



Worried About a Market Pullback? Buy These 2 Reliable Stocks

Description

Stock market investing is inherently risky due to the nature of this asset class. Depending on whether you hedge your bets on the right companies, the risks you take can pay off to deliver substantial wealth growth. However, investing in some stocks at the wrong time could set you up for potential losses on your investment capital.

Canadian investors use several strategies to find and invest in companies to meet their financial goals. Choosing high-quality companies that have already delivered stellar shareholder returns might seem attractive. After all, investing in companies already doing so well appears to be a safe choice. But such an approach might not provide you with the returns that earlier investors are already enjoying.

Finding and investing in [undervalued stocks](#) might be better to make the most of your investment capital during uncertain market environments. Value investing refers to investing in equity securities trading for lower prices than their future earnings suggest they should be worth.

Finding such undervalued stocks can be challenging if you don't know where to look. Today, I will discuss two such stocks that you could consider adding to your investment portfolio if you're worried about a significant recession in the market.

Alimentation Couche-Tard

Alimentation Couche-Tard ([TSX:ATD](#)) is a \$59.78 billion market capitalization convenience store operator headquartered in Laval. The company owns and operates over 15,000 convenience stores located across Canada, the U.S., Mexico, Ireland, China, Japan, Russia, and several other countries worldwide.

Alimentation Couche-Tard stock trades for \$57.19 per share at writing. The company boasts a solid balance sheet, it has a robust financial performance, and it appears well positioned to improve its operational performance over the long term. It is a high-quality defensive asset for investors looking for reliable stocks with substantial long-term growth potential.

SmartCentres REIT

SmartCentres REIT ([TSX:SRU.UN](#)) is a \$4.54 billion market capitalization [real estate investment trust](#) (REIT) headquartered in Vaughan. The company is a retail-centric REIT with a massive portfolio of properties throughout Canada.

It owns 174 locations across the country, translating to roughly 34.1 million square feet of office and retail space. It has an excellent occupancy rate of 97.6% and generates significant cash flows through a high-quality tenant base.

SmartCentres REIT trades for \$31.29 per share at writing, and it boasts a juicy 5.91% dividend yield. Where Alimentation stock is a defensive asset, SmartCentres REIT comes in as a more aggressive play among value stocks that you could consider adding to your portfolio.

The company's focus on developing mixed-use communities to improve the lives of Canadians also benefits the company financially. Project 512 is an ambitious undertaking by the company that could deliver on that promise, making it a viable long-term value bet to consider.

Foolish takeaway

The **S&P/TSX Composite Index** has been on a downturn in recent weeks. The Canadian benchmark index is down by almost 6% from its April 2022 high at writing, unlocking many value opportunities on the stock market. Despite such a drastic downturn, the index is still up by 8.06% in the last 12 months.

Finding [value opportunities](#) is challenging but not impossible in the current environment. Alimentation Couche-Tard stock and SmartCentres REIT could be excellent value bets to consider for this purpose.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:ATD (Alimentation Couche-Tard Inc.)
2. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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