TFSA Investors: 3 Dividend Stocks to Buy and Hold Forever

Description

A Tax-Free Savings Account (TFSA) is a great place to hold long-term investments. With lots of potential dividend income and capital gains to shield from the taxman, it could save you a lot of money over the years. And if you're looking for some quality stocks to put into your portfolio, the three companies listed below could be ideal options:

Fortis Inc (TSX:FTS)(NYSE:FTS) offers investors a great mix of dividend income and growth. The company is not your average utility provider. For one thing, Fortis has been growing and acquiring companies along the way, leading to significant sales and profit growth.

Fortis has been continuing to invest in its operations, as back in September it announced an update to its five-year capital investment plan, which would see the company adding $1 billion in spend from what it had initially budgeted for a year ago.

But Fortis isn't committed to just growth — it also gives back to its shareholders through its dividend. With a recent increase to its dividend, the company has now increased its payouts for 46 straight years. And its goal is for dividends to continue to rise at a rate of 6% per year.

With both dividends and growth to profit from, Fortis could generate a lot of income for investors over the years, making it an ideal stock to just buy and forget about.

Shaw Communications Inc (TSX:SJR.B)(NYSE:SJR) is another relatively stable stock to invest in. While Shaw doesn't have the track record that Fortis does when it comes to increasing its dividend, it does offer a higher yield for those that invest today.

At 4.5%, it's noticeably higher than the 3.6% that Fortis pays. As an added bonus, Shaw also pays its dividends more frequently, with payments being made monthly.

The telecom giant isn't looking to just trade customers back and forth with its competitors, as Shaw does have a great opportunity to grow its Freedom Mobile brand, which could pose a threat to wireless carriers.

And while it may take a lot of investment dollars to turn it into a bonafide competitor in the industry, when that does happen, it could make the company a whole lot more valuable. For investors who are willing to be patient with the stock, Shaw could produce some strong returns over the years.

RioCan Real Estate Investment Trust (TSX:REI.UN) also provides its shareholders with monthly dividend payments. With a dividend of 5.4%, it's also the highest yield on this list. With more than 200 properties in its portfolio across the country, the REIT is well diversified.

And one way that it's minimizing its overall risk is by not leaving itself too exposed to the retail industry, which has proven to be unstable over the years with some high-profile stores closing up shop.

The company has been acquiring more properties into its portfolio, including a location in Toronto at Yonge and Sheppard acquired from KingSett Capital, where RioCan will now have 100% ownership of a property that is nearly one million square feet with a mix of office, retail, and residential space.

RioCan also announced that it was acquiring the remaining interest of ePlace, another Toronto mixed-use development. Such acquisitions help to further diversify RioCan, making it a stronger investment over the long term.

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1. NYSE:FTS (Fortis Inc.)
2. NYSE:SJR (Shaw Communications Inc.)
3. TSX:FTS (Fortis Inc.)
4. TSX:REI.UN (RioCan Real Estate Investment Trust)
5. TSX:SJR.B (Shaw Communications)

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