Beat Conservative Nest Egg Estimations With These 3 Stocks

Description

Risk tolerance is a very flexible concept. It should not be considered as a scale or spectrum, where, on one hand, we have daredevil investors and, on the other hand, we have highly conservative ones that regard anything other than gold, bonds, and real estate with suspicion.

Many investors have a healthy risk tolerance for some assets (the ones they understand) but may not even go near another asset class, even if it's comparatively safe. Still, the fact remains that if you limit yourself only to conservative assets, you may not be able to grow your nest egg to its full potential, even if you have enough time.

So, even if you have a low-risk tolerance, there are three stocks that might help you build your nest egg to its full potential.

A commercial REIT

Granite REIT (TSX:GRT.UN) has been a powerful, steady grower for a very long time. Its growth pace, while not relatively rapid, is still formidable and quite sustainable. And if the REIT can maintain its 10-year CAGR of 15.6% for two or three more decades, it can grow the original capital a few times over, especially if you choose to reinvest the dividends.

It's also a very stable REIT. The stability comes from its geographically diversified portfolio, and the commercial real estate asset class, the bulk of its portfolio, belongs to light industrial properties. That includes warehouse and logistics properties mostly, and the REIT is currently generating a significant portion of its revenue by leasing these properties to e-commerce businesses.

A real estate company

Another real estate stock that can help you with growth is **Colliers International Group** (TSX:CIGI)(NASDAQ:CIGI). Even though it's based in Canada, most operations are outside the borders. It's a professional services company that has been growing at an incredible pace since its inception and boasts a 20% CAGR for the last 27 years, which has only grown recently, making the 10-year CAGR about 27%.

At this rate, it could double your capital about every five years. The company is massive. It operates in 65 countries and has a network of 15,000 professionals. Under its management wing, it has about $46 billion worth of assets under management and, so far, has managed about two billion square feet of real estate.

A well-established Aristocrat

If you are looking for a well-established, blue-chip Dividend Aristocrat that offers robust growth, despite its maturity, **Thomson Reuters** (TSX:TRI)(NYSE:TRI) is a good pick. This $63.1 billion market-cap company returned about 149% to its investors in the last five years alone, and the 10-year CAGR of 20% is quite impressive and sustainable, especially if you consider its undervaluation.

The company has roots in media and news, and though these two are still its business segments, the company makes most of its money through its consultation. And in that avenue, its primary strength is its clientele, the bulk of which is made up of fortune 500 companies. And even though being an Aristocrat lends it more credibility, the 1.3% yield pales compared to its capital-appreciation potential.

Foolish takeaway

The three robust growth stocks could push the potential of your capital (when it comes to building your nest egg) relatively high compared to conservative choices like index ETFs. Yet the three companies are well established within their niche and financially stable, so the risk-to-reward ratio falls quite heavily in your favour.

CATEGORY

1. Dividend Stocks
2. Investing

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3. TSX:GRT.UN (Granite Real Estate Investment Trust)
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