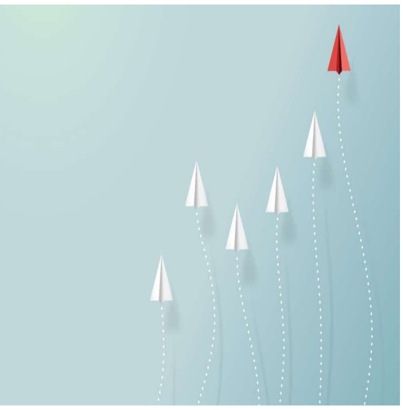

RRSP Investors: Enrich Your Retirement With These Growth Stocks

Description

Adding dividend stocks to an RRSP or other retirement fund makes a lot of sense, especially if your financial horizons are broad enough for the kind of time frame that allows for the long-term compounding of passive income payments.

However, for investors with either less time on their hands or a greater appetite for risk, picking stocks with steep upside potential can give a boost to a retirement savings plan.

These stocks outperformed in 2019

Kinaxis has returned 52% in the last 52 weeks, making it a standout investment. It's still strongly biased toward the upside, meaning that newcomers could yet cream some profit from stacking shares in the company. Sales and supply management efficiency are key in the currently fraught economic environment, explaining why the market is bullish on the Ottawa-based operations software business.

Aritzia is also heavily skewed toward upside at the moment, having shot up 20% in the last five days of trading, or 42% on average in the last year. The stock is a strong play for capital gains in the consumer discretionary sector, with a recognized line in blouses, pants, dresses, jackets, and other clothing and accessories. Its third-quarter was outstanding, with revenue up 10%, sales up 5.1%, and income up 6.8%.

Much of the brand's success is being driven by the U.S. economy, making the stock a strong play for retirement investors bullish on the performance of our southern neighbours. If this growth continues, more upside could be on the way.

In a Q3 statement, Aritzia CEO Brian Hill attributed the growth to "the sustained momentum in our business that is fueled by eCommerce and our continued strength in the United States. During the quarter we delivered a record Black Friday week where we witnessed a significant surge in eCommerce penetration, particularly in the United States."

A play on value and quality

For investors who may want to play it safe, there are options for kicking your retirement savings up a notch. A contrarian play for an underperforming Canadian bank would see low-risk, long-term value investors stacking shares in **CIBC**. 2019 was a bad year for Canadian bankers, but the data shows that these institutions usually bounce back.

The issue in 2020 could be that the pain isn't actually over yet, and the Big Five have a bit farther to fall. Still, a two-stroke plan for snapping up banking shares in Bay Street's finest could involve investors adding shares in beaten up CIBC stock and doubling down on further weakness.

The lowest ranking member of the Big Five is also the richest yielding stock of the group of top TSX banks, with a 5.3% yield. Investors could expect to see that yield widen this year if CIBC's share price is further buffeted by economic headwinds.

The bottom line

By mixing beaten-up dividend stocks with upward-trending tickers rich with momentum, retirement investors can diversify not only in terms of industry but also in terms of strategy. With a blend of infrastructure, defensive blue-chip financials, and the solid performance of a strong consumer discretionary brand, RRSP and other later-years investors can beef up a TSX portfolio with just a few stocks.

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