



3 TSX Dividend Stocks You Can Trust for Life

Description

There are several reasons to hold a dividend stock long term in your portfolio. Consistent payouts, dividend growth, and decent capital appreciation to accompany the dividends are three of the most common reasons. You are unlikely to get all three, especially with a decent enough yield, but it's a good idea to try and find as many good dividend characteristics as you can, especially for the dividend stocks that you are planning to hold for life.

An energy leader

Canadian Natural Resources ([TSX:CNQ](#))([NYSE:CNQ](#)) is a leader in the energy sector. It's an independent oil and gas producer (one of the largest of its kind) and has an extensive local as well as a sizeable international portfolio of assets. It's one of the largest natural gas producers in Western Canada and the largest player in the heavy crude oil in the country.

As a stock, it has been relatively stable, especially after recovering from the 2015 fall. It saw aggressive [post-pandemic growth](#), and the stock has grown 600% from the crash valuation, which is quite unusual for a company this big.

And despite its strong growth, it has maintained a decent dividend yield of 4%, which means that if you wait for the correction that's due after such a rapid rise, you may be able to lock in a much more potent yield for the stable aristocrat you can count on for decades.

A telecom leader

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is the largest telecom company in Canada by market cap and one of the largest when it comes to total subscribers. The telecom sector has only three prominent names to begin with. Since the news of any one of the three's unusual projected growth can be anticipated from miles away, it would be reasonably easy to predict if BCE is ever in danger of losing its status as one of the leaders in the telecom industry.

It's also a very generous [Dividend Aristocrat](#) that's currently offering a juicy 5.1% after experiencing a 23% growth in the last 12 months, which is relatively high compared to the company's usual growth pace. The high yield, a stellar dividend history, and steady business with a potential of robust growth with further 5G penetration make it a fantastic dividend candidate for life.

A banking leader

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) is the second-largest bank in Canada and one of the largest financial institutions in the world. Thanks to the stable nature of the Canadian banking sector and the conservative business approach of TD itself, the bank is an excellent choice as a long-term holding, both for its dividends and its capital-appreciation potential.

It's a Dividend Aristocrat that's currently offering a 3.6% yield, but that yield can easily go up as high as 4% if the current slump, which has placed an 8.5% discount on the bank stock already, continues for a while longer.

Its long-term capital-appreciation potential can, unfortunately, not be gauged by the 10-year CAGR of 13.6% (for now) since the stock is currently propped up on its post-pandemic growth potential. But even if it stays in double digits, the growth rate is decent enough for a dividend stock.

Foolish takeaway

You can start a life-long passive-income stream by putting these three stocks in [your TFSA](#) and enjoying a tax-free passive income. If you don't need the cash right away, you can choose the DRIP and let your stake grow to a better size before starting the passive income.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:BCE (BCE Inc.)
2. NYSE:CNQ (Canadian Natural Resources)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:BCE (BCE Inc.)
5. TSX:CNQ (Canadian Natural Resources Limited)
6. TSX:TD (The Toronto-Dominion Bank)

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Date

2025/08/23

Date Created

2022/03/13

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