2 Great Stocks for Your TFSA

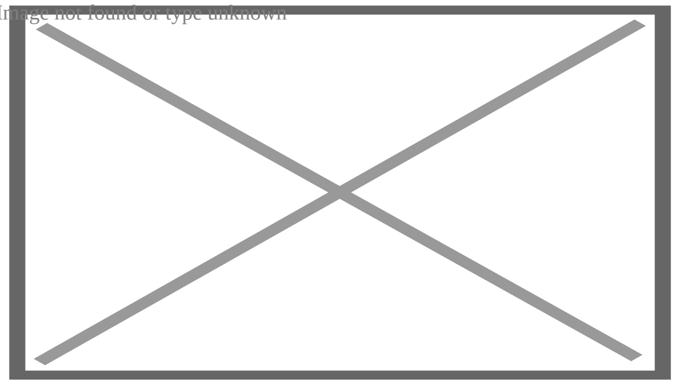
Description

When you choose stocks for your tax-free savings account (TFSA), you've got to be extra careful, because if you experience losses in TFSAs, you cannot use them to offset gains like you can in non-registered accounts.

Some investors have the notion that if you don't sell, you don't lose any money. However, what if a stock that you hold becomes fundamentally broken? Even if the company doesn't go bankrupt, just by falling 40-80%, for example, it'll already have done substantial damage. It'll take the company a lot of effort to turn around before you'll be able to get back to breaking even.

With that backdrop in mind, here are a couple of great stocks you can consider for your TFSA. They are expected to continue growing strongly over the next few years, and they have the ability to recover from setbacks.

Image not found or type unknown



Restaurant Brands International Inc.'s (TSX:QSR)(NYSE:QSR) restaurant franchise business allows the company to generate stable cash flow quarter after quarter.

As one of the largest quick-service restaurant companies in the world, last year Restaurant Brands had more than US$30 billion in system-wide sales across +24,000 restaurants in +100 countries and U.S. territories.

Its iconic brands are Burger King (~66% of system sales), Tim Hortons (~22%), and Popeyes (~12%). There is still lots of room for the company to grow its brands. For example, there are only 2,800 Popeyes locations in 25 countries. The company just announced last week that it plans to open +300 Popeyes locations in Brazil over the next 10 years.

The growth plan will be overseen by BK Brazil S.A., the master franchisee, which is already responsible for the administration and operation of the Burger King brand in Brazil and knows the restaurant market over there very well.

Restaurant Brands's more than doubled its dividend in the first quarter. So, it now offers a competitive yield of 3.2% in the restaurant industry. Investors can conservatively expect dividend growth north of 10% per year for the next three to five years.

Brookfield Asset Management Inc. (TSX:BAM.A)(NYSE:BAM) is another great long-term holding. It owns and manages a US$285 billion diversified portfolio of quality assets, including real estate, renewable power, infrastructure, and private equity in +30 countries.

If Brookfield Asset Management achieves its growth plans, the company will roughly double in size in five years. Simultaneously, Brookfield Asset Management shares will become more valuable.

Investor takeaway

Both Restaurant Brands and Brookfield Asset Management have years of growth ahead of them. A higher cost of financing may have caused the recent dips in the stocks, which creates an opportunity for investors to start building positions in their TFSAs for long-term investment. Furthermore, both stocks have the capacity to continue growing their dividends.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. NYSE:QSR (Restaurant Brands International Inc.)
3. TSX:BN (Brookfield)
4. TSX:QSR (Restaurant Brands International Inc.)

PARTNER-FEEDS

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

Category

1. Dividend Stocks

2. Investing

Date
2025/08/26
Date Created
2018/03/29
Author
kayng