



## 3 Forever Stocks Yielding Up to 5.8%

### Description

In the early 20th century, John D. Rockefeller amassed a fortune worth \$336 billion in today's dollars, adjusting for inflation.

To put that figure into perspective, that's larger than the fortunes of today's three richest people — Bill Gates, Carlos Slim, and Warren Buffett — combined. Rockefeller's company, Standard Oil, revolutionized the energy industry and perhaps no other man had as much influence on the politics and business of his day.

Here's the thing: Rockefeller's influence didn't just last a lifetime, but generations. You can see it when you look up at the Rockefeller Center in New York or when you stroll through the grounds of Rockefeller University. Although this great man is gone, his legacy lives on.

While few of us will achieve riches on anywhere close to the scale of Rockefeller, anyone can leave a lasting legacy of wealth. But it doesn't happen by accident. Building a portfolio that can last generations must rest upon a collection of rock-solid businesses that can survive almost anything. Forever stocks that can survive wars, inflation, and recessions.

Here are three companies that just might have what it takes.

### Brookfield Infrastructure Partners

Consider all of the infrastructure the global economy needs to operate — railways, ports, pipelines, utilities, roads. Without these essential assets, our modern society would grind to a halt. That's what makes infrastructure investments so lucrative.

**Brookfield Infrastructure Partners** ([TSX: BIP.UN](#)) gives you a stake in dozens of these types of infrastructure monopolies around the world. The company owns shipping ports in China, toll roads in Brazil, electric utilities in America, and many others. These are irreplaceable assets that no one can compete with.

All of this means investors can count on a steady stream of dividend cheques for years to come. Since

the company went public in late 2009, Brookfield has increased its payout 79% and today the stocks yields a handsome 4.5%. Going forward, management is committed to increasing the dividend at a 3% to 7% annual pace.

## Killam Properties

**Killam Properties** (TSX: KMP) owns hundreds residential apartment buildings and RV parks throughout Atlantic Canada and Ontario — a recession-proof niche within the real estate industry. No matter what the economy is doing, people will always need to put a roof over their heads. With a click of the mouse you can become a partner with an already-established landlord.

But what I'm most interested in is the steady dividend. Today, Killam yields a tasty 5.8% making it the highest payout on this list. And with a number of large economic projects likely to drive maritime economy over the next decade, you can expect a steady stream of dividend hikes over the next few years.

## Pembina Pipelines

This company is about as boring as it gets. While the energy sector is famous for its Stetson-wearing wildcatters, **Pembina Pipelines** (TSX: PPL) is responsible for the decidedly less exciting — though lucrative — midstream section of the industry. The company owns pipelines, terminals, and storage facilities throughout Western Canada, the infrastructure that ships and stores all of the energy products that makes our modern society possible.

In return for moving and storing these products, Pembina generates ample cash flow that it passes on to shareholders. Since its inception in 1997, the company has paid out \$2.8 billion to investors. Today, the stock yields 3.9% and you can count on more dividend hikes in the years to come given booming oil production in Alberta.

More importantly, the company has a natural monopoly on these assets. The cost to build a competing pipe parallel to one of Pembina's lines would be astronomical, and the rewards of splitting the business between two routes would be unattractive. This allows the company to crank out consistent returns for decades without the worry of rivals eating into profits.

## Foolish bottom line

Few of us will build wealth on anywhere near the scale of John D. Rockefeller. However, with foresight and planning, we can all leave a legacy of wealth that can last generations. Building a portfolio of forever stocks like the ones above is the first step in this process.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
2. TSX:KMP.UN (Killam Apartment REIT)
3. TSX:PPL (Pembina Pipeline Corporation)

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