Retirement Planning: 3 Reliable Growth Stocks for a Dream Portfolio

Description

The ideal time to start planning for retirement is in your 30s. If you develop the right financial habits, start putting away a decent portion of your income (10% or more, ideally), and start investing your savings in the right asset, you'll have about three decades or more to grow your retirement nest egg. If you start late, you'll have to invest more capital to make up for the time cost.

But no matter *when* you start saving and investing for your retirement, it's imperative that you have the right assets in your portfolio to reach your capital's maximum growth potential. Dividend stocks can be quite powerful sources of passive income (especially if you choose to reinvest your dividends), and growth stocks can help you grow your capital. The more capital you have at your disposal when you retire, the more options you have to create a retirement income source.

An insurance company

Intact Financial (TSX:IFC) is the largest property and casualty (P&C) insurance company in Canada, with an adequate international presence. Most of its business premiums are generated here in the country (66%). The U.K., where IFC is one of the top five P&C insurers, makes up 25% of the mix, while the rest comes from Ireland. The company operates under multiple banners and has a very safe investment portfolio (68% fixed assets).

The company is safe, has a powerful position within its industry and niche, and is one of the most consistent growth stocks currently trading on the TSX. The 10-year CAGR of 14.4% can be game-changing if the company can sustain it for the next few decades and you give it at least two or three decades to grow. It's also a Dividend Aristocrat of 16 years, although the yield isn't very impressive (1.9%).

A growth-oriented REIT

REITs are preferred more for their dividends than their capital-appreciation potential, but the industry does have some great growth stock choices. One of them is **Canadian Apartment Properties REIT** (TSX:CAR.UN

). This housing-oriented REIT is ideally positioned to both taking advantage of the red-hot housing market (since the portfolio is appreciating and rents are rising) and sheltered in case it crashes (more people might switch back to renting).

But the REIT has been growing way before the housing bubble started growing to epic proportions. The REIT was a bit slow to recover, but it *has* recovered now that it has almost resumed its usual growth pace. It's also a Dividend Aristocrat and currently offers a modest 2.2% dividend yield. The REIT has an impressive presence in an evergreen market, a powerful portfolio of properties, and few true competitors, making it an ideal long-term holding for retirement.

A transportation company

The e-commerce boom has helped several connected businesses, like logistics, warehousing, and transportation, grow at an expedited pace. And in 2020, when e-commerce gained even more traction, transportation companies like **TFI International** (TSX:TFII)(NYSE:TFII) rode the momentum to new heights. The stock grew 143% in the last 12 months alone, and it's showing no signs of coming down from its height.

The valuation is trying to catch up to the price, but the revenues are already there. TFII has an impressive fleet, a strategic network, and an acquisition-oriented approach which augments the company's organic growth. TFII is expected to keep growing alongside the e-commerce market. It's also a Dividend Aristocrat, but the 0.8% yield pales in comparison to its 10-year CAGR of 25%.

Foolish takeaway

When you are picking up stocks for your retirement portfolio, it's a good idea to look for companies with more than just a few good years ahead of them. Not every company has a bright future, and not all stocks are worth holding long term, and even though you can make changes later on in your RRSP (exit positions that are no longer profitable and create new ones), picking up stocks that can keep growing consistently for decades can be game-changing for your retirement.

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