



3 RRSP Investments to Buy Before the 2019 Deadline

Description

We're halfway through February and you have just over two weeks to make your final 2019 RRSP contributions. If you're looking to get an extra RRSP tax break when you file in April, this is your last chance to get it.

Making RRSP contributions is one of the easiest ways to lower your tax bill without any creative accounting. Investing in your RRSP gives you even more benefits in the form of tax-deferred gains and dividends.

Once you've got your final RRSP contributions in for 2019, you'll need to buy some quality investments to maximize the tax benefits you enjoy. With that in mind, the following are three great investments to buy if you're planning on making RRSP contributions before March 2nd.

Brookfield Asset Management

Brookfield Asset Management Inc (TSX:BAM.A) is a massive asset management firm with over \$500 billion in assets under management (AUM).

The company has investments in real estate, infrastructure, renewable power, private equity and alternative investments. Many of Brookfield's companies are themselves publicly traded, with Brookfield owning the majority stake.

While it may be an unconventional structure for an asset manager, it's certainly worked: Brookfield's AUM has [grown by 16% CAGR over the last decade](#). In the most recent quarter, the company nearly doubled its net income and grew its FFO by 16%.

iShares S&P/TSX 60 Index Fund

The iShares S&P/TSX 60 Index Fund ([TSX:XIU](#)) is Canada's most popular index fund. It's based on the TSX 60, an index composed of the 60 largest publicly traded Canadian companies by market cap.

The TSX 60 is a subset of the **TSX Composite Index**, which is made up of 250 stocks. You can buy the composite index through XIU's sister fund, XIC. However, the TSX 60 has a slight tendency to outperform the TSX Composite, with the former up about 2% more than the latter over five years.

Whichever TSX index fund you buy, you can expect moderate gains and high dividend income, with XIC and XIU both yielding about 2.8%.

Vanguard S&P 500 Index ETF

The **Vanguard S&P 500 Index ETF ([TSX:VFV](#))** is one of the most popular index funds in the world. It [seeks to replicate the returns of the S&P 500](#). The best-known ticker symbol for the fund is VOO, but you can buy it on the TSX as VFV.

In terms of capital gains potential, however, it's hard to beat VFV. Over the past decade, the S&P 500 has absolutely crushed Canadian markets, and with the U.S. being home to most of the world's big tech companies, that's likely to continue over the long term.

Conversely, Canadian markets have higher average dividend yields, so it's a good idea to hold both VFV and XIU in a diversified portfolio to get a mix of gains and income.

Either way, when you buy VFV you get an ultra-low-fee fund with 0.08% MER and considerable potential for gains. Honestly, who *wouldn't* want to own this fund?

Just remember that if you buy it in an RRSP, you should buy the U.S.-listed version, as it pays no withholding taxes.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. TSX:BN (Brookfield)
3. TSX:VFV (Vanguard S&P 500 Index ETF)
4. TSX:XIU (iShares S&P/TSX 60 Index ETF)

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