TFSA Investors: 3 Stocks to Keep in Your Retirement Portfolio

Description

Investing in a TFSA can be very beneficial over the long run. As its name suggests, investors don't have to worry about paying income tax on any gains or income generated in a TFSA. That one detail could help you snowball your portfolio much faster than you would in a taxable account. However, investors also need to be holding the right stocks over the long term. In this article, I'll discuss three stocks investors should keep in their retirement portfolio.

This financial institution is a must-have

When investors look for stocks to hold in a TFSA, I believe they should target companies that provide a good amount of growth potential while still not adding too much risk. An example of such a company would be **Brookfield Asset Management** (TSX:BAM.A)(NYSE:BAM). It operates a diverse portfolio with about $725 billion of assets under management. That makes it one of the largest alternative asset management firms in the world. Through its subsidiaries, Brookfield has exposure to the real estate, infrastructure, renewable energy, and private equity markets.

A proven winner since its IPO, Brookfield has created lots of wealth for many investors over the years. Since August 1995, Brookfield stock has returned about 3,975% when dividends are included. That represents an average annual return of 14.8%. In other words, a $10,000 investment made at that time would be worth more than $400,000 today. To put that into perspective, the **TSX** has generated an average annual return of 5.7% over the same period.

A company that leads multiple industries

Telus (TSX:T)(NYSE:TU) is another company that investors should consider holding in a TFSA. It's well known around the country for operating the largest telecom network in Canada. All considered, its network is capable of providing coverage to 99% of the Canadian population. Although that may be Telus's most well-known business segment, it's not the only one you should take note of. Telus Health has started to really gain traction in recent years. In addition, its MyCare offering allows patients toseek professional attention from the comfort of their own home.

Another excellent stock, Telus has more than tripled the performance of the TSX over the past two decades. Over that period, Telus stock has gained an average annual return of 15.9% (dividends included). In comparison, the TSX has generated an average annual return of 4.9% over the same period.

One of the most recognized names in Canada

Another consideration that investors should take when looking for stocks to hold in a TFSA is how recognizable a company is around the country. In theory, more established companies should have stronger brand power. That could result in a positive feedback loop, as consumers choose to give more business to companies they recognize. In that case, companies that are very well known should be shortlisted for your portfolio.

Canadian National Railway (TSX:CNR)(NYSE:CNI) may be one of the most recognizable companies in Canada. It operates the largest rail network in the country, with nearly 33,000 km of track spanning from British Columbia to Nova Scotia. Over the past two decades, Canadian National stock has generated an average annual return of 14.6% (dividends included).

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2. NYSE:CNI (Canadian National Railway Company)
3. NYSE:TU (TELUS)
4. TSX:BN (Brookfield)
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