are triggered on an annual basis, investors need to ensure that the settlement of a trade happens before December 31 to have it qualify for this year. As a reminder, the less each investor pays in taxes, the more he/she will have to invest.

Reblancing

With stocks such as **Aphria Inc.** (TSX:APH) up by more than 150% for the current calendar year, investors will need to pay special attention to some of their more speculative holdings, which have, in many cases, gone from being a very small part of the investment portfolio to becoming a major holding. If Aphria was 5% of an investor's total holdings to begin with, it could now be as high as 15% of the portfolio.

Where to position ourselves in 2018

After an incredible year, marijuana stocks may be in for a cooling-off period. Shares of the biggest operator **Canopy Growth Corp.** (TSX:WEED) also increased substantially, doubling in value as the company made huge strides in figuring out how to produce marijuana for the masses. After a year. which saw a lot of excitement and many traditional companies perform as expected, there were still some disappointments that leave the door wide open for investors to capitalize on.

The biggest story of the year (on the negative side) was **Home Capital Group Inc.** (TSX:HCG), which saw shares decline in value tremendously only to move sideways between $13 and $14.50 for several months before breaking out to a price of $17 per share. With tangible book value of more than $22 per share, the company may just be the best investment for 2018.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:HCG (Home Capital Group)
2. TSX:WEED (Canopy Growth)

PARTNER-FEEDS

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Author
ryangoldsman