TFSA Investors: 3 Dividend Stocks to Help Diversify Your Portfolio

Description

There's nothing more frustrating than seeing not just one of your stocks drop in value, but all of them showing losses. And while, when the markets are red, it's sometimes unavoidable to see widespread declines, you can limit your exposure over the long term by spreading out your investments across different industries.

After all, performances across the different sectors are not uniform, and having a diversified holding of stocks ensures your portfolio won't have wild swings. For that reason, I've listed three stocks below that offer good dividends and can help provide some diversification for your portfolio.

BCE (TSX:BCE)(NYSE:BCE) operates in multiple industries, and that makes it a good choice right off the bat. The company has a big presence in the media and telecom world, and it's a staple in the Canadian business world.

BCE has a strong base of customers, and that makes it easier for the company to find ways to continue to grow. In its most recent fiscal year, sales continued to climb as much as 4.6%, which is very high for a fairly mature company.

It's also hard to find the kind of stability that BCE offers, and coupled with a dividend that pays 5.5% per year, you've got a good option to hold in your TFSA for years. BCE also has limited competition it has to deal with, ensuring that it has a strong place in the industry for the foreseeable future.

Year to date, BCE's stock has underperformed, but it could be a great time to buy with the share price trading at a very reasonable 18 times earnings.

Restaurant Brands International (TSX:QSR)(NYSE:QSR) has only declined 4% since the start of the year, and that's amid a lot of problems relating to a struggling Tim Hortons brand. That's a testament to how stable the stock has been, as it's likely that negative press has weighed the share price down.

Over the past three years, Restaurant Brands has seen its share price soar nearly 60%, and that's on top of a dividend that currently yields over 3% annually.

While the stock isn't near its 52-week low just yet, it may not get a whole lot lower from where it is right now, and that might make it an opportune time for investors to buy today.

RioCan REIT (TSX:REI.UN) has had a lacklustre performance over the past year, declining 3% during that time. However, the company continues to offer investors a lot of stability, despite a troubling retail industry that has seen some big names struggle in recent years.

While that might be of concern to investors, RioCan has been able to avoid being heavily impacted by these developments. Vacancies left by retailers have understandably turned many investors away from REITs, but the company has been exploring a different model for shopping centres, which might make those concerns moot.

RioCan has the highest yield on this list, paying around 5.8%, with payments being made on a monthly basis. It offers investors a great source of recurring cash flow that has been very stable thanks to a very strong bottom line.

CATEGORY

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TICKERS GLOBAL

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2. NYSE:QSR (Restaurant Brands International Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:QSR (Restaurant Brands International Inc.)
5. TSX:REI.UN (RioCan Real Estate Investment Trust)

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Date
2025/08/26
Date Created
2018/11/13
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