



2 Stocks With Solid Growth and Income Prospects

Description

Finding the right mix of growth and income-earning stocks for your portfolio takes time, research, and a bit of luck. While there's little we can do about timing, there are investments that offer solid growth and income prospects.

Here are two such options and why you should buy them now.

The green bank with solid growth and income prospects

Canada's Big Banks have consistently fared better than their U.S.-based peers during times of crisis. In fact, during the Great Recession, **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) seized the moment and expanded heavily into the U.S. market.

Specifically, TD acquired several smaller regional banks and stitched them into a TD-branded network.

That network now stretches along the east coast from Maine to Florida making it a solid growth and income investment. That expansion effort catapulted TD into being one of the largest banks in the U.S. Additionally, that U.S. branch network is now larger in size than its presence in Canada.

That growing exposure to the U.S. market is an advantage, particularly for those investors looking to diversify out from the smaller, saturated but stable Canadian market. TD's exposure to the U.S. market also means that a greater portion of the company's earnings stems from that market. By way of example, in the most recent quarter, the U.S. segment earned \$336 million.

Turning to dividends, TD offers a quarterly payout that works out to an appetizing 5.20% yield. In terms of stability and growth, TD has been paying out dividends for well over a century and has been providing annual or better bumps to that dividend going back nearly a decade.

More important, despite a recent underwhelming earnings report that had large provisions for credit losses, TD hasn't moved on slashing its dividend.

This is good news given that some smaller banks made the difficult decision to slash their payouts due to the COVID-19 pandemic.

In other words, TD remains a solid growth and income prospect. Buy it and hold it for decades.

Keep that income stream coming

Utilities are some of the best [defensive investments](#) available on the market. Among those utility investments, **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) remains a solid growth income pick for investors.

Utilities operate under very unique business models. In short, they generate a steady stream of revenue for as long as they continue to provide that utility service. Exactly how much of that utility, and the rates at which the utility is reimbursed are set out in regulated contracts.

Additionally, those contracts can span decades in duration. In other words, for as long as Fortis continues to provide and distribute power, the company will continue to generate cash. By way of example, in the most recent quarter, Fortis earned \$312 million, or \$0.67 per common share.

That stable stream of revenue also provides for Fortis' attractive dividend. Fortis currently offers an appetizing 3.79% yield. While this is not the best yield on the market, it is stable and growing.

Additionally, prospective investors should note that Fortis has provided investors with 46 years of consecutive, annual bumps to that dividend.

The insatiable appetite of Fortis toward expansion helps fund further [dividend growth](#). Between that defensive moat, dividend, and approach to expansion, Fortis remains a solid growth and income option for any portfolio.

Final thoughts

No stock is immune to volatility. The COVID-19 pandemic has schooled both experienced and novice investors in the need to diversify. Both TD and Fortis offer investors a solid history of gains, as well as notable expansion prospects.

In my opinion, both stocks are solid growth and income prospects that would do well in nearly any portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:FTS (Fortis Inc.)

4. TSX:TD (The Toronto-Dominion Bank)

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