



## 4 Stocks That Could Turn \$100,000 Into \$700,000 by the Time You Retire

### Description

Tax-Free Savings Account (TFSA) and Registered Retirement Savings Plan (RRSP) investors can take advantage of the [market correction](#) to buy top Canadian dividend stocks at [undervalued](#) prices to build a retirement portfolio focused on total returns.

### BCE

**BCE** ([TSX:BCE](#))([NYSE:BCE](#)) is Canada's largest communications company with a [market capitalization](#) of \$60 billion. The stock is down to \$65.50 from the 2022 high around \$74, giving investors a chance to buy the dividend star at a discount and pick up a solid 5.6% dividend yield.

BCE reported solid second-quarter (Q2) 2022 results. Adjusted net earnings rose 5.3% to \$791 million in the quarter. BCE is investing \$5 billion on network upgrades this year to protect its competitive position and drive future revenue growth.

The board typically raises the dividend by about 5% annually, supported by steady growth in free cash flow.

A \$25,000 investment in BCE 20 years ago would be worth about \$150,000 today with the dividends reinvested.

### Bank of Montreal

**Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) paid its first dividend in 1829. Investors have received part of the profits every year since that time. Bank of Montreal increased the dividend by 25% late last year and gave shareholders another 4.5% raise when the bank reported Q2 2022 results.

Bank of Montreal is using the cash hoard it built up during the pandemic to make a large acquisition in the United States. The US\$16.3 billion purchase of **Bank of the West** will add more than 500 branches to the American operations and gives Bank of Montreal a strong base in California.

BMO stock looks undervalued today at \$134.50. The share price was as high as \$154 earlier this year. Investors who buy now can get a 4% dividend yield.

A \$25,000 investment in BMO 20 years ago would be worth more than \$200,000 today with the dividends reinvested.

## Suncor

**Suncor** ([TSX:SU](#))([NYSE:SU](#)) traded for \$44 per share in early 2020 when West Texas Intermediate (WTI) oil traded near US\$60 per barrel. Today, investors can buy Suncor stock for just \$42.50, while WTI oil trades for close to US\$90. All things being equal, the shares look really cheap right now.

The oil sands production operations are generating record profits. A rebound in fuel demand is also driving a recovery in the refining business and Suncor is considering a sale of its retail business, including roughly 1,500 Petro-Canada locations. Analysts think the retail group alone is worth up to \$10 billion. That would be more than 25% of Suncor's current market capitalization.

The board raised the dividend by 100% late last year and increased the payout by another 12% when Suncor reported Q1 2022 results. The current quarterly distribution of \$0.47 provides an annualized yield of 4.4% today.

Suncor is very profitable in the current environment. Investors should see a dividend increase and bonus distributions next year as net debt drops to targeted levels.

A \$25,000 investment in Suncor 20 years ago would be worth more than \$100,000 today with the dividends reinvested.

## Fortis

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is a utility company with \$60 billion in assets in Canada, the United States, and the Caribbean. The businesses include power-generation facilities, electricity transmission networks, and natural gas distribution operations. Nearly all of the revenue comes from regulated businesses, so cash flow tends to be predictable and reliable.

Fortis is working on a \$20 billion capital program that will expand the rate base by roughly \$10 billion through 2026. Management expects the resulting increase in revenue to support average annual dividend increases of 6% through at least 2025.

Fortis increased the dividend in each of the past 48 years. The current dividend yield is 3.6%.

A \$25,000 investment in Fortis 20 years ago would be worth more than \$250,000 today with the dividends reinvested.

## The bottom line on top stocks to buy for retirement

BCE, Bank of Montreal, Suncor, and Fortis are all top TSX dividend stocks that have generated solid total returns for buy-and-hold investors. If you have some cash to put to work in a diversified TFSA or RRSP portfolio, these stocks deserve to be on your radar.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:BMO (Bank of Montreal)
3. NYSE:FTS (Fortis Inc.)
4. NYSE:SU (Suncor Energy Inc.)
5. TSX:BCE (BCE Inc.)
6. TSX:BMO (Bank Of Montreal)
7. TSX:FTS (Fortis Inc.)
8. TSX:SU (Suncor Energy Inc.)

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