



Where Retirees and Young Investors Can Both Invest!

Description

For many young people, the very first investment made on their behalf is in a Registered Education Savings Plans (RESP), while others don't buy their first security until they have a lot of grey hair and need to begin thinking about retirement income. What draws these two groups together however is their focus on high quality companies and their desire to make money.

Albeit the excitement is often lacking, there are many names currently available at excellent valuations that each of these groups will be more than happy to dive into head first. Again, the commonality is a holding period that is in almost all cases more than five years.

The first name on the list is none other than **Dollarama Inc.** ([TSX:DOL](#)), which in spite of trading at more than 30 times earnings and paying a dividend of no more than 0.5% offers huge upside potential. As the secular shift from bricks and mortar to online continues to pick up speed, the [company](#) is in a unique position to capitalize on the gap created for the small ticket items.

As the company continues to open additional stores and reaches a point of maturity, the dividend increases will inevitably follow the lower price to earnings ratio, which will bring out a whole new type of investor. For those willing to take a small amount of risk, the reward may be well worth getting in early.

The next name to consider is none other than **Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)), which at a current price of \$115 per share offers a dividend yield that is roughly in line with the risk-free rate of return. In spite of carrying the same risks of any other security, [this railway](#) remains the largest in Canada (by market capitalization) and holds a unique footprint from coast to coast. As profitability continues to increase (alongside the share buyback), investors of all ages will be able to prosper by remaining patient with this name.

South of the border, shares of **Starbucks Corporation** ([NASDAQ:SBUX](#)) may have finally turned the corner into bargain territory, as the company has started to close U.S. stores that are not performing up to par. As international growth continues to raise the bottom line however, there may be a disconnect between the expectations of investors and the reality of performance – – and this time it will be in our favour!

At a current price of US\$53, the dividend yield is slightly less than 2.75% and has the opportunity to move substantially higher. As many countries that traditionally enjoyed tea beverages are beginning to enjoy the benefits offered by coffee, the upside potential from this name still has a long way to go.

With so many fantastic opportunities available to investors, the main point that must be considered is whether a mix of income and growth is most important – – or a focus on one of the two.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:SBUX (Starbucks Corporation)
2. NYSE:CNI (Canadian National Railway Company)
3. TSX:CNR (Canadian National Railway Company)
4. TSX:DOL (Dollarama Inc.)

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