Retirement Planning: 3 RRSP Stocks for Hands-Off Wealth Building

Description

The sooner you start building your retirement portfolio, the more time you have to grow it to an adequate size. But more time for growing your portfolio doesn't mean you have to *spend* more time working on your portfolio. With the right long-term holdings in your RRSP growing at a steady pace, you can take an almost hands-off approach to investing.

A banking stock

Toronto-Dominion (TSX:TD)(NYSE:TD), even though it's the second-largest Canadian bank by market cap, gets the top spot in several areas. It caters to a much larger customer base and has a significant U.S. presence. It's also making great strides in the digital banking arena and might emerge as the top digital bank (among the Big Five) in Canada.

But it doesn't just offer a powerful position in the sector. TD's strength as a long-term holding comes from both its growth potential and dividends. As an aristocrat, the bank has been growing its payouts for a decade. It offers safety and financial stability that's characteristic to the Canadian banks. And its 10-year CAGR of 14.4%, though not top of the line, is quite sustainable.

However, the current number should be taken with a grain of salt, as it was skewed by the bullish post-pandemic recovery run.

A utility company

Utilities like **Hydro One** (TSX:H) are usually considered safe long-term holdings by default, thanks to the secure, evergreen revenue sources: consumer billing. The company caters specifically to Ontario citizens and is one of the largest utility companies in the province. It serves about 1.4 million customers, mostly in rural areas, which might require more investment in infrastructure but also has the edge of low competition.

The company has two assets and revenue streams (transmission and distribution). Both have their own growth opportunities and offer financial stability in different ways. The stock itself offers a good combination of dividends and capital-appreciation potential. The current yield is 3.3%, and the five-year CAGR is 9.6%.

An asset management company

Brookfield Asset Management (TSX:BAM.A)(NYSE:BAM) is one of the largest asset management companies in Canada and one of the largest alternative investment asset managers in the world. The company has a long and proud history and an impressive global presence. With over $650 billion worth of assets under management in 30 countries, Brookfield comes with a lot of diversification by default.

It focuses on real estate, renewables, and infrastructure assets (among others). Even though Brookfield pays dividends as well, its below 1% yield might not be a good enough reason to hold the company in your RRSP *or* your TFSA. However, the 10-year CAGR of 20.7% makes it a powerful holding, even at its current, slightly overvalued price.

Foolish takeaway

The three stocks can contribute a lot to your retirement wealth-building, whether you put it in your RRSP or your TFSA. Even though none of them offer rapid growth, the sustainability and capital-preservation potential they offer might be the ideal mix you need for the long-term, hands-off building of your nest egg.

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