



RRSP Investors: 3 Canadian Stocks You Should Hold in Your Retirement Portfolio

Description

When building a portfolio of Canadian stocks for your retirement savings, I'd suggest keeping growth top of mind. The magic of compound interest can turn what may seem like a small amount of money today into a hefty-sized nest egg by the time you reach retirement.

If you're going to depend on compound interest to reach your retirement savings goal, which many of us are, it's important to keep track of your annual return. A difference of just 1% in annual returns each year can have a significant impact on your total savings in the long term.

Since I still have decades until my retirement, my portfolio currently skews more toward [growth stocks](#). To balance out some of my high-growth tech holdings, I do own a few dependable blue-chip companies.

For anyone looking to build a retirement portfolio, I've put together a perfect basket of Canadian companies to start with. The three picks can provide investors with diversification, growth, and passive income.

Brookfield Asset Management

Owning shares of **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)) provides a portfolio with instant diversification. The asset management company owns and operates businesses across a range of different industries. Not only that, but it also has an international presence.

Even with such a broad portfolio of assets, the [Canadian stock](#) has managed to deliver impressive growth to its shareholders. Shares are up more than 150% over the past five years, compared to the **S&P/TSX Composite Index's** return of less than 50%. It's also up 50% year to date, which is more than double what the Canadian market has returned.

Brookfield Asset Management may be valued at a market cap now over \$115 billion but I don't think this Canadian stock is anywhere near done outperforming the market.

Shopify

Not only is **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) the largest company in the country, but it's also one of the most expensive. The [tech stock](#) is trading at a lofty price-to-sales ratio of 50.

It's remarkable the growth that Shopify continues to deliver when looking at the size of the company. The Canadian stock is valued at a market cap of \$250 billion and is coming off a quarter where year-over-year revenue growth was up nearly 50%.

I'd argue that Shopify is past its high-growth days. After all, shares are up more than 6,000% since the tech stock went public in 2015. But with revenue growth still soaring and the e-commerce opportunity showing plenty of upside, I strongly believe this high-priced growth stock is worth paying up for.

Toronto-Dominion Bank

Last on my list is a high-yielding dependable Canadian bank. While **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is no stranger to outperforming the market, growth isn't the main reason I'd suggest owning it in a retirement portfolio.

The major banks have been some of the most dependable investments for Canadians for decades. They likely won't be the fastest-growing Canadian stocks in your portfolio but that's no reason to not own one. TD Bank can help balance out the volatility in your portfolio if you're planning on owning growth stocks, like Shopify.

In addition to that, TD Bank can be a passive-income generator for your portfolio. At today's stock price, TD Bank's annual dividend of \$3.16 per share yields 3.4%. And once you factor in share price appreciation, this slow-growing Canadian bank can definitely be a market-beater for your portfolio over the long term.

CATEGORY

1. Bank Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

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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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