



1 Dividend Aristocrat Is All You Need to Supercharge Your TFSA or RRSP

Description

A single-stock investment strategy is defunct, if not old-fashioned, according to the modern portfolio theory. Diversification is the streamlined approach, especially if you want to supercharge your TFSA, RRSP, or both. You combine different equities in one basket to minimize the risk and get the maximum returns.

But there is one Canadian Dividend Aristocrat that can bring the desired results, even if the stock is your singular holding. **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is all you need to [achieve your long-term financial goals](#).

Sleep well at night

The 70-year-old Enbridge is an industry leader and a SWAN stock — if you invest in this energy stock today, you can “sleep well at night.” That is how dependable Enbridge is without having to diversify. Besides, diversification is hard to attain if you have less capital.

Others contend that you expose yourself to more risk with a single stock investment due to the lack of diversity. However, to achieve full diversification, you would need a dozen or more stocks. You select stocks from various sectors to fill your investment portfolio.

While spreading the risk is a brilliant move, you should have the time to monitor the individual companies. You follow the respective business performances as well as the sector or industry trends.

It would be time-consuming and mentally draining to check the movements of each stock. When one of the businesses flounders, you will be under pressure to sell to prevent your TFSA or RRSP balance from shrinking.

More often, TFSA and RRSP investors lean toward high-yield dividend stocks, because it's the [fastest way to grow account balances](#). Regrettably, you're not sure how long you're going to hold the shares.

Enbridge pays a 5.8% dividend, which is not the highest in the market. However, the peace of mind it offers is incontestable. You have an established energy infrastructure company whose business itself is diversified.

Widest Moat

You don't have to do a lengthy evaluation before deciding on Enbridge as your single-stock investment. It's the real deal for the long haul. You purchase the stock today and keep it indefinitely or for good.

This \$101.74 billion company is the global energy infrastructure leader. Industry peers would find it hard to pluck even a fraction of the hundreds of clients that Enbridge has. About 93% of them are investment grade.

Enbridge's value proposition is tops. You have a company with a low-risk, pure regulated business model, limited commodity price exposure, and customers with strong credit profiles.

All of these factors contributed to Enbridge's record growth, which began during the 2008 financial crisis. The company was able to demonstrate its resiliency in all market conditions. Management foresees a long-term cash flow growth from 5-7% moving forward.

Kiss diversification goodbye

Diversification is the strategy if you want to get the optimum return for the least amount of risk. You can free yourself of such concerns and "keep it simple and safe" with one or a few great stocks. Over the long term, your TFSA and RRSP balances could be as abundant as the asset bases of Enbridge.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

Date

2025/09/09

Date Created

2019/12/02

Author

cliew

default watermark

default watermark