



## 2 Stocks I'd Buy in My RRSP With an Extra \$5,000

### Description

Canadian investors are searching for top stocks to add to their RRSP accounts.

Here are the reasons why I would pick **Sun Life Financial Inc.** ([TSX:SLF](#))([NYSE:SLF](#)) and **Telus Corporation** ([TSX:T](#))([NYSE:TU](#)) for new additions to the RRSP holdings.

#### Sun Life

Sun Life had a rough run during the financial crisis, but the company has exited the business that gave it so much trouble and is focusing new investments on safer growth opportunities.

What happened?

When equity markets fell off a cliff during the Great Recession, Sun Life's U.S. annuities business really took a hit. To its credit, the management team moved quickly to shore up the capital position through timely divestitures and eventually sold off the annuities group.

To replace the revenue stream, a new division, Sun Life Investment Management, has been set up to hold a portfolio of recent acquisitions, including a real estate management firm and two businesses that provide fixed-income solutions to large institutional clients.

These fee-based businesses are safer investments than the annuities segment and nicely complement the existing wealth management and insurance operations.

Sun Life is also increasing its bets on Asian growth. The company recently raised its holding in its Indian partnership, Birla Sun Life, from 26% to 49%. In Vietnam, the company has bumped its ownership in a core holding from 45% to 75%.

Sun Life hiked its dividend twice in 2015 and has already bumped it up once this year. The current quarterly payout of \$0.405 per share yields 3.9%.

If you want exposure to the financial sector, but don't feel comfortable buying the banks right now, Sun

Life is an attractive alternative.

## Telus

Telus has avoided the temptation to buy media assets such as sports teams, television networks, and radio stations.

This has enabled the company to focus its investments on building out its state-of-the-art wireline and wireless networks, as well as spending considerable funds to ensure the company provides the industry's best level of customer service.

It appears the strategy is working.

Telus continues to add new TV, internet, and wireless subscribers at a healthy clip and has a mobile churn rate of less than 1%.

Happy customers also seem to spend more. The company's blended average revenue per unit (ARPU) was \$64.38 in the second quarter, up 1.4% compared with the same period last year. It is the 23rd consecutive quarter of year-over-year ARPU growth.

Telus does a good job of returning profits to shareholders through dividends and buybacks. The stock currently pays a quarterly dividend of \$0.46 per share that yields 4.3%.

If you want a stable dividend name you don't have to worry about on a weekly basis, Telus is a solid pick.

## Is one a better bet?

Both companies are market leaders with strong businesses and reliable dividends.

At the moment, I would probably give Sun Life the edge. The company's international exposure makes its long-term growth prospects more attractive, and the stock should outpace Telus when interest rates begin to rise.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NYSE:TU (TELUS)
2. TSX:SLF (Sun Life Financial Inc.)
3. TSX:T (TELUS)

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