



## Use This Market Downturn to Become a Self-Made Millionaire

### Description

The coronavirus is on the verge of becoming a global pandemic and has already infected stock markets around the globe. Broad market indexes are plunging, and even some of the most stable stocks are trading way below the fair market value. But for retail investors, this market downturn has a significant silver lining. You have the chance to buy great businesses when they are trading at a discount.

And some of the businesses might have the potential to make you a millionaire.

### A million in your TFSA

For retail investors, diversification can be a lifesaver. So, let's start with \$30,000 from your TFSA and one-third of your yearly TFSA contribution (\$2,000). The other variable in the millionaire equation is an amazing stock. For that, let's go with a [Dividend Aristocrat Alimentation Couche-Tard](#) (TSX:ATD.B). The company has increased its dividends consecutively for about a decade.

But another impressive number related to the company is its growth pace. The three-year, five-year, and 10-year CAGR (dividend-adjusted) is 11%, 12.17%, and 30.2%, respectively. If we assume that the company will grow its market value by 11% every year and invest \$30,000 plus an additional \$2,000 every year in the company's stock, the 30 years compounded growth maybe a little over a million dollars.

The company has more than doubled its dividend payouts in the past five years. The current yield (0.57%) is nothing to write home about, but that's mostly because of the company's continually increasing stock price. At the time of writing this, the company is trading at \$41.42 per share, almost 10% down from its yearly-high price. With the discount tag on it, Alimentation might make a very attractive purchase for an investor that is seeking to become a millionaire.

### A million in your RRSP

For this section, I am assuming that you have grown your RRSP to a decent-sized nest egg, hopefully somewhere north of \$100,000. If that's the case, a one-time \$60,000 investment in a fast-growing company can help you score a million dollars in 30 years. One strong contender for this is **Parkland Fuel** ([TSX:PKI](#)). It's another Dividend Aristocrat with eight consecutive years of dividend increases under its belt.

The company is a very [steady grower](#). Its past five-year returns are over 72%, and the CAGR is at 11.5%. But even if we take a more conservative growth of 10% into accounting, your \$60,000 in Parkland now has a strong chance of getting you a million in 30 years. Currently, the company is trading at \$33.55 per share, and that's about 30% down from its yearly average price before the plunge.

At this steep discount, you won't only have access to a potentially fast-growing stock, but also a decent dividend payout. Currently, the yield is 3.25%.

## Foolish takeaway

It's impossible to accurately predict the broader market or even the performance of a single stock. Some of the most seasoned investors make the mistake of putting their money on the losing horse. But a plan based on conservative estimates, sticking to great companies, and harnessing the power of compounding can help you become a self-made millionaire.

Your chances would be even better if you make a few smart moves and take advantage of market downturns to load up your portfolio with amazing companies.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. TSX:PKI (Parkland Fuel Corporation)

### PARTNER-FEEDS

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

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