



## A Great Canadian Dividend Stock to Buy and Hold in Your TFSA

### Description

It's tough to decide which stocks to buy and hold in your [Tax-Free Savings Account](#) (TFSA) when you have so many choices and so much commentary available about them.

Today, I will try to make things a little easier for you in this complicated world of investing. First, you have to decide what your investing objective and horizon is. Are you investing to make a quick buck, or are you in it for a long haul to build a saving portfolio for your retirement or rainy days?

Once you have decided investment objectives, it's much easier to focus on the stocks that fit in your strategy. That said, it makes sense to use your TFSA to invest for long term.

The TFSA is one of the best investing vehicles available to Canadians to save tax-free money for their long-term goals. For example, you don't pay any tax on capital gains you make on your investment. And there is no tax penalty if you withdraw funds from your TFSA.

With these considerations in mind, I have picked a dividend stock to give you an example how you can build a portfolio of solid stocks within your TFSA. Let's take a look at this pick.

### Bank of Nova Scotia

[Bank of Nova Scotia](#) (TSX:BNS)(NYSE:BNS), Canada's third-largest lender, has a unique appeal for long-term TFSA investors. It has paid a dividend every year since 1832, while it has hiked its payouts in 43 of the last 45 years.

With this consistent dividend payout, Scotiabank also offers solid growth potential. It's investing heavily in both local and international expansions. During the past nine months, the lender has deployed about \$7 billion capital to acquire companies in Canada and South America, a region which is the main growth driver for the lender.

The success of this growth strategy was evident from the lender's third-quarter earnings report released on August 28. The acquisition of the Montreal-based money manager Jarislowsky Fraser contributed to record Canadian banking profit in the fiscal third quarter. Earnings from domestic banking rose 8% to \$1.13 billion from a year earlier.

"Year-to-date investments to strengthen the bank are enabling us to deliver an excellent customer experience, and are reflected in our third-quarter results," Scotiabank chief executive Brian Porter said in a statement.

This earnings momentum is helping the lender to constantly raise its dividends. In the third quarter, Scotiabank hiked its payout by about 4% to \$0.85 a share.

### Bottom line

Trading at \$75.66 at the time of writing with an annual dividend yield of 4.49%, Scotiabank stock is a great example of how you can slowly build your TFSA wealth by picking stocks that are reliable and solid in delivering income.

### CATEGORY

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

### TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:BNS (Bank Of Nova Scotia)

### PARTNER-FEEDS

1. Msn
2. Newscred
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### Author

hanwar

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