RRSP Investors: 2 Buy-and-Forget Stocks for a Financially Stable Retirement

Description

Humans tend to be short-sighted about life and financial goals in general. It's a limitation and, in some instances, a weakness, but understanding our weaknesses is the first step toward becoming stronger. Our short-sightedness can be observed in a variety of our life decisions, including investing.

Take the Tax-Free Savings Account (TFSA) and Registered Retirement Savings Account (RRSP), for example. Both are tax-sheltered savings stocks and excellent tools for long-term investing. But ever since the TFSA came along, more investors have started focusing on this particular tax-sheltered account, and the RRSP is becoming a second priority for them. It's understandable because the TFSA is significantly more flexible, and if you can only invest a relatively small amount, it might be better off in your TFSA than your RRSP.

But a major reason investors favour a TFSA over an RRSP is that it offers immediate, short-term access to your investment assets. Unlike an RRSP, which you can withdraw from (without incurring a hefty penalty) until you are retired, the TFSA funds can be withdrawn anytime.

That said, if you are thinking about buying stocks that you can hold on to for decades, an RRSP is a great choice. The fact that you won't be able to use the liquidity right away, even if you sold those stocks, *might* be the financial-discipline "motivation" that prevents you from selling them even in a turbulent market, allowing you to reap the benefits of long-term holding. Here are two buy-and-forget stocks you might want to consider.

The "solution" company

Thomson Reuters ([TSX:TRI](#))(NYSE:TRI) markets itself as the "answer" company, that is, [a company](#) that helps a variety of businesses wade through complex problems and find technologically-driven and time-relevant answers. But the reason I recommend Thomson Reuters is that it's ideally placed to leverage the power of data. In an economy that is already aggressively data-driven and will only build up from here, TRI's data capabilities, credibility, and insights can be powerful assets.

The company appears well positioned to grow in the future *and* it has a proven track record. It has

been growing its dividends for the past 27 years, making it a Dividend Aristocrat. Its 10-year CAGR of 15.5% is entirely sustainable, and if it can keep growing at this rate for two to three decades in your RRSP, it will contribute quite strongly toward a well-funded retirement.

A gold royalty company

Gold holds its value, especially when the market is going down, but as a long-term holding, there are significantly better options for growth than the shiny metal and mining companies. These options surprisingly include a gold royalty and streaming company, **Franco-Nevada** (TSX:FNV)(NYSE:FNV). Unlike mining companies directly exposed to the gold prices, Franco-Nevada grows relatively independently.

That isn't always the case, and thanks to its association with the gold industry, Franco-Nevada stock *does* get influenced by how gold and mining stocks are performing. Still, in the long run, it's a much more reliable growth bet than most other golden stocks. And it's one of the few buy-and-forget stocks in the sector.

Foolish takeaway

The contribution room for the RRSP is significantly higher than the TFSA, and if you have the funds to max out your RRSP account, you can put away a hefty sum in these two long-term stocks and forget about it. They are both Dividend Aristocrats, and even though the yields aren't' very impressive, their payouts might grow up enough in two or three decades that you might start a small passive income stream.

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