



## RRSP Investors: 2 Undervalued Gems to Hold for Decades

### Description

Investing is a long-term game. Even if you are not very fond of Buffett's advice or his value investment strategies, one of his notions that you have to agree with is that time is a very important component of investment. The more of it you can give to good investments, the better it might be for you in the long run. That's especially true when it comes to preparing your RRPS portfolio.

Even though many people prefer saving for their retirement in their TFSAs as well, and it's a valid strategy, the RRSP was specifically designed for with that purpose in mind. And even though you can make changes to your RRSP portfolio over the years, a portion of it that can grow and compound for decades can be crucial for your retirement nest eggs.

And if you are considering stocks that you might be able to hold on to for decades, there are two that should be on your radar.

## Canada's largest private mortgage insurance provider

Genworth Canada, which has now [been rebranded](#) to **Sagen** (TSX:MIC) (though the symbol is the same), is an Oakville-based private mortgage insurance company with a market capitalization of \$3.6 billion. The company offers a wide bouquet of mortgage insurance products, including insurance for new arrivals in the country.

The name change has come with an exceedingly static month of trading. The share price is still heavily discounted compared to what it was before the crash (over 28%), and the company is trading for a price to earnings of just 8.6 and a price to book of one.

The company has a decent history of growth, which is evident from its 10-year CAGR of 12.5%. It's also quite generous with special dividend payments, which tend to skew its yield, but even considering its regular dividends, the yield of 4.9% is generous enough.

## A small REIT

REITs are known for their generous yield, but some REITs also pack a decent amount of “growth” punch as well, and **Morguard North American REIT** (TSX.MRG.UN) is one of them, though the situation has changed quite a bit since the crash. But that’s beneficial, because you can now get this stock at a heavily discounted price tag and lock in a juicy 4.6% yield.

The REIT has over \$3.1 billion in real estate assets. Its property portfolio consists of multi-suite residential rental properties in both the country and the United States. The geographically diversified portfolio, its five-year CAGR of 10%, and a very sustainable payout ratio make it a decent long-term holding.

## Foolish takeaway

Putting growth-oriented dividend stocks in your [RRSP portfolio](#) can help you in multiple ways. You can re-invest the dividends to beef-up your payouts once you finally use the dividend stock to create an income stream. Or you can use it to make a small cash reserve in the RRSP which can divert to other investments (once it grows sizeable enough) every few years.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:MRG.UN (Morguard North American Residential Real Estate Investment Trust)

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1. Business Insider
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