



## TFSA Wealth Creation: 3 Stocks Under \$20 to Buy Now

### Description

Our TFSA portfolios are the ideal place to achieve our wealth creation goals, as tax-free capital gains, interest payments, and dividend payments allow our wealth to grow and compound more quickly.

Given this tax-free status, it is a good idea to stash [dividend-paying stocks](#) as well as stocks that have the potential for explosive upside to our TFSA.

Stocks such as the following three [stocks that are trading under \\$20](#).

### Freehold Royalties Ltd. ([TSX:FRU](#))

Energy stock Freehold Royalties in one that gives shareholders both a high dividend yield as well as the potential for big capital gains.

Freehold's dividend yield currently stands at 7.30%.

Its dividend is easily covered by cash flows, with a 65% payout ratio at current prices.

These dividend payments also have high visibility, as the company's low-risk business model, its attractive payout ratio, and its healthy balance sheet can attest to.

Oil prices are rallying big since 2018 lows, and have now surpassed \$60.

Although we continue to see consistently strong results out of Freehold, its stock remains depressed, providing investors with a solid opportunity.

### Enerflex Ltd. ([TSX:EFX](#))

Enerflex, which delivers a wide array of natural gas and oil infrastructure solutions, has a mix of product sales and recurring service revenue, and in 2018 recurring revenue accounted for 30% of total revenue, which is increasing the company's stability.

Enerflex's dividend has been increased 75% since 2011, and free cash flow was positive in all but one of the last seven years.

With revenue across geographies worldwide, the company has benefitted from geographic diversification as well.

Enerflex has and is expected to continue to benefit from increasing natural gas production, as well as its increasing complexity (horizontal drilling has dramatically increased in numbers and in complexity) and the increasing need for energy infrastructure, not only in the very prolific Permian basin, but also around the world.

Longer term, international gas demand continues to grow and Enerflex is well positioned to be a part of any LNG development around the world.

## **Innergex Renewable Energy Inc. ([TSX:INE](#))**

As a renewable energy owner and operator with facilities in Canada, the U.S., France, and Iceland, Innergex provides shareholders with an attractive dividend yield of 4.86%, as well as upside via its development pipeline that consists of hydro and wind opportunities.

And with all of its facilities having long-term purchase agreements in place with credit-worthy counterparts, Innergex is also a story of reliability and visibility.

While the company's balance sheet is more levered than we would like, cash flows are strong and the dividend has consistently been increased in the last few years.

### **CATEGORY**

1. Dividend Stocks
2. Energy Stocks
3. Investing

### **TICKERS GLOBAL**

1. TSX:EFX (Enerflex Ltd.)
2. TSX:FRU (Freehold Royalties Ltd.)
3. TSX:INE (Innergex Renewable Energy)

### **PARTNER-FEEDS**

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