Auto-Pilot Your TFSA to Tremendous Wealth With These 3 “Forever” Stocks

Description

You don’t need to be a professional trader to accumulate tremendous wealth over the long term; all you need is a long-term time horizon, a disciplined mindset, and enough proceeds within your TFSA to put to work. Once you truly get a grasp of the profound wealth-creating power of tax-free compounding over the long term, you’ll gain a better understanding of how seemingly unremarkable decisions today can exponentially affect the size of your nest egg decades from now.

With this in mind, you’ll proceed cautiously and only swing on opportunities that you’ll feel comfortable holding for decades at a time, as you effectively adopt Charlie Munger’s “sit-on-your-bum” (or auto-pilot) approach to investing.

Without further ado, here are three top attractively valued auto-pilot stocks that you can buy today and hold forever.

Manulife Financial (TSX:MFC)(NYSE:MFC)

Here’s a stock that’s been treading water of late — Muddy Waters, to be precise. With the ominous head-and-shoulders pattern and a short seller on the company’s tail, Manulife investors have gotten burned. But that was in the past, and I think the recent nosedive is overblown beyond proportion when you consider the company’s promising Asian expedition and the fat 4.2% dividend yield that’s the highest it’s been in recent memory.

Moreover, I don’t believe the impending lawsuit against Manulife is a concern following Saskatchewan’s rule change, which reportedly “puts the suit to rest.”

Spin Master (TSX:TOY)

If you’re worried about a recession, buy this beaten-up toy maker.

Although toys are a discretionary item, high-performing toy makers typically fare well in the event of an economic downturn. Kids don’t care about the state of the economy. They’ll still be watching *Paw Patrol* on television and be demanding the hottest new toy (the newest Hatchimal or Luvabella?) come the holiday season.

It's tough to argue with that, and given how applaud-worthy Spin Master has been at creating strong holiday season lineups, I wouldn't hesitate to buy the stock after its 26% drop. It's completely unwarranted, and I think an upside correction may be in order in the coming months.

TFI International (TSX:TFII)

Here's a business that keeps on truckin'. TFI's recent 12% drop is a gift when you consider how in-demand the company's transportation and logistics services are in such a healthy economy.

TFI had run into operational hiccups in the past, but they've been resolved, and the stock is now severely undervalued when you consider the clearer road that lies ahead. Management has done a terrific job of driving operational efficiencies, and as the company puts more money to work on the M&A front, investors could realistically expect continued high double-digit top- and bottom-line growth numbers.

The stock trades at a mere 11.2 times forward earnings. When it comes to favourable risk/reward trade-offs, it's tough to find better than this incredible value play.

Foolish takeaway

Manulife, Spin Master, and TFI all look unsustainably undervalued. Whether you're looking for capital gains, dividend growth, or both, I think today's TFSA investors will do very well by buying shares today with the intention of hanging on to them for the next several decades.

Stay hungry. Stay Foolish.

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2. TSX:MFC (Manulife Financial Corporation)
3. TSX:TFII (TFI International)
4. TSX:TOY (Spin Master)

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joefrenette