



## TFSA Pension: How to Prepare Your Retirement Portfolio for a Market Crash

### Description

The stock market has a long history of providing buy-and-hold investors with attractive gains, but it doesn't rise in a straight line.

In fact, regular downturns occur, and it is reasonable to expect a big one roughly every 10 years.

The last financial crisis saw stocks bottom out in 2009, and many investors remember the carnage after the bursting of the dotcom bubble. Older investors probably still shudder when they think about October 19, 1987 (Black Monday), when the Dow plunged 22% in a single day.

In the past 10 years, stocks have enjoyed significant gains, and while we have seen a couple of corrections, investors haven't witnessed a massive pullback.

Is a crash on the horizon?

Pundits and analysts are increasingly warning investors that the global economy is running out of steam. The trade war between the United States and China is often cited as the reason for weakening global growth, and there is a concern that even if the two countries come to an agreement in the near term, the damage has been done, and we are headed for a recession.

Regardless of the trigger, it is reasonable to expect another severe correction in the next couple of years.

What should investors do?

Market pullbacks provide investors with great opportunities to acquire top-quality stocks at discounted prices. However, the short-term impact on an existing portfolio can cause some stress, and it makes sense to adjust holdings to mitigate the damage.

The transition of funds out of the overvalued [cannabis sector](#) in recent months is one example of investors shifting money to more defensive alternatives.

Let's take a look at one top stock that might be an interesting defensive pick for your TFSA pension portfolio today.

## TC Energy

**TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) is a major player in the North American energy infrastructure industry with pipelines, power production, and natural gas storage assets located in Canada, the United States, and Mexico.

Formally know as TransCanada, the company has 92,600 km of natural gas pipelines, 4,900 km of oil and gas liquids pipelines, 6,600 megawatts of power-generation capacity, and 650 billion cubic feet of natural gas storage.

In total, the company has \$100 billion in assets.

TC Energy grows through acquisitions and organic projects. The company spent US\$13 billion in 2017 to acquire Columbia Pipeline in the United States. The deal added important facilities in the growing Marcellus and Utica shale plays. TC Energy also picked up key strategic natural gas pipeline infrastructure running from the Appalachia region to the Gulf Coast.

TC Energy is now positioned well to play an integral role in the development of the liquified natural gas sector in the United States.

On the development side, TC Energy has a portfolio of \$32 billion in secured growth projects. The completion of these assets in the next few years is expected to drive cash flow growth to support [dividend](#) increases of 8-10% per year through 2021.

The company has a strong balance sheet and is monetizing non-core assets to help fund the capital program. Debt still plays a large role in helping get projects built, and the recent trend toward lower interest rates and declining bond yields should be positive for TC Energy.

Investors who buy the stock today can pick up a 4.4% dividend yield with decent payout growth in the coming years.

## The bottom line

TC Energy isn't immune to a stock market crash, but the nature of the company's businesses makes it relatively recession resistant. Cash flow should be predictable and reliable.

As a result, the share price should hold up well compared to the broader market in the next downturn.

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