



2020 RRSP Deadline: 3 Great Stocks You'll Want to Own ... for Life

Description

The end of February is fast approaching, which means Canadian investors are scrambling to collect cash to contribute to their RRSPs.

This year's deadline is March 2, meaning you have an extra couple of days this year to make your contribution in time for it to count against your 2019 taxes. Don't delay; one of the easiest ways you can [minimize your tax bill today](#) is to put as much as is allowed into your RRSP.

That limit is entirely dependent on how much you made in 2019. You can contribute 18% of your earned income up to a limit of \$26,500. The limit will go up to \$27,200 for the 2020 tax year.

Once the contribution is made, many folks struggle with investment ideas. Where should they put their cash for the best possible return? I have a few ideas. Let's take a closer look at three top Canadian stocks that would look great in an RRSP over the long term.

Information Services

Don't let the boring name deceive you. **Information Services** (TSX:ISV) is a pretty interesting stock.

The company's main asset is the Saskatchewan land titles registry, which means the Saskatchewan government is a major shareholder. Although weak economic results from the province have affected this part of the business a little bit, it remains an excellent asset that gushes plenty of predictable cash flow.

Most of this cash flow is paid out in dividends; the stock yields an impressive 4.8%. Management is also looking to diversify the company by making related acquisitions and by leveraging its expertise into helping other jurisdictions modernize their land titles systems. This has helped increase revenue from the \$80 million range in 2015 to closer to \$130 million today.

And remember, the stock has some interesting upside potential once the economy recovers somewhat in Saskatchewan and folks buy more houses.

TFI International

TFI International ([TSX:TFII](#)) has been a favourite for value investors for years now, mostly due to CEO Alain Bedard, a man who insists on only making acquisitions that make sense.

Let's back up a little. TFI International is one of North America's top trucking and logistics companies with a fleet of more than 17,000 tractors and 25,000 trailers. It also has some 380 different facilities. It continues to expand by consolidating various local trucking companies. Since 2008, Bedard and his team have made some 80 acquisitions.

The company has posted excellent long-term growth. Revenue has increased by some 17% annually since 1999, excluding fuel charges. Earnings per share have grown at a similar pace, with 2019's bottom line checking in at \$3.94 per share. That puts TFI shares at approximately 11 times earnings, which is an excellent valuation.

The company also recently announced it would be listing its shares on the New York Stock Exchange. This increased visibility should help the stock price. And investors get paid a 2.4% dividend to wait — a payout that has been marching higher lately.

National Bank

Many investors have slowly gotten rich owning Canada's banks. These are excellent businesses that have used their profits from domestic operations to expand into other countries. You'd be silly not to own them.

National Bank of Canada ([TSX:NA](#)) was Canada's best-performing big bank in 2019, posting a total return of more than 32%, including dividends. The company posted strong results in all segments of its business, including mortgages, wealth management, commercial banking, and capital markets. Net income increased to \$6.36 per share in 2019 compared to \$5.94 per share in 2018.

Investors are also excited about the company's ability to expand internationally. It owns several overseas assets — including banks in Cambodia and French-speaking portions of Africa — as well as a specialty finance company in the United States. Look for it to make more deals and increase this part of the business, which only contributes about 10% of its total profits today.

National Bank pays investors a generous 3.9% dividend — a payout that keeps consistently increasing over time. It has raised the dividend annually since 2010 and did so from 1995 to 2007. Like many Canadian banks, it has paid a steady dividend for [longer than 50 years](#).

The bottom line

The RRSP deadline doesn't have to be stressful. Just make sure your contribution gets in on time, and then put it to work in great stocks like Information Services, TFI International, and National Bank. Your

future self will thank you.

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1. TSX:ISC (Information Services)
2. TSX:NA (National Bank of Canada)
3. TSX:TFII (TFI International)

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