



Looking to Recession-Proof Your Portfolio? Consider These 3 Gems

Description

As we approach 2020 — and a new era of uncertainty with respect to just how long this current bull market can continue, investors everywhere are looking for simple plays to recession-proof their portfolios. In this article, I'm going to discuss three of my top picks for defensive investors seeking to get ahead of the curve.

Westshore Terminals

Oh, commodities. Everyone hates commodities, and anyone seemingly foolish enough to put their money in such investments have been hammered in recent years.

Such is the case for investors in **Westshore Terminals Investment Corp.** ([TSX:WTE](#)), as the share price remains unmoved from more than three years ago, and is still down more than 40% from its peak five years ago.

That said, this company is the largest coal terminal on the West Coast of North or South America, moving a tremendous amount of low-cost energy around the world, something that is unlikely to change in the foreseeable future.

The debt-free company trades at just eight times EV/EBITDA with a dividend yield of 3%, allowing investors to profit from the company's cash flow while waiting for capital appreciation to materialize over the long-term.

WPT REIT

I've long touted industrial real estate as [the place to be](#) for long-term investors seeking stable and growing yield, and **WPT Industrial Real Estate Investment Trust** (TSX:WIR.U) has been one of my top picks for some time.

This industrial REIT has seen its share price bounce around, and though it's trading near its two year

peak, still offers long-term investors excellent fundamentals (less than 10x price-to-earnings, and a dividend yield of more than 5.5%).

Industrial real estate is less likely to feel the impact of a recession, due primarily to the lack of correlation to consumer credit cycles, and this REIT is particularly well-insulated due to its prime property portfolio located in close proximity to major North American hubs — a great way to play Canadian and U.S. long-term asset appreciation.

Enbridge

Perhaps one of the riskier plays from a pure fundamental perspective (mainly due to the company's debt situation and current valuation relative to historical levels) is **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)).

This integrated energy infrastructure company has also been a top pick of mine for quite some time, and while the stock price hasn't moved much in recent years, investors who bought and held through good times and bad have continued to reap a dividend yield in the over 6% range.

This is a solid company with very stable cash flows and a more manageable debt level due to recent [asset sales](#) and a divestiture path that will continue to drive the company to a more appropriate debt to equity ratio over time.

Stay Foolish, my friends.

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TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:WTE (Westshore Terminals Investment Corporation)

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