



## TFSA Investors: Should You Buy BCE Inc. or Sun Life Financial Inc.?

### Description

Canadians are searching for reliable stocks to put inside their TFSA portfolios.

The strategy makes sense, especially for investors who are interested in generating tax-free income or are planning to reinvest the dividends and grow the savings over time.

Let's take a look at **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) and **Sun Life Financial Inc.** ([TSX:SLF](#))([NYSE:SLF](#)) to see if one is an interesting pick today.

### BCE

BCE closed its purchase of Manitoba Telecom Services earlier this year in a deal that bumped the communications giant into first place in the Manitoba market, and set it up with a solid base to extend its presence in the western provinces.

Most people are familiar with the mobile, internet, and TV services, but BCE also has a large media division, which includes sports teams, a television station, specialty channels, radio stations, and an advertising business.

These assets, combined with the wireless and wireline businesses, create a powerful company with the capability of interacting with most Canadians on a daily basis.

In fact, any time a person in Canada sends a text, calls a friend, streams a movie, checks e-mail, watches the news, or listens to the weather report, the odds are pretty good that BCE is involved somewhere along the line.

The company generates adequate free cash flow to support the generous dividend, which remains one of the safest payouts available.

The dividend provides a yield of 4.9%.

## Sun Life

Sun Life has insurance and wealth management businesses in Canada, the United States, and Asia.

The North American operations are the largest contributors to the company's revenue and income, but the long-term opportunities arguably lie in Asia.

Sun Life has a strong presence in countries such as India, the Philippines, Malaysia, Vietnam, and Indonesia. With the middle class continuing to grow, demand for insurance and wealth management products should increase, and Sun Life is well positioned to benefit.

The company reported a 24% year-over-year increase in underlying Q2 net income and has raised the dividend five times in the past three years. The current quarterly payout provides an annualized yield of 3.5%.

Sun Life is an attractive holding if you think interest rates will continue to rise, as higher rates tend to benefit insurance companies.

### Is one more attractive?

Both stocks pay dividends that should be very safe.

At this point, the best option might be to split a new investment between the two companies. This way you get the high yield from BCE, while positioning your portfolio to benefit from Sun Life's exposure to global growth.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:SLF (Sun Life Financial Inc.)

## PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

## Category

1. Dividend Stocks
2. Investing

## Date

2025/08/26

**Date Created**

2017/10/09

**Author**

aswalker

default watermark

default watermark