



## 2 Trustworthy TSX Stocks to Buy Without Any Hesitation

### Description

Income reliability may be a key factor to consider when designing a [retirement plan](#). Fixed-income securities like government bonds and corporate bonds exchange-traded funds (ETFs) offer reliable interest during retirement. However, some exposure to stocks is always necessary to grow the nest egg. Trustworthy TSX [dividend stocks](#) may be reliable passive-income providers for your retirement portfolio. Two such names are up for discussion today.

Before we go on to discuss the two trustworthy TSX stocks you may buy without any hesitation today, it's essential to discuss what trustworthiness and reliability should mean to any investor designing an asset allocation for a retirement portfolio.

### Which TSX stocks should investors trust in a retirement portfolio?

A trustworthy friend is one you believe can be there for you when you need them. In an investment case, we know that stock prices are inherently volatile, they follow a random path. That said, stock valuations usually rise when businesses sustainably expand their operations, grow revenue, earn higher profits, and harvest increasing cash flows, which they reinvest for more growth or pay out to investors as regular dividends.

Some TSX stocks show low price volatility relative to the broader market (meaning they have low betas), but, nonetheless, stock prices rise and fall with changing market sentiments. Given volatile stock prices (and random capital gains and loss magnitudes), a stock's dividend attributes build more trust between the company and its investors.

Companies with robust businesses, strong cash flow-generating power, and a long track record of paying growing dividends to investors (even through recessions), are more trustworthy than others in a retirement portfolio.

Two such trustworthy names include **Canadian Utilities** ([TSX:CU](#)) and **Toronto-Dominion Bank** ([TSX:TD](#))

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## Canadian Utilities

Canadian Utilities is a \$9.8 billion gas, electricity, and water utility business serving Canada and operates in Australia, the United States, and Mexico.

CU stock has outperformed the entire TSX market with its 4.6% gain so far this year to shield investor portfolios during a tumultuous year — as it usually does. However, the company's dividend history is more compelling and makes it a trustworthy core holding in a retirement portfolio.

The company pays a quarterly dividend that currently yields 4.9% per annum. It initiated regular dividends back in 1963 and has been growing its dividend for the past 50 years. The dividend has thus survived six Canadian recessions, and it will most likely survive another — given a sustainable 80% dividend-payout rate.

Canadian Utilities stock has a forward price-to-earnings (P/E) multiple of 16. Quality and trustworthiness are expensive attributes that investors are willing to bid for when recession talks grow louder.

## Toronto-Dominion Bank

The second-biggest chartered bank in Canada, Toronto-Dominion Bank is another trustworthy TSX stock to buy without any hesitation when building a retirement portfolio. Not only has the bank been expanding its global footprint and growing its asset base over the past decade, but TD Bank has also grown its quarterly dividend in 24 of the past 25 years and remains committed to supporting investor returns through growing dividends into the future.

It initiated dividends in 1857. TD stock's dividend-growth streak was disturbed by a regulatory ban on dividend growth during the COVID-19 pandemic, as Canadian authorities moved to ensure economic safety during an unprecedented humanitarian crisis — and banks are a critical part of the national economic stability puzzle. Liquidity had to be preserved at all costs. The dividend is back on a growth path given a nearly 13% increase most recently, and the current payout yields 3.9% annually.

A strong balance sheet, an encouraging earnings outlook given that banks earn more interest income as benchmark interest rates rise, and accretive acquisitions make TD stock a promising investment in a core retirement portfolio.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:CU (Canadian Utilities Limited)
2. TSX:TD (The Toronto-Dominion Bank)

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