



## RRSP Investors: 3 Top TSX Index Stocks to Build a Self-Directed Pension Fund

### Description

Canadians are working hard to set additional cash aside to complement their government and company pension programs, and using a self-directed RRSP is a popular savings option.

Let's take a look at three TSX Index stocks that might be interesting picks right now for your [RRSP portfolio](#).

### Suncor Energy ([TSX:SU](#))([NYSE:SU](#))

With a market capitalization of \$70 billion, Suncor is a leader in the Canadian energy sector.

The company has managed to navigate the woes in the oil patch quite well, using its strong balance sheet to acquire strategic assets at attractive prices. In addition, Suncor pushed ahead with major development projects through the downturn, benefitting from lower contractor and supplier costs due to the weak environment. Two of those projects, Fort Hills and Hebron, are now complete and should benefit shareholders for decades.

Suncor's integrated business structure includes larger refineries and more than 1,500 Petro-Canada retail locations. The downstream assets provide a nice balance to the revenue stream, especially when oil prices pull back.

Suncor recently raised the quarterly dividend by nearly 17% to \$0.42 per share, which is good for a [yield](#) of 4.25%. The board has increased the payout for 17 straight years and investors should see the trend continue.

### Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#))

Royal Bank is Canada's largest financial institution with a market capitalization of nearly \$150 billion. The business generates about \$1 billion in profit per month, and while the recent quarterly results for most of the banks indicated some challenging times, Royal Bank still expects to generate average

annual earnings growth of 7-10% over the medium term.

The company has strong operations across the full banking spectrum, including personal and commercial banking, wealth management, capital markets, investor and treasury services, as well as insurance. A US\$5 billion acquisition in the United States in late 2015 marked the company's return to the American market in a significant way and the division has performed well, benefitting from tax cuts and higher interest rates.

Royal Bank just raised its quarterly dividend by four cents to \$1.02 per share. Investors who buy today can pick up a yield of 4%.

## **BCE ([TSX:BCE](#))([NYSE:BCE](#))**

BCE enjoys a wide moat in the Canadian communications sector. The company has an extensive mobile and wireline infrastructure that reaches the majority of Canadians and continues to invest in new technology, including its fibre-to-the-premises rollout. The high-speed lines should help protect BCE's competitive advantage and feed rising broadband demand from homes and businesses.

BCE also has retail operations and a large media division with sports teams, a television network, specialty channels, and radio stations.

The company is targeting steady free cash flow growth in 2019, and just raised the dividend by 5% for the year. BCE has always been popular with dividend investors due to its generous distribution. The current payout provides a yield of 5.3%.

## **The bottom line**

Suncor, Royal Bank, and BCE all have strong track records of dividend growth and should continue to deliver attractive returns for buy-and-hold investors.

### **CATEGORY**

1. Bank Stocks
2. Dividend Stocks
3. Investing
4. Stocks for Beginners
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### **TICKERS GLOBAL**

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6. TSX:SU (Suncor Energy Inc.)

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### **Date**

2025/07/06

### **Date Created**

2019/03/11

### **Author**

aswalker

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