



## 3 Top Canadian Stocks to Hold for Early Retirement

### Description

Investing in Canadian stocks is a great way to build wealth for [retirement](#). While it is never too late to start saving and investing for retirement, the sooner you start, the better. This is the essence of the “snowball effect.”

Earn income, save as much of it as you can, and invest it. Over time, you will earn returns (capital gains, interest, and dividends) that can then be re-invested to capture more returns. The snowball starts small, but over time it can become enormous and life changing.

## Registered accounts are an ideal place to hold Canadian stocks

[Registered accounts](#) like the Tax-Free Savings Account (TFSA) or the Registered Retirement Savings Plan (RRSP) are ideal places to hold Canadian stocks for retirement. The TFSA has absolutely zero tax liability, so investments can truly compound. The RRSP is a tax-deferred account, but contributions are tax deductible. So, depending on your income level, a combination of these accounts can truly compound the wealth-building effect.

## Canadian stocks, ETFs, or indexes are all good vehicles for building wealth

For people uninterested in investing or lacking the time to build investment know-how, listed exchange-traded funds (ETFs) or indexes are ideal investment vehicles. However, if you have a curiosity about investing, building your own stock portfolio can also be very rewarding. If you are looking for some great portfolio staples to own, compound, and hold until retirement, here are three I would consider today.

## Constellation Software

**Constellation Software** ([TSX:CSU](#)) has been one of the best-performing Canadian stocks to own for

long-term compounding returns. Over the past 10 years, it has delivered a 3,020% total return. That equals a 41% compounded annual return! There are only a handful of stocks across *the world* that have been able to consistently do that.

Constellation focuses on acquiring small vertical market software businesses all over the globe. It captures cash flows from its businesses and then reinvests the returns into more software acquisitions.

It has built an impressive (and large) portfolio of crucial software assets across the world. This Canadian stock has a top-quality management team, a great balance sheet, and still ample room to keep growing larger for many years to come.

## Colliers International Group

Another high-quality Canadian compounder stock is **Colliers International Group** ([TSX:CIGI](#))([NASDAQ:CIGI](#)). This isn't a stock you often hear about. Yet it has delivered more than 1,000% to patient investors over the past 10 years. That is a 27% compounded annual return!

Many people may know of Colliers as just a commercial real estate broker. However, it has become a leader of everything commercial real estate. This includes real estate management, financing, advisory, and engineering/design.

It has grown revenues and adjusted EBITDA by respective compounded annual growth rates (CAGRs) of 10% and 15% very consistently. The company continues to grow both organically and through [acquisition](#), and it presents an attractive opportunity today.

## Brookfield Asset Management

Another Canadian stock to buy and hold for retirement is **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)). Being one of the world's largest asset managers, Brookfield provides investors exposure to a diverse array of market sectors and segments (infrastructure, renewables, real estate, private equity, debt, and insurance). As a result, it collects consistent streams of fee-related cash flows.

With interest rates low, its institutional money management operation continues to grow. Assets under management are rising by a compounded average annual rate of 24%. The great thing is that the more it scales, the faster its margins increase. BAM has delivered an annual average return of 20% for the past 10 years. Given its strong position in the market, this could continue long into the future.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. TSX:BN (Brookfield)
3. TSX:CIGI (Colliers International Group)
4. TSX:CSU (Constellation Software Inc.)

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## **Category**

1. Investing

## **Date**

2025/09/08

## **Date Created**

2022/02/10

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