



## 5 Top TSX Stocks to Buy in April With a \$6,000 TFSA Contribution

### Description

The world is now witnessing the third wave of the pandemic. The pandemic has taught us that you should prepare for the worst. A well-planned Tax-Free Savings Account (TFSA) portfolio can leave you better off in a crisis. The Canada Revenue Agency (CRA) has refreshed your TFSA [contribution](#) for 2021 at \$6,000, and it is time to build a robust portfolio. A robust portfolio has one stock for every need, a resilient stock for emergencies, a growth stock to improve your financial situation, a dividend stock for passive income, and the list goes on. I have identified five top stocks that could diversify your portfolio and keep you in the money, even during a crisis.

### Dividend stocks for tax fund

The CRA introduced some COVID-19-benefits that have a tax component. You can create a tax fund with a dividend stock that will share some of your tax load.

By investing \$1,500 of your stimulus check in **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)), you can lock in a dividend yield of 7.23% for a lifetime. Your investment will fetch you \$108.5 in annual dividend income and help you pay your taxes. Enbridge has survived the worst — the 2009 financial crisis, 2014 oil crisis, and the 2020 pandemic crisis — and increased the dividend at an average rate of 10%.

Enbridge managed to do so because of its +40 revenue streams and exposure to oil, natural gas, and renewable energy. Moreover, it earns 99% of its revenue from long-term supply contracts that assure cash flows. If the company increases its dividend at an average rate of 8% in the next 10 years, your annual dividend income will grow to \$235 by 2030.

### Stable stocks for long-term growth

While dividend stocks are important, they don't give you much capital gain. This is where a stable growth stock like **Constellation Software** ([TSX:CSU](#)) comes in. It helps you build wealth through capital gains. In the last five years, its share price surged 184%, converting \$2,000 to \$5,680.

Constellation share has grown at an average annual rate of 23% in the last five years with its “buy-and-hold-forever” strategy. The company acquires small vertical-specific software (VSS) providers that offer

mission-critical software solutions and enjoy stable cash flows. Over the last 26 years, it has acquired over 260 VSS providers operating across +120 verticals. Its diversified offerings across +100 countries and different verticals ensure stable cash flow growth and stable share price growth.

The stock still has the potential to double your \$2,000 investment in the next five years.

## Resilient stocks for an emergency fund

While wealth creation is important, Constellation is priced at \$1,879, making it less affordable. A cheaper alternative is **Descartes Systems** ([TSX:DSG](#))([NASDAQ:DSGX](#)). But Descartes is a resilient stock that protects your portfolio, as it has strong fundamentals. Although the stock dipped 29% in the March 2020 market crash, it was quick to recover. The pandemic did not impact its earnings significantly.

Descartes is among the largest providers of supply chain management solutions. As long as information, people, and goods travel, there will be a need for Descartes's solutions. The stock performs well in a crisis, such as the U.S.-China trade war, which made exports complex. The pandemic led to a surge in e-commerce logistics, which more than offset weakness in airlines. The stock has surged at an average rate of 20% in the last five years. A \$1,000 investment in Descartes will protect your portfolio from any major dip.

## High-growth and speculation shares

Unlike the above steady stocks, some momentum stocks can generate significant growth in a year. But these high-growth and speculative stocks come with risk. **Lightspeed POS** was one of the best-performing stocks of 2020, growing almost 150% in one year. But it also falls at such high speeds. In the last two months, the stock corrected 28%, as the pandemic-induced demand from retailers started to fade and revenue growth started normalizing. Another momentum stock is **Air Canada**, which is purely [speculative](#) and driven by investor momentum.

## Final thoughts

You can either invest \$6,000 equally in all five stocks or skew your investment toward one or two stocks depending on your financial goals.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Personal Finance
5. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. NYSE:ENB (Enbridge Inc.)

3. TSX:CSU (Constellation Software Inc.)
4. TSX:DSG (The Descartes Systems Group Inc)
5. TSX:ENB (Enbridge Inc.)

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