An Instant 3-Stock Dividend Portfolio for Conservative Investors

Description

Conservative investors want to buy stocks that pay reliable dividends and offer stability during volatile periods in the equity markets.

Here are the reasons why I think investors should consider **BCE Inc.** (TSX:BCE)(NYSE: BCE), **Fortis Inc.** (TSX:FTS), and **Metro Inc.** (TSX:MRU) for their portfolios.

BCE Inc.

Canada's largest communications company has always been a stock Canadians buy as a core holding for reliable dividends. BCE has successfully adjusted to rapid changes in the communications industry and remains a solid investment for conservative income investors.

By investing heavily in new technology, BCE is able to meet customer demands for multi-platform access to communication services and media content.

The company not only has the capability to deliver content through its state-of-the-art wireless and wireline networks, it also owns a variety of top media assets, as well as electronics stores. The integrated business model means customers can purchase equipment at one of BCE's retail outlets, order services through its wireline, wireless, and satellite networks and watch or listen to media content owned by BCE.

Recent acquisitions are key points of interest for investors right now. In 2013, BCE acquired Astral Media for $3.4 billion. The purchase has turned out to be a wise one as the Astral assets are producing significant free cash flow.

BCE is also in the process of spending $3.95 billion to take its **Bell Aliant Inc.** subsidiary private. The generous distributions that were being paid to Bell Aliant's shareholders will now be available for investors in BCE stock.

BCE pays a dividend of $2.64 that yields about 5%. Investors should see consistent annual dividend increases.

Fortis Inc.

Investors looking for a solid company to add to a conservative portfolio should consider Fortis as a top pick. Fortis is an electrical utility that owns power generation facilities in Canada, the U.S., the Caribbean, and Central America.

There is one key reason I think investors should consider this company right now. Fortis just acquired Arizona-based UNS Energy Corp. for $4.5 billion. The new asset will add more than 650,000 gas and electricity customers and be accretive to earnings next year.

Fortis pays a dividend of $1.28 that yields about 3.7%.

Fortis investors should see a dividend increase next year as the UNS assets add to cash flow.

Metro Inc.

The food business is extremely competitive, but Metro continues to serve up great results to its shareholders.

Metro primarily operates in Ontario and Quebec through its retail network of close to 800 grocery stores and 250 drug stores.

Metro continues to outperform amid increased competition from new entrants to the Canadian market.

In its Q3 2014 earnings report, Metro increased its dividend by 20% to $1.20 per share. The stock provides conservative investors with a growing dividend and capital appreciation. Metro's shares are up 110% in the past five years and the dividend has more than doubled along the way.

The bottom line

For reliable dividend income from stable companies that will allow you to sleep well at night, I think BCE Inc., Fortis Inc., and Metro Inc., are solid bets.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:FTS (Fortis Inc.)
4. TSX:MRU (Metro Inc.)

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