



2 Top Stocks for Income and Growth

Description

[Dividend investing](#) is one of the best ways to achieve sustainable wealth growth through compounded growth. Combined with long-term capital gains, you could have the perfect strategy to become a far wealthier investor by the time you retire. Unfortunately, many investors who set out to find both find themselves compromising on one for the other.

However, the **TSX** is full of opportunities that offer stable income and long-term capital gains for those who can find them. Today, I will discuss two TSX stocks that offer [stable passive income](#) and boast the potential for long-term growth through capital gains.

Bank of Montreal

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) is one of the top stocks to consider if you are looking for income-generating assets that offer reliable shareholder dividends. The Montreal-based \$93.82 billion market capitalization Canadian bank is one of the Big Six Canadian banks. Investors looking for long-term investments that offer superb growth and handsome dividend payouts can never go wrong with the Big Six.

BMO stock trades for \$144.73 per share at writing, and it boasts a juicy 3.68% dividend yield, making it an excellent income-generating asset to own. BMO stock is also a great long-term growth pick due to its expanding operations south of the border. The bank's BMO Harris operation already gave it a strong foothold in the market, and it has expanded further by acquiring the Bank of the West in San Francisco.

The addition of over 500 more branches and roughly 1.8 million new customers into the fold could unlock the opportunity for considerable growth in the coming years.

TransAlta Renewables

TransAlta Renewables ([TSX:RNW](#)) is another stock you could consider for income and long-term growth. The renewable energy industry has attracted plenty of attention from investors, as the world

shifts more towards renewables in the coming years. Businesses operating in this industry present a wealth of opportunities for growth-seeking investors.

The company owns and operates a growing portfolio of diversified renewable power-generating assets in Canada, the U.S., and Australia. The increasing shift towards renewable energy will likely result in significant growth, translating to long-term capital gains on the stock market. TransAlta Renewables stock is also a viable income-generating asset.

The company has a business model similar to most traditional utility businesses. It generates most of its revenues through rate-regulated and long-term contracted assets. Reliable and recurring revenue streams allow the business to fund its expansion and shareholder dividends comfortably. At writing, TransAlta Renewables stock trades for \$17.45 per share, and it boasts a juicy 5.39% dividend yield that you could lock into your portfolio today.

Foolish takeaway

It is important to remember that stock market investing is inherently risky, no matter how big a reputation some stocks have for stability. Fortunately, BMO stock and TransAlta stock offer you a combination of lowered risk, long-term capital gain potential, and reliable shareholder dividends.

Investing in the shares of these two TSX stocks, holding onto them, and watching them grow in your portfolio could be an ideal way to [achieve long-term wealth growth](#).

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. TSX:BMO (Bank Of Montreal)
3. TSX:RNW (TransAlta Renewables)

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