



TFSA Investors: How to Turn Your \$10,000 Investment Into \$100,000

Description

For investors who want to grow their TFSAs, one question that might come up is whether to focus on [growth or dividends](#). While it's not an easy answer and often depends on your risk, age, and many other factors, the good news is that you don't necessarily have to make that choice.

There are some good stocks out there that can provide you with recurring income that are also growing. Investing in such stocks can help investors maximize the returns that they get out of a TFSA and accelerate their portfolio's growth.

Below, I'll show you how investing in a stock like this can help your portfolio rise from just \$10,000 to \$100,000.

A stock with strong long-term growth prospects is key

Finding the right stock can be a bit challenging, as many stocks that pay a dividend aren't going to be good growth options. After all, allocating cash for a dividend means that there will be less available to help fund future growth.

But one company that seems to have found a good balance is **Restaurant Brands International Inc** ([TSX:QSR](#))([NYSE:QSR](#)). With an aggressive growth strategy that involves expanding Tim Hortons into [new markets](#) globally, the company could see a lot of long-term growth in its future.

While Tim Hortons may be struggling to find ways to grow domestically, there's a lot more potential for it in other parts of the world, where it will have ample room to expand for many years. Popeyes is another big growth opportunity for the company.

There are plenty of ways that Restaurant Brands can create value for its shareholders, which is what makes the stock such an appealing buy today.

Meanwhile, the company has been working on making its dividend more appealing to investors, growing it significantly over the years. Currently, the yield is up around 2.1%. While that not significant,

it could be a great way for investors to pad their returns over the years, especially if it keeps rising.

And in three years, the stock has risen by about 60% for a compounded annual growth rate of 17%. However, that rate of increase might be a bit too optimistic for investors to expect going forward.

Getting to \$100k

If the stock can continue to grow at a rate of even just 10% per year and pay a dividend of 2% with no increases, here's how its returns could look based on Monday's closing price of \$94.11:

Year	Portfolio	Annual Dividend	Cumulative Dividend	Portfolio + Divide
1	\$11,000.00	\$212.52	\$212.52	\$11,212.52
2	\$12,100.00	\$212.52	\$425.03	\$12,525.03
3	\$13,310.00	\$212.52	\$637.55	\$13,947.55
4	\$14,641.00	\$212.52	\$850.07	\$15,491.07
5	\$16,105.10	\$212.52	\$1,062.59	\$17,167.69
6	\$17,715.61	\$212.52	\$1,275.10	\$18,990.71
7	\$19,487.17	\$212.52	\$1,487.62	\$20,974.79
8	\$21,435.89	\$212.52	\$1,700.14	\$23,136.03
9	\$23,579.48	\$212.52	\$1,912.66	\$25,492.13
10	\$25,937.42	\$212.52	\$2,125.17	\$28,062.60
11	\$28,531.17	\$212.52	\$2,337.69	\$30,868.86
12	\$31,384.28	\$212.52	\$2,550.21	\$33,934.49
13	\$34,522.71	\$212.52	\$2,762.72	\$37,285.44
14	\$37,974.98	\$212.52	\$2,975.24	\$40,950.23
15	\$41,772.48	\$212.52	\$3,187.76	\$44,960.24
16	\$45,949.73	\$212.52	\$3,400.28	\$49,350.01
17	\$50,544.70	\$212.52	\$3,612.79	\$54,157.50
18	\$55,599.17	\$212.52	\$3,825.31	\$59,424.48
19	\$61,159.09	\$212.52	\$4,037.83	\$65,196.92
20	\$67,275.00	\$212.52	\$4,250.35	\$71,525.34
21	\$74,002.50	\$212.52	\$4,462.86	\$78,465.36
22	\$81,402.75	\$212.52	\$4,675.38	\$86,078.13
23	\$89,543.02	\$212.52	\$4,887.90	\$94,430.92
24	\$98,497.33	\$212.52	\$5,100.41	\$103,597.74

By the end of year 24, it would be possible under these assumptions for a \$10,000 investment in Restaurant Brands to grow to more than \$100,000. This assumes no dividend increases, although it's easy to see that the big gains have come by way of capital appreciation.

However, a period of big growth could certainly change that, resulting in a big hike along the way. One

of the problems, however, is that over the course of 24 years, it's hard to predict what may happen to the company.

Even a 10% growth rate assumed in this example, is still a bit optimistic. However, if Restaurant Brands can continue producing solid growth, it could very well be possible, which is why the stock can be key to growing your portfolio over the long term.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. TSX:QSR (Restaurant Brands International Inc.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/08/26

Date Created

2019/10/09

Author

djagielski

default watermark

default watermark