

Power Your TFSA to Riches With These 3 Superb Investments

Description

TFSAs are some of the best investment vehicles available to Canadians who are looking to put money aside for their golden years. While there is no shortage of <u>great TFSA options</u> to consider adding to your portfolio, investors are often left choosing between growth and income.

Fortunately, there are some investments that can offer both. Here are three superb investments to consider.

A solid utility with plenty of growth

Algonquin Power & Utilities (<u>TSX:AQN</u>)(<u>NYSE:AQN</u>) is a gem of an investment. Unfortunately, Algonquin often goes unnoticed, particularly when compared with many of its larger peers on the market, which makes the stock more of a rare find with lots of long-term potential.

For those investors who are unfamiliar with Algonquin, the company is a utility split along two segments. Liberty Power provides renewable energy to customers across the U.S. and Canada through a portfolio of 35 renewable energy facilities, while Liberty Utilities provides electric, gas, and water utility services to over 750,000 customers in a dozen different U.S. states.

The company continues to post handsome gains with each passing quarter and, most recently, an incredible 39% gain in earnings over the same period last year. In addition to those strong earnings, Algonquin continues to expand, through acquisitions as well as through new facilities.

In terms of a dividend, Algonquin provides an appetizing 3.71% yield.

Power up your portfolio

While Ontarians may be best versed in what **Hydro One** (TSX:H) offers (and charges), the investment opportunity that Hyrdo One presents is often lost.

For those who are unfamiliar with the company, Hydro One is the dominant electricity transmission and distribution service provider in Ontario. What this means is that the company is operating in a near-monopoly state in the province, with a <u>massive moat</u> around the necessary service that it provides. In other words, it's a source of recurring revenue, which in turn translates into handsome dividends for investors.

In terms of results, in the most recent quarter, Hydro One posted earnings of \$0.40 per share, reflecting a solid 21% gain over the \$0.33 reported in the same period last year. The solid earnings allow Hydro One to provide investors with a handsome quarterly dividend that currently pays out a yield of 3.68%.

Renewable energy is the future

One of the risks that utility stock investors grapple with is the growing need for renewable energy stocks. While utilities still using fossil fuels scramble to transition to a renewable portfolio, investments such as **Innergex Renewable Energy** (<u>TSX:INE</u>) provide investors a unique opportunity to see long-term gains.

Innergex's portfolio spans hydro, electric, solar, and wind elements with facilities located in the U.S., Canada, France, and Chile. In total, the company has 68 active facilities as well as a further six sites that are in various stages of development.

An interesting point to note is that renewable energy facilities are still subject to long-term PPA contracts that are common with fossil-fuel facilities. In other words, investors should expect a steady stream of recurring revenue that gets passed on through a handsome quarterly dividend. Innergex currently provides an ample 3.76% yield.

CATEGORY

- 1. Dividend Stocks
- 2. Energy Stocks
- 3. Investing

TICKERS GLOBAL

- 1. NYSE:AQN (Algonquin Power & Utilities Corp.)
- 2. TSX:AQN (Algonquin Power & Utilities Corp.)
- 3. TSX:H (Hydro One Limited)
- 4. TSX:INE (Innergex Renewable Energy)

PARTNER-FEEDS

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

Category

- 1. Dividend Stocks
- 2. Energy Stocks
- 3. Investing

Date 2025/08/24 Date Created 2020/01/25 Author dafxentiou



default watermark