RRSP Investors: Buy These 3 Forever Stocks and Watch Your Nest Egg Grow

Description

When it comes to long-term growth, index funds can be an attractive option. Take a typical S&P/TSX 60 index ETF. If you had invested $10,000 in such an ETF a decade ago, you'd probably be sitting on about $20,000. If you had instead opted for an S&P 500 index ETF, the growth would have been significantly higher. This is decent growth and, in most cases, significantly safer and more reliable than what you might be able to achieve with individual stocks.

But there *are* stocks that can be held for decades, and since individual stocks don't get weighed down by underperforming markets as index ETFs do, they might offer more flexibility and better growth. Three such "forever" stocks are **Empire** (TSX:EMP.A), **Intact Financial** (TSX:IFC), and **Toromont Industries** (TSX:TIH).

A food retail conglomerate

It's a common misunderstanding that the "food businesses" are almost never in danger, because no matter how bad things are, people have to eat. But changes in *where* and *what* people are eating can drastically impact several food-related businesses, as demonstrated by the 2020 pandemic. But when many small businesses went under, and several major stocks took months to recover, Empire was back to its pre-crash valuation in less than two months.

The financials stayed strong as well. The company owns Sobeys, the second-largest food retailer in the country, and the real estate at the backbone of this retail business. Much of its success comes from covering the basics, and the long-term holding credibility comes from the nature of its business. Sobeys is also a Dividend Aristocrat, but its capital appreciation prospects are a better reason to buy it than its 1.26% yield.

An insurance company

Insurance companies are considered boring and relatively safe investments. And while the absence of usual "vigor" and bells and whistles might not attract many growth-oriented investors, slow, boring, and reliable might be exactly what you want your RRSP stocks to be. Intact Financial has several subsidiaries, covering a wide variety of insurance products and services.

The company's financials are strong, and its revenues are slowly but substantially increasing. It's offering a 2% yield and, if we consider its history, better growth potential than Empire. It has a 10-year CAGR of 15.48%, and if it can continue growing at this rate for two or three more decades, it can be a very helpful component of your RRSP nest egg.

An industrial stock

Toromont is a great stock to consider for rapid capital growth. It's not one of *the* most powerful growth stocks on the TSX, but it offers a combination of pace and consistency that few other growth stocks might be able to match. It has the potential to become the catalyst of your RRSP nest egg growth and expedite its pace with its impressive 21.6%, 10-year CAGR.

It has two major businesses: equipment and refrigeration. The equipment business is tied quite strongly to many other sectors, like construction and energy, and slow demand in those sectors reflect in Toromont's financial filings. But despite the cyclical nature of its core business, Toromont has been an incredibly steady stock for about two decades, and it likely has a few good decades ahead as well.

Foolish takeaway

The three aristocrats might not be great dividend stocks, but the reliability and consistency of their dividends is just the cherry on top of what's a beautiful "growth" cake. If you want to buy and hold a few stocks in your RRSP for two or three decades, giving your investments ample time to build your wealth, these three stocks might be a good start.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:EMP.A (Empire Company Limited)
2. TSX:IFC (Intact Financial Corporation)
3. TSX:TIH (Toromont Industries Ltd.)

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Date
2025/08/16
Date Created
2021/06/01
Author
adamothman