



Buying Opportunity: These Top TSX Stocks Are Still Down More Than 50%

Description

As the **Toronto Stock Exchange** continues to rally off the bottom, many investors are doing the predictable and lamenting their crummy luck. They wanted the bear market to last for a while longer so they could pick up top TSX stocks at the best possible price.

This trend continued on Tuesday morning, with the **TSX Composite Index** up more than 2% during early trading.

But trying to time the bottom is a sucker's game. In a world where volatility rules, we could still potentially have many down days. It's really anyone's guess as to what the market will do next.

Thus, the best investing strategy should remain the same as always. Investors should dollar cost average into top TSX stocks, using today as a buying opportunity.

This article is for those investors who feel they've missed out on the bottom. Here are three top TSX stocks that are still down [more than 50% off their peaks](#).

A&W

It's no mystery as to why shares of **A&W Revenue Royalties Income Fund** ([TSX:AW.UN](#)) have been smoked. The fast food business in Canada has been absolutely decimated, and nobody really knows when it'll get better.

Additionally, the company recently announced it was pausing dividend payments for a little bit while it worked through this mess. Shares are now down more than 50% compared to the company's 52-week high.

Today is a great opportunity to buy this top TSX stock at a bargain price. Shares trade at just 11 times trailing earnings. A&W is a good operator and has achieved excellent long-term success by focusing on smart expansion, interesting promotions, and high-quality food made with good ingredients.

Many locations have also been able to keep drive-thrus open during this chaos, which has helped mitigate the damage.

And if the company reinstates the dividend at the previous level, investors who buy today can lock in an 8.4% yield.

Slate Retail REIT

Many investors have been taking a long look at many Canadian REITs lately, arguing that these top TSX stocks won't fare nearly as bad as many fear. **Slate Retail REIT** (TSX:SRT.UN) is among the worst hit in the sector, with shares falling more than 50% off recent 52-week highs.

Slate owns grocery-anchored real estate in the United States, with close to 50% of rents coming from these main tenants and other necessary businesses. That's not such a bad position to be in today, yet investors have dumped this stock indiscriminately. It's probably a good time to load up on shares for the long term.

The company's dividend is currently a [jaw-dropping 20%](#), and may not be sustainable. In fact, it might be a good time to cut the distribution to help improve the balance sheet and fund future acquisitions.

Slate's unique business model focuses on secondary cities, places with solid population growth and demographics. In other words, there's plenty of expansion potential.

Boardwalk REIT

Despite rallying smartly over the last few days, **Boardwalk REIT** ([TSX:BEI.UN](#)) is a top TSX stock that is still down some 50% compared to its 52-week high.

The apartment owner with important ties to Western Canada has been forced to deal with a double whammy over the last few weeks. The price of oil plummeted, adversely impacting its Calgary and Edmonton assets, and many tenants have requested rent deferrals.

But both of these look to be short-term issues, although I'm the first to admit that nobody can really predict the oil market. The cure for low energy prices seems to be low prices, which means the commodity could easily rally.

Boardwalk, meanwhile, is ridiculously cheap. The company trades at just 40% of book value. It earned \$2.57 per unit in funds from operations in 2019, putting shares just over 10 times trailing earnings. If you compare that to Canada's other publicly traded apartment REITs, the valuation isn't even close.

Finally, the company still has a great balance sheet. Despite spending aggressively on an apartment renovation program, it still has a debt-to-assets ratio in the 47% range.

The bottom line on these top TSX stocks

Even if you don't catch the bottom, it's still a terrific time to load up on these top TSX stocks.

Companies like Boardwalk REIT, Slate Retail REIT, and A&W should all be around for decades to come.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:AW.UN (A&W Revenue Royalties Income Fund)
2. TSX:BEI.UN (Boardwalk Real Estate Investment Trust)
3. TSX:SGR.UN (Slate Retail REIT)

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