



TFSA: Invest \$50,000 and Get \$26,000 + \$200/Month in Passive Income

Description

Considering all investment income in the [Tax-Free Savings Account](#) (TFSA) has no tax liability, it is a perfect place to [build a stock portfolio](#). If you are looking for regular passive income and capital returns, here is a simple three-stock starter portfolio to consider.

If you put \$50,000 to work, it could result in \$26,000 of capital gains and an average of about \$200 in monthly passive income.

Brookfield Infrastructure: Growth and income for any TFSA

Brookfield Infrastructure Partners ([TSX:BIP.UN](#)) is a great stock to buy for passive income and growth. BIP has a diversified and very defensive portfolio of critical infrastructure assets like ports, railroads, utilities, pipelines, and data centres.

Right now, this stock earns a 4.53% distribution yield. It has a long history of annually growing its dividend. Put \$16,666 into BIP stock, and you would earn as much as \$193.97 quarterly, or \$64.66 averaged monthly.

Over the past 10 years, BIP has delivered a 12.6% compounded annual stock return. If it can match that same rate of return over the next five years, your \$16,666 investment could be worth as much as \$30,166. That is a \$13,500 capital return.

TELUS: A dividend-growth story

TELUS ([TSX:T](#)) is a solid stock for any TFSA. It is a leading telecommunications business in Canada. However, it also has several [fast-growing digital businesses](#) that are hardly valued into the stock. You get the defensive telecom business that helps cover the dividends and capital upside from the growth verticals.

After a 12% decline in 2022, TELUS stock trades with a 5.25% dividend yield. Like Brookfield, it has a

great history of growing its dividend by a +7% annual rate. If you invest \$16,666 into TELUS stock, you would earn \$221.90 quarterly, or \$73.97 average monthly.

TELUS stock has compounded a 5.6% annual capital return over the past decade. If it continues this trajectory for the coming five years, a \$16,666 investment could be worth \$21,885. That could create a \$5,189 gain (not including the dividends above).

TD Bank: A blue chip for any TFSA

Another staple for a conservative TFSA investor is **Toronto-Dominion Bank** ([TSX:TD](#)). It is a leading retail bank in Canada, and it has enjoyed some solid growth from its large exposure to the eastern United States. Several recent acquisitions could further supplement its growth profile.

Its stock is down 9.1% this year. It trades at a fair [price-to-earnings \(P/E\) ratio](#) of 9.8, and it has a nice yield of 4.35%. It has a multi-decade history of annually growing its dividend. A \$16,666 investment in TD stock would earn \$182.40 every quarter, or \$60.80 averaged monthly.

TD stock has compounded by a 7.9% annual rate over the past 10 years. If we apply that rate to the coming five years, a \$16,666 investment could be worth \$24,037 in five years. That is a solid \$7,371 capital gain.

The takeaway

You don't need to look far to find [blue-chip](#) dividend stocks that provide a nice combination of passive income and capital gains. Here at the Fool, we recommend investors have a more diversified TFSA portfolio than the one mentioned above. However, this article is meant to demonstrate how investing in solid, well-known businesses can still yield attractive returns given enough time.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
Brookfield Infrastructure Partners	41.41	402	\$0.4825	\$193.97	Quarterly
TELUS Corp.	26.28	634	\$0.35	\$221.90	Quarterly
Toronto-Dominion Bank	87.65	190	\$0.96	\$182.40	Quarterly

Prices as of December 28, 2022

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
2. TSX:T (TELUS)

3. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
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