



## TFSA Investors: 2 Top Canadian Stocks to Start Your Retirement Fund

### Description

Canadian investors are searching for top TSX stocks to add to their TFSA retirement fund. The TFSA is a great tool for investors of all ages who want to build wealth or generate tax-free income.

### Telus

**Telus** ([TSX:T](#))([NYSE:TU](#)) recently spent nearly \$2 billion to buy new spectrum that will enable the company to expand its 5G network in the coming years. The company raised \$1.3 billion in funds through a [share sale](#) earlier this year in addition to the successful spin off of its international business.

The stock has a long history of delivering strong dividend growth and attractive total returns. Telus is investing heavily in fibre optic lines and the [5G](#) networks, but investors should still see the business generate adequate cash flow to continue growing the distributions.

Telus doesn't own a media division, but that hasn't held back the company's growth. Instead, Telus has invested in its health division, which provides health professionals, hospitals, and insurance companies with digital solutions. The company's digital services helped healthcare providers serve clients virtually throughout the pandemic, and the online trend is expected to continue beyond COVID-19.

The stock tends to hold up well when the broader market goes through corrections. Investors who buy now can pick up a solid 4.3% yield.

### TD Bank

**TD** ([TSX:TD](#))([NYSE:TD](#)) is giant in the Canadian financial industry with a market capitalization of \$150 billion. Size matters in the banking sector, as companies are now required to make heavy investments in digital services to keep up with the shift to online banking and address client demands for easy and secure mobile access to financial products.

TD built a large U.S. retail banking business over the past 15 years through acquisitions of regional banks that run from Maine right down the east coast to Florida. The bank now has the scale to compete with the large U.S. firms in the American market, and investors should see decent long-term growth and returns from the group.

TD is sitting on significant excess cash that it built up last year to ride out the pandemic. The bank has started reversing provisions for credit losses, and all the Canadian banks could get the green light to restart dividend increases later this year or in early 2022. TD has a great track record of delivering double-digit dividend growth and shareholders should get a big increase as soon as the payout hikes resume.

TD is very profitable, even during challenging times. The company reported fiscal [Q3 2021](#) adjusted earnings of \$3.6 billion. That's pretty good for three months of operations in the middle of a global pandemic.

The stock is off the 2021 high, giving investors a chance to buy on a pullback. At the time of writing, TD stock provides a 3.8% dividend yield.

## The bottom line on top TFSA retirement stocks

Telus and TD are top TSX dividend stocks that should deliver strong long-term returns for TFSA investors. If you have some cash to put to work in a self-directed retirement portfolio focused on dividends, these stocks deserve to be on your radar.

### CATEGORY

1. Investing

### POST TAG

1. Editor's Choice

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2. NYSE:TU (TELUS)
3. TSX:T (TELUS)
4. TSX:TD (The Toronto-Dominion Bank)

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