



3 Top TSX Stocks for Investors Seeking Passive Income

Description

For investors looking for passive-income opportunities in the market, this is an interesting time to be an investor. Interest rates are on the rise, hurting the relative value dividend yields stocks provide. However, from a defensive standpoint, picking top TSX stocks paying meaningful [dividends](#) can help shield one's portfolio from the potential pain in the market.

For those looking for top Canadian passive-income stocks, here are three great options to consider right now.

Top passive-income stocks: Algonquin Power & Utilities

Among utilities companies, **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) continues to be a favourite passive-income pick of mine. This regulated utility and renewable energy conglomerate has a market capitalization of \$11.6 billion and a [dividend yield](#) of 4.8%.

Sure, there are higher yields in the market. However, Algonquin's business model is both defensive (given its regulated utility exposure) and growth oriented (via the company's renewables segment). This provides investors with the right mix of income, defensive growth, and value that's so hard to find in today's market.

It's expected that Algonquin will be able to grow its adjusted earnings in the high single-digit range for the foreseeable future. Accordingly, those banking on dividend growth have a lot to like about how this company is positioned.

Fortis

Another utility stock to make this list is **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)). Like Algonquin, Fortis has many of the same drivers. This is an ultra-defensive business providing growing cash flows, which feed into rising dividends over time.

The key value-added factor for Fortis is the company's dividend-growth track record. For nearly five decades, Fortis has consistently hiked its dividend yield. This sort of capital redistribution to shareholders is hard to come by. It signals strong capital allocation from the company's management team and a truly prudent, long-term strategic outlook implemented over time.

Fortis remains one of my top passive-income picks on the TSX for a reason.

Dream Industrial REIT

Finally, we have to mention a real estate investment trust (REIT) if we're talking about passive income.

As far as REITs go, **Dream Industrial REIT** ([TSX:DIR.UN](#)) continues to be one of my favourites. As its name suggests, Dream Industrial focuses on the industrial real estate market. Whether that's warehouses, distribution centres, or other industrial-related property, Dream has some of the best inventory on the market. This inventory is rarely vacant, and actually provides rising income over time.

Indeed, for those bullish on the rise of e-commerce and other secular growth catalysts, Dream Industrial is a great way to play this trend. Logistics happens to be the backbone of e-commerce. And Dream Industrial REIT fuels logistics. The thesis is as simple as that.

Dream Industrial currently provides investors with a dividend yield of 4.4%.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:FTS (Fortis Inc.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:DIR.UN (Dream Industrial REIT)
5. TSX:FTS (Fortis Inc.)

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