



TFSA Monthly Passive Income: 2 Canadian Dividend Stocks to Buy Now and Hold Forever

Description

If you have been contributing to your [TFSA \(Tax-Free Savings Account\)](#) for several years, chances are high that you have already heard or read about ways to multiply your TFSA savings. While investing in stocks using TFSA gives you the advantage of earning tax-free returns on your investments, you could also earn reliable monthly passive income by investing in some fundamentally strong [dividend stocks](#).

In this article, I'll highlight two of the best Canadian dividend stocks that can help you earn attractive monthly passive income without much effort. If you use your TFSA to buy these stocks, you can use this extra monthly dividend income to reinvest in stocks, or you can choose to withdraw it without being taxed.

Sienna Senior Living stock

Sienna Senior Living ([TSX:SIA](#)) is a Markham-headquartered firm with a [market cap](#) of about \$960 million that primarily focuses on operating seniors' living residences. At the end of the second quarter, the company was operating 80 self-owned such residences and managing 13 residences for third parties primarily located across British Columbia, Ontario, and Saskatchewan.

After COVID-19 pandemic-related restrictions on physical activity affected the occupancy at its properties in 2020, Sienna has been on a firm path to recovery. In the June 2022 quarter, the company [reported](#) an 8.5% YoY (year-over-year) increase in its total revenue to \$176.6 million with the help of strong gains in the occupancy of its retirement residences and continued strength in the long-term-care segment.

Higher occupancy also helped the company register a solid 12.4% YoY rise in its adjusted funds from operations in the second quarter. Despite its improving financial growth trends this year, its stock still trades with about 13% year-to-date losses at \$13.06 per share, making it look [undervalued](#) to buy for the long term.

Apart from its strong fundamentals, SIA stock currently has an impressive annual dividend yield of 7.2% and distributes its dividend payout every month. That's why it could be a great investment option for TFSA investors — especially if they're looking for stocks to earn stable monthly passive income.

Freehold Royalties stock

Freehold Royalties ([TSX:FRU](#)) is my second top stock pick for TFSA investors right now. This Calgary-based firm mainly focuses on acquiring and managing crude oil and natural gas royalties across North America. In the second quarter this year, Freehold Royalties registered a solid 142% YoY jump in its total revenue to \$108.5 million with the help of a 21% jump in its total production amid a strong commodity price environment. With this, the company's adjusted quarterly earnings jumped by 340% YoY to \$0.44 per share.

With the help of its significantly improved financial growth in recent quarters, its stock currently trades with about 28% year-to-date gains at \$14.78 per share, outperforming the main Canadian market index by a wide margin. Just like Sienna, Freehold Royalties also distributes its dividends on a monthly basis, and it offers an attractive annual yield of nearly 7.3% at the current market price.

While a recent dip in commodity prices could trim its profitability in the near term, Freehold Royalties's new strategic acquisitions should help it maintain a strong financial growth trend in the long run.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:SIA (Sienna Senior Living Inc.)

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