



4 Cornerstone Stocks for Your RRSP

Description

According to a recent by Statistics Canada, only a small fraction of Canadians is covered by a defined-benefit pension plan. This leaves many Canadians scrambling to plan for retirement on their own.

Canadians too often rely on GICs and high interest savings accounts to grow their retirement savings. The problem is that these instruments barely keep up with the inflation rate. A much better alternative is to invest in growing assets, such as stocks, within a Registered Retirement Savings Plan (RRSP).

Today, let's look at four stocks that could be held for decades, serving as cornerstones for an RRSP portfolio.

Alimentation Couche-Tard Inc. (TSX:ATD.B)

Couche-Tard is a world leader in the convenience store and road transportation fuel retail sector and is the largest independent convenience store operator in terms of number of company-operated stores in North America.

The company has managed to grow at a very impressive clip over the years, mainly through acquisitions. Its latest acquisition, Holiday, will add 522 locations across 10 U.S. states.

These acquisitions do not leave much room for dividend payments to shareholders but that small dividend has been growing annually on average by more than 20% in the last six years. Look for that dividend to keep increasing nicely over the years, as the company slows the pace of its acquisitions.

Rogers Communications Inc. ([TSX:RCI.B](#))([NYSE:RCI](#))

Rogers is a diversified communications and media company and Canada's largest provider of wireless communications services.

It's no secret that the company has been losing cable subscribers, but it continues to grow its top line thanks to its wireless segment. Rogers is poised to keep growing that segment, as it is well positioned to take advantage of the increase in mobile data consumption, which has grown 40% annually in

Canada over the last six years.

The company has not rewarded investors with dividend increases in the last three years, but it still pays a steady and respectable 3% dividend. The stock has pulled back by 10% in the last couple of months, providing a good entry point for long-term investors.

Enbridge Inc. ([TSX:ENB](#))([NYSE:ENB](#))

Next up we have the global energy infrastructure leader Enbridge.

The company had a tough year in 2017 with the stock finishing the year down about 14%. On the bright side, this price decrease, combined with a recent 15% dividend hike, has boosted the dividend yield to a whopping 5.47% as of this writing.

The year 2017 was also the year that Enbridge became the largest energy infrastructure firm in North America after acquiring Houston-based Spectra Energy in an all-share \$37.5 billion deal.

The integration of Spectra comes with its challenges, but over the long term the combined asset base and expanded geographic footprint should provide many future growth opportunities for the company.

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#))

Finally, we have Bank of Nova Scotia, one of Canada's big banks. The bank calls itself Canada's international bank, as it derives 42% of its income from offices located abroad. This provides great international exposure to investors.

Total shareholder returns over the last 20 years has been 12.6% annually. Is this good? Consider this: \$1,000 invested 20 years ago would be worth \$10,734 today provided that the dividends were reinvested along the way.

Speaking of dividends, Bank of Nova Scotia is as reliable as they come when it comes to paying out dividends. The company has paid a dividend to shareholders every year since its foundation in 1832. Also, it has increased its dividend in 43 of the last 45 years.

Past performance is by no means a sure predictor of future results, but I'm not willing to bet against it. Are you?

Foolish bottom line

These companies provide investors with industry and geographic diversification, as they operate in different sectors, and most of them conduct a significant amount of business beyond the Canadian borders.

None of these stocks will double overnight, but they should continue to grow at a steady pace for decades to come and provide a solid foundation for retirement portfolios.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:ENB (Enbridge Inc.)
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