



Millennials: 1 Top TFSA Stock to Build Wealth for Retirement

Description

Millennials may not be thinking about retirement yet, as their attention is elsewhere. You may be focused on your family or career. Or you may be simply enjoying life, such as the warm summer weather we’re having.

But if you happen to have some extra cash you don’t need, you may be interested in stocking up on top-performing stocks in your Tax-Free Savings Account (TFSA) for tax-free wealth creation. Actually, the right stocks can lead to [generational wealth creation](#).

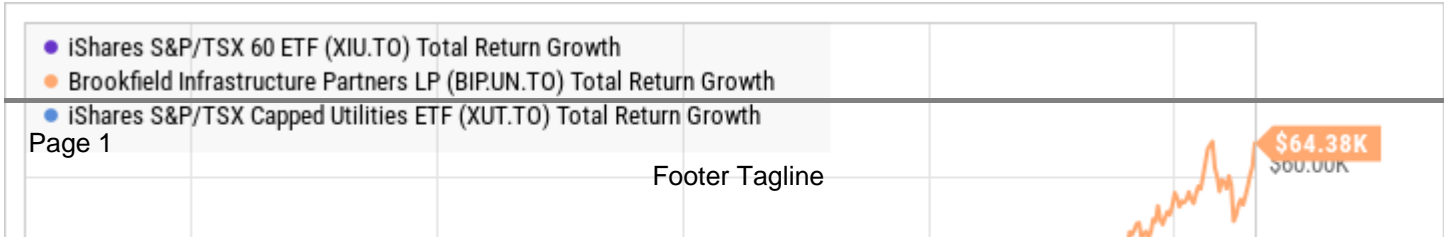
The Canadian stock market return has been 8.9% per year over the past decade. What if you could invest for even higher returns? Saving and investing \$500 a month compounded at the following rates of returns annually will grow into the amounts in the table for your retirement and beyond.

Years	Total Contribution	8.9% per year	10%	12%
10	\$60,000	\$90,723.65	\$95,624.55	\$105,292.41
20	\$120,000	\$303,537.23	\$343,650	\$432,314.65
30	\$180,000	\$802,741.31	\$986,964.14	\$1,447,996.11
40	\$240,000	\$1,973,741.38	\$2,655,555.33	\$4,602,548.52

A top dividend stock for the TFSA

One top TFSA stock millennials should consider buying and holding is **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)). The diversified utility has outperformed the market and the utility sector in total returns in the last one, three, five, and 10 years.

The graph below displays how an initial \$10,000 investment performed in Brookfield Infrastructure stock, the Canadian stock market, and the utility sector over the past decade. Specifically, the top utility stock markedly outperformed by achieving total returns of close to 20.5% annually. The investment posted \$40,910 more gains than the runners-up (the Canadian stock market) in the period!



BIP.UN, XUT, and XIU Total Return Level data by YCharts

Currently, the dividend stock yields 3.3%. And it aims to increase its cash distribution by 5-9% per year. It'd be a good idea to buy the stock whenever it consolidates or dips meaningfully.

The business

BIP is a diversified business that owns a global portfolio of infrastructure assets across the utility, transport, midstream, and data sectors. It provides essential products and services through economic cycles. About 43% of its assets are in North America, 20% in the Asia Pacific, 19% in South America, and 18% in Europe.

The utility maintains quality cash flow that's sustainably growing, as it's about 90% regulated or contracted. Moreover, approximately 70% is indexed to inflation and has no volume risk.

Brookfield Infrastructure makes strategic acquisitions as well. It's a good thing for stock investors that it is a value investor and an operator that has the expertise to optimize acquired assets. Therefore, it would sell mature assets for impressive profits when opportunities arise.

Recent results

The global infrastructure pie has decades to grow. As a global diversified infrastructure business, Brookfield Infrastructure isn't short of growth opportunities. Once again, this year, management expects to exceed its investment deployment target. Over the last 12 months or so, BIP deployed about US\$3 billion in new investments.

In the first half of the year, its funds from operations increased by 22% to over US\$1 billion. On a per-unit basis, the growth rate was 11%, which is extraordinary compared to the industry.

Identify other top stocks for your TFSA

Although Brookfield Infrastructure is a wonderful business, millennial investors should not put all their eggs in one basket. Your [retirement](#) is too important to rely on a single stock. You should diversify your stock portfolio across quality businesses from different industries that have a good chance of beating the market and their respective industries.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)

PARTNER-FEEDS

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