



## TFSA Investors: 3 Great Dividend Stocks Yielding up to 6.4%

### Description

Although dividends are [favourably taxed](#), there are still plenty of reasons to stuff your TFSA full of Canada's best passive-income generators.

Dividends provide a constant source of new funds — cash that can be invested in additional dividend-paying stocks. This really supercharges the compounding process. Dividend stocks are also generally a little safer than non-payers. And most of Canada's top companies pay dividends anyway. Who doesn't want to own the best?

The only thing left for you to do is choose which dividend payers will end up in your portfolio. Here are three great names to get you started.

### Rogers Sugar

There are few stocks more boring than **Rogers Sugar** ([TSX:RSI](#)), but I'm guessing most shareholders don't mind.

Rogers is one half of the duopoly that owns the sugar sector in Canada — a position protected by tariffs on imported sugar. Getting into the business requires big capital investments to build factories, establishing relationships with sugar beet farmers, wooing grocers for shelf space, and competing against two very established players — all for gaining access to a market that isn't growing much.

In other words, I don't think Rogers has to worry about new upstart competition.

The company recently acquired a top maple syrup processor, expanding into a new source of sweetener. The maple division accounts for about a quarter of Rogers's total sales and approximately 20% of its total EBITDA thus far in 2019. Like sugar, maple syrup is a steady business that isn't growing much.

Still, income investors have to like the company's 6.4% dividend. Rogers is a mature company and management knows it, so it chooses to pay most of its earnings back to shareholders. That's great

news for somebody looking for a steady income payer for their TFSA.

## National Bank

After years of being a forgotten member of Canada's largest banks, **National Bank of Canada** ([TSX:NA](#)) has been quietly killing it these past few years. Its five-year total return numbers are among the best in the Canadian banking industry.

There are a few factors that are helping the stock. Economic results in Quebec, National's home province, have been great lately. That's always good news for a bank. The company is small enough that it's been able to grow at a faster rate than its competition, both from a top- and bottom-line perspective. Dividend growth has been fantastic as well. And shares were quite cheap a few years ago. These days, the valuation is more in line with peers.

Still, investors are only paying 9.9 times forward earnings expectations for shares today, and the dividend yield is 4.1%. Once you add in the company's potential to really expand internationally, shares are a strong buy today.

## Chorus Aviation

There are two big components to **Chorus Aviation** ([TSX:CHR](#)). The first is the company's contract with **Air Canada**, which pays it a generous sum to operate its Air Canada Jazz regional airline. This is a nice source of steady earnings without many of the headaches associated with running an airline, since Air Canada takes care of things like online ticket sales.

The more exciting part of Chorus is the aircraft leasing division, which looks to be a strong growth component over the next couple decades. Folks are traveling more than ever, and airlines want to keep up. Many companies don't want to shell out the capital needed to acquire planes, so they lease instead.

Chorus's leasing division now has some 50 planes leased to 13 different airlines, which should generate some US\$750 million in leasing revenue over the life of these contracts. And that doesn't include the big leasing deal it has signed with Air Canada. There's still plenty of potential to grow the business, too.

And in the meantime, investors get to collect a \$0.04-per-share [monthly dividend](#), which is good enough for a 6.3% yield today.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. TSX:CHR (Chorus Aviation Inc.)
2. TSX:NA (National Bank of Canada)

3. TSX:RSI (Rogers Sugar Inc.)

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