



2 Dividend Stocks for a Self-Directed TFSA Portfolio

Description

The Tax-Free Savings Account (TFSA) has become an increasingly popular investment vehicle for Canadian investors over the years since it was introduced in 2009. Many Canadian investors use the registered and tax-advantaged account as a regular savings account.

Savvier investors have made good use of [TFSA investing](#) with income-generating assets to create another revenue stream that could provide them with tax-free returns and the ability to generate significant wealth by unlocking the power of compounding.

Today, I will discuss two [dividend stocks](#) that you could consider adding to your TFSA portfolio if you want to create a self-directed investment portfolio that offers you substantial passive income.

TC Energy

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) is a \$60.68 billion market capitalization energy infrastructure company with a massive presence in North America's energy sector. The company boasts over \$100 billion worth of assets located throughout Canada, the U.S., and Mexico, and it is currently working on a \$22 billion capital program to drive steady revenue and cash flow growth in the coming years.

The stock is trading for \$62.03 per share at writing, up by almost 19% year to date, but it is down by almost 9% in the last few weeks. Challenges with its Coastal GasLink project designed to transport natural gas from northern British Columbia to LNG terminals towards the coast have led to higher costs and issues between the company and LNG Canada, reflected in its performance in recent weeks.

The natural gas industry has a strong future, and despite the recent challenges, TC Energy is well positioned to continue delivering reliable returns to its shareholders. The stock boasts a juicy 5.61% dividend yield at its current levels, and the company expects to increase its shareholder dividends by 3-5% each year.

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) is an \$11.02 billion company that owns and operates several utility businesses, including water, electricity, and natural gas distribution facilities. The company also operates several renewable power-generation facilities that position it well for a future dominated by the green energy industry.

Algonquin Power boasts a strong history of driving growth through development projects and strategic acquisitions over the years. The company recently announced plans to purchase Kentucky Power for US\$2.85 billion. The acquisition deal will see the company add almost 230.000 new customers to its electric utility services segment.

The company is currently in the process of phasing out its coal power plants in favour of renewable energy to prepare for a greener future.

At writing, the stock is trading for \$17.84 per share, and it boasts a juicy 4.81% dividend yield. Trading for a discount of 14.15% year to date, the stock could provide you with significant shareholder returns through capital gains as it recovers and long-term wealth growth through its reliable dividend payouts.

Foolish takeaway

TC Energy stock and Algonquin Power & Utilities stock are two income-generating assets that offer generous and reliable shareholder dividends that are likely to continue growing in the coming years. The shares of these two companies look attractively priced or even cheap at current levels. It could be an ideal opportunity for you to add these two companies to your [TFSA portfolio](#).

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:TRP (Tc Energy)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:TRP (TC Energy Corporation)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News

8. Yahoo CA

PP NOTIFY USER

1. adamothonman
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date

2025/07/21

Date Created

2021/11/20

Author

adamothonman

default watermark

default watermark