3 Stable Stocks to Add to Your TFSA or RRSP Before 2023

### Description

Many investors have found it difficult to manage the stock market volatility in 2022. It can be very difficult to sit on your hands while you watch the value of your investment portfolio decline.



In the near term, no stock investment is guaranteed to be stable in a publicly traded market. However, if you zoom out your investment time horizon from days and months to years and decades, you'll see that stocks tend to have a good trajectory; it is largely up and to the right.

If long-term investing appeals to you, your best bet is to maximize the use of registered tax-free or tax-deferred accounts like the TFSA (Tax-Free Savings Account) or the RRSP (Registered Retirement Savings Plan). If you can afford to think long term (beyond the day-to-day volatility), here are three relatively stable stocks to buy for 2023 and likely many years to come.

## Calian: A defensive growth stock

**Calian Group** (TSX:CGY) has been a resilient stock in 2022. It is actually up 9% this year. It has also paid a decent dividend yield of about 2%. So, an 11% total return is pretty good given that the **TSX Index** is down 8.7% this year.

Calian operates a diversified mix of businesses. These span across healthcare, training, advanced technologies, and cybersecurity. Calian's largest customer is the Canadian government, but it has also been diversifying its customer base to new institutions and private businesses.

In 2022, the company grew revenues, adjusted earnings before interest, tax, depreciation, and amortization (EBITDA), and adjusted earnings per share by 12%, 27%, and 11%, respectively. It has been growing EBITDA by a nice rate of about 20% over the past three years.

The company operates in very defensive sectors. It has a $1.3 billion backlog book. It has net cash on the balance sheet, so organic growth will likely be supplemented by further smart acquisitions in the coming years.

## Fortis: A stable dividend payer

**Fortis** (TSX:FTS) stock is down 10.3% in 2022. However, take a longer-term perspective, and this TSX utility has had a pretty steady upward trajectory.

99% of its assets are contracted or regulated. It operates transmission and distribution utilities. These essentially form the backbone of the power and energy grid. Unlike some other utilities, Fortis has a prudently managed debt profile. Rising rates aren't expected to have any major near-term impacts on its earnings.

As a consequence, Fortis's earnings are reasonably stable, and it can invest to earn a predictable long-term rate of return. Fortis is a low volatility stock that pays a nice 4% dividend. It has 49 consecutive years of dividend growth under its belt and many more years are foreseeable.

## Constellation: This stock is an all-star

Another stable stock I'd consider buying for my TFSA or RRSP is **Constellation Software** (TSX:CSU). While it is down 2.8% over the past year, that is not a reflection of its business performance. Over the past 12 months, revenues are up 28%, and EBITDA is up 49%.



The company has invested $1.7 billion in acquiring small- to medium-sized niche software businesses this year. In fact, its acquisition spree is expected to only accelerate, as a recession may mark down the price of smaller software businesses. Eventually, these bargain acquisitions will meaningfully contribute to strong future financial results.

If you look past 2022, Constellation has been rising on a consistent upward trajectory. I would not call the stock cheap today. However, you may have to pay a premium to own a stake in one of the highest-quality, capital-allocation platforms in the world.

**CATEGORY**

1. Investing

**TICKERS GLOBAL**

1. TSX:CGY (Calian Group Ltd.)
2. TSX:CSU (Constellation Software Inc.)
3. TSX:FTS (Fortis Inc.)

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