



## 3 Top TSX Stocks to Invest \$500 in Right Now

### Description

This September, the TSX might be on the cusp of a [correction](#). However, it shouldn't discourage Canadians from investing. If you have \$500 to invest and [want to create passive income](#), three top stocks are right up your alley. The yields of two are not the highest in the market but are rock steady. Meanwhile, the third is an excellent dividend play.

### Taller than the Big Five

**National Bank of Canada** ([TSX:NA](#)) stands tall after three quarters in fiscal 2021. Canada's sixth-largest bank has [outperformed the Big Five](#) in the stock market so far in 2021 with its 39.47%. At \$98.35 per share, the dividend yield is 3%. This bank dominates in Quebec but is also present in every province in the country and abroad.

In Q3 fiscal 2021 (quarter ended July 31, 2021), net income rose 39% versus Q2 fiscal 2020. The percentage increase in Q2 fiscal 2021 compared to Q2 fiscal 2020 was 111%. In the nine months, National Bank's net income growth was 51% higher than the same period last year. The growth in its international business segments (U.S. and Cambodia) was 85%.

The \$33.2 billion bank increased its stake in Flinks, a data aggregation startup from Montreal. Its foray into the high-growth fintech space is also in preparation for the open banking regime in Canada starting in 2023.

### World-scale energy infrastructure

**Inter Pipeline's** (TSX:IPL) energy infrastructure base is extensive and has an established footprint in six countries. The \$8.58 billion company was recently at the centre of a bidding war between **Pembina Pipeline** and **Brookfield Infrastructure**. Brookfield will soon own 76.4% of Inter Pipeline's common shares.

Somehow, the tug-of-war was positive for the energy stock. Investors are up 71.45% year to date. At

\$19.99 per share, the dividend yield is 2.4%. Its crown jewel is the Heartland Petrochemical Complex. Brookfield was unrelenting in its pursuit, because it wanted to capture the massive upside potential of Canada's first integrated propane dehydrogenation and polypropylene complex.

Furthermore, cash flows from Inter Pipeline's fastest-growing, world-scale infrastructure (oil and natural gas liquids) are stable. In the first half of 2021, management reported a 22% and 80% increase in revenue and net income, respectively, versus the same period in 2020.

## High-quality royalty lands

**Freehold Royalties** ([TSX:FRU](#)) is a pure dividend play. Surprisingly, the royalty stock is among TSX's top performers in 2021 (+91.95% year to date). The \$1.27 billion oil and gas royalty company owns vast lands they lease out to drive oil and gas development. As of September 14, 2021, the share price is only \$9.68, but the dividend offer is 6.08%.

Early this month, Freehold entered a definitive agreement to acquire high-quality royalty assets in Texas for \$227 million. According to management, the Eagle Ford oil basin asset will further expand its growth-oriented footprint in North America.

In the first half of 2021, its royalty and other revenue soared 99% compared to the same period in 2020. From \$14.44 million net loss, the company reported \$18.18 million in net income. Freehold is a must-own stock today, because it has a portfolio of high-quality development areas with multiple years of upside and growth.

## Build wealth from scratch

\$500 in seed capital can kickstart your wealth-building activity. You won't regret buying shares of National Bank of Canada, Inter Pipeline, and Freehold Royalties. Significant money growth is sure if invested in top-performing and reliable income stocks.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

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1. TSX:FRU (Freehold Royalties Ltd.)
2. TSX:NA (National Bank of Canada)

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