



Attention, Retirees: Does Your Portfolio Have These 3 Dividend Stocks? It Should

Description

Across North America, there's one problem that seemingly every retiree faces. What can they invest in that will protect capital, provide a growing dividend stream, and can be depended on to deliver stellar results quarter after quarter?

Unfortunately, I don't have a magic ball to provide all the answers. Investing is always going to carry a certain element of risk. But as long as a retiree has a diversified portfolio filled with Canada's finest companies, they're likely to do just fine. There will always be underperformers, just like some holdings will do better than expected. That's just how investing works.

Let's take a look at three stocks I'd choose if I were getting ready for retirement.

1. Toronto-Dominion Bank

There's a lot to like about **Toronto-Dominion Bank** ([TSX: TD](#))([NYSE: TD](#)).

The company has spent the last few years focusing on its retail operations, and it shows. Branches are open later and on weekends, a convenience customers appreciate. Customers also are flocking to its mortgage products, recently making it the largest lender in Canada as well.

But TD isn't just about Canadian retail operations. It has a solid wealth management business, good capital markets exposure, and a growing credit card division. Additionally, it stands to benefit from the decline in the Canadian dollar, thanks to so much of its profit coming from its U.S. operations.

The company pays a quarterly dividend of 47 cents per share, good enough for a yield of 3.5%. TD also has a stellar record of dividend growth over decades, with just 2009 as a blip on the radar.

2. Telus Corporation

Like TD Bank, **Telus Corporation** ([TSX: T](#))([NYSE: TU](#)) has been investing a lot of time and effort on its relationships with customers. And it shows.

Telus has been stealing wireless customers from its major competitors like crazy. Recent results showed wireless revenue was up 6.2% compared to last year, easily outpacing its rivals. Television and Internet also reported solid results. This, combined with the company's aggressive share repurchase program, grew net earnings by 33% and earnings per share by 41%. That's not bad for a boring telecommunications company.

Telus has also committed to continue raising its dividend at least twice in 2015. Since the end of 2009, the company has raised the dividend nine times, increasing the payout by nearly 50%. That's terrific growth for a dividend that's already 3.9%.

3. Suncor Energy Inc.

The recent sell-off in the energy sector has given investors a terrific opportunity to pick up shares of Canada's finest energy companies on sale. **Suncor Energy Inc.** ([TSX: SU](#))([NYSE: SU](#)) might be the best of them all.

The company is a leader in the oil sands, which is perhaps Canada's most important asset. It produces more than 500,000 barrels of oil per day, and doesn't have to worry about reserves, since there's still enough bitumen for it to continue operations for another 40 years. Don't underestimate the advantage of not having to constantly be on the prowl to replace reserves. And thanks to higher production, it continues to be one of the lowest-cost operators in the region, reporting a cash operating cost per barrel of just \$34.10 for its oil sands operations.

Suncor has other assets, too. It's a leader in lubricants, owns several refineries, and has Canada's largest chain of gas stations and convenience stores, Petro-Canada. These downstream assets, plus the decreasing Canadian dollar and the company's low-cost oil sands operations will help it withstand lower crude prices.

Like the other companies I've mentioned, Suncor is doing a terrific job giving back to shareholders. The company has been buying back shares aggressively, and just authorized spending another \$1.1 billion over the next year to buy back even more. It also has gotten serious about paying a good dividend, increasing the quarterly payout from 20 cents to 28 cents per share. That's good enough for a 2.9% yield.

These companies are great, but we have another one that might be even better. Check out our free report below.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. NYSE:TU (TELUS)
4. TSX:SU (Suncor Energy Inc.)

5. TSX:T (TELUS)
6. TSX:TD (The Toronto-Dominion Bank)

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Author

nelsonpsmith

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