



3 Great Stocks to Help You Retire Rich

Description

When it comes to investing for your retirement, getting good returns is paramount. If your stocks underperform for long periods of time, there's no getting those years back. Ultimately, that translates into less cash during your golden years, which could potentially be a disaster.

This is why I only load up on what I view are the best stocks in Canada [for my retirement savings](#). Sure, I'll ultimately get some of these picks wrong, but I know that overall my portfolio is stuffed with high-quality names that are poised to continue their outperformance over the long term.

Let's take a look at three of Canada's top stocks — the kind of names you can buy today and hold well into retirement.

TD Bank

Many investors consider **TD Bank** ([TSX:TD](#))([NYSE:TD](#)) to be Canada's best financial institution. It's easy to see why; the bank's Canadian operations are sound, its expansion into the U.S. market continues to grow at a smart pace, and its various ancillary businesses continue to perform well.

Yes, Canadian banking does look a little weak today. An expensive housing market and high personal debt levels combine to make big growth in the bank's domestic loan book unlikely. But this part of the company should continue to post solid profits, and growth can easily come from other parts of the business like insurance, wealth management, or capital markets.

The U.S. banking system is fragmented, which will allow TD the opportunity to make further acquisitions. The bank's earnings from the U.S. division now total more than one-third of its total profits, and the bottom line looks poised to grow by 7-10% annually for the next few years.

Thanks to recent pressure on the stock price, TD's shares now yield a hair over 4%. That's a high yield for this stock, especially considering the impressive dividend growth it has delivered over the last decade. You'll enjoy getting paid to wait with this one.

RioCan

RioCan REIT ([TSX:REI.UN](#)) is one of Canada's largest owners of [retail property](#). Its portfolio today consists of 225 different properties spanning some 39 million square feet, primarily located in Canada's six largest cities.

These legacy assets deliver plenty of cash flow, but the exciting part of an investment in the company is its expansion plan. RioCan has 14 different projects in various stages of development, including several large mixed-use buildings that will see the company expand into residential suites. The majority of these suites will be located in Toronto's red-hot real estate market. By the end of 2021, the company will have some 5,000 apartments in various stages of development.

Despite spending billions on this development program, RioCan's balance sheet is sound and its dividend is secure. In fact, I wouldn't be surprised if the company increased its payout, as these new projects start contributing to the bottom line. The current dividend is 5.2%, and the payout ratio is under 80% of funds from operations.

Dollarama

Dollarama ([TSX:DOL](#)) is Canada's leading dollar store chain and one of our biggest retailers in general. The company now has close to 1,300 stores across the country, and sales have grown to just under \$1 billion per quarter.

The company's domestic growth prospects are two-fold. Firstly, it increases sales by opening new locations. During its last quarter, the chain opened 21 new stores, with analysts saying the chain could easily get to 1,500 locations before growth starts to look a little shakier. The firm also boosts the top line by increasing same-store sales — a tactic that includes hiking prices and increasing average transaction size.

It also owns a majority stake in Dollar City, a Latin American dollar store chain. Dollar City's results don't have much impact on the bottom line today, but its rapid growth in a new market will help Dollarama continue boosting the bottom line when Canadian earnings inevitably start to plateau.

Some investors won't be impressed with Dollarama's dividend; the payout is a paltry 0.4%. Dividend growth, however, should be excellent for years to come.

The bottom line

A portfolio stuffed with great stocks like TD Bank, RioCan REIT, and Dollarama looks poised to deliver excellent returns. They're perfect stocks to put in your retirement account and forget about for a while.

CATEGORY

1. Dividend Stocks
2. Investing

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1. Editor's Choice

TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:DOL (Dollarama Inc.)
3. TSX:REI.UN (RioCan Real Estate Investment Trust)
4. TSX:TD (The Toronto-Dominion Bank)

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