



## TFSA Investors: 2 TSX Stocks Worth Buying Today

### Description

A TFSA can be a [very valuable tool](#) for investors. Like its name suggests, all of the gains generated in that kind of account are tax-free. Obviously, this is very appealing; however, this account does come with certain drawbacks. For instance, investors can't claim any capital losses. That means you need to be very selective about which stocks you choose to invest in. In this article, I'll discuss two great **TSX** stocks worth buying in a TFSA today!

### This reliable compounder belongs in a TFSA

In addition to not being able to claim capital losses in a TFSA, investors are also limited by how much they can invest each year. In 2022, the [contribution room](#) being made available to Canadians is \$6,000. Because of the limited amount of capital that Canadians can contribute into a TFSA, it's important that you choose stocks that have a long history of compounding returns.

**Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)) is an excellent example of a stock that Canadians should hold in a TFSA. It operates a portfolio of assets worth more than \$625 billion. This makes it one of the largest alternative asset management firms in the world. Brookfield has exposure to the real estate, infrastructure, utility, and private equity markets.

Since August 1995, Brookfield stock has gained an average of 16% per year. That would have turned a \$10,000 investment into more than \$500,000 today! It also represents more than a two times return over the broader market, which has returned an average of 6% over the same period.

In addition to its excellent capital appreciation, Brookfield is an excellent dividend stock. Listed as a Canadian Dividend Aristocrat, Brookfield has increased its dividend distribution in each of the past nine years. Although it only offers a forward dividend yield of 0.87%, Brookfield's payout ratio is also very low at 23.94%. This suggests that the company has sufficient room to continue increasing its dividend in the coming years.

In terms of its business, Brookfield recently announced a very exciting partnership with **Tesla**. The two companies are hoping to develop a large-scale sustainable neighbourhood in the United States. If the

project is successful, it could be a major catalyst for Brookfield stock. This is one stock that investors should greatly consider adding to a TFSA today.

## Choose leaders in dependable industries

Canadians are lucky, because there are a handful of industries that are dominated by few companies. This makes it very easy to identify the industry leaders and potential candidates to add to your TFSA. The Canadian rail industry is dominated by two companies. The larger company of the two is **Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)). It's the second stock that I believe Canadians should consider buying for their TFSA.

Canadian National operates a rail network that spans nearly 33,000 km. The company has track from British Columbia to Nova Scotia and as far south as Louisiana. In terms of revenue, Canadian National is the third-largest railway company in North America. This speaks to its competitive advantage within the country. Investors should also note that the stock is listed as a Canadian Dividend Aristocrat. Having increased its dividend for 25 years, it sits alongside a very elite group of dividend stocks.

### CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:CNI (Canadian National Railway Company)
3. TSX:BN (Brookfield)
4. TSX:CNR (Canadian National Railway Company)

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jedlloren

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