



2 Buy-and-Hold TSX Stocks for Passive Income

Description

Many Canadians who think themselves to be savvy with their spending habits consider setting aside money and letting it sit idly in a savings account as a safe way to grow their wealth. Being good with your finances and setting aside money from your income every month for long-term financial goals is definitely a good idea. But have you ever imagined the possibility of making money while you sleep?

[Dividend investing](#) is a gift that keeps on giving, provided that you have the right stocks in your investment portfolio. Buying and holding income-generating assets that can provide you with shareholder dividends for the long run is an excellent way to grow your wealth and create a passive-income stream that can make money for you while you sleep.

Today, I will discuss two TSX stocks that you could add to your portfolio to generate substantial long-term returns through reliable shareholder dividends.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) stock is a no-brainer for Canadian investors for any type of investment portfolio. Fortis is a \$28.71 billion market capitalization utility holdings company headquartered in St. John's, Canada. The company owns and operates 10 utility businesses in Canada, the U.S., and the Caribbean, and it provides natural gas and electricity to around 3.4 million customers.

Fortis earns most of its revenue through highly rate-regulated and long-term contracted assets. It means that the company generates predictable and stable cash flows that allow the company to comfortably fund its growing shareholder dividends. Fortis is a Canadian Dividend Aristocrat with a 48-year dividend-growth streak. At writing, Fortis stock is trading for 60.72 per share, and it boasts a juicy 3.52% dividend yield.

Bank of Nova Scotia

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) is one of Canada's largest financial institutions. The

\$105.56 billion market capitalization bank is a Big Six Canadian Bank headquartered in Toronto. You can never go wrong with any of the Big Six if you are looking for reliable assets that you can buy and hold for long-term wealth growth. However, Scotiabank stock is one of the most appealing among its peers due to its growth prospects.

The Canadian bank has consistently grown its earnings and has paid [shareholder dividends](#) since 1833. The last 11 years have seen its shareholder dividends grow at an annualized rate of 6%. The bank has significant exposure to high-growth banking markets.

Lower provisions for loan losses, solid credit quality, and operating leverage will likely drive its growth for several years. At writing, Scotiabank stock is trading for \$86.83 per share, and it boasts a juicy 4.61% dividend yield.

Foolish takeaway

Reinvesting the shareholder dividends to purchase more shares of the companies can help you unlock the power of compounding to accelerate your wealth growth. By the time you retire, your dividend income portfolio might be generating substantial returns through shareholder dividends alone.

Allocating some space in your [Tax-Free Savings Account](#) (TFSA) to create such a portfolio could help you generate tax-free returns that could supplement your retirement income for a more comfortable retired life. Fortis stock and Scotiabank stock could be ideal buy-and-hold assets to consider for this purpose.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:FTS (Fortis Inc.)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:FTS (Fortis Inc.)

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

2025/07/08

Date Created

2021/12/25

Author

adamothonman

default watermark

default watermark