



## 2 Dividend Stocks That TFSA Investors Should Buy Now

### Description

As RRSP season winds down, investors' focus now shifts back to the [TFSA](#).

This year, investors can contribute up to \$5,500 to their TFSAs, and with the many different areas that are competing for this money, it can be hard to find the answer. The cumulative amount is \$57,500, so for those investors who have not yet taken advantage of the TFSA, there's work to be done.

So, after all expenses are paid, where should we put our hard-earned money to work? Where will we get the biggest bang for our buck?

We can invest in our [RRSP](#), or we can invest in our TFSA. With the RRSP, we invest before tax money, get a tax deduction, and are taxed at a theoretically lower rate when we withdraw in retirement and our income is lower. With the TFSA, we invest after tax dollars, but everything, including any withdrawal, is tax free.

Here are two must-own stocks for your account:

**Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)) has fallen 26% in the last year, after a difficult 2017 that was mired in uncertainty.

This has created a very attractive entry point for investors and a stock that is currently yielding a very attractive 6.55%.

How will the company maintain its dividend plus provide funding for future capital expenditures and projects?

With management reiterating its commitment to its \$3 billion asset sale program by mid-2018 as well as a mixture of issuing equity and other hybrid securities for the other half of the funding needs, the market eagerly awaits the announcement of the completion of the asset sales. Any such news will send the stock higher.

The company has reaffirmed its 2018 guidance, calling for a 21% increase in EBITDA to 12.5 million

and 10% annual dividend growth to 2020.

For a stock that will allow investors a little more peace of mind, **Brookfield Infrastructure Partners L.P.** ([TSX:BIP.UN](#))([NYSE:BIP](#)) provides a 4.59% dividend yield coupled with strong liquidity that is ready to be deployed for future growth prospects.

This coupled with long-term cash contracts and predictable cash flows mean that the stock is a great addition to your TFSA portfolio.

With the company set to end the year with dividend growth that is above its long-term target of 6-9%, and the opportunity for high-return organic growth, Brookfield provides a good trade-off between growth and security.

Since 2009, Brookfield has grown its funds from operations by a cumulative average annual growth rate (CAGR) of 24%, and its per-unit distribution by a CAGR of 12%.

And going forward, management is targeting 5-9% annual growth in distributions and long-term ROEs of 12-15%.

So, there you have it — two dividend paying stocks for your TFSA portfolio that will continue to grow with time.

## CATEGORY

1. Dividend Stocks
2. Investing

## POST TAG

1. Editor's Choice

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
4. TSX:ENB (Enbridge Inc.)

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