



TFSA Investing: 2 Reliable Gems to Buy

Description

The Tax-Free Savings Account (TFSA) affords Canadians the opportunity to grow their investments tax free over time. TFSA investing therefore is a very effective way to build wealth over the long haul.

The [TFSA](#) is also very flexible in that individuals can deploy various investing strategies within it. However, it's important to note that a few traits of the TFSA might make certain styles more risky.

Namely, you don't get contribution room back for a TFSA when you realize a loss. So, making a risky play and losing a chunk of change in a TFSA destroys that valuable contribution room for good.

So, many investors elect to go with a more steady approach and take advantage of the tax savings over time for large compounded gains.

Today, we'll look at two reliable TSX stocks that are ideal for this style of TFSA investing.

Telus

Telus ([TSX:T](#))([NYSE:TU](#)) is a massive telecom stock in Canada, providing various products and services through its subsidiary Telus Communications. As of this writing, the stock has a market cap of \$32.71 billion.

What makes Telus a great pick for investors taking a steady approach to their TFSA investing strategy is that it offers both respectable growth and dividend value.

It's able to do so through its wide moat of offerings and new avenues for growth such as the Telus Health division, which offers cutting-edge digital healthcare solutions.

As of this writing, Telus is trading at \$25.59 and yielding 4.86%. With a [dividend](#) like that, investors can expect to enjoy attractive compounded growth over time with Telus.

It might not offer the most growth in a given year, or the biggest dividend, but it offers a great

combination of the two. For investors looking to latch onto a solid value pick, Telus is a great choice.

BMO

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) is a massive Canadian bank with a strong presence in the U.S. as well. It's long been an ideal choice for TFSA investing due to its dividend growth prowess and resiliency.

In fact, BMO has been paying a dividend every year since 1829 and grown it for most of that time, too. Plus, we've seen its resiliency at play this past year, as it comfortably held its dividend in place while many stocks faltered.

BMO is a stock that is perfect for a steady TFSA investing approach because it focuses on delivering value over time through a rising dividend and modest share price growth.

This stock will likely never blow the roof off in a given year when it comes to growth, but over time, it has the potential to deliver outstanding returns for investors.

As of this writing, it's trading at \$117.25 and yielding 3.62%. With a nearly 4% yield, investors can hop on the BMO train and start collecting solid dividend payments for the future.

TFSA investing plan

Both Telus and BMO make for ideal candidates in a TFSA investing strategy focused on stable growth over time. These blue-chip giants can give investors the stability and upside over time that can contribute to a great TFSA portfolio.

If you're looking to add to a TFSA investing strategy, be sure to give these names further consideration.

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1. Bank Stocks
2. Dividend Stocks
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2. NYSE:TU (TELUS)
3. TSX:BMO (Bank Of Montreal)
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