



## TFSA Holders: Fill Your Portfolio With 3 Recession-Proof Stocks

### Description

Tax-Free Savings Account (TFSA) users should be real investors, not speculators. You have to put a premium on safety if you're using the account to grow retirement savings. With the never-ending news of a looming recession in 2020, you need to fill your portfolio with recession-proof stocks.

**BCE** ([TSX:BCE](#))([NYSE:BCE](#)), **Choice Properties** ([TSX:CHP.UN](#)), and **Superior Plus** ([TSX:SPB](#)) are the important names lately because the companies can withstand an economic meltdown.

### Natural safety net

BCE is the inherent safety net because the telecom sector in Canada is one of the most protected sectors in the world. Three telecom providers, including BCE, are dominating the industry, which is an apparent monopoly.

This telecom giant is the largest in terms of market capitalization (\$55.9 billion) but is fiercely competing with **Rogers Communication** and **Telus** to get more subscribers. The competitive advantage of BCE is its quality telecommunication services.

BCE provides the most advanced and efficient wireless and broadband internet services in the world. The top line has been increasing for the past four years, and 2019 won't be any different. Net income is just as stable with no threat of receding in the short or long term.

With a yield of 5%, your monthly income from a \$50,000 investment is \$208. The amount is significant during a recession or [lengthy retirement period](#).

### Landlord option

Your next best option after the telecom industry is the real estate sector. Choice Properties, a \$4.34 billion real estate investment trust (REIT), is [ideal for TFSA users](#). This REIT stock pays a dividend of 5.32%.

You have the opportunity to become a landlord to the largest food retailer in Canada. Choice Properties has 756 high-quality real estate properties that are for lease to necessity-based tenants. Because of its strategic alliance with **Loblaws**, stores of the top grocer are the tenants of Choice Properties.

Aside from retail properties, this REIT owns industrial, office, and residential assets whose strategic locations are in attractive markets. With a dedicated management team, Choice Properties is diversifying and slowly shifting focus on residential areas as well as transit hubs.

With the most prominent food retailer as anchor tenant plus an impressive real estate development pipeline, Choice Properties is a welcome addition to your TFSA portfolio.

## Double strength

Superior Plus is one of the top utility stocks in Canada that offer real value to TFSA users. Besides being a safe alternative to create retirement income, investing in the energy distribution business protects against market volatility and recession in particular.

This \$2 billion company is a leading distributor and marketer of propane in Canada, with sales volume reaching 2.2 billion litres annually. In the Eastern U.S. as well as in California, the distribution of retail and wholesale propane is about 1.3 billion litres.

With such vast volumes of propane, Superior Plus is now the third-largest distributor in North America, and sixth-largest in the U.S. An allied business is specialty chemicals, which is Superior Plus' second significant business segment.

The energy distribution segment contributes 71% of earnings before interest, tax, depreciation, and amortization, while specialty chemicals bring in 29%. Both divisions have stable industry positions, sustainable cash flows, attractive acquisition, and growth or market expansion opportunities.

Its 6% dividend will provide you higher passive income for several years, with or without a recession.

## Solid ensemble

A combination of BCE, Choice Properties, and Superior Plus in your TFSA forms a solid group. You can stop worrying if you have holdings in recession-proof, dividend stocks.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)
4. TSX:SPB (Superior Plus Corp.)

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