



## Revealed: Top 3 Forever Stocks I'd Buy for My RRSP This February

### Description

With the 2019 RRSP contribution deadline just over a month away (March 1), so now is a great time to be thinking about what to buy if you've decided that you're going to contribute. While I heavily favour the TFSA over the RRSP, the RRSP is still nonetheless an incredibly useful retirement vehicle when used appropriately, especially for those who've maxed out their TFSAs or need some sort of incentive not to touch funds that are meant for retirement.

Without further ado, here are three buy-and-hold-forever stocks that RRSP investors ought to consider buying soon:

#### **Industrial Alliance** ([TSX:IAG](#))

IA has been off to the races, rallying nearly 16% from the Christmas Eve bottom. For close Foolish followers, you'll know that Brad Macintosh and I have both been pounding the table on the stock ad nauseam over the past month. It was really a back-and-forth tennis match of wonderful things we had to say about the stock as it hovered around its bargain-basement price.

I called the stock unsustainably undervalued with limited downside just a few days before IA stock bounced off its bottom. Now that the opportunity seems to have vanished, I'd say that the rally is far from being over, as shares still trade at a very modest 10 times trailing earnings.

IA may have a below-average 3.4% dividend yield, but it's also growing at a much quicker rate than many of its ["bloated"](#) peers in the space. For the perfect blend of growth, and value, IA stock is hard to pass up at this juncture, even after its big bounce.

#### **Fortis** ([TSX:FTS](#))([NSE:FTS](#))

Fortis has grown its dividend at around 6% over the last five years, and it's going to continue growing its dividend at this pace as a part of management's promise to investors. At the time of writing, Fortis sports a bountiful, yet uninspiring 3.9% dividend yield. Although you could score a higher upfront yield with almost any other Canadian utility, you'll be giving up a rock solid foundation that very few other firms can match.

You see, Fortis is both a bond alternative for conservative income investors – and a means of doing well over the long term for those looking for a hands-off “all-weather” approach. Simply put, Fortis is the quintessential portfolio stabilizer that is still a great way to make investors rich over the extremely long term, especially for those who reinvest every penny of the dividend payouts.

Sure, a 3.9% yield and minimal capital gains may not seem impressive. When you weigh what you're getting relative to the low risk you'll take on; however, the risk-reward trade-off is very favourable for most risk-averse investors.

### **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#))

For those seeking a more generous upfront payout, Algonquin is a renewable energy powerhouse with its 5% yield. Although the company has been hovering around in limbo over the past few years, long-term investors should be licking their chops at the long growth runway.

With over [750,000 utility customers](#) under its belt, the company is raking in the cash flow, part of which is going back into the pockets of shareholders through the growing dividend; the other portion is being reinvested in ambitious long-term projects. You've got to spend money to make money, and as the transition to sustainable energy continues to accelerate, Algonquin is going to allow investors to get a front-row seat.

With a robust portfolio of power, gas, and water utilities, Algonquin is a holding that caters to both growth- and income-savvy investors looking to beat the market averages.

### **Foolish takeaway**

IA, Fortis, and Algonquin are dividend stocks that'll allow you to grow the wealth in your RRSP retirement fund quickly without requiring you to increase your risk tolerance. Buy each name, reinvest the dividends, and you'll amass an impressive nest egg by the time you're ready to hang up the skates.

Stay hungry. Stay Foolish.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

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2. NYSE:FTS (Fortis Inc.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:FTS (Fortis Inc.)

5. TSX:IAG (iA Financial Corporation Inc.)

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