



Retire Rich: 5 Top Canadian Stocks to Own for 25 Years

Description

This might be the best chance investors get in a decade to buy top-quality Canadian stocks.

Let's take a look at five top **TSX Index** stocks that might be interesting picks today for building a self-directed RRSP or [TFSA](#) portfolio.

CN

Canadian National Railway ([TSX:CNR](#))([NYSE:CNI](#)) is a top player in the North American rail sector.

The firm transports more than \$250 billion worth of goods each year across a network of tracks that crosses Canada and runs down to the Gulf Coast in the United States. Unique access to three ports gives CN a competitive advantage. CN is very profitable and generates strong free cash flow to support steady dividend growth.

A \$10,000 investment in CN 20 years ago would be worth \$220,000 today with the dividends reinvested.

Royal Bank

Royal Bank (YSX:RY)([NYSE:RY](#)) is Canada's largest financial institution by market capitalization. It is also among the top 15 in the world.

Earnings are taking a hit through the pandemic, but Royal Bank has adequate capital to ride out the tough times. It's profitability remains the envy of its international peers.

Dips in the share price have historically proven to be great buying opportunities. Royal Bank trades near \$91 right now compared to \$109 in February. Investors who buy at this level can pick up a solid 4.7% dividend yield.

A \$10,000 investment in Royal Bank 20 years ago would be worth \$95,000 today with the dividends reinvested.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) operates one of the planet's largest energy infrastructure networks. The company transports 24% of the crude oil produced in North America and 19% of all natural gas used in the United States.

In addition, the gas utility businesses serve 3.8 million retail customers in Ontario and Quebec. Finally, Enbridge's renewable energy projects have capacity to generate nearly 2,000 net megawatts of energy.

The stock appears oversold right now and provides an attractive 8% dividend yield. Even with the large pullback, a \$10,000 investment in the stock two decades ago would be worth \$100,000 today with the [dividends](#) reinvested.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) operates \$57 billion in utility assets in Canada, the United States, and the Caribbean.

The power generation, electric transmission, and natural gas distribution businesses primarily operate in regulated sectors. This means cash flow should be predictable and reliable. Fortis raised the dividend in each of the past 46 years and is targeting annual dividend growth of at least 6% through 2024.

A \$10,000 investment in Fortis 20 years ago would be worth close to \$130,000 today with the dividends reinvested.

Brookfield Asset Management

Brookfield Asset Management (TSX:BAM.A)([NYSE:BAM](#)) is an alternative asset giant with interests in real estate, infrastructure and renewable power around the globe.

The company has nearly \$60 billion in cash available to deploy on strategic investments and is one of the few players in the sector with the scale and expertise to take advantage of large opportunities across the globe.

Brookfield Asset Management is a great pick to get global exposure and own a piece of assets that would otherwise be out of reach. A \$10,000 investment in Brookfield Asset Management 20 years ago would be worth nearly \$200,000 today with the dividends reinvested.

The bottom line

Owning top stocks and using dividends to acquire new shares is a proven strategy for building

retirement wealth.

If you are searching for top picks to start a balanced TFSA or RRSP fund, these names deserve to be on your radar.

CATEGORY

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TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. NYSE:CNI (Canadian National Railway Company)
3. NYSE:ENB (Enbridge Inc.)
4. NYSE:FTS (Fortis Inc.)
5. NYSE:RY (Royal Bank of Canada)
6. TSX:BN (Brookfield)
7. TSX:CNR (Canadian National Railway Company)
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10. TSX:RY (Royal Bank of Canada)

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