



3 Retirement Stocks to Fatten Up Your Nest Egg

Description

Some Canadians would be content with only their pensions like the Canada Pension Plan (CPP) and Old Age Security (OAS) as [income sources in retirement](#). However, it's almost sure it would be an extremely frugal living in the sunset years. The key to a comfortable retirement is to fatten your nest egg.

People with foresight should start saving as early as possible. Younger Canadians especially have the advantage, because they have sufficient time to build wealth. If you're dead set on securing your financial future, begin the legwork immediately. Save and [invest in retirement stocks](#).

Solid choice

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) is a solid investment choice for long-term investors. First, it's one of the [Big Five](#) banks (third largest in Canada) in the most revered banking sector in the world. Second, BNS has a dividend track record of 189 years. Third, it pays the highest dividend (4.59%) among its industry peers. You won't regret paying \$78.53 per share.

This \$95.32 billion bank endured the 2020 health crisis — one of the numerous acid tests BNS had to overcome. Because of the unfavourable macroeconomic outlook after the pandemic broke out, management increased its provision for credit losses (PCL) by 111% to \$1.8 billion.

BNS had to sacrifice profits and ensure it could absorb a massive deterioration of its loan portfolios. Fortunately, Canada's economy survived the headwinds. After Q2 fiscal 2021 (quarter ended April 30, 2021), BNS had \$5.2 billion in excess CET1 capital that's above the 11% industry standard floor.

Superb for future retirees

Keyera ([TSX:KEY](#)) is a superb pick for future retirees, because of its ultra-high yield (6.16%) and monthly payouts. Assuming you invest \$50,000 today and the dividend remains constant, your money will compound 331% to \$165,267.78 in 20 years. By 2041, you'll start receiving \$848.37 in passive

income every month.

The \$6.99 billion oil major is smaller than industry giants **Enbridge**, **Pembina Pipeline**, and **TC Energy**, but it has nonetheless established a deep moat. Since Keyera derives revenue from fee-for-based contracts, cash flows are stable and predictable.

Note that the energy stock is a Canadian Dividend Aristocrat for increasing its dividends yearly since going public in 2003. Thus, there's dividend safety and consistency for years to come.

Senior housing pillar

Sienna Senior Living ([TSX:SIA](#)) is close to the hearts of Canadian seniors and retirees. The \$934.53 million company provides senior living and long-term-care (LTC) services. It's a pillar in the senior housing sector owing to almost five decades of operations.

Income investors love this healthcare stock, because it's a generous dividend payer. At \$14.11 per share, Sienna yields a hefty 6.64%. Like Keyera, it's one of the few monthly income stocks. You can incorporate the dividends in your monthly budget during the retirement years.

The investment thesis for Sienna is a strong foundation with high-quality assets and a solid financial position. Operations are returning to normal, as evidenced by the net income of \$11.4 million after the first six months of 2021. It lost \$9.2 million in the same period last year. Sienna will launch enhanced product and service offerings in late 2021 or early 2022.

Act now

Whether you retire early or late, financial resources will determine the quality of life in retirement. Act now and invest in retirement stocks to fatten your nest egg or create pension-like income.

CATEGORY

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

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1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:KEY (Keyera Corp.)
4. TSX:SIA (Sienna Senior Living Inc.)

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