# 3 Dividend Stars to Adorn Your TFSA Portfolio With

### Description

Dividends and most numbers associated with them (yield, payout ratio, dividend growth, etc.) are what most people look into when buying dividend stocks. But even if you are buying a company primarily for its dividends, there are still a few things you should look into.



## A pure dividend stock

**Rogers Sugar** (TSX:RSI) is one of the few stocks that are mostly bought for their dividends. But if you consider the stock's performance in the last 10 years, you will see that the stock offers cyclical growth, though never too powerful. But if you do manage to buy it at the dip, you may be able to snag 50-70% capital appreciation along with the tasty dividends.

It's a smart buy for dividends, though. The current yield is a juicy 5.9%, and it's trading at a relatively fair valuation. But the company brings more to the table. As the largest refined sugar company in Canada and the maple syrup giant of the world, Rogers is an industry leader with little to almost no competition.

This can go a long way towards dividend sustainability and capital preservation, maybe even a bit of appreciation.

## A banking stock

Unlike Rogers, **National Bank of Canada** (TSX:NA) is the stock most people look into for its growth potential. The smallest of the Big Six leaves its larger counterparts in the dust when it comes to growth, and the phenomenon was only endorsed after the 2020 crash. The stock rose almost 145% from its lowest point after the crash to its peak in 2021.

However, the growth spurt was too rapid to be sustainable, and the stock is coming around to what might be its natural level. The pattern is apparent in most other banks in Canada as well.

Even though it is not quite hard yet, the slump has pushed the yield up by a decent margin, and it's currently 3.85%. As an aristocrat, its payouts are even more attractive for its growth potential.

## A telecom stock

**Telus** (TSX:T)(NYSE:TU) offers a decent mix of growth and dividends. The second-largest telecom company in Canada (by market cap) is currently experiencing a bullish phase, which has already sent the stock up over 20% from its pre-pandemic peak. Yet the stock maintains a healthy yield of 4%, and the value is just slightly higher than it would have been for more traditional growth stocks.

The capital-appreciation potential of the company is evident in its impressive 13-year CAGR of 13%. The dividends seem safe enough, considering its aristocratic status as well as its strong financials.

The future growth potential of Telus depends upon multiple factors, including the 5G penetration and the company's ability to retain and grow its wireless clientele (since wired and cable are already on the decline).

## Foolish takeaway



The three dividend stars will do well in your TFSA. Not only will you be able to put the dividends to good use by starting a passive income, but you will also grow your TFSA portfolio (in value) thanks to the growth potential of Telus and National Bank of Canada.

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