3 Buy-and-Forget Assets for Your RRSP

Description

When you are choosing stocks for your RRSP, you don't necessarily *have* to choose the long-term buy-and-hold stocks, but it's a good strategy. It allows you to maximize the long-term return potential of these assets.

But relatively few stocks fit the "buy-and-forget" bill, and in that limited pool, you have to choose the ones that also offer decent return potential. There is a fine line between long-term stability and stagnation, and you should try to stay on the right side of it.

A REIT

Interrent REIT (TSX:IIP.UN) is a residential-focused REIT with a comprehensive portfolio of multifamily properties. It has 118 to its name and over 12,000 residential suites. The portfolio is quite evenly distributed across three markets: Greater Toronto & Hamilton, the National Capital Region, and the Greater Montreal Area. It generates only 3.1% of its revenue from its Greater Vancouver Area properties.

The REIT is stable, and it's also quite rewarding. The stock is more growth oriented, and the 1.86% yield is more an added bonus than a major reason to consider buying this REIT. However, if you can buy it at a dip, you might be able to lock in a much better yield. But even if you don't get a good yield deal, the relatively sustainable 10-year CAGR of 23.4% is enough to make it a powerful buy-and-forget stock for your RRSP.

A consumer staples stock

Metro (TSX:MRU) offers a similar yield with a relatively slower growth pace. The yield is 1.5%, and the 10-year CAGR is 16.5%, which is good enough in its own right, though not comparable to Intterrent. However, Metro offers more stability. It's a well-established aristocrat, so even if the yield is low, the payouts might not remain low for long.

It's a consumer staple company with a focus on groceries and medicine and an extensive network of stores and pharmacies across the country. The company operates under several different banners, each with its characteristic regional presence and a trust level in the community they operate in. A stable business, strong financials, and an evergreen revenue stream make Metro a great pick for your RRSP.

A financial services company

The financial sector has several different industries, including banking and insurance, each with its own selection of giants and underdogs. But **TMX Group** (TSX:X) is a one-of-a-kind financial stock, at least on the TSX, since TSX *is* its business. The TMX Group is responsible for operating market exchanges, which includes the TSX — Canada's premier stock exchange.

Its underlying companies also include the venture capital exchange, Montreal exchange, and the TSX Alpha exchange. The company is stable and offers a decent growth and dividend combination. The five-year CAGR is 18.8%, and the yield is 2.3%. The stock is a bit expensive right now, but you can wait for a dip to buy it inside your RRSP.

Foolish takeaway

Whether you are a veteran or just learning how to invest, understand that the buy-and-forget approach don't absolve you of the responsibility of looking into your stocks and how they are performing. However, when you have been holding an asset in your RRSP for decades, don't be afraid of routine fluctuations.

But if any of your holdings stray away from strong fundamentals and lose the strengths you bought it for, you may consider exiting the position instead of carrying a potential liability into your retirement.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:MRU (Metro Inc.)
3. TSX:X (TMX Group)

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Author
adamothman