



## TFSA Money-Makers: 2 Lesser-Known Dividend Stocks Will Make You Rich

### Description

The Canadian government introduced tax-free savings accounts in 2009. In the 10 years of its existence, the TFSA is proving to be an account type capable of helping Canadians reach their savings and investment goals.

The fact that you can store multiple types of investment vehicles in the savings account makes me want to call it a tax-free *investment* account.

The ability to store stocks registered on the **Toronto Stock Exchange** makes TFSAs more of an investment account than a savings account. When you store shares in the account type, any earnings by the company will increase the total wealth you accumulate without affecting your contribution limit.

Stocks with steady dividend payouts will keep on adding extra cash to your TFSA, further boosting your account and making you wealthier.

To this end, I would like to discuss **Franco-Nevada Corporation** ([TSX:FNV](#))([NYSE:FNV](#)) and **Domtar Corporation** ([TSX:UFS](#))([NYSE:UFS](#)).

The two lesser-known stocks are prime candidates that you could consider adding to your TFSA to become a wealthier investor. Let's take a better look at both to understand why.

### A dividend aristocrat

Franco-Nevada is a royalty and streaming company. The company's specialty is investing in gold mining operations, among other things. I feel that FNV presents an ideal opportunity for investors looking to get exposure to the gold mining industry without the inherent risks.

Gold mining companies are excellent companies to consider, particularly during a recession. These companies tend to become increasingly profitable as the price of gold appreciates.

The risk involved with gold can make any conservative and long-term investor wary of hedging their

bets on volatile stocks.

Enter FNV. The company provides investors exposure to gold, albeit via a low-risk avenue. FNV's portfolio consists of mines operating throughout the world. Its diversification makes the company a safer option.

FNV has increased its dividends for [more than 25 years](#). The company is paying a dividend of 1.02% per share at the time of this writing. While it might not seem like much, the dividends come in steadily without fail every quarter *and* you get exposure to the gold market without the risks.

## Fiber is right for your health

Domtar specializes in fiber-based products, notably pulp and paper, along with personal care. There's always a need for more paper in the world, and Domtar always provides that.

Shareholders love the company because UFS religiously pays dividends to them without fail, increasing them every year. 2019 has been a rollercoaster of a year for the company.

It started at \$47.37 per share, climbing up to \$70.57 in February, and then dipping as low as \$42.23 in August. At the time of this writing, the stock has stabilized in the \$50 region.

One thing that did not dip at all was its dividend payouts, paid out every quarter.

The company has a consistent cash flow, with the past five years of operating cash flow exceeding \$400 million. The company is fiscally responsible and pays all its debts. The management team's discipline works wonders with UFS' high working capital.

The company has excellent potential to grow with \$1.6 billion in current assets and \$783 million in liabilities, giving the company over \$800 million to work with.

The [dividend yield](#) stands at a juicy 4.73% upon writing, and the company keeps increasing its dividends. At \$50.71 per share and a decent dividend yield, it's a company I wouldn't mind having in my TFSA.

## Foolish takeaway

FNV exposes you to gold without the common risks, and UFS works in an industry where it can consistently generate positive cash flow. Both stocks are by no means high-action shares, but they are consistent.

TFSA's and consistency in performance and dividends go very well together. I feel that you could take a better look at both FNV and UFS for your TFSA.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks

## TICKERS GLOBAL

1. NYSE:FNV (Franco-Nevada)
2. TSX:FNV (Franco-Nevada)
3. TSX:UFS (Domtar Corporation)

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