



Create \$1,487 in Passive Income From a Top TSX Dividend and Growth Stock

Description

Motley Fool investors may have all but given up on finding growth stocks. Right now, it may seem incredibly risky and that the **TSX** today simply doesn't have the right kind of opportunities and nothing to offer immediately.

That's simply not true.

Motley Fool investors could create hundreds in passive income while also creating growth. Furthermore, you can do it safely by investing in this perfect growth stock on the TSX today.

The stock

BMO Global Infrastructure Index ETF ([TSX:ZGI](#)) is an ideal investment for Motley Fool investors looking for a growth stock that offers dividend and diversification. As you can see in name of the exchange-traded fund (ETF), it offers infrastructure investments from around the world. This alone gives you incredible diversification, which is helpful during today's market correction.

But the infrastructure industry is where things may start to get exciting. The pandemic led to a fallback in new infrastructure projects. Now, companies around the world have huge backlogs that need to get up and running. But it doesn't end there.

Infrastructure is also a focus on the growth stock because of the shift to renewable energy and e-commerce. New warehouses need to be built for storage and assembly of products. And renewable energy means a slew of new projects — everything from building renewable energy sources to connecting them to the home.

Performance

The ZIG ETF is up year to date, though on a small basis by just 1%. In the last week, it's now up 3%. The company currently has holdings that are about a third in real estate, a third in energy, and a third

in utilities. All stable industries that have been the subject of growth over the last few years.

The company now also offers a dividend yield of 3.34%. What's more, it's seen incredibly stable growth over the last decade or more compared to other stocks and even other ETFs. ZGI is now up about 200% in the last 12 years. It also offers incredible dividend growth at a 12.89% compound annual growth rate during those 12 years.

Let's see how we can turn this recent performance into future performance at a discounted price.

Create hundreds in passive income

ZGI currently has a CAGR of 9.17% over the last 12 years. Combine this with the 12.89% CAGR in its dividend growth, and this could be an incredible growth opportunity, even with conservative projections.

Let's say you're an investor who has \$10,000 to invest in the company this year. Then you held it for a decade, and the same amount of performance occurred. You then took your returns and reinvested them back into ZGI to create even more dividend wealth, with the goal of taking it out after a decade.

If you were to do this, you would start out with passive income from 233 shares for \$307.56 each year. Then, after a decade, that would turn into an investment of \$36,061.65, tripling your initial investment. Furthermore, you would have 332 shares by that time, which could create up to \$1,487 in annual passive income at these same rates!

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:ZGI (BMO Global Infrastructure Index ETF)

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