



TFSA Investors: 3 Stocks to Build Your Dividend Empire Around

Description

If you want to earn some good dividend income inside your TFSA, it's never a bad idea to have more than one stock to help diversify it. Below are three good dividend stocks that can be pillars for your TFSA that will also pay you some great dividends as well.

Hydro One Ltd ([TSX:H](#)) is a solid dividend stock. At around 4%, it can provide investors with some good, recurring cash flow. Although the company was mired in [controversy](#) last year, that hasn't been the case this year.

Instead, the stock has been quietly rising more than 20% in the first eight months of the year.

It's an interesting stock for investors since having the Ontario government as a shareholder can render it both an asset and a liability. It's an asset in the sense that Hydro One will be managed conservatively without taking on significant risks for investors.

However, it's already proven to be a bit of a liability given the level of involvement we've seen from the government since the IPO, which has thwarted possible growth opportunities for the company. But things have quieted down lately for Hydro One, which is good news for investors.

A and W Revenue Royalties Income Fund ([TSX:AW.UN](#)) provides investors with an even higher yield of around 4.7% today. Its returns have also been around 20%, slightly underperforming Hydro One so far in 2019.

One big advantage of this fund is that its payouts are made more frequently, on a monthly basis. That could help investors who need a quicker turnaround or who want to use the dividend income to help pay their monthly expenses. The stock also [recently increased its dividend payments](#).

Investing in a fund that benefits from the success of one of the top fast-food chains across the country is a fairly safe bet. Grounded with decent multiples, including a price-to-earnings (P/E) multiple of just 22 and a price-to-book ratio of less than four, investors aren't paying a big premium for the stock today. Whether you're looking for dividends, growth or value, this fund can offer something every type of investor.

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) can give investors a great opportunity to earn a good yield while also adding some important diversification. The energy stock has had a great year so far, rising around 40% and outperforming the other stocks on this list.

However, though it has done very well, it could do even better, especially as conditions in the oil and gas industry improve. The only caveat there is that it may take years for that to happen.

While the Keystone XL may still be a long shot even amid the progress it has been making lately, TC Energy is a good stock even if the pipeline doesn't get built. With lots of versatility and strong financial results, its 4.4% yield can be another great source of cash flow for investors.

With a P/E of 15, it too is a solid value buy for investors who don't want to spend too much on a stock for their TFSA.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:TRP (Tc Energy)
2. TSX:AW.UN (A&W Revenue Royalties Income Fund)
3. TSX:H (Hydro One Limited)
4. TSX:TRP (TC Energy Corporation)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

Date

2025/08/26

Date Created

2019/09/04

Author
djagielski

default watermark

default watermark