



## 5 Top Dividend Stocks to Build a Passive Income Portfolio

### Description

If you're looking to build a strong portfolio during the economic rebound, dividend stocks are a great place to start. Whether it's building a passive income portfolio, or just picking a few to add to your existing portfolio, these dividend stocks are all a great place to start.

### TransAlta Renewables

Renewable power stocks have been performing well, but the recent pullback has investors worrying about investing. But if you're looking for a great dividend stock with growth over the next decade and beyond, then consider **TransAlta Renewables Inc.** ([TSX:RNW](#)).

The \$5.5 billion company 2,500 megawatts worth of renewable energy projects across the continent. It produces solid revenue from these assets, with shares climbing 49% in the last year. The stock offers a solid 4.55% dividend yield that's grown at a compound annual growth rate (CAGR) of 2.85% in the last few years. Investing \$5,000 in this stock would bring in \$229 per year.

### TC Pipelines

The oil and gas rebound means pipeline stocks have seen a surge. But pipelines aren't actually dependent on the price of oil. Companies like **TC Energy Corp.** ([TSX:TRP](#))([NYSE:TRP](#)) have long-term contracts that will support share and dividend growth for decades. That makes them a perfect play among dividend stocks.

The \$57 billion company continues to also grow through growth projects, with billions set aside. While shares are down now in the last year, the stock saw major growth of 132% over the last decade for a CAGR of 8.75%. As for the dividend, that's a much more stable 5.85% with a CAGR of 7.31% over the last decade. Investing \$5,000 in this stock would bring in about \$295 per year.

## Fortis

We cannot forget an almost Dividend King like **Fortis Inc.** ([TSX:FTS](#))([NYSE:FTS](#)). In fact, Fortis remains the only Canadian stock on the **TSX** to reach that status when it happens in the next year. This comes from the company's stable business as a utilities company, growing through acquisitions, bringing in more revenue, and then buying even more companies.

The \$25 billion company has barely seen a blip in share growth over the past few decades. In the last 10 years, shares are up 146% for a CAGR of 9.5%. The dividend is where investor interests lie, with a 3.67% dividend yield that's risen at a CAGR of 5.63%. Investors putting \$5,000 towards this stock can look forward to \$184 in annual income.

## CP Rail

The railway in Canada is solid, but within the duopoly I would choose **Canadian Pacific Railway Ltd.** ([TSX:CP](#))([NYSE:CP](#)) every time. The company has already gone through several cost saving methods during the last decade, and is now expanding. It's investing in electric train cars, and recently acquired another train service that stretches its reach from Canada down to Mexico.

Shares have exploded in the last few years, with the company seeing shares up 53% in the last year, and 754% in the last decade, for a CAGR of 24% during that same period. Meanwhile its dividend of 0.80% (\$3.80 per share) has risen at a CAGR of 13% over the last decade. Given the stability of this company, investors should continue to look forward to this growth. Investors putting \$5,000 toward this stock would earn about \$40 per year in passive income.

## Telus

Telecommunications companies are seeing a boost from the [5G rollout](#). That's especially true for **TELUS Corp.** ([TSX:T](#))([NYSE:TU](#)) that seems to be ahead of the curve. The company managed to get its wireline installed before its competitors, so revenue is already rolling in. This is why shares have risen at a strong pace of 17% over the last year.

But shares of the \$34.7 billion are up even higher over the last decade at 216% for a CAGR of 12%. All of this supports the company's strong 4.88% dividend yield. This yield has risen at a compound annual growth rate (CAGR) of 9% over the last decade! Investing \$5,000 in this stock would bring in about \$241 per year in [passive income](#).

### CATEGORY

1. Dividend Stocks
2. Investing
3. Personal Finance

### TICKERS GLOBAL

1. NYSE:CP (Canadian Pacific Railway)

2. NYSE:FTS (Fortis Inc.)
3. NYSE:TRP (Tc Energy)
4. NYSE:TU (TELUS)
5. TSX:CP (Canadian Pacific Railway)
6. TSX:FTS (Fortis Inc.)
7. TSX:RNW (TransAlta Renewables)
8. TSX:T (TELUS)
9. TSX:TRP (TC Energy Corporation)

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