



TFSA Investors: 3 High-Yield Growth Stocks That Are Perfect for Retirement

Description

High-yielding stocks with growth potential is a dream combination to have in your Tax-Free Saving Account (TFSA). This combination has the power to supercharge your retirement portfolio as the years tick by and you move closer to your retirement.

On the one hand, higher yields protect your investment from inflationary pressures, while on the other hand, capital gains get you closer to your goal of building a sizable nest egg to meet your financial needs.

But technically speaking, companies in a high growth cycle don't pay too much in dividends, as they plough most of the income back into the business to expand. Still, there are occasions when investors get opportunities to buy high-yield stocks that are trading below their fair values.

Keeping this theme in mind, I have picked three stocks that you might like for their high yields and future growth potential.

Pizza Pizza Royalty Corp. ([TSX:PZA](#)) is a nice stock if you're looking for a combo deal of high dividend yield and upside potential.

Pizza Pizza revenue is based on top-line system sales of restaurants in the pool and not on the profitability of either Pizza Pizza or the restaurants in the royalty pool.

This year, Pizza Pizza added six net new restaurants, increasing the number to 751 restaurants in the royalty pool for 2017. Of the 751 restaurants, 651 are Pizza Pizza and 100 are Pizza 73 restaurants. This business model allowed the company to achieve a profit margin of 76% in the last fiscal year.

The stock pays \$0.0713 per share monthly dividend, or \$0.8556 annually, yielding 5% at the time of writing. This payout has increased by 19% since 2012 to reflect the strong quarterly results, positive same-store sales growth, and growth in the working capital reserve.

Trading at \$17.05 a share, Pizza Pizza stock has delivered ~60% capital gains on top of paying a regular monthly dividend.

Brookfield Infrastructure Partners L.P. ([TSX:BIP.UN](#))([NYSE:BIP](#)) operates some of the world's most valuable infrastructure assets, ranging from electricity and gas distribution business in Australia and the U.S., railroads in South America, and a portfolio of 36 ports in North America, Asia Pacific, the U.K., and across Europe.

This diversified network of infrastructure projects helps the company generate sustainable and growing dividends over the long term. With a current yield of 3.3% and a distribution growth target of 5-9% annually, Brookfield Infrastructure offers an attractive opportunity for income investors.

Another benefit of investing in this infrastructure operator is that it has delivered about 28% annual growth in capital during the past five years. As the company continues to maintain and grow these world-class assets, there is a good chance that you will be rewarded generously for your long-term investment.

First National Financial Corp. ([TSX:FN](#)) is Canada's largest non-bank mortgage provider. The lender's assets under management hit a \$100 billion mark this month, suggesting that it is gaining the market share in this highly competitive market at a time when **Home Capital Group Inc.** is struggling to regain investors' confidence after its troubles this spring.

At \$26.93, FN stock trades at just over seven times earnings with a dividend yield of 6.87%, providing investors an attractive entry point to pick this juicy yield.

Despite a growing business, FN shares remained under pressure this year on worries related to the overheated housing market in Canada.

But Canada's latest housing data show that the country's largest real estate market, Toronto, is recovering after a four-month price correction, and it is likely to be a soft-landing rather than a crash.

FN stock has gained 65% over the past five years, almost twice the of size of growth provided by the S&P/TSX Composite Index during that period.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
3. TSX:FN (First National Financial Corporation)
4. TSX:PZA (Pizza Pizza Royalty Corp.)

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Author

hanwar

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