



## TFSA Investors: 2 Top Dividend Stocks to Buy and Hold Forever

### Description

If you seek investment opportunities that can help you beat the markets, you should be willing to take on investments with a long time horizon that spans decades, not months.

Warren Buffett and Charlie Munger are two of the most successful stock market investors ever to exist. Buffett's favourite investment time horizon is forever. While the Oracle of Omaha did establish and exit positions in stocks more frequently during 2020, the forever investment time horizon is something hard to disagree with.

Following the forever time horizon means buying and holding stocks that you would be willing to hold for several years, if not decades.

Suppose that you have a multi-decade time horizon and enough contribution room in your Tax-Free Savings Account (TFSA). With the right Canadian dividend stocks in your account, you could be looking at [massive long-term returns](#).

## Long-term pick to capitalize on the renewable energy push

**Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) is a company that is on the right side of one of the most significant dynamic shifts of the decade: renewable energy. The utility company has invaluable water utility assets that play a strong role in its portfolio and is well positioned for the push to pursue green energy.

The company's decision to focus on renewable energy sources will likely become a major growth driver for the firm in the coming years. Its water utilities act as a solid foundation for the company that can help mitigate financial trouble when the going gets tough.

Algonquin is currently going through a massive pullback recently, declining almost 15% between February 11 and March 5, 2021. The stock has recovered by 8.01% at writing, trading for \$20.77 per share. It could still be highly undervalued right now, making for a decent entry barrier for long-term investors.

## High-quality utility stock for safe dividends and growth

**Hydro One** ([TSX:H](#)) is another utility sector operator that could possibly be the most secure bond proxy dividend stock on the Toronto Stock Exchange. The firm enjoys a monopoly over Ontario's power transmission lines, allowing it to generate nearly guaranteed cash flow. There is also a reason why it is considered a bond proxy dividend stock by many investors.

Hydro One is one of the closest things to a guarantee outside of risk-free, fixed-income assets like bonds. However, it operates in a highly regulated segment. It means that when you invest in Hydro One, you are not investing in a growth stock. The stock will provide you with returns on your investment primarily through its juicy 3.41% dividend yield and not capital gains.

While Hydro One might not offer the growth of [a millionaire-maker tech stock](#), it is a better growth prospect than other utility operators. Hydro One is trading for \$29.75 per share at writing. Its valuation has grown by almost 37% since it became a publicly traded company in 2015.

## Foolish takeaway

Algonquin Power & Utilities offers the potential for massive long-term capital gains. Hydro One offers reliable and growing returns in the long run through its dividends. If you seek high-quality income-generating assets that can make you wealthy in the next few decades, Hydro One and Algonquin could be excellent long-term investments to consider.

### 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)

### PARTNER-FEEDS

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2. Koyfin
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