



## This Unshakeable “Stability King” Rallied When the Markets Tanked on Wednesday

### Description

The markets suffered steep triple-digit losses on Wednesday, and while green tickers were few and far between, there were a handful of “steady eddie” stocks that clearly didn’t get the memo that it was supposed to be a down day.

Such steady stocks aren’t only important to keep your portfolio grounded in times of turmoil, but they’ll also continue to reward you with generous dividend (or distribution) payments through thick or thin, regardless of what you’re supposed to be afraid of at any given point in time.

Trade wars, [the Fed](#), the WCS (Western Canadian Select) discount, a frothy Canadian housing market, or a compromising USMCA agreement, these are all real worries that Canadian investors have right now. While it may seem like a pretty big list of issues to keep you up at night, there will always be something for you to worry about in the markets. Things are seldom perfect, so don’t try to time the markets!

Like a house, you need to make sure your portfolio has a stable foundation so the slightest of quakes isn’t enough to reduce your investment to rubble. Building your portfolio solely with tech stocks, cyclical names or speculative high-growth stocks is akin to building your house out of sheet metal and posterboard. While doing so would result in more cash in your pocket over the near-term, you’d regret it once the perfect storm finally comes rolling in!

Consider **Killam Apartment REIT** ([TSX:KMP.UN](#)) an owner and manager of multi-family residential properties primarily located in Eastern Canada, and away from the overly frothy real estate hotspots (like Vancouver), which look ripe for a sharp correction as interest rates continue to soar.

Killam shares fared quite well, as its shares finished up 0.2% on a day when steep triple-digit losses were to be expected. It wasn’t really a remarkable day either, which is goes to show just how stable Killam is in the face of market mayhem.

While interest rates are, in general, the enemy of the REITs, Killam’s diversified property mix and [above-average growth profile](#)

have allowed investors to enjoy a nice 19% rally over the past year to go with a distribution that's yielded well north of 4%. Killam's operational advantage allows it to more than offset the headwind of higher rates.

As worries continue to take over, Killam investors can expect stable FFO growth numbers, modest distribution growth and above-average capital appreciation in spite of all the headwinds that the broader real estate market is slated to face.

The stock's 1-year Beta is a remarkably low 0.53, which means the correlation between Killam and the broader market is below-average. On any given day, when the markets tank, Killam won't be as impacted as much as a stock whose Beta is near or above 1.0.

Simply put, you could make a killing with Killam while other stocks are being killed!

### **Foolish takeaway**

With solid foundation stocks like Killam in your portfolio, you'll welcome Mr. Market to bring his worst, as your portfolio falls a lesser magnitude than the broader basket of stocks, allowing you to focus on the bigger picture without worry.

Stay hungry. Stay Foolish.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

1. TSX:KMP.UN (Killam Apartment REIT)

### **PARTNER-FEEDS**

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

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