



## 3 Top TSX Stocks to Load Up on for Diversification This Fall

### Description

*Diversification* — there's a buzzkill of a word. Indeed, in this hyper-growth market, investors have been rewarded by taking on more and more risk. Those who have been prudently balancing their portfolios and reducing exposure to one given sector have been punished. Accordingly, investors watching various hyper-growth top TSX stocks outperform the broader market may feel inclined to keep their allocations as is.

There's a Foolish argument to stay the course. Diversification is a great long-term strategy to reduce risk and improve risk-adjusted returns. Accordingly, those looking for said diversification may want to consider these three top TSX stocks.

### Top TSX stocks: Barrick Gold

What's more defensive than gold?

Indeed, as far as top TSX stocks for investors seeking diversification go, **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) remains a top pick of mine. This company is one of the top gold miners of Canada, with gold reserves distributed all across the globe. Barrick has a meaningful presence in countries in Africa, the Middle East, North America, and Latin America.

Barrick has delivered around 4.8 million ounces of gold in the previous fiscal year. These impressive volume numbers have enabled the company to post impressive revenue of \$12.6 billion. Consequently, the management has updated its guidance of average gold deliveries to 4.5 million ounces per year moving forward.

Apart from the company's highly diversified asset portfolio, Barrick also enjoys a stable balance sheet with \$5 billion in cash and cash equivalents. This gold stock has recently garnered much attention partly because Warren Buffett previously owned Barrick in the past. However, ABX stock is a favourite among investors also due to the fact that Barrick is one of the largest miners with an impressive gold reserve across the world.

## Nutrien

Saskatoon-based **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)) is one of the leading fertilizer manufactures in the world. The commodities sector has rebounded significantly after production suffered a massive blow during the pandemic.

Indeed, increasing commodity prices have been a very bullish catalyst for this entire sector. As a rather large player in the potash/fertilizer space, Nutrien has reaped the benefits of this inflationary environment perhaps more than other commodity-centric peers.

Nutrien expects to earn anywhere between US\$4.93 and US\$4.75 per share during the current fiscal year. With its [current stock price](#) hovering around US\$68 a share, this implies a price-to-earnings ratio of around 14.

For this kind of quality earnings, that's cheap.

Regardless of whether Nutrien lives up to these expectations, I think this company can serve as an excellent hedge against inflation in 2022.

## Algonquin Power

Another suitable stock investors can diversify their portfolio with is **Algonquin Power** ([TSX:AQN](#))([NYSE:AQN](#)). This Canadian utility stock is a great long-term holding for investors seeking reliable dividends and total returns over time.

Currently, Algonquin provides investors with a relatively juicy [dividend yield](#) of 4.8%. This dividend, paid in U.S. dollars, provides Canadian investors with specific advantages not available with other foreign dividend-paying stocks. Additionally, this dividend has continued to grow over time.

From a growth perspective, Algonquin is certainly a top TSX stock in the utilities sector to consider. The company has been making headway in growing its renewables business. In recent years, Algonquin has made a series of attractive investments I think could set this company apart from its peers over the long run.

Accordingly, I remain very bullish on Algonquin from a total-return perspective.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:B (Barrick Mining)
3. NYSE:NTR (Nutrien)
4. TSX:ABX (Barrick Mining)

5. TSX:AQN (Algonquin Power & Utilities Corp.)
6. TSX:NTR (Nutrien)

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