



3 Major Considerations When Crafting a Retirement Portfolio

Description

When it comes to investing, there are numerous tips, facts and just general knowledge that will help you to be more successful.

Much of it this comes with experience, and many things may not affect everyone.

There are some things, however, that will make a major difference and will apply to everyone who's saving and investing for retirement.

When it comes to investing for retirement, the only thing more important than the actual investments you are making is the understanding of the position you're in with respect to your investing goals — and how you can reach them.

Below are the three biggest things you'll want to keep in mind over the course of your investment future, as these will play a major role in your success. Understanding them fully and employing them at all times is therefore paramount.

Pay attention to fees

Fees can be one of the biggest killers of profits for investors especially over long periods. Whether you're paying fees investing in ETFs or mutual funds or you buy and sell a lot of stocks — which costs you a fortune in commissions — any fee you're paying is hurting your overall potential.

No matter what, fees are going to eat away at some of your returns and leave you less money for retirement, so making a concerted effort to minimize your fees will help give you considerably more money each month in retirement.

Thankfully, the industry has become very competitive over the last few decades, and fees have been trending downward. That said, it's still worth keeping in mind, as it's one of the most important things to consider when crafting your portfolio.

Know where you stand

When it comes to investing, having a plan is a necessity in order for investors to be successful. The plan will consist of your goals and how you expect to get there, how much you'll save over time and how much you expect to earn.

The only thing is that in order to know where you are going, you need to know where you are starting.

Thus, it's important to understand what your financial position is, what your net worth is in order to build a disciplined and reasonable expectation of what you can save and earn through retirement.

Have an expectation of your timeline

While this is part of the planning stage, it may be the most important part. You need to know what your timeline will be roughly, as well as any major potential costs that may come up in order to create the most accurate plan.

It will obviously have to be flexible so it can accommodate any expense that may crop up in the short term, but the gist of it will help you to form your portfolio and select the best stocks for you to [hold through retirement](#).

Of course, the core stocks you'll want to select won't require a timeline because you'll be able to own them forever.

A stock like **Canadian National Railway Co** ([TSX:CNR](#))([NYSE:CNI](#)) is a textbook example of the kind of company that you can buy and forget about. It's a massive \$90-billion company that's a cash cow for investors and a mainstay of the Canadian economy.

Over the long term, CNR will always be growing its business and its shareholder value, so investors are best off keeping top stocks like these on their watch list, and when there's a meaningful pullback in the share price, they should grab some exposure and forget about it.

Buying long-term blue chips like CNR, whose businesses aren't going away anytime soon, will help your portfolio to grow over the long term and help you compound your income for the duration of your investment so you can be as prepared for retirement as possible.

Canadian National is one of the best stocks at creating wealth for shareholders, which is why it should be a part of every investor's long-term portfolio.

CATEGORY

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2. Investing

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1. NYSE:CNI (Canadian National Railway Company)

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Date

2025/08/09

Date Created

2020/01/21

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