



TFSA Investors: 2 Top Canadian Stocks to Buy and Hold Forever

Description

The 2020 Canadian tax season is right around the corner, and it is time that everyone begins to think about all the opportunities to save on taxes. The Tax-Free Savings Account (TFSA) is an [ideal tool to use for this purpose](#).

Paying all your taxes is part of being a Canadian. However, it does not mean that you should pay more than you need to. The TFSA has been a fantastic way for financially savvy Canadians to save wherever they can on their tax bills.

You can use the TFSA contribution room for a range of purposes. Its tax-exempt status makes it an attractive investment tool for you to earn tax-free returns on your investments. Once you store an investment inside a TFSA, you don't have to pay any taxes on interests, dividends, or capital gains.

Today I will discuss two top Canadian stocks to buy and hold in your TFSA forever to enjoy substantial long-term and tax-free income.

Solid dividend growth TFSA stock

Algonquin Power ([TSX:AQN](#))([NYSE:AQN](#)) is an excellent stock to own and store in a TFSA for long-term wealth growth. The solid dividend stock operates a diversified mixture of utilities and renewable energy projects at a 70/30 split. The TFSA stock took a hit due to the financial impacts of extreme weather conditions in Texas last month.

However, it is largely a one-off event that will have a temporary effect on its bottom line. The stock could still be an excellent long-term buying opportunity for income-seeking investors. Algonquin has a substantial capital growth plan for the next five years.

The company's management expects an annual adjusted EBITDA growth to be around 15%. Not many other utility companies can offer the same growth rate.

Core TFSA stock to own

Brookfield Asset Management (TSX:BAM-A)([NYSE:BAM](#)) is another crucial investment that you can consider owning in your TFSA. Brookfield Asset Management is a highly diversified company due to the wide range of its operations. It is one of the leading alternative asset managers worldwide. It manages funds and subsidiaries across several industries, including infrastructure, real estate, renewable energy, distressed debt, private equity, and insurance.

Brookfield is essentially considered an operator in the financial sector, but it is not a financial institution like a bank. The company has a management team that adopts a contrarian approach to invest as it seeks value investments. It has teams spread worldwide that can invest in assets wherever they find excellent opportunities, and it has been successful so far.

With the value of its shares growing almost four-fold in the last ten years, Brookfield Asset Management is an excellent core holding for any TFSA portfolio.

Foolish takeaway

Brookfield Asset Management is trading for \$45.62 per share at writing, providing its shareholders' payouts at a 1.14% dividend yield. Algonquin Power & Utilities is trading for \$20.04 per share and sports a juicy 3.92% dividend yield. Both companies could make excellent additions to a [growth and income-producing TFSA portfolio](#).

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BN (Brookfield Corporation)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:BN (Brookfield)

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