



TFSA Investors: These 3 Stocks Are Must-Haves in Your Portfolio

Description

If you're directing your own investments, it's imperative that you make use of a [Tax-Free Savings Account](#) (TFSA). As its name suggests, all gains generated in one of these accounts can be withdrawn without having to pay income tax. That could help you snowball your account much faster than you'd be able to do in a taxable account.

However, investors only have a limited amount of cash that they're able to contribute into a TFSA each year. That means you need to be very smart about which companies you hold in a TFSA. In this article, I'll discuss three stocks that are must-haves in your portfolio.

Start with this Dividend Aristocrat

The first company investors should consider holding in a TFSA is **Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)). With about 33,000 km of track, this company is the largest railway company in Canada. Its rail network stretches from British Columbia to Nova Scotia and as far south as Louisiana. What makes this company so interesting is that the railway industry continues to be heavily relied upon. Currently, there isn't a viable way to transport large amounts of goods if not via rail.

What stands out about Canadian National Railway from an investment perspective is its excellent dividend history. It has increased its dividend in each of the past 25 years. That makes it only one of 11 **TSX**-listed companies to reach that milestone. With a dividend-payout ratio of about 37%, Canadian National Railway could conceivably continue to comfortably increase its dividend in the coming years.

A financial company for your portfolio

It's no secret that interest rates are seeing major hikes. This is true in both the Canadian and American economies. Although that may be bad for growth stocks, it creates an excellent opportunity for financial companies. Historically, companies in the financial sector have seen a widening in profit margins as interest rates increase.

That makes **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)) an excellent company to consider investing in today. With about \$725 billion of assets under management, it's one of the largest alternative asset management firms in the world.

Brookfield Asset Management is also known as a Canadian Dividend Aristocrat. It has managed to increase its dividend in each of the past nine years. Although that streak isn't nearly as long as the streak that Canadian National Railway holds, I'm confident that Brookfield could continue to raise its dividend in the coming years. This company possesses an exceptional leadership team, which includes a [long-tenured CEO](#), who's highly respected in the financial space.

This behemoth leads multiple industries

Finally, investors should look for companies that are able to lead more than one industry. If you look at the most successful companies in the world (e.g., **Apple**, **Amazon**, **3M**), you'll notice that they excel in more than one area. This diversification in a company's business allows them to generate revenue from different sources, leading to more success over time. One Canadian company that investors should consider holding in a TFSA is **Telus** ([TSX:T](#))([NYSE:TU](#)).

Telus is obviously known as a large telecom company. In fact, it operates the largest telecom network in Canada, providing coverage to 99% of Canada's population. However, it's also an excellent healthcare company. It provides many services to healthcare professionals and even offers a telehealth app. If you haven't considered Telus for its healthcare business, it's time for you to take a deeper look at it.

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3. NYSE:TU (TELUS)
4. TSX:BN (Brookfield)
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