



TFSA: 2 Canadian Stocks to Build You a Tax-Free Fortune

Description

The Tax-Free Savings Account (TFSA) is an invaluable tool that allows Canadians to unlock the power of long-term tax-free compounding. For younger investors like millennials, who have decades to contribute to, and invest with their TFSAs, [it's just a matter of time](#) before one has a tax-free fortune that will allow the financial freedom for one to hang up the skates early.

It sounds overly simplistic, but all you need to do is stay the course with a disciplined investment strategy and invest your TFSA proceeds systematically, rather than trying to time a “perfect” entry into the markets.

While there are a plethora of things to worry about, such as the COVID-19 pandemic, escalating U.S.-China trade tensions, and the U.S. federal election, you must remember that at any given instance there will always be something to worry about.

But it's times when nobody else is worrying when you should start asking questions. And when everybody is overly worried, you should think about getting that much greedier by buying a bit more stock than you normally would.

This piece will have a look at two solid stocks that TFSA investors should think about buying together. One stock weighs down the “risk-on” half of a TFSA barbell portfolio, and the other “risk-off” name balances it out.

Without further ado, consider buying **Jamieson Wellness** ([TSX:JWEL](#)) and **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) together if you're looking for a way to mitigate the risks brought forth by the COVID-19 pandemic.

Jamieson Wellness: Low-risk growth at its finest

For the risk-off part of your barbell TFSA, Jamieson Wellness is a solid bet. The nearly-century-old vitamins, minerals, and supplements (VMS) maker has seen its sales hold up quite well amid the pandemic as people become more health-conscious amid the unprecedented public-health disaster

that is the COVID-19 pandemic.

No, Jamieson doesn't have the secret pill to immunize you from COVID-19. But what it does have are a slew of wonderful VMS products that will see steady demand through the duration of this pandemic. As a publicly traded entity, the company now has deep enough pockets to invest in innovative new products to find a spot with certain age groups.

The green-capped brand is unmistakable, and with a nice marketing budget, the Jamieson brand has arguably never been this powerful, and it's in a spot to strengthen further.

Add the secular tailwind of the aging Baby Boomer population and the growth to be had from an expansion into China into the equation and it becomes more apparent that Jamieson is a low-risk growth stock that TFSA investors should feel comfortable popping in their portfolios.

Jamieson trades at a modest 3.9 times book with a low 0.58 three-year beta that can help ground your TFSA in these volatile times.

Bank of Montreal: TFSA income for cheap

The banks have been complete duds lately. While most other industries have already enjoyed a significant relief rally from the coronavirus crash, Bank of Montreal and most of its peers are still in limbo, barely participating in the latest upward rally in the broader **TSX Index**.

This pandemic has wreaked havoc on the economy, with a bias toward the smaller and medium-sized businesses (SMBs), the energy sector, retail, leisure, travel, real estate, and the financials.

While many mega-caps have [rolled with the punches](#) amid this unprecedented crisis, few smaller firms have been able to with balance sheets that now find themselves on unstable footing. This weakness has spread to the banks that have been making loans to those SMBs in affected industries and select larger firms within the energy patch.

Bank of Montreal had its fair slice of loans to SMBs and big-league O&G firms, and it's been facing considerable pressure as its provisions swell. While there's no telling whether or not the worst is over, stock like BMO makes sense to own if you're willing to invest for decades at a time.

Why? The stock trades at an 8% discount to book and offers a sustainable 5.9% dividend yield that will pad your TFSA as you wait for the economic tides to turn.

CATEGORY

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. TSX:BMO (Bank Of Montreal)

3. TSX:JWEL (Jamieson Wellness Inc.)

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