



## Looking for Diversification? Here Are 3 Top Stocks to Buy Today

### Description

[One strategy](#) that can protect investors from major losses is diversification. By spreading your wealth across many different companies, the amount of risk in your portfolio should drop. There are many ways to diversify. Investors can diversify geographically or among different sectors. Ideally, your portfolio will be diversified in both ways. However, in this article, I'll focus on diversification among sectors and highlight three top **TSX** stocks to buy today.

### Gain exposure to the tech sector with this stock

The tech sector is a favourite among growth investors, because many leading companies within the sector have the potential to generate massive gains. Of all the tech stocks listed on the TSX, investors should take note of **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). The company is a leading enabler of the e-commerce industry. It provides merchants of all sizes with a platform and all the tools necessary to operate online stores.

Shopify has shown time and time again that it has the ability to grow at a blistering pace. [Since Q2 2021](#), Shopify's monthly recurring revenue has grown at a CAGR of 46%. In fact, since Shopify became a public company, it has never seen its monthly recurring revenue decrease, quarter over quarter. Furthermore, Shopify's Q2 revenue increased about 57% year over year. This suggests that the company's business is still attracting an increasing amount of new business each quarter. As the e-commerce industry continues to grow, expect Shopify to grow alongside it.

### This industry has proven to be recession-proof

When building a portfolio, investors need to find a balance between aggressive and conservative positions. For example, if you decide to invest in a high-growth stock like Shopify, perhaps consider adding recession-proof companies to your portfolio. This should provide you with protection should the market experience a significant downturn. One area you can find recession-proof companies is within the utilities sector. These are services that society requires every day, regardless of the economic conditions.

Of all the companies within the utilities sector, my top pick is **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)). The company provides regulated gas and electric utilities to 3.4 million customers across Canada, the United States, and the Caribbean. Fortis is known as a Canadian Dividend Aristocrat, which means that the company has increased its dividend distribution for at least five years. In fact, if you dive a bit deeper, you'll notice that Fortis actually holds the second-longest active dividend-growth streak in Canada at 47 years. This sort of excellence deserves consideration in your portfolio.

## A favourite among Canadians

If you took a poll of 100 Canadian investors, there's a great chance that the majority of those individuals will own at least one bank company in their portfolio. The Canadian banking industry is popular among investors because of its highly regulated nature. This makes it difficult for new competitors to enter the industry and displace the leaders. Among the top Canadian banks, I believe **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) should be considered for a spot in your portfolio.

What separates this company from its peers is its exposure to the Pacific Alliance. This is a region which includes Chile, Columbia, Mexico, and Peru. Economists are forecasting that the Pacific Alliance will grow at a much faster rate than the G7 countries over the coming years. As a result, Bank of Nova Scotia has a great opportunity for growth. The company is also a great dividend payer. Like Fortis, it's a Canadian Dividend Aristocrat. Bank of Nova Scotia currently offers a forward dividend yield of 4.34%. If you're looking for a mix of growth and dividends, this is a great stock for you.

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