2 World-Class Dividend Stocks to Buy for a TFSA Today

Description

Looking for a combination of high-growth, defensive assets, and reliable passive income that's also a play on environmental reform? The green economy is shaping up to be one of the major growth trends of the new decade, with renewable energy forming the backbone of upside. Energy and climate concerns are also driving conversations ahead of the 2020 election, with most candidates climbing on board.

It's not just the U.S., the U.K. is cracking down on fossil fuels: **Drax**, an energy producer responsible for 5% of British energy, has committed to carbon neutrality within the next 10 years, for example. Meanwhile, Europe boasts world-class green power initiatives, such as the Gemini Offshore Wind Park.

A diversified dividend-paying super-stock

Brookfield Asset Management (TSX:BAM.A)(NYSE:BAM) is a stock to add to a portfolio if your financial ambitions run to getting rich rather than simply safeguarding your wealth. Further, its world-class asset management expertise, long-range growth outlook backed up with a formidable track record, and potential for large returns when bought on weakness make it an outstanding low-risk play.

Its 1.13% yield may not be in the top tier of Canadian passive-income stocks, though for diversification and asset management expertise, it's a strong play on quality and a classic example of the type of stock a low-risk investor could buy once and forget about.

Its suitability for either a Tax-Free Savings Account or Registered Retirement Savings Plan cannot be overstated: Brookfield Asset Management is every bit as defensive as the usual round of electricity utilities or apartment real estate investment trusts and comes with its own in-built renewable power segment.

A play on the high-growth green economy

Staying with the Brookfield family, another key stock to stash for the long term in a tax-free dividend portfolio built around defensive, diversified assets in the green power sector would be **Brookfield Renewable Partners** (TSX:BEP.UN)(NYSE:BEP). This option is a pure play on alternative energy, but with the same safety net as Brookfield Asset Management.

With a 4.46% dividend yield, Brookfield Renewable Partners is the better stock for investors seeking some reliable extra side income while playing the long game and waiting for their investments to appreciate. While the stock is well diversified within its sector, Brookfield Renewable Partners doesn't carry the same spread of asset types as Brookfield Asset Management.

However, the energy sector is traditionally held to be among the most recession-proof of investment areas, and a blend of wind, solar, hydroelectric, and biomass assets makes Brookfield Renewable Partners one of the top stocks in the green energy space. As with its Brookfield cousin, this popular renewables stock also spreads risk geographically, with key operations in the Americas and Europe.

The bottom line

Brookfield Asset Management and Brookfield Renewable Partners are two of the sturdiest passive-income stocks to be found on the TSX. Either one would make a solid foundation for a new dividend portfolio, or to add defensive backbone to a TFSA or RRSP built around income-generating diversified assets that can be bought once and require little maintenance.

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TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:BN (Brookfield Corporation)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
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Date
2025/07/28
Date Created
2019/12/15
Author
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