



2 Retirement Stocks to Supplement Your Pension

Description

Future retirees should be concerned with their cash flows come retirement day. The uncertainties brought by the pandemic make it imperative to save as much as you can to secure your financial future. Canadians have [foundations](#) in the Canada Pension Plan (CPP) and Old Age Security, although the pensions are not enough, based on the experience of current retirees.

If finances allow, supplement your pension with [dividend stocks](#). The **National Bank of Canada** ([TSX:NA](#)) and **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) are ideal [income-producing assets](#) to help you achieve your retirement goals.

Retirement expectations

Retirement expectations changed due to the health crisis, but the stay-at-home directives and shift to a work-from-home environment did some good. Households have fewer spending opportunities and more funds for retirement accounts.

Financial challenges will continue in the sunset years. Even if you have the resources, you must know how to manage your money best. You can create a budget for recurring spending, but unexpected expenses may crop up from time to time. Hence, an extra cushion besides the pension is absolutely desirable.

Bull-strong

Canada's sixth-largest bank should be one of your prospects if you're growing your retirement fund. Like the Big Five banks, the National Bank of Canada has been bull-strong amid the global pandemic. In Q2 fiscal 2021 (quarter ended April 30, 2021), net income grew 111% to \$801 million versus Q2 fiscal 2020.

Louis Vachon, National Bank's President and CEO, credits the significant contributions of all business segments. The stock's performance was equally resilient. Current investors enjoy a 35.41% gain thus

far in 2021. At \$95.49 per share, the dividend yield is 2.97%.

The Office of the Superintendent of Financial Institutions (OSFI) has yet to lift the ban on dividend increases. If it does, National Bank has room to increase its dividend, given the low 38.27% payout ratio. At the close of Q2 fiscal 2021, the \$32.22 billion bank had \$1.1 billion in excess capital.

Utility-like nature

TC Energy is a must-buy for long-term investors. The top-tier energy stock has bounced back from a sluggish 2020. As of July 30, 2021, the share is \$60.82, or 5% higher than a year ago. The year-to-date gain, however, is 20.95%. This \$59.54 billion energy infrastructure company pays an over-the-top 5.72% dividend.

Despite the 24% drop in net income in Q2 2021 versus Q2 2020, TC Energy is well-positioned to capture future growth prospects. According to its President and CEO, Francois Poirer, the capital will advance its \$21 billion secured capital program. Also, there are high-quality opportunities under development to add to TC Energy's legacy assets.

Notably, long-term contracts or regulated operations support all of the secured capital projects. Thus, the business model has built-in utility features that enable TC energy to generate stable earnings and cash flows.

Financial peace of mind

The vast majority of would-be retirees' goal is not to accumulate wealth but to have sufficient resources. You can prevent financial dislocation and enjoy a higher quality of life in retirement if you can fill the pension's income gap.

Investing in the National Bank of Canada and TC Energy should provide you financial peace of mind. Today, a \$100,000 investment (\$50,000 in each) will compound by more than double to \$234,117 in 20 years, assuming the average dividend yield remains constant.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

1. NYSE:TRP (Tc Energy)
2. TSX:NA (National Bank of Canada)
3. TSX:TRP (TC Energy Corporation)

PARTNER-FEEDS

1. Business Insider

2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. arosenberg
2. cliew

Category

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

Date

2025/08/30

Date Created

2021/08/06

Author

cliew

default watermark

default watermark