



## 2 Top Canadian Stocks for Beginner Investors

### Description

It can feel overwhelming for many [beginner investors](#) to take the plunge into do-it-yourself investing. There are a plethora of options out there that make it tough to pick one's spots. That said, beginners don't have to swing at every pitch that's thrown their way. As the great Warren Buffett put it, investing is a game with "no called strikes." And for beginners, keeping things simple is perhaps the best way to get started.

Start with shares of [wonderful businesses](#) that you understand and avoid the "sexy" plays that provide one the chance of getting rich over the near term. As you've probably heard, higher rewards come with a higher magnitude of risk taken on. As an investor, one should aim to improve their rewards when adjusted for risk. Buffett and most other investment legends focus on risk-adjusted returns rather than just returns.

### Beginner investors: Keep things simple, at least to start!

Once one finds a business they like at an attractive valuation, one should look to accumulate shares. For those easily rattled by volatility, it may be a good idea to adopt a dollar-cost averaging approach by buying a fixed amount of share incrementally over time. Think of DCA as dipping a toe into an investment, then one foot, and gradually submerging oneself, rather than jumping off the diving board to make a huge splash.

In this piece, we'll have a look at two simple businesses that are looking quite cheap at current levels, making them terrific starter Canadian stocks for beginner investors.

### TD Bank: A high-yield Canadian stock that's really cheap

**TD Bank** ([TSX:TD](#))([NYSE:TD](#)) is one of the best dividend-growth stocks on the **TSX**. Its juicy, growing dividend is appealing to conservative and retired investors. But it's also a great core holding for anyone interested in above-average total returns over time.

All Canadians are familiar with the big banks. And TD Bank is arguably the best of the batch for beginners. Why? It provides a terrific mix of U.S. and Canadian retail banking. The bank has less volatile earnings from its robust retail banking businesses, making it one of the most prudent plays for long-term investors.

Today, the Canadian stock boasts a 3.8% dividend yield alongside a ridiculously low 10.7 trailing price-to-earnings (P/E) multiple. Currently, TD Bank stock sports the cheapest (lowest) P/E of the Big Six banks. And I think it's completely unwarranted, given TD's prudent track record of outperforming in up and down markets.

Undoubtedly, TD is a name you can buy and forget. With the valuation at the low end and the prospect of higher interest rates, TD strikes me as a top pick for beginners and seasoned investors alike.

## Fortis: A bond proxy that's perfect for beginner investors

Speaking of boring, we have **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)), a regulated utility with one of the most resilient cash flows out there. Electrical utilities are among the safest firms capable of doing well, regardless of the state of the broader economy. Today, the Canadian stock sports a 3.6% dividend yield, which, like TD Bank, is bountiful and positioned to grow at an above-average pace over the long run.

Moreover, Fortis is viewed as one of Canada's most compelling options for those looking to play defence. With markets surging to new all-time highs and valuations being stretched, playing defence may be the best course for beginner investors who are easily rattled by volatility.

At \$56 and change, Fortis is a great bond proxy that looks positioned to do relatively well, regardless of what the "market weather" is like at any given time.

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