



## Here's a TFSA Forever Stock I'd Confidently Back Up the Truck on Today

### Description

Constructing your TFSA retirement fund is much like building a house. You need a solid foundation to allow your portfolio to withstand the elements. Without a stable foundation, your TFSA portfolio could stand to crumble like a house of cards come the next economic downturn, and you'll be in a panic as your losses may end up exceeding the market averages.

While it's tempting to go all-in on your favourite sector (high-flying tech, anyone?), you need to form your base with a diversified mix of quality blue-chip names that can help make your TFSA portfolio "unshakable" come the next inevitable storm. With a sound foundation to your TFSA, you'll be confident in the face of volatility and will relish the opportunity to pick up more shares of "forever" stocks on any form of weakness.

So, without further ado, here is one foundation stock that has the opportunity to offer superior risk-adjusted returns over the long term.

**Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)) is one of the few stocks that deserves a permanent spot in your TFSA portfolio. The company has consistently commanded industry-leading operating ratio numbers such that the rail has been labelled with the title of North America's most efficient railroad.

The company is reinvesting heavily in its business to better deal with surging freight volumes. In spite of the fast-and-furious spending, CN Rail has been able to keep its operating ratio at an impressive 59.5%, down only 230 bps on a year-over-year basis.

More recently, CN Rail bought trucking company TransX in a bid to beef-up its intermodal business. When combined with best-in-class rail assets, there's no question that CN Rail is going to be an unstoppable force that'll fuel many decades' worth of wealth creation for investors who are willing to sit on their bums patiently.

In a previous piece, I'd noted that the rails are the [heart of the economy and that truckers were the blood vessels](#). With TransX bolstering CN Rail's trucking business, the company is now representative of Canada's entire circulatory system.

### Foolish takeaway

Don't try to chase short- or even medium-term returns. Instead, look to proven long-term blue-chips that have consistently outperformed the markets throughout decades. It's these types of stocks that'll allow you to achieve the highest returns for the given amount of risk you'll be taking on.

CN Rail is a wide-moat juggernaut that keeps getting better by the day. As you may know, I'm [a raging bull on the trucking business](#) and think the latest TransX acquisition will allow CN Rail to unlock even more long-term value for investors.

Stay hungry. Stay Foolish.

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