



## 3 Best Stocks to Buy for Fast-Growing Passive Income

### Description

Establishing a fast-growing, passive-income stream is something that all investors want. Fortunately, getting that passive-income stream setup isn't as hard as it sounds. All you need are several stellar stocks to provide that income stream for decades.

Here's a look at several options to consider adding to your well-diversified portfolio.

### Here's a defensive pick you need (yes, defensive)

Investors looking for fast-growing passive income often bypass some of the more defensive-oriented stocks. That's a shame, because some of those fast-growing passive-income stocks to consider are in fact, great defensive picks.

A prime example of this is **Fortis** ([TSX:FTS](#)).

As one of the largest utilities on the continent, Fortis offers investors an incredibly defensive investment option. In short, the company generates a stable and recurring revenue stream that is backed by very long-term regulated contracts.

And because of the sheer necessity of the service that is provided, the defensive appeal of Fortis is off the scale.

Adding to that appeal is the fact that Fortis is actively investing in growth initiatives to ensure that the fast-growing, passive-income stream remains well funded. This includes both new acquisitions as well as updating and transitioning facilities towards renewables.

Turning to income, Fortis offers investors a quarterly [dividend](#) with a juicy yield of 4.10%. Fortis has also provided a handsome uptick to that dividend for a whopping 49 consecutive years.

In other words, Fortis is a great buy-and-forget stock to help establish a fast-growing, passive-income stream.

## Renewable energy is a bargain right now

Renewable energy holds massive long-term potential. It's also an expensive segment that is largely dependent on massive investment. Thanks to rising interest rates, the debt associated with those investments have become significantly more expensive lately.

To be clear, this isn't purely a renewable energy problem; rising interest rates will drag everything down eventually. But what it has done is make renewable energy stocks like **TransAlta Renewables** ([TSX:RNW](#)) very discounted.

Speaking of discounts, as of the time of writing, TransAlta Renewables is down nearly 40% year to date.

For a company that operates a portfolio of over 40 facilities located across Canada, the U.S., and Australia that are bound by long-term regulatory contracts, that discount is huge.

Throw in a juicy monthly dividend that carries a yield of 8.51%, and you have one of the best, fastest-growing, passive-income opportunities on the market.

## Big bank. Big dividend. Big opportunity

It would be nearly impossible to compile a list of passive-income stocks and not mention one of [Canada's big banks](#). And that bank for investors to consider is **Bank of Montreal** ([TSX:BMO](#)).

BMO has been paying out juicy dividends to investors for nearly two centuries — longer than any other company in Canada. Today, that payout works out to an appetizing \$5.72 per share or 4.74% at the current stock price.

That factor alone makes BMO a fast-growing, passive-income pick for any portfolio, but there's still more. BMO offers long-term growth prospects that will continue to fuel that dividend for years to come.

That growth stems from BMO's purchase of California-based Bank of the West. The whopping US\$16.3 billion deal will add millions of customers, billions in loans and deposits, and hundreds of new branch locations in multiple new state markets.

Perhaps best of all, BMO also trades at a whopping discount right now. Despite that massive long-term potential, BMO boasts a price-to-earnings ratio of just 6.17 right now.

## Fast-growing passive income is possible

No stock is without risk, and that includes the three stocks mentioned above. That's why these stocks, which are great long-term options, should be part of a larger, [well-diversified portfolio](#).

### CATEGORY

1. Dividend Stocks
2. Investing

## **TICKERS GLOBAL**

1. TSX:BMO (Bank Of Montreal)
2. TSX:FTS (Fortis Inc.)
3. TSX:RNW (TransAlta Renewables)

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