



TFSA Investors: How to Get to \$500K in Your TFSA

Description

Some investors believe they have to take very high risks with their TFSA to get to \$500k. Some think it takes high contributions every year and a very long time to reach that amount. What if I told you that you could have \$500,000 in your TFSA in fewer than 20 years if your starting investment amount is \$30,000 and you contribute \$5,000 every year?

This scenario is possible if you manage to have a compound annual growth return (CAGR) of at least 10%. If you think that's hard to achieve, that's not the case. There are many stocks on the TSX that consistently deliver returns over 10% per year.

Alimentation Couche-Tard (TSX:ATD.B) is one of those stocks that have delivered double-digit returns over several years and that have the potential to continue delivering strong returns for a long time. Including this stock along with other outperforming stocks in your TFSA will help you achieve your investment goals faster.

Couche-Tard is with no doubt one of the best-performing stocks on the TSX. Its 15-year CAGR is almost 20%. The stock has performed very well lately, soaring 25% over one year. 2020 has just started, and the stock has already gained 8%.

The Quebec-based convenience store empire never stops growing. From a single convenience store in Laval in 1980, Couche-Tard now manages more than 16,000 establishments in more than 27 countries around the world.

Couche-Tard's co-founder, Alain Bouchard, built his multinational convenience store through [strategic acquisitions](#).

After the United States and Europe, the convenience store giant is now looking to expand its empire in Asia and Australia.

In November, Couche-Tard made an offer of \$7.8 billion to acquire more than 2,000 convenience stores and service stations from the Australian group **Caltex**. But the offer, which was the second one made by Couche-Tard, was rejected.

A deal between the two companies is still in the cards, as the Australian company has offered the Quebec multinational the possibility of having access to information that isn't public, hoping to help it prepare a new offer.

However, U.K.-based retail giant EG Group has recently manifested its interest in Caltex and might bid on it, which could trigger a takeover battle with Couche-Tard. No final decisions have been made yet, and there is no certainty that EG Group will proceed with a firm bid.

If the acquisition of Caltex by Couche-Tard succeeds, it would be its biggest acquisition ever. It would allow Couche-Tard to establish a solid network in Asia-Pacific to double its size by 2023 and extend beyond its traditional area of convenience stores and service stations in oil refining, fuel trading, and importation of fuels.

Gasoline sales in convenience stores account for almost 50% of the multinational's annual sales.

Couche-Tard succeeds in seducing its customers with gasoline, then bringing them into its modern convenience stores and selling them other products, such as coffee, cigarettes, carbonated drinks, food, and the like.

Last year, Couche-Tard saw its revenues reach US\$59 billion, while [profits](#) exceeded US\$1.8 billion.

Couche-Tard's management is raising the bar with its goal of achieving annual revenues of US\$100 billion by 2023.

Couche-Tard's management has identified 23 initiatives in its convenience stores to generate more than US\$25 billion in additional annual revenue by 2023.

For all the above, Couche-Tard is a great growth stock to buy and hold in your TFSA.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Investing

Tags

1. Editor's Choice

Date

2025/08/25

Date Created

2020/01/23

Author

sbchateauneuf

default watermark

default watermark