3 Stocks for Your Golden Years

Description

Retirement years are often referred to as the golden years of one's life, and it's easy to understand why. But if you observe the difference between the lives of financially stable retirees and retirees that rely heavily upon pensions and are barely getting by, you will find out that not all retirements result in "golden years."

And if you want to belong to the former group, it's a good idea to start investing as early as possible and in the right assets.

An insurance company

Insurance companies, thanks to their stable business models and reliable markets, tend to make amazing long-term holdings. And while most Canadian insurance giants are better for dividends, **Sun Life Financial** (TSX:SLF)(NYSE:SLF) also offers decent capital-appreciation potential.

It has a 10-year CAGR of 14%, which might not look very glamorous or powerful, but it's enough to give you a $100,000 nest egg with just $10,000 invested in the company in less than two decades. But that doesn't mean Sun Life's dividends are not part of the equation at all.

The company currently offers a yield of 3.3% at a payout ratio of 43.7%. And with a price-to-earnings ratio of 12.9 and a price-to-book ratio of 1.9, the company is also a bargain buy from a valuation perspective.

A software company

Many tech companies have developed a reputation for powerful growth (and occasional dips), and **Ceridian HCM Holding** (TSX:CDAY)(NYSE:CDAY) sticks to that reputation. The company has returned over 200% to its investors since its listing on the TSX fewer than three-and-a-half years ago. It's a relatively large-cap stock with a market capitalization of US$14.6 billion.

Ceridian's crown jewel and the focus point of its operations is the Enterprise HCM software Dayforce. It has become one of the most well-known and widely used cloud-based platforms that focus on keeping track of the entire employee lifecycle.

The software company is stable, has a decent consumer base, and it's likely to keep growing at a steady pace for the coming years, making it an attractive long-term holding for your retirement nest egg.

A REIT

Rapid capital appreciation is usually not a forte of REITs, but **WPT Industrial REIT** (TSX:WIR.U) might be an exception to the rule. And since it doesn't offer dividends at all, capital appreciation is the only reason you would buy this stock. The stock has risen by about 100% since the crash and is still relatively undervalued.

WPT is a U.S.-facing industrial REIT with 110 properties in 20 U.S. states. The stock is already on the rise, but the growth is expected to expedite alongside the economic recovery. The portfolio is stable and income producing, and even though it's not paying dividends now, it might start pay in the future. That would be an added bonus to the undervalued growth bet you will make with this REIT.

Foolish takeaway

Everyone has a different approach to retirement planning. Some stick to stocks, while others invest in ETFs to capture the benefits like inherent diversification and reliable broad market growth. But you can have more granular control and more freedom to control your portfolio for maximum potential if you build one with individual stocks.

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NYSE:CDAY (Ceridian HCM Holding Inc.)
2. TSX:DAY (Dayforce)
3. TSX:SLF (Sun Life Financial Inc.)

PARTNER-FEEDS

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