



Building Canadian Wealth: Start Your Diversified TFSA Portfolio With These 5 Top Stocks

Description

Canadians have had a lot to celebrate with the inception of the TFSA back in 2009. The annual limit for 2019 has risen to \$6,000, and with this the cumulative room that Canadian investors have is \$63,500.

Assuming we are able to fully benefit from this room, and even if we can only partially benefit from it, the amount of savings that comes from its tax-free status is significant in the short term and especially in the long run, as dividend income and capital gains accumulate.

This tax-free status continues upon withdrawal of funds, and even after death.

But what does a well-rounded, [diversified](#) TFSA portfolio look like?

Canadian Pacific Railway Ltd. ([TSX:CP](#))([NYSE:CP](#))

The railways are a barometer of economy activity in Canada, transporting goods such as grain, crude oil and forest products.

With high barriers to entry, limited competition, and a sustainable demand profile, these companies are in the driver's seat.

In the last 20 years, CP Railway stock has given its shareholders massive gains in the form of dividends, which have seen a compound annual growth rate (CAGR) of more than 8% in this time period, and in the form of capital gains (+934%).

TransCanada Corp. ([TSX:TRP](#))([NYSE:TRP](#))

For more than 65 years, TransCanada has been developing and maintaining energy infrastructure while handsomely rewarding shareholders.

It's an energy stock with a current dividend yield of 5%, providing a safe and predictable income stream.

Since 2000, TransCanada stock has provided shareholders with an almost 15% CAGR, while delivering yearly dividend increases, which brought the dividend per share from \$0.80 to \$2.76.

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#))

A bank stock such as TD offers investors exposure to the interest rate sensitive, profitable and stable [financial sector](#).

In the last 10 years, TD Bank has increased its dividend by a CAGR of 9.4%, the highest among its peer group.

The latest 12% dividend increase and the once-a-year dividend increase policy is testament to the bank's strength.

Waste Connections Inc. ([TSX:WCN](#))([NYSE:WCN](#))

Waste Connections stock offers investors exposure to a stable, growing business and a cash rich company with a strong history and competitive advantage.

The company has given investors a rapidly growing dividend, many consecutive quarters of better-than-expected results, massive free cash flow generation, and a strong balance sheet.

With a 24% dividend growth rate in 2016, a 22% dividend increase in 2017, an expected 16% dividend growth rate in 2018, and a doubling of the share price since January 2016, Waste Connections stock has given investors the best of both worlds: income and capital appreciation.

Agnico-Eagle Mines Ltd. ([TSX:AEM](#))([NYSE:AEM](#))

A gold stock offering investors the benefit of a safe haven that has minimal market correlation, Agnico-Eagle rounds out the list of TFSA stocks for a diversified portfolio.

The \$12 billion Agnico-Eagle has the lowest political risk profile of its peer group, has been a consistent top performer with solid operational performance and an industry-leading cost structure, which has driven consistently better-than-expected results.

Final thoughts

Diversification of your TFSA portfolio is within reach with the cumulative TFSA limit at \$63,500. This list samples a few of the areas to turn to in order to achieve it.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing
5. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:AEM (Agnico Eagle Mines Limited)
2. NYSE:CP (Canadian Pacific Railway)
3. NYSE:TD (The Toronto-Dominion Bank)
4. NYSE:TRP (Tc Energy)
5. NYSE:WCN (Waste Connections)
6. TSX:AEM (Agnico Eagle Mines Limited)
7. TSX:CP (Canadian Pacific Railway)
8. TSX:TD (The Toronto-Dominion Bank)
9. TSX:TRP (TC Energy Corporation)
10. TSX:WCN (Waste Connections)

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