



The 10 Times Earnings Stock Portfolio: How to Grow \$10,000 Into \$100,000 in 20 Years or Less

Description

Increasing the value of an investment by 10 times or more is a common goal. Often referred to as a “tenbagger,” such a score can set you well on your way to a secure retirement. A \$10,000 investment that becomes a tenbagger is worth \$100,000 at the end. Repeat the feat once more and you’re up to \$1 million.

The only problem is that hitting a tenbagger can take a long time. At an average return of 10% a year (what the TSX has averaged since 1970), it would take you 24 years. While not exactly an eternity, but certainly a longer wait than most investors would like.

Fortunately, there are ways to accelerate your path to a tenbagger—and the financial security that comes with it. As you’re about to see, you only need to beat the market by a very slight margin for one of your investments to become a tenbagger in 20 years or less.

At that rate, you could have an investment become a tenbagger two times over in 40 years! In just a second I’ll mention some stocks that have the potential to do that. First, let’s look at what kind of annualized return you’d need to hit a tenbagger in 20 years.

What annualized average return you’d need

A tenbagger works out to a [1000% total return](#) regardless of how long it takes to get there. To reach that return in 20 years, you’d need an annualized return of 12.2%. If that doesn’t sound like much, you’re right: thanks to the miracle of compounding, you can reach a fairly large total return even if your annual return isn’t that high.

That’s not even beating the market by *that* much

To put 12.2% a year into perspective, it helps to remember that the TSX’s average annual return since 1970 has been 10% (including dividends). So you only need to beat the market by 2.2% a year to get

to a 20-year tenbagger.

Consider a stock like **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)). Over the past five years, it has outperformed the TSX by about 30%, and that's not even including dividends. With an annualized return of [6.33% from capital gains](#) and an average yield of 4%, you've got a return in excess of 10.3% a year right there (and that grows slightly higher if you reinvest the dividends). So even a milquetoast bank stock can take you within striking distance of a 20-year tenbagger.

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is another slow and steady tenbagger stock. Over the past 20 years, this stock is up roughly 450%, which takes you nearly halfway there, at an annualized growth rate of 8.6%. The real genius behind this stock, though, is its ultra-high dividend yield, currently around 6%, which brings the *total* return up to 14% (assuming future performance matches past performance). At that rate, it would take only 17 years to 10x your investment!

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:ENB (Enbridge Inc.)
4. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

Date

2025/09/19

Date Created

2019/06/12

Author

andrewbutton

default watermark