



## Retirees: 2 High-Yield Stocks for a Self-Directed TFSA Income Fund

### Description

Canadian retirees are searching for top TSX stocks that offer high dividend yields and growing distributions.

### Bank of Nova Scotia

**Bank of Nova Scotia** ([TSX:BNS](#)) ([NYSE:BNS](#)) recently reported strong fiscal Q4 2021 earnings and raised the dividend by 11%.

Canada's third-largest bank by market capitalization generated adjusted net income of \$2.72 billion in the quarter ended October 31 compared to \$1.94 billion in the same period last year. Full-year fiscal adjusted net income hit \$10.2 billion versus \$6.96 billion in FY2020.

The strong rebound in the bank's results indicates how well the Canadian government's assistance plans worked over the past year. Businesses and homeowners were able to make loan and mortgage payments as a result of the aid during lockdowns and in recent months, as they reopened and went back to work.

Strong demand and high prices in the housing market also helped. Record levels in the stock market didn't hurt either.

Overall, loan defaults and bankruptcies have been much lower than originally feared. This means Bank of Nova Scotia has excess capital to deploy. The dividend increase is part of the plan to return capital to shareholders. In addition, Bank of Nova Scotia intends to buy back stock and has indicated it could look to make strategic acquisitions in the United States to boost its wealth management business.

The stock moved higher after the solid earnings report, but still trades at a reasonable 11 times trailing 12-month earnings. Investors who buy Bank of Nova Scotia at the current share price near \$84.70 can pick up a 4.7% dividend yield.

## Enbridge

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is a giant in the North American energy infrastructure industry. The company moves 25% of the oil produced in Canada and the United States and 20% of the natural gas used by American homes and businesses.

The stock is off the 2021 highs as a result of the recent downturn in the broader energy sector. Low oil prices don't really impact Enbridge; it is more affected by fuel demand, and that continues to rise, as the domestic and international economies rebound.

Enbridge transports oil from producers to refineries and storage facilities and charges a fee for the service. The recent US\$3 billion acquisition of a key export terminal in Texas expands the asset base and will add to the revenue stream in 2022.

Enbridge is also investing in new renewable power facilities and expanding its existing natural gas infrastructure.

The company just announced a 3% dividend increase for 2022 supported by anticipated growth in distributable cash flow (DCF). The new quarterly payout of \$0.86 provides an annualized yield of 7.1% at the current share price.

Even if the stock doesn't move higher in the coming years, you still get a great return on the investment from an industry leader.

## The bottom line on top income stocks for a TFSA dividend fund

Bank of Nova Scotia and Enbridge are top TSX dividend stocks that offer generous payouts and attractive yields. If you have some cash to put to work in a self-directed TFSA income portfolio, these stocks deserve to be on your radar today.

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:ENB (Enbridge Inc.)

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