TFSA Investors: 3 Stocks You Should Buy in June 2022

Description

Investing in a Tax-Free Savings Account (TFSA) can greatly accelerate your way to financial independence. As its name suggests, investors don't have to worry about paying income tax on any returns generated in one of these accounts. Over time, that could help you snowball your account much quicker than you'd be able to in a taxable account. In this article, I'll discuss three stocks that investors should consider buying in their TFSAs in June 2022.

Buy the banks

With interest rates continuing to increase, investors should flock towards the financial sector. Historically, these companies tend to outperform in high-interest environments. Specifically, I think it's an excellent time to load up on shares of the Canadian banks. My top pick of that group is **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS).

Although any of the Big Five could be regarded as a great stock to hold, Bank of Nova Scotia separates itself from its peers due to its focus on international growth. In 2021, nearly a third of its earnings came from sources outside Canada. Bank of Nova Scotia is also a tremendous dividend stock. It has managed to pay shareholders a portion of its earnings in each of the past 189 years.

Consider this underappreciated company

When investors talk about stocks that can beat the market, very few ever discuss **Alimentation Couche-Tard** (TSX:ATD). Why that is, I'll never understand. It may be because the company isn't targeted by many investors, due to having a less-exciting business. However, there's no denying that this stock is a must-have in any portfolio.

Over the past five years, Alimentation Couche-Tard stock has gained nearly 79% before accounting for dividends. Speaking of which, its dividend has grown at a very impressive rate as well. Over the past five years, its dividend has grown at a CAGR of 19.8%. That makes Alimentation Couche-Tard an outstanding company in two regards. With that said, it should be very appealing to growth and dividend investors alike. I believe that investors should really start paying attention to this company today.

You can't go wrong with a Dividend Aristocrat

Finally, investors should consider loading up on Dividend Aristocrats. In Canada, these are stocks that have managed to increase their dividend distributions for at least five consecutive years. If I had to choose one of these stocks, it would be **Canadian National Railway** (TSX:CNR)(NYSE:CNI). This company is well known around Canada, as it operates the largest rail network in the country.

Canadian National is one of 11 **TSX**-listed stocks that maintain a dividend-growth streak of at least 25 years. In addition, its dividend grows at a very impressive rate. Over the past five years, Canadian National's dividend has risen at a CAGR of over 12%. That exceeds the long-term inflation rate, which should help investors preserve buying power over time.

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2. NYSE:CNI (Canadian National Railway Company)
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4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:CNR (Canadian National Railway Company)

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Author
jedlloren