



## TFSA Investors: 3 Canadian Stocks I'd Buy to Retire Early

### Description

The RRSP is not the only account that Canadians can keep their retirement savings in. TFSAs can be an excellent choice to keep investments that you don't plan on selling until retirement.

There certainly are benefits to contributing to an RRSP each year. One of the key differentiators with a TFSA, though, is that RRSP withdrawals are taxed. Canadians are eligible to max out their TFSAs each year and then withdraw as much as they'd like when they're set to retire, all completely tax-free.

TFSAs are often thought of as short-term savings accounts. Since it's relatively easy to make contributions and withdrawals, it's a great choice for an account with a savings goal in the three- to five-year range.

TFSAs only have an annual cap on contributions, not gains. So, if you're [maxing out your TFSA](#) each year in your 30s, and it's compounding at a rate above 5%, you can imagine how large your TFSA could grow by the time of your retirement.

Since I likely still have decades until my retirement, I look at the TFSA as a long-term savings account. There's a cap on how much you can contribute, but not on how much those contributions can grow.

Here are three [top Canadian stocks](#) that are at the high up of my watch list right now.

### Brookfield Asset Management

For any investor looking to make the jump from either mutual funds or ETFs to individual stocks, **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)) is a perfect place to start.

The asset management company invests in a range of different industries, most notably in energy, real estate, and infrastructure. On top of that, the company is invested in businesses across the globe.

The Canadian stock provides its shareholders with plenty of diversification, similar to what an index fund would provide. Still, it has managed to significantly outperform the Canadian market in recent years.

Shares of Brookfield Asset Management are up more than 125% over the past five years. That's good enough for easily doubling the returns of the **S&P/TSX Composite Index**.

## Shopify

Canada's largest public company, **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)), is not a cheap investment, but I strongly believe it's worth paying a premium for.

The Canadian stock has been a 30-bagger over the past five years, which partly explains why it's valued at a market cap above \$200 billion.

At its current valuation, it's one of the most expensive stocks on the **TSX** today. It also continues to impress investors by still managing to grow quarterly revenue at a rate above 50%, which helps justify its sky-high price tag.

I wouldn't bank on another 30-bagger over the next five years, but I also don't see this [growth stock](#) underperforming the market's returns anytime soon.

If you can handle the expected volatility, this Canadian stock deserves a spot in any long-term investor's portfolio.

## TD Bank

To balance out the two more growth-oriented stocks on this list, I've included a Canadian bank.

At a market cap of \$150 billion, **TD Bank** ([TSX:TD](#))([NYSE:TD](#)) is the second-largest bank in the country. TD Bank trails only **RBC** in terms of market cap size, but the gap is slowly shrinking.

One of the main reasons I added this Canadian stock to my list is because of its dependability. If you're going to invest in higher-risk growth stocks like Shopify, you'd be wise to have a few blue-chip companies in your portfolio to help balance out volatility.

Just because TD Bank is a slower-growing dividend stock doesn't mean it's a stranger to delivering market-beating growth, though. The bank stock is up a market-beating 40% since late 2016. That's not even including its nearly 4% dividend yield, either.

TD Bank likely won't be the fastest-growing Canadian stock in your portfolio, but that doesn't mean it shouldn't be on your TFSA watch list.

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## TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. NYSE:SHOP (Shopify Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:BN (Brookfield)
5. TSX:SHOP (Shopify Inc.)
6. TSX:TD (The Toronto-Dominion Bank)

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