3 RRSP Stocks for Expedited Nest Egg Growth

Description

There are plenty of reasons to want to expedite the growth rate of your RRSP-based nest egg. You might be nearing retirement and still falling short of the amount you were hoping to have at retirement. Or you simply want to reach a milestone with your retirement funds, so you can divert more funds to other, more short-term financial needs or large-ticket purchases.

Whatever the reason, there are three stocks that may help you achieve desired results.

A powerful growth catalyst

TFI International (TSX:TFII)(NYSE:TFII) has always been a significant growth stock. It grew over 1,000% between 2009 and 2020 and at a very consistent pace. Annualized, that's over 90% capital appreciation a year — a number many stocks take several years to achieve. But its growth in the last two years has been too explosive to be consistent.

The stock rose over 440% in less than two years, and it's now normalizing, but at a relatively slow pace. And since it's quite fairly valued right now is also likely to slow down the correction. The current 17.8% discount is not nearly good enough to consider buying the company now, but you should not wait for the stock to reach or below its pre-pandemic level since its organic growth might prevent that and buy whenever this dip matures.

A real estate company

A slightly more reasonably paced version of TFII's post-pandemic growth can be seen in the **Colliers International Group's** (TSX:CIGI)(NASDAQ:CIGI) growth. The stock also saw an expedited growth phase post-crash but only about twice as fast, and it's already deep into the recovery phase, with the stock down over 19% from its recent peak.

But if we consider the long-term growth history of the company, the 10-year CAGR of 24.7% doesn't seem too heavily skewed by the recent rapid growth. Even if we take the rapid growth out, a company growing at about 20% a year will double your capital in half a decade. That kind of growth can have powerful positive implications for your RRSP portfolio, especially if you are decades away from retirement.

A time-tested growth stock

If you are looking for a company that didn't change its growth pattern much in the last two years and has a long-term and steady growth record, few can match **Constellation Software** (TSX:CSU). You would have to look past a very high price tag, but if you are amiable with a company you can't even buy one whole share of with $2,000, you can lock in incredible growth in your portfolio and expedite your nest egg's growth considerably.

The company comes with a 10-year CAGR of 38.8%, putting it among the most potent growth stocks in the country and one of the few that offer consistency with such growth. Naturally, the stock is relatively overvalued, but that's a small price to pay for a company that could potentially double your capital every three years.

Foolish takeaway

It's easy to buy powerful growers in a bull market, but not all of those stocks may offer long-term growth, irrespective of the market dynamics. When you are choosing stocks for your long-term retirement portfolio, the long-term nature of their capital-appreciation potential is one trait you cannot and should not compromise on.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:TFII (TFI International)
2. TSX:CIGI (Colliers International Group)
3. TSX:CSU (Constellation Software Inc.)
4. TSX:TFII (TFI International)

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