3 Worry-Free Stocks for Your Retirement Portfolio

Description

Are you afraid to invest a portion of your retirement portfolio into stocks because you are afraid of losing money and, consequently, risking running out of money when you retire?

There are actually stocks in the market that have a low volatility while rising steadily. Stocks such as **Dollarama** (TSX:DOL), **Lassonde Industries** (TSX:LAS.A), and **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD), most of the time, show returns superior to the market and are thus good stocks to buy and hold for many years.

Dollarama

Dollarama has expanded and grown fast in the last years — and its returns show this growth, with a five- and one-year compound annual growth rate of returns (CAGR) of 31% and 19%, respectively. The retailer has a beta of 0.83, so it moves less than the market.

Growth and returns have declined in the last few months, but I believe Dollarama is still a good stock to hold for a long time. Double-digits revenue and earnings growth are expected during the next five years.

The outlook remains good as the low-cost retailer plans to open 60-70 new stores a year to reach the 1,700 mark in 2027, up 45% from the current total. To achieve this goal, Dollarama will double the size of its distribution centre in Mount Royal to 500,000 square feet.

The dollar store chain has the option to acquire the 120 Dollar City stores in Guatemala, El Salvador, and Colombia in 2020 that it has been supplying since 2013. Annual sales amount to US$1.6 million, on average, per store. Dollar City's productivity is higher than Dollarama's and the potential of the Latin American market is substantial.

Toronto-Dominion Bank

TD shows impressive returns for a bank: its 10-, five- and one-year CAGR are 12%, 15%, and 25%, respectively. The stock has low volatility, with a beta of only 0.67.

TD benefits from rising interest rates because higher interest rates increase its profit margin.

TD pays a dividend that is increasing fast, with a five-year CAGR of 9.5%. The last hike happened at the end of last year, when the dividend was hiked by 11.7% from $0.60 to $0.67 per share. The current dividend yield is 3.3%.

Last month, TD announced that it will buy Greystone Managed Investments Inc. for roughly $792 million in stock and cash — a transaction that will make TD's asset management division the biggest money manager in Canada.

Acquiring the institutional money manager will make TD more competitive as it will add another $36 billion in Canadian assets under management and expertise in real estate, mortgages, and infrastructure investments. The acquisition should close during the second quarter of 2018.

TD plans to hire 200 advisors in Canada this year to boost profit at its wealth management division as much as 10%.

Lassonde Industries

Do you think that a company producing beverages is boring and won't give you high returns? What is sure is that Lassonde's returns are not boring at all. This North American leader in the manufacturing and marketing of fruit and vegetable juices shows a 10-, five- and one-year CAGR of 19%, 24% and 6%, respectively. It's hard to find companies with such a strong track record. The stock shows a low volatility, with a beta of only 0.62.

The maker of Oasis and Rougemont juices recently acquired the U.S. juice and beverage manufacturer Old Orchard Brands for US$146 million. This transaction improves the company position in the U.S. market, especially in the centre of the country.

For Lassonde, this is a third acquisition in the U.S. after buying Clement Pappas in 2011 and Apple & Eve in 2014. Lassonde has the financial flexibility to make other important acquisitions in the future.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:DOL (Dollarama Inc.)
3. TSX:LAS.A (Lassonde Industries Inc.)
4. TSX:TD (The Toronto-Dominion Bank)

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