4 Stocks That Could Turn $100,000 Into $500,000 by the Time You Retire

Description

Turning $100,000 into $500,000 sounds like a big feat. But it's actually easier than you might think. At a 10% rate of return, it takes only 17 years. That's thanks to the magic of compounding, which causes returns to accumulate faster than you'd think by just adding up annual results. So, you don't need to take huge risks in the stock market to turn $100,000 into $500,000. Even with just "average" results, you can get there eventually.

With that in mind, here are five stocks that could turn $100,000 into $500,000 by the time you retire.

Alimentation Couche-Tard

Alimentation Couche-Tard (TSX:ATD) is a Canadian gas station and convenience store company. It operates the well-known Circle K chain of convenience stores. The company makes money by selling various products in its stores and by selling gasoline.

The company has grown a lot over the last decade thanks to its prudent acquisition strategy. Over the last 10 years, it has grown its revenue by 11% and its earnings by 20% per year. That kind of growth can compound over time and leave an investor much better off than they were when they started out.

Toronto-Dominion Bank

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is a bank that many Canadians are familiar with. It has a solid growth track record by bank standards, having grown its earnings by 8.5% per year over the last five years.

Right now, TD is working on a deal to acquire **First Horizon**, a regional bank chain in the southeastern United States. The deal will increase TD's U.S. presence, add $89 billion in assets, and add to the bank's earnings. Overall, it's a very promising deal that could take TD to new heights.

Micron Technology

Micron Technology (NASDAQ:MU) is a U.S. chip company that develops memory for the world's biggest computer and smartphone companies. Its client list is a who's who of the tech industry, with names like **Apple**, **Google** and **HP** topping the list. These companies are big players, but Micron itself is relatively small, with a $62 billion market cap.

Over the last five years, Micron has grown its revenue by 13.2% per year and its earnings at 32% per year. If it can keep up that track record, then it will grow much larger than it is today.

Shopify

Turning to riskier fare, we have **Shopify** (TSX:SHOP)(NYSE:SHOP). Shopify is a Canadian tech stock that has fallen hard this year. It started off the year at about $2,000, but later fell to $500. Its stock costs $41 as of writing due to a stock split (i.e., dividing shares into smaller pieces) — it would be $410 without the split.

Shopify used to grow its revenue very rapidly. In its first five years as a publicly traded company, growth rates of 45-90% were common. Today, it's only growing at 16%, but growth could pick up in the future if the economy comes out of its current slump. This stock is definitely riskier than the others on this list, but it has more potential upside, too.

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1. NASDAQ:MU (Micron Technology, Inc.)
2. NYSE:SHOP (Shopify Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:ATD (Alimentation Couche-Tard Inc.)
5. TSX:SHOP (Shopify Inc.)
6. TSX:TD (The Toronto-Dominion Bank)

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