Top TSX Growth Stocks to Buy Now for Retirement

Description

Retirement investors fall into two broad categories: those who have already retired and those who have yet to. But all retirement stock investing follows the same general principal. Retirement stocks have to be reliable, with a strong track record, and preferably with a decent balance sheet. In short, these investments should be low risk.

But what about the reward side of the bargain? Generally speaking, a retirement stock should have a suitably tasty yield if it pays dividends. If it doesn't, it should be a gradually appreciating name in a sector that can boast proven defensive attributes. But what about growth?

Picking long-term, low-risk growth stocks

Investors might want to look at the defensive asset types for inspiration. Consider mixing the best growth areas from these sorts of defensive stocks. For instance, green energy and alternative protein offer a mix of high growth potential with passive income in defensive sectors.

Green energy can be played in a number of ways. Investors can make the most of momentum in commodity prices this year and invest in diversified miners. **Lithium Americas** is a strong play for some low-exposure electric vehicle upside, while **Cameco** satisfies a nuclear resurgence thesis. Then you have copper, which is a play for renewables energy tech. **Lundin Mining** offers a diversified play in this space.

Another route to go would be buying into the utilities side of green energy. Again, diversification is the name of the game here. The idea is to add growth potential to a retirement portfolio while simultaneously cutting down on risk. names such as **Northland Power** (TSX:NPI) and **Algonquin Power & Utilities** offer some solid choices that satisfy all of the above criteria.

Alternative protein is another key growth area that matches passive income with the defensive status of a consumer staples play. Stocks to look at include **Restaurant Brands International** (TSX:QSR)(NYSE:QSR) and **Maple Leaf Foods**. Both of these names have recently been adding meat-free proteins to their offerings. Of the two, it's the restaurant owner that arguably offers the better mix of growth and defensiveness

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Mixing safety with growth for retirement

Restaurant Brands pays a 3.9% yield and currently trades at a discount of 11.5% of its fair value. That said, its market ratios are a little rich, so value isn’t what an investor would buy these shares for. Rather, its conservative total returns are in the 50-60% range by mid-decade.

A high price target of $100 is possible. That’s 30% share price growth potential. This analysis reflects the fact that Restaurant Brands just saw a quarterly profit drop of 37%. The post-pandemic growth thesis is strong with this stock, therefore.

This could be comfortably paired with Northland Power for a combination of growth and diversification. Northland pays a 3.2% dividend yield, fed by a stream of revenue from clean and renewable energy sources. This is also a key utilities play, adding another layer of defensive quality. As a seller of electricity, this name could also enjoy a post-pandemic improvement in market prices.

CATEGORY

1. Dividend Stocks
2. Investing

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1. retirement investing
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TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. TSX:NPI (Northland Power Inc.)
3. TSX:QSR (Restaurant Brands International Inc.)

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