



TFSA Investors: 3 Blue-Chip Stocks to Get Your Portfolio Started

Description

I'm convinced that Tax-Free Savings Accounts (TFSAs) should be used to hold [blue-chip stocks](#). This is because investors only have a certain amount of contribution room available to them each year. In addition, any losses incurred in one of these accounts cannot be used for [tax-loss harvesting](#). As such, buying shares of proven and established companies would be the ideal strategy. This gives investors the opportunity to buy shares of stable companies that also have room for growth.

This stock is a must-buy

When it comes to blue-chip stocks, investors should start by looking at the companies that they interact with on a regular basis. Although you may not be a direct customer of **Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)), there's no doubt that you've seen this company many times before. Canadian National operates track which spans from coast to coast. As it transports goods across the country, Canadians are very familiar with this company's business.

In terms of being a good stock for your portfolio, few companies in Canada hold a stronger case. It's known as a Dividend Aristocrat, after having increased its dividend in each of the past 25 years. Over the past five years, Canadian National's dividend has grown at a CAGR of 12.2%. In terms of stock performance, Canadian National has gained 59% over the past five years (before accounting for dividends).

Choose one of the banks

Canadians should also be very familiar with the Big Five banks. The Canadian banking industry is highly regulated, this has allowed the industry leaders to establish very formidable moats. When it comes to the Big Five, investors could do well choosing the company they bank with. This is because the Big Five tend to perform very similarly. However, if you asked me to choose, I would pick **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) to hold in my portfolio.

What interests me about the Bank of Nova Scotia is its focus on international growth. According to its

2021 annual report, 32% of its earnings come from countries other than Canada. That means that Bank of Nova Scotia is very diversified from a geographic point of view. If Canada were to experience a severe economic downturn, it could lean on its international growth levers to keep the company afloat.

Another financial company you should consider

Compared to the first two companies, investors may not be as familiar with **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)). However, this is a company that deserves your full attention. This company holds nearly \$690 billion of assets under management. That makes it one of the largest alternative asset management firms in the world. Through its subsidiaries, Brookfield has exposure to the infrastructure, real estate, renewable utility, and private equity markets.

Brookfield is led by one of the most well-respected executives in the world. Its CEO, Bruce Flatt, is often referred to as “Canada’s Warren Buffett.” He’s also considered one of the leaders when it comes to investing in *real assets*. Flatt has been Brookfield’s CEO for two decades. As long as he remains at the head of this company, investors should be confident with Brookfield stock in their portfolio.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:CNI (Canadian National Railway Company)
4. TSX:BN (Brookfield)
5. TSX:BNS (Bank Of Nova Scotia)
6. TSX:CNR (Canadian National Railway Company)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. jedlloren
2. kduncombe

Category

1. Investing
2. Stocks for Beginners

Date

2025/06/30

Date Created

2022/04/20

Author

jedlloren

default watermark

default watermark