



TFSA Investors: How to Turn a \$75,000 TFSA Into a \$1,000,000 Retirement Fund

Description

Do you think it takes forever to reach \$1,000,000 with a TFSA of only \$75,000? In fact, you could reach the million-dollar mark faster than you think if you choose the right stocks.

To achieve your goal, you should look for stocks that have the potential for a high share price appreciation over several years. You shouldn't focus on the dividend, as you're looking for growth and not income. If you contribute \$6,000 and buy stocks that have a compound annual growth rate (CAGR) of more than 15% over 15 years, you could end up having \$1,000,000 after only 15 years.

Boyd Group Services ([TSX:BYD](#)) and **Alimentation Couche-Tard** (TSX:ATD.B) are stocks that have managed to achieve a CAGR of more than 15% in the last 15 years and that could keep delivering those kinds of returns in the next 15 years.

Boyd Group Services

Boyd Group Services is an operator of collision repair centres, so bad driving is good for its business. In the past decade, Boyd acquired small and large auto body repair centres in North America and integrated them into its activities. At the start of 2010, Boyd had 90 body repair centres. Today, it is one of the largest operators in North America, with 670 locations.

The company has been able to seamlessly [consolidate](#) the highly fragmented industry and expand into auto glass repairs. Boyd Group CEO Brock Bulbuck once said during an interview that the company is resilient to recessions because insurance companies usually pay for repairs, meaning demand isn't as negatively affected by economic downturns. Unpredictable and more frequent extreme weather events in Canada and the United States augur well for business.

On January 2, Boyd Group completed its conversion of Boyd Group Income Fund from an income trust to a public corporation. The conversion will simplify the structure of the company, attract new investors, improve the marketability of the security, and facilitate acquisitions. Boyd will maintain the current level of its dividends (\$0.552 per share on an annualized basis), but the frequency will become quarterly instead of monthly.

Couche-Tard

Alimentation Couche-Tard has been successfully [growing by acquisitions](#).

A growth-by-acquisition strategy involves risks, but founder and former CEO Alain Bouchard and his successor, Brian Hannasch, have repeatedly demonstrated to investors that their buyout integration skills are among the best in the market. Through organic and inorganic growth, the company has increased its number of convenience stores from nearly 6,000 to more than 16,000 locations in the past 10 years.

There were many transactions in the past decade, but major transactions for the company include its 2012 agreement to buy Statoil Fuel and Retail for US\$2.8 billion, a deal in early 2016 to buy Esso stores, and another takeover later that year for CST Brands.

In addition, Couche-Tard increased its exposure in the United States with the purchase of the convenience store operator Holiday in 2017. About 70% of its revenue comes from the United States, the rest being divided between Canada and Europe. Couche-Tard aims to generate annual revenues of US\$100 billion by 2023.

In order to further integrate its store network, the company undertook a major brand change to its Circle K banner during the last half of the decade.

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