



## TFSA Investors: Here's an Easy Way to Diversify Your Portfolio

### Description

Many Canadian companies have succeeded in penetrating specific market niches. Among them is the **Chesswood Group Limited** ([TSX:CHW](#)), which has been a partner to small and medium-sized businesses (SME) for years. Apparently, **Industrial Alliance** ([TSX:IAG](#)), an overlooked diversified financial company, is just as popular with SMEs and [a TFSA-worthy stock too](#).

### Specialized loan packages

The Chesswood Group is the only North American publicly listed commercial equipment finance company that's all-out in supporting the plight of SMEs. Their bailiwicks in the specialty finance industry are in the U.S. and Canada.

The heavy volume of micro and small-ticket equipment financing transactions are originated and processed at the company's two wholly-owned subsidiaries. The Blue Chip Leasing Corporation is the profit centre in Canada, while the Pawnee Leasing Corp. takes care of the U.S. market.

Meanwhile, Industrial Alliance is well known as an insurance company in Canada. The company provides investment loans and RRSP loans to self-employed and enterprising individuals. The former is unique because it serves as a tool to increase one's investment growth potential.

The investment loan uses a leveraging strategy so borrowers can reduce taxable income with tax-deductible loan interest. On the other hand, the RRSP loan is intended for business owners with cash flow snags. You obtain the loan to make the timely contribution to your RRSP or increase the contribution.

The Chesswood Group is deeply entrenched in the small medium enterprises market while Industrial Alliance is slowly winning the hearts of entrepreneurs. The small business economy is thriving because of the unqualified support of these two companies. The demand for business loans are perpetually in demand.

## How are the stocks performing?

Chesswood is performing quite well and among the stable stocks compared with industry peers. IAG is also performing creditably thus far year to date. The conservative investment policy of the insurance and wealth management service provider is the shield against economic disturbances. Industrial Alliance is also adept in employing sound capital management practices.

As of mid-February, the shares of Industrial Alliance breached the \$50 level once more. The current price of \$51.30 is 17.38% higher than the price at the beginning of the year. While the dividend yield is below 4.0%, [investors can be rewarded with higher dividends](#) in the not-too-distant future.

## What are the growth potentials?

The road ahead for the Chesswood Group Limited and Industrial Alliance is lined with roses. It's hard to avoid comparing the two companies because they both have the small and medium-sized business owners in mind.

But more than the financial rewards, clients value Industrial Alliance's financial advisory services. They are properly educated about the importance of the RRSP and TFSA. The company takes the future plans and retirement goals of their customers to heart, which makes all the difference.

Industrial Alliance is starting to lure people whose stock investing decisions are based on fundamentals. If you're after exceptional fundamentals, financial strength and a TFSA-worthy financial stock, IAG is a solid pick— and there's so much to look forward to.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:IAG (iA Financial Corporation Inc.)

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