3 Top TSX Stocks You Can Buy Every Year to Let Your Winners Run

Description

When you are betting on a horse, it's difficult to identify the winning horse every time. It's just one of the things that make investing so radically different from betting in addition to the fact that your wins and losses are determined over the course of years rather than minutes.

And if you want to continue your winning streak with investments, there are three blue-chip stocks that you may consider buying every year with your savings and steadily growing your stake in the companies.

A railway giant

From a market-cap perspective, **Canadian National Railway** (TSX:CNR) is still the largest railway company in Canada and one of the largest in North America. But that leadership position is not the only reason you should divest part of your savings to this company every year. It has a massive presence in the region, and its 20,000-mile railroads connect three major coasts in North America.

The company carries over 300 million tons of cargo every year, including renewable energy supplies, which makes it a good buy from an ESG (environmental, social, and governance) perspective as well. The company also has a massive trucking fleet, further strengthening its position in the cargo industry and expanding its reach beyond the railroads.

The stock has been a relatively consistent grower for well over a decade and has returned 260% to its investors via price appreciation. It's also an established aristocrat with a current yield of 1.8%.

A banking giant

Canadian bank stocks are amazingly safe dividend bets, but the leader of the pack, **Royal Bank of Canada** (TSX:RY), also offers decent growth potential alongside the dividends.

The stock has risen (on average) 11% every year in the past decade, and overall returns for the period (including dividends) were over 200%. So, assuming you keep the stock in your portfolio for at least a couple of decades, you may experience four-fold returns.

As the largest bank in Canada, where banking regulations are already quite stringent, making the institutions more resilient against market volatility, the bank is a safe long-term investment. It's also growing its digital consumers at a rapid pace, which will allow it to stay afloat in the digital era and compete with fintechs, though they still have to gain traction in the country.

An asset management company

Brookfield Asset Management (TSX:BAM) is the newly minted "spinoff" from what has now become **Brookfield Corporation.** It's the latest in the company's trend of spinning off parts of the business, and the former iterations include renewables and infrastructure. The stock is barely a month old, but the name and the people behind it are still the same.

And if the spinoff is to carry on with the same growth pattern as its parent company or its "siblings" have shown in the past, it's definitely worth considering now and in the future. Though now might be a great time to buy it as it's both discounted and undervalued, trading with a price-to-earnings ratio of just 5.82.

Foolish takeaway

You can keep these stocks purely for the future — i.e., in your Registered Retirement Savings Plan with a dividend-reinvestment plan — so your stake in the companies grows beyond the shares you buy from your savings. Or you can keep them in your Tax-Free Savings Account and use the dividends to supplement your primary income. Either way, there is a strong probability that these three stocks are not going to fail you in the long term.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BAM (Brookfield Asset Management)
2. TSX:CNR (Canadian National Railway Company)
3. TSX:RY (Royal Bank of Canada)

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