



## CI Financial (TSX:CIX): Is it a Good Long-Term Buy for TFSA Investors?

### Description

Whether new to investing or a seasoned stock market investor, you must know the importance of the Tax-Free Savings Account (TFSA). [TFSA Investing](#) is an excellent way to use the contribution room in your tax-advantaged account to grow your wealth without incurring income tax on your investment returns in the account.

Investors eligible for TFSAs in 2009 now have a cumulative \$81,500 of available contribution room in their TFSAs. You can use that contribution room to store cash in the account and earn through interest. However, a much better way to use that contribution room is to allocate some of it to income-generating assets that can deliver solid long-term growth.

A TFSA could be an ideal investment vehicle to achieve financial freedom and even [build generational wealth](#) if you play your cards right. It is important to choose high-quality assets you can buy and hold for decades to achieve such long-term financial goals.

Today, I will discuss one such asset you can consider a staple in your TFSA investment portfolio.

### CI Financial

**CI Financial** ([TSX:CIX](#))(NYSE:CIXX) is a \$2.69 billion market capitalization Canadian financial sector company. Headquartered in Toronto, CI Financial is a diversified provider of wealth management products and services, primarily to the Canadian market.

It is one of Canada's largest non-bank-affiliated asset managers, boasting over \$129 billion in assets under management and another \$221.5 billion in assets under advisement as of April 2022.

The company operates primarily through CI Global Asset Management and owns a diversified portfolio of assets worldwide. As of this writing, CI Financial stock trades for \$14.26 per share, down by almost 54% from its 52-week high. The broader weakness in the economy caused a massive pullback in its share prices, much like other stocks trading on the **TSX**.

Such a drastic downturn might make you wary about investing in CI Financial stock. However, it could be an excellent opportunity for value-seeking investors with a long investment horizon because of that very reason.

CI Financial stock is up by over 40% from its valuation 20 years ago but down by around 60% from its all-time high at current levels. The recent-most pullback has brought its valuation down to more attractive levels.

After the recent-most period of difficulty, CI Financial appears on track to recover. The company released its financial results for the quarter that ended in June 2022, revealing some positive metrics. The company generated an operating cash flow of \$141.2 million in the quarter and free cash flow of \$176.4 million. Its total assets grew to \$333.7 billion, reflecting a 12% year-over-year increase.

CI Financial completed acquisitions of two registered investment advisors in the U.S. that boast \$7.7 billion in combined assets and the acquisition of another Canadian company to expand its operations in both countries. It is enjoying a good position, evidenced by its repurchase of 4.1 million shares for \$59.8 million.

## Foolish takeaway

With CI Financial stock apparently in recovery mode again, it might be the right time to invest in its shares and add the stock to your TFSA portfolio. You can enjoy considerable wealth growth through capital gains if the stock eventually recovers to its all-time high valuation. It also pays its shareholders their distributions at a juicy 5.05% dividend yield.

Between its discounted valuation, strong track record, and dividend yield, it could be an excellent investment to buy and hold in a TFSA.

### CATEGORY

1. Dividend Stocks
2. Investing

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1. OTC:CIXX (Ci Financial)
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