



RRSP Investors: 2 TSX Stocks to Build Your Portfolio Around

Description

A Registered Retirement Savings Plan (RRSP) can act as an excellent long-term savings account for your retirement portfolio. Any withdrawals made prior to retiring are taxed, which I only see as added motivation to hold on to your investments and avoid panic-selling when times get tough.

A retirement savings account should be used to hold investments that have the potential to grow over the long term. Picking up shares of a [proven exchange-traded fund](#) (ETF) is never a bad idea for a long-term investor. But for those looking to take a bit more control over their portfolio, owning individual stocks can provide the potential to earn growth that outpaces the broader market in the long run.

Is now the time to buy stocks for your RRSP portfolio?

It's been a rough year for both the Canadian stock market and the economy in general. The pandemic led unemployment rates way up earlier this year, as many businesses dramatically scaled back operations. And with the pandemic not showing many signs of slowing down, there is still a lot of uncertainty today in the short-term future of the economy.

Year to date, the Canadian stock market is down about 10%. Considering we've been dealing with a global pandemic for most of the year, I'd say that it could be a lot worse. What really caused chaos in the stock market was the crash earlier this year. The **S&P/TSX Composite Index** dropped a staggering 35% in just over one month.

For short-term investors, the stock market likely isn't the place you're looking to invest your money today. You could argue that it hasn't been this difficult in a very long time to predict the next 12-month performance of the stock market. For long-term investors, though, the market volatility throughout the year has presented plenty of excellent buying opportunities for long-term investors.

I've covered two top Canadian stocks that each have a strong track record of delivering market-beating growth to shareholders. In today's market conditions, you definitely cannot safely bet that both companies will be able to outperform the market over the next year. But for those willing to hold for the next 10 years and more, they can act as a solid base for any Canadian's RRSP portfolio.

Brookfield Asset Management

Investing in **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)) is as close as you'll get trying to match the diversification that an ETF can provide.

The asset management company predominantly invests in real estate, renewable power, infrastructure, and private equity assets. It doesn't only provide diversification through its wide range of assets either. The company has investments spread across the globe, providing exposure to much more than just the Canadian economy.

Year to date, the stock is down more than 20%, which has underperformed the Canadian market. But once you take a longer view of the company's past performance, you get a better idea of why this stock is an [ideal RRSP investment](#).

Over the past five years, the stock is up 30%, doubling the returns of the Canadian market. Over the past decade, it's up more than 200%, absolutely crushing the returns of the Canadian market.

Constellation Software

You might lose out on some diversification by investing in this tech stock, but the growth that it delivers over the long term should more than help make up for that.

Constellation Software ([TSX:CSU](#)) is up 150% over the past five years and close to 3,000% over the past decade.

The tech company might not be a household name among all Canadian investors, which may partly be due to its area of expertise. Constellation Software specializes in providing vertical-specific software to often very niche companies.

Betting that the tech stock will be another 30-bagger over the next decade might be asking for a bit much, but I strongly believe that there are still plenty of market-beating years ahead for Constellation Software.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

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TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. TSX:BN (Brookfield)
3. TSX:CSU (Constellation Software Inc.)

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