



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

### Description

If you're a millennial investor, or even just a Canadian investor who has recently started up a Tax-Free Savings Account (TFSA), you might not be familiar with the beauty of a passive-income portfolio.

While it certainly can be exciting to buy up a new trend such as the stocks in the cannabis industry, there are other ways, likely a lot safer, to make a solid amount of easy income.

By investing in dividend stocks, you give your portfolio a steady stream of passive income coming as cash into your TFSA, tax free. At this point, if you're a millennial wanting to create a nest egg, there is nothing better you can do for your future than reinvest those funds to create an even larger stake in your stock and larger income fund.

Let's look at three great options to get you started.

### CIBC

**Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) starts off our list with a dividend yield of 5.37%. That translates to \$5.60 per share annually, handed out to investors every quarter. CIBC's dividend has increased by 40% in the last five years.

Despite such a high dividend, the company has [struggled recently](#), producing mediocre earnings reports to investors. But the bank aims to change that, diversifying its earnings growth in North America for the rest of the year. Shareholders should expect to see the company increase its assets by 5%.

This diversification comes mainly as a response to both the poor earnings, but also to the bank industry as a whole, with analysts continuing to predict a downturn that could hurt banks. When the turnaround happens, investors should look to CIBC once more, so shareholders who buy now should expect a huge boost when the company is back to normal.

The stock trades at \$103.41 at writing, with analysts projecting a 12-month increase to \$130 per share

— a potential upside of about 26%.

## Pembina

Next up, we have **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)), with a [dividend yield of 5%](#). That yield comes at an annual total of \$2.40 per share, given to shareholders every month. The stock has increased its yield by 40% in the last five years.

Pembina is another stock battered by the recent plunge in its industry, but overall the stock is still doing well. In fact, the company is now in growth mode, with US\$5.5 billion in commercially secured projects in the works and US\$16 billion in potential projects set to grow the business. The company has a history of finishing these projects on time and within budget. As the business grows, shareholders should expect both the share price and dividend to grow along with it.

The stock trades at \$49.89 per share at writing, with analysts projecting an increase to around \$60 per share for the next 12 months — a potential upside of about 20%.

## Vermilion

Finally, we have **Vermilion Energy** ([TSX:VET](#))([NYSE:VET](#)), with a whopper dividend yield of 10.07%, coming in at an annual rate of \$2.76 per share, given out each month. That dividend has grown by 7% in the last five years.

That great dividend has been what's mainly attracted investors in the last few years. The company has seen a fair amount of decline with the slump of the oil and gas industry, leaving investors wondering whether Vermilion can continue its fabulous payout.

But management insists the company is growing, and investors will see shares grow along with the firm. After all, it's an international operation that has grown from producing 30,000 barrels of oil per day in 2012, to 105,000 barrels per day as of this year. While its latest earnings haven't been great, the company expects a 19% surge in growth for 2019.

Vermilion trades at writing at \$28.72 per share, with analysts predicting the stock to grow to \$50 per share in the next 12 months — a potential upside of 75%.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:CM (Canadian Imperial Bank of Commerce)
4. TSX:PPL (Pembina Pipeline Corporation)
5. TSX:VET (Vermilion Energy Inc.)

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