

Feast on Tax-Free Income by Adding These Stocks to Your TFSA

Description

The S&P/TSX Index has rebounded somewhat after strong GDP and job numbers were released by Statistics Canada. However, the index has still fallen 1% this year, and it will take a timely rally to put it back into the green before 2017 concludes. The end of the year should also remind investors that tax season is looming, and we should be looking for ways to maximize our tax-free gains before the reset.

Below are some of my favourite buys to provide income to your portfolio before 2017 is confined to the history books.

Dream Global REIT (TSX:DRG.UN) is a Canadian real estate investment trust with global exposure; it has significant assets in Belgium, the Netherlands, and Germany. Second-quarter results released on August 9 showed impressive growth in its core German portfolio. The German real estate market boasts one of the most stable markets in the Eurozone. Dream Global REIT offers investors a dividend of \$0.07 per share, representing a dividend yield of 7.2%.

Keg Royalties Income Fund (TSX:KEG.UN) stock offers investors the opportunity to own a stake in The Keg Restaurant + Bar chains. Second-quarter results released August 9 saw same-store sales grow 6.5%. The stock has fallen 2.3% in 2017, but a strong economy should give a boon to restaurants as growth in wages and new jobs drives customers to spend on food and drink. At this stage, buyers could be treated to a tasty bargain by adding it to their portfolios. The stock boasts a dividend of \$0.09, representing a 5.3% dividend yield.

Royal Bank of Canada (TSX:RY)(NYSE:RY) stock has increased only 1.4% in 2017, even after a number of impressive earnings beats. Its most recent third-quarter results released on August 23 saw the bank post profits of \$2.8 billion — a 5% increase excluding after-tax gains from the sale of an RBC home and auto business. RBC stock has room to run in 2017 and beyond. It is the best in class in terms of its digital transformation and the ratings it has received from younger demographics. The stock offers a dividend of \$0.91 per share, representing a dividend yield of 3.9%.

Brookfield Renewable Partners LP (TSX:BEP.UN)(NYSE:BEP) gives prospective buyers the opportunity to own a company that stands to gain from the green-energy revolution sweeping the globe. The stock has increased 5% in 2017 and 41% over a five-year period, making it an enticing growth play as well. The company released its second-quarter results on August 4 and posted an \$85 million profit compared to a \$19 million net loss in Q2 2016. Revenues were up 25% in North America relative to present energy prices, and European business also saw strong growth. Investors seeking income will be happy with the attractive dividend of \$0.58 per share, representing a dividend yield of 5.6%.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:RY (Royal Bank of Canada)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:KEG.UN (Keg Royalties Income Fund)
5. TSX:RY (Royal Bank of Canada)

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