



3 TSX Stocks That Could Set You up for Life

Description

The right investment strategy, enough time, and, most importantly, a decent amount of capital *can* set you up for life. Still, it's imperative that you have all three core variables in the right proportions. However, two of them can be considered interchangeable. You may make up for lost time with more capital, and you can potentially grow a small amount of capital to a sizeable nest egg if you have decades at your disposal.

What you can't mess up, though, is the investment selection. No matter how much time or capital you have, you can't grow enough wealth to set you up for life if you choose the wrong investments. To that end, there are three "right" stocks you may consider looking into.

An electric power-distribution company

Hydro One ([TSX:H](#)) is a pure-play electric utility company that focuses on distribution and transmission (no generation). It's the largest player of its kind in Ontario and has a predominantly rural clientele. Its 1.4 million consumers make up a significant segment of the total market, which makes up the backbone of its competitive edge.

Utility businesses are more about stability, but this one is also about consistent growth, and even though its capital-appreciation potential is not phenomenally fast, it's decent enough to set you up for life if you hold it for long enough and it sustains its pace. The stock grew almost 60% in the last three years, which is about 20% a year (annualized). At this pace, the company can double its capital twice in a decade. It also offers dividends at a decent 3.2% yield.

A tech stock

Tech stocks are among the first sectors you look into when you want to find decent growth stocks in Canada. While more tech companies offer a powerful [pace of growth](#), **Open Text** ([TSX:OTEX](#))([NASDAQ:OTEX](#)) leans more towards consistency and stability, which is an important trait for assets you may have to hold for decades.

That doesn't mean its overall return potential is not decent enough. The last 10-year returns of 331% are quite impressive and a repeatable feat if you take the stock's strengths into account. It's quite modestly valued compared to the sector at large, and its information management platform is among the most widely used ones in the world. It's also a Dividend Aristocrat, which is a relatively rare trait in the tech sector.

A P&C insurance leader

The financial sector in Canada makes up most of the weight of the stock market and is full of giants like **Intact Financial** ([TSX:IFC](#)), the [P&C insurance leader](#) in Canada. This \$32.7 billion market cap company has one of the most consistently growing stocks, not just in the financial sector but in the TSX as a whole, and the pace is not too bad either.

It returned about 297% in the last 10 years, a combination of its capital-appreciation potential *and* its dividends, which currently come at a modest yield of 2.15%. And the best part is that this relatively decent growth and consistency backed by its market leadership doesn't come at a premium price. The stock is almost fairly valued at the moment.

Foolish takeaway

All three [growth stocks](#), *if* they continue growing at their current pace, are capable of offering roughly 300% returns in a decade or about 600% in two decades. So, if you have about \$250,000 to invest and two decades, you can grow it to about \$1.5 million. But even if the stocks offer a relatively lacklustre performance and offer about 400% in two decades, you can still hit a million-dollar nest egg mark.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NASDAQ:OTEX (Open Text Corporation)
2. TSX:H (Hydro One Limited)
3. TSX:IFC (Intact Financial Corporation)
4. TSX:OTEX (Open Text Corporation)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Quote Media

4. Sharewise
5. Smart News
6. Yahoo CA

PP NOTIFY USER

1. adamothonman
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date

2025/06/29

Date Created

2022/03/27

Author

adamothonman

default watermark

default watermark