3 Stocks to Solidify Your Retirement Portfolio

Description

When you are young, and retirement is still decades away, your investment approach and asset selection process are very different from what it is when you are just a few years away from retirement.

And while it's a good idea to explore relatively risky investment options when you are young, one segment of your retirement portfolio should be made up of reliable stocks that you are comfortable holding for decades. That will allow you to capitalize on the power of time for portfolio growth.

And there are three stocks that you might consider putting in that segment of your investment portfolio.

A banking stock

Banking stocks like **Toronto–Dominion** (TSX:TD)(NYSE:TD) might seem predictable and boring to investors that are interested in the volatility and wildcard growth potential of assets like crypto. But that predictability and relatively slow (but consistent) growth, combined with a generous dividend structure is what makes stable stocks like TD must-haves in your retirement portfolio.

The banking aristocrat is currently offering a decent yield of 3.6% and a 10-year CAGR of 12.8%. The growth pace has slowed down a bit since May, and if it's due for a correction, you might be able to capture an even juicier yield (4% or more).

As the second-largest bank in the country and an impressive U.S. presence, TD is stable and enjoys an impressive clientele. If it keeps attracting customers to its online banking system, its future will be secure and profitable for its investors.

A supermarket company

Metro (TSX:MRU) offers an equally decent blend of reliable growth, promising future, and growing dividends, albeit at a much lower yield (1.5%). As a food retailer and pharmacy chain owner with a loyal, region-centric clientele, this 26-year-old aristocrat can make a powerful addition to your retirement portfolio, primarily because it sells two things people always need, regardless of the market conditions: food and medicine.

Metro's 10-year CAGR is even more impressive (17%) and is high enough to make up for the modest yield. The company is a bit overpriced right now but not too much, and the financials are stable. It recently announced its third-quarter results, which are slightly disappointing but still stable enough to endorse the long-term holding potential of the company.

A gold company

While it's not compulsory to hedge your retirement portfolio with gold or gold companies, it's still a good idea to have assets in your portfolio that can anchor your portfolio against adverse market conditions and **Franco-Nevada** (TSX:FNV)(NYSE:FNV) is a good candidate.

It's not a gold mining stock, so it's not exposed to the relatively poor performance of gold and related assets when the stock market is strong. While it experiences devaluation, its overall growth prospects are still quite solid. With a 10-year CAGR of 18% and an aristocratic status, FNV is a stock worth adding to your retirement portfolio.

Foolish takeaway

If you are not looking to start a small passive income with these stocks, it would be a great idea to opt-in for the reinvestment plan. By reinvesting all your dividends back into these, relatively slow but reliable growth stocks, you'll be able to grow your nest egg and, by extension, the income potential of these aristocrats quite significantly, especially if you are more than a couple of decades away from retirement.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing
4. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:FNV (Franco-Nevada)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:FNV (Franco-Nevada)
4. TSX:MRU (Metro Inc.)
5. TSX:TD (The Toronto-Dominion Bank)

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