TFSA Investors: 3 Reliable Stocks for a Secure Future

Description

It's impossible to predict the future, yet we have to plan for it. We can't predict every eventuality, but we *assume* that things will stay on the same course as they are now and plan accordingly. It doesn't always play out the way we intended, but that's the best we can do with the limited future information and so many unknown variables in the equation.

Even if we can't secure our future in all dimensions, there are a few steps we can take for a financially secure future. That includes paying off all the debts, creating multiple income streams, and investing your capital in the right assets.

For Tax-Free Savings Account (TFSA) investors, three potentially right assets for a secure financial future are **Exchange Income** (TSX:EIF), **BCE** (TSX:BCE)(NYSE:BCE), and **Boyd Group Services** (TSX:BYD).

An aerospace-focused Dividend Aristocrat

Exchange Income Fund is an aerospace and aviation-focused company with 14 subsidiaries, all connected to airline businesses. This was one of the primary reasons why EIF stock fell by 63% during the crash. But the stock didn't just recover, and currently, it's quite close to its pre-crash valuation; the company also sustained its dividends.

The company is turning its finances around, but it might be a few years before the number reach their pre-pandemic levels. The stock is currently a bit expensive but not abnormally so. While it has never been a great growth stock, but in the long run, it *might* offer modest capital appreciation, which, combined with its impressive 5.7% yield might make it a solid TFSA holding.

A telecom giant

BCE is Canada's largest telecom company by market capitalization. It operates via three major business segments: wireless, wireline, and media. Two out of three segments grew their revenue in the first quarter of 2021, whereas media revenues fell by 5.2%.

By the end of 2020, the company had about 19.1 million retail subscribers, and the growth was mostly in wireless and high-speed internet area, whereas media and residential telephones saw a sharp fall.

The trend is expected to continue, with cable cutting on the rise and more people moving away from the landline. But if the company can make up for the difference with new subscribers for 5G internet, its revenue is likely to sustain. BCE can be a good addition to your TFSA portfolio from both a dividend and capital growth perspective. It's currently offering a 5.7% yield and has a 10-year CAGR of 10.6%.

A growth stock

If you are looking to add powerful growth to your portfolio, the expensive Boyd Group Income Fund stock, with its powerful 36.6% 10-year CAGR, is one option worth considering. The company has been around for over 30 years and started out with a single autobody collision repair facility in Manitoba. The company has over 700 locations in both the U.S. and Canada and operations under five different banners.

Most of the company's revenue is generated from the U.S. (about 85 – 90%). But its regional concentration is balanced out by the fact that 90% of its revenue comes from insurance companies and only 10% from customers directly. This speaks to the stability of its revenues.

Even though it's an established Dividend Aristocrat, capital appreciation is a much stronger reason to consider adding this stock to your TFSA portfolio. The 0.25% yield doesn't have what it takes to move the needle.

Foolish takeaway

A healthy TFSA should have both, that is, healthy income-producing assets as well as powerful growth assets. Both can help you with your financial stability, now and in the future.

If you don't want to cash out your dividends, a good idea would be to reinvest them in the same stocks or invest them in other companies to keep your portfolio growing.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:BYD (Boyd Group Income Fund)
4. TSX:EIF (Exchange Income Corporation)

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