



Retirement Planning: 3 RRSP Stocks to Strengthen Your Portfolio

Description

Different people have different retirement financial goals. For some, an asset like a paid-off home might be the top priority. Others might be too risk-averse to invest in anything but stocks or gold. But if your [retirement planning](#) relies upon the right stocks to help you grow your savings into a sizeable nest egg for your golden years, the right stocks are crucial to fulfilling your retirement goals.

And even though plenty of stocks might be good fits for a retirement portfolio, there are relatively few that can strengthen it for a healthy financial future (if you hold them long enough and they keep performing well).

A life insurance company

Even though **Sun Life Financial** ([TSX:SLF](#))([NYSE:SLF](#)) still clings to its roots as a life insurance company, it has expanded its portfolio into several other financial products and avenues. Traditional insurance now makes up a relatively smaller part of its business model, and wealth and asset management dominate the scene.

There are three different companies under the Sun Life Financial banner, and collectively, they have about \$1.26 trillion in assets under management. Its financial businesses are very U.S.-leaning, though it operates in several markets and has offices in about 27 countries.

Apart from being one of Canada's insurance and financial giants, Sun Life is also a healthy stock thanks to its modest growth potential and dividends. And it's currently available at a discounted price, with the added bonus of a juicy 4.7% yield.

A bank

Another strong addition to most Canadian's retirement portfolios would be the leader of the financial sector *and* the TSX, **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)).

Even among the other [bank stocks](#) in Canada, most of which are beloved for their dividends (especially the Big Six), Royal Bank of Canada stock stands out for the consistency of its growth and the overall return potential (including the dividends).

In the last 10 years, the stock has risen by about 126%, the second-highest growth for the period among the Big Six banks in Canada. It's second only to the smallest of the bunch — **National Bank of Canada**. And the yield is quite attractive at 4%.

So, the overall return potential and the fact that it's the leader in a conservative banking system (which promises relative safety in shaky markets) makes it a healthy addition to your retirement portfolio.

A railway stock

To many investors, especially the ones that lean more heavily towards tech and tech-heavy businesses, railway companies might seem like “old-school” investments. However, these transport giants are still relevant and may remain relevant for decades to come.

And if you invest in a company like **Canadian Pacific Railway** ([TSX:CP](#))([NYSE:CP](#)), you get more than the exposure to a business that may keep thriving in the coming decades; you also get access to powerful growth potential. That's assuming that the stock will keep performing like it has for the past two decades.

It has risen over 470% in the last decade alone, which is a much better performance than many rapidly growing tech stocks have offered over the same period. And Canadian Pacific is a much more mature and stable business with less volatility, making it a great pick for a retirement portfolio.

Foolish takeaway

The three large-cap stocks represent companies that are *the leaders*, or at least one of the leaders, in their respective industries. These steady businesses, with decades, even centuries, of history sustaining them, also offer great return potential (along with safety). And that's the combination you should look for in the stocks you want to strengthen your retirement portfolio with.

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2. NYSE:RY (Royal Bank of Canada)
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Date

2025/07/19

Date Created

2022/09/21

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