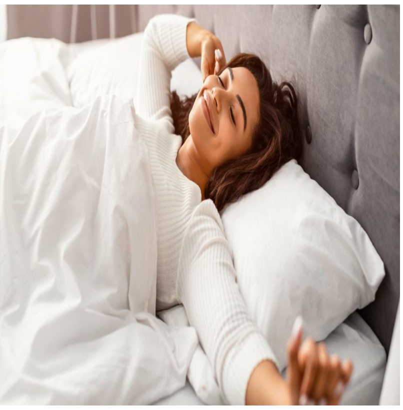

Passive-Income Investing: How to Make Over $105/Week TAX FREE in Your Sleep

Description

The **S&P/TSX Composite Index** suffered yet another triple-digit loss this month as markets closed on May 10. Investors have become understandably anxious in this highly volatile climate. Today, I want to explore a passive-income investing strategy. This can allow Canadian investors to churn out solid weekly income without fretting about market fluctuations in the near term.

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In this hypothetical, I will look to generate tax-free income by utilizing all available room in a TFSA. That works out to $81,500 cumulative contribution room for those who have been eligible since its inception in 2009. Let's dive in.

This top energy stock is focused on consistently rewarding shareholders with passive income

Freehold Royalties (TSX:FRU) is the first dividend stock I'd look to snatch up to bolster our passive-income portfolio in May. This Calgary-based oil and gas royalty company owns working interests in the Canadian energy sector. It explicitly sets out to reward shareholders by maintaining strong free cash flow that will support consistent dividends. Shares of Freehold have climbed 17% in 2022 as of close on May 10.

This energy stock closed at $14.14 per share yesterday. In our hypothetical, we can snatch up 1,920 shares of Freehold for a purchase price of $27,148.80. The stock last paid out a monthly dividend of $0.08 per share. That represents a tasty 6.7% yield. The holdings in our TFSA will allow us to churn out weekly passive income of $35.44.

Here's a REIT that offers nice defence in this choppy climate

Northwest Healthcare REIT (TSX:NWH.UN) is a Toronto-based real estate investment trust (REIT) that owns and operates a portfolio of high-quality healthcare real estate around the world. This REIT proved to be a fantastic defensive hold in the face of the devastating COVID-19 pandemic. Investors can expect healthcare facilities to continue to see increased activity as the Western world wrestles with an aging population. This REIT has dropped 8.9% in the year-to-date period.

The REIT closed at $12.45 per share on May 10. We will look to snatch up 2,180 shares of Northwest for a purchase price of $27,141. This REIT last paid out a monthly dividend of $0.067 per share, which represents a very strong 6.4% yield. That means this holding will allow us to generate weekly passive income of $33.70 in our TFSA.

One more dividend stock perfect for a passive-income portfolio

Sienna Senior Living (TSX:SIA) is another Canadian stock that is set to benefit from our aging demographics. This Markham-based company provides senior and long-term-care (LTC) services in Canada. Shares of Sienna have plunged 13% in the year-to-date period. This has pushed the stock into negative territory from the same time in 2021.

This dividend stock closed at $13.17 per share on May 10. For our final purchase, we'll snag 2,065 shares of Sienna for a total value of $27,196.50. The stock offers a monthly distribution of $0.078 per share, representing a monster 7.1% yield. That means we can make weekly passive income of $37.17 in our TFSA going forward.

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Conclusion

These holdings in a hypothetical TFSA will empower investors to churn out passive income of $106 per week. Better yet, holding in a TFSA means those income gains will all be tax free.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:FRU (Freehold Royalties Ltd.)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
3. TSX:SIA (Sienna Senior Living Inc.)

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