



Protect Your Wealth: 2 Defensive Gems to Buy in 2023

Description

If 2023 proves to be as [volatile](#) as 2022 was, investors will no doubt want to seek out one or more defensive gems to buy for their portfolios. Fortunately, there are plenty of stellar options to consider investing in to protect your wealth.

Here are two great defensive gems to buy in 2023

Defensive gem #1 – the stable utility

Utilities are some of the best long-term investments on the market. They generate a stable and recurring source of revenue, provide a necessary service, and offer a generous dividend.

And the utility to protect your wealth is **Fortis** ([TSX:FTS](#)). Fortis is one of the largest utilities on the continent, with 10 operating regions extending across the U.S., Canada, and the Caribbean.

The overwhelming majority of Fortis' business stems from regulated long-term contracts, which provide a recurring source of revenue and juicy dividend. Speaking of dividends, Fortis' quarterly dividend works out to an appetizing 4.05%. This means that a \$40,000 investment will generate an annual income of over \$1,600 in just the first year.

Fortis also has an established cadence of providing annual bumps to that dividend that goes back 49 consecutive years. This factor alone makes Fortis one of the defensive gems to buy and protect your wealth, but there's still more.

Fortis is committed to continuing that annual hike at a rate of up to 6% annually over the next four years.

And perhaps best of all, Fortis is trading down over 5% over the trailing 12-month period. This means that prospective investors looking for some defensive gems to buy can get Fortis at a discount.

In other words, Fortis is one stock that should be a core holding in any long-term, well-diversified

portfolio.

Defensive gem #2 – the telecom

Apart from utilities, telecoms represent another area for investors seeking defensive gems to augment their portfolios. And chief among those telecoms stands **BCE** ([TSX:BCE](#)).

Depending on how you determine size, BCE is either one of or *the* largest telecom in Canada. The company boasts well-established verticals for wireless, phone, and internet segments. BCE also boasts a massive media arm, which includes dozens of radio and TV stations that blanket the country.

That media segment is complementary to its core subscriber business, which generates the bulk of the company's revenue. The traditional subscriber segments offer a compelling defensive moat that has only grown in recent years thanks to the pandemic. This is because more people are working and learning in remote capacities than ever before.

BCE's wireless segment holds significant long-term potential. In fact, in the most recent quarter, BCE saw 273,000 mobile phone and connected device activations. Of that number, mobile phones comprised over 80%, or 224,000 of that total, which was the highest net activations that BCE has seen in a single quarter.

That's not the only segment showing incredible growth. BCE reported a whopping 89,652 net retail internet activations in the quarter, the highest number in 17 years.

Those strong numbers continue to provide BCE with handsome earnings, which in turn allows the company to continue paying and hiking its juicy dividend. Speaking of dividends, BCE's current yield is an impressive 5.89%, making it one of the [better-paying dividends](#) on the market.

Factor in over a century of payments without fail, and over a decade of annual bumps to that dividend, and you have one of the defensive gems to add to any well-diversified portfolio. And like Fortis, prospective investors can still buy BCE at a discount.

Defensive gems to buy now

No stock is without risk, and that includes both Fortis and BCE. In fact, after the volatile year we just finished, both stocks trade at a discount.

In my opinion, both are defensive gems that would be a good addition as part of a larger, well-diversified portfolio.

CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

TICKERS GLOBAL

1. TSX:BCE (BCE Inc.)
2. TSX:FTS (Fortis Inc.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. cleona
2. dafxentiou

Category

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

Date

2025/09/27

Date Created

2023/01/23

Author

dafxentiou

default watermark

default watermark