



3 Dividend Stocks for the Next 100 Years

Description

“You only die when you are forgotten.” — Seymour Schulich

Andrew Carnegie was one of the richest men in history. Yet his wealth and influence didn't just last a lifetime. It has lasted generations.

You can hear it in Carnegie Hall. You can see it when you walk on the campus of Pittsburgh's Carnegie University.

As Carnegie has taught us, building wealth isn't just about saving up for a vacation home or retirement. It's about providing security for the loved ones around us and creating a dynasty of wealth that can be passed on.

Of course, building a fortune that can last a century takes a different type of thinking. Multi-generational investing requires identifying businesses with a sustainable competitive advantage that will outlast most of us alive today.

Most companies will not withstand the test of time. However, there are a few businesses up to the task. These companies have survived for decades (centuries in some cases) and have a long tradition of rewarding shareholders with dividends and buybacks.

1. Enbridge

When Warren Buffett is asked what he looks for in a great investment, his answer is always the same: “an economic moat.” To put it simply, an economic moat is a set of traits that protects the business for competition. And no company better represents this concept than **Enbridge** ([TSX: ENB](#))([NYSE: ENB](#)).

Enbridge is Canada's largest transporter of crude oil, with approximately 24,738 kilometres of crude pipeline, delivering on average more than 2.2 million barrels per day. The company is responsible for exporting almost two-thirds of Western Canada's crude oil exports to the United States.

Here's the thing: this pipeline network is almost impossible to replicate. Any new projects would need

the the buyout of every landowner along the proposed path. Additional pipelines would also be subject to a long, expensive government approval process. So, even if you had \$10 billion to spend, chances are you still couldn't compete with the company.

This creates a nearly impenetrable barrier to competition. And this has allowed Enbridge to earn excess returns for shareholders year after year.

2. RioCan REIT

Real estate used to be the bedrock of many investors' portfolios. Since the Middle Ages, the richest members of any society have owned land. Throughout all of recorded history, land ownership has been reliable method to grow and pass on wealth through generations.

As Canada's largest real estate investment trust, **RioCan REIT** ([TSX: REI.UN](#)) is a good place to start. This company owns 53 million square feet of prime retail real estate across North America. Even better, this asset is structured in a such a way that it's required to pay 90% of its profits to unitholders.

Best of all, more than 85% of the company's revenue comes from high quality national and anchor tenants. If Greece defaults tomorrow and the **Dow Jones Industrial Average** plunges 1,000 points, companies like **Shoppers' Drug Mart**, **Target**, **Canadian Tire**, and **Lowe's** are all still going to pay their rents.

3. Bank of Montreal

The **Bank of Montreal** ([TSX: BMO](#)) ([NYSE: BMO](#)) hasn't missed a dividend payment since 1829. For 184 years, shareholders have been able to count on a steady stream of distributions. In fact, the company has been paying a dividend longer than any other publicly traded Canadian company.

To put that in perspective, over the past two centuries, we have seen the rise of the automobile, put a man on the moon, and the internet. Since 1829 we have witnessed Canadian Confederation, two world wars, numerous financial crises, and dozens of asset bubbles. Yet through all of these changes, the Bank of Montreal has continued to mail out dividend cheques to shareholders.

Of course, there's no guarantee that this streak will continue into the next century. But when you buy one of the country's most dominant company with a commitment to rewarding shareholders, you can count on a stream of income that can withstand virtually anything.

Foolish bottom line

Building a dynasty of wealth that you can be proud of requires a different type of thinking. Only companies that can withstand the test of time will do. And these three companies may just be able to pull it off.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)

2. NYSE:ENB (Enbridge Inc.)
3. TSX:BMO (Bank Of Montreal)
4. TSX:ENB (Enbridge Inc.)
5. TSX:REI.UN (RioCan Real Estate Investment Trust)

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