



## 3 Tips to Creating a Bountiful Retirement Portfolio

### Description

There is no one right way to create a retirement portfolio. Many people with little to no inclination to learn about individual assets and fine-tune their retirement portfolio rely upon well-diversified and low-cost ETFs for growing their retirement funds. Some people keep taking chances (with risky investments) with part of their retirement savings after parking the bulk of their savings in stable growth and dividend stocks.

These are just two of the many different approaches to retirement portfolio creation. Whatever your method for creating a retirement portfolio is, there are three tips you should keep in mind.

### Tip#1: Maintain a healthy risk appetite

You should start taking a more conservative and guarded approach to your retirement investing when you get closer to your retirement days, but up until the point, capital preservation becomes the focal point for you, maintain a [healthy risk appetite](#). That requires you to invest in stocks like **Parkland** ([TSX:PKI](#)), a relatively volatile energy stock.

The stock was growing quite consistently up until 2018 when it crashed. It started moving up again at a decent pace, but then the 2020 market crash came, and the stock fell almost 50%; it hasn't yet recovered and regained its pre-pandemic valuation yet. But the risk part comes from its business orientation. It's a fuel retailer at a time when the world is moving rapidly towards EVs.

How well the company leverages its position as one of the top independent fuel retailers to take advantage of the evolving market will define how well it performs in your retirement portfolio in growing your nest egg.

### Tip # 2: Diversify

Don't put too much of one asset class or one sector into your portfolio if you have a financial-leaning portfolio (for stability and dividends) or a tech-heavy retirement portfolio (for growth). Instead, balance it

out with a safe power-generation company like **Capital Power** ([TSX:CPX](#)). It's an Edmonton-based independent power-generation company that relies upon multiple power sources (including renewables) to generate electricity.

That diversified sourcing model makes it a stable company and one that's well-positioned for the green future the world is heading towards. It also offers a decent combination of growth and dividends. The current yield is 5.4%, and the 10-year compound annual growth rate (CAGR) of the company is 11.96%.

## Tip # 3: Don't "over-hedge"

It's a good idea to hedge your retirement portfolio against adverse market conditions with gold stocks like **Franco Nevada** ([TSX:FNV](#))([NYSE:FNV](#)), but don't overdo it. Too much of a contrarian asset in the portfolio that should be steadily growing over a long period of time is likely to weigh it down too much and counteract any benefit it offers as an anchor during harsh market conditions.

However, Franco Nevada is one of the [few gold stocks](#) you might consider keeping in your retirement portfolio long-term. Unlike gold mining stocks that rise and fall (often contrary to the market dynamics) and offer minimal long-term growth prospects, Franco-Nevada has a relatively consistent history of growth.

## Foolish takeaway

Creating the perfect retirement portfolio (using both [your Tax-Free Savings account \(TFSA\)](#) and RRSP) requires that you first identify your retirement goals. Some investors focus on creating as much liquidity as possible for their retirement, while others focus more on income-producing assets. A decent mix of both should be ideal so that it augments your retirement income (pension) and gives you safety nets to fall on (liquidity), should the need arise.

### CATEGORY

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

### TICKERS GLOBAL

1. NYSE:FNV (Franco-Nevada)
2. TSX:CPX (Capital Power Corporation)
3. TSX:FNV (Franco-Nevada)
4. TSX:PKI (Parkland Fuel Corporation)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn

4. Newscred
5. Quote Media
6. Sharewise
7. Smart News

#### **PP NOTIFY USER**

1. adamothonman
2. arosenberg

#### **Category**

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

#### **Date**

2025/10/02

#### **Date Created**

2021/11/17

#### **Author**

adamothonman

default watermark

default watermark