



The Instant 3-Stock Portfolio for Dividend Investors

Description

As history shows, dividend-paying stocks outperform non-dividend-paying stocks over the long term. This means that we should all own at least one dividend-paying stock, and depending on your age, investment goals, and risk tolerance, maybe even a diversified portfolio full of them. With this in mind, let's take a look at three stocks from three different industries that could form your instant dividend portfolio.

1. Royal Bank of Canada: 4.3% yield

Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#)) is the second-largest bank in Canada, with approximately \$1.09 trillion in total assets. It pays a quarterly dividend of \$0.79 per share, or \$3.16 per share annually, giving its stock a 4.3% yield at today's levels.

Investors should also note that RBC has increased its dividend for five consecutive years, and its strong financial performance in the first nine months of fiscal 2015, including a 6.1% year-over-year increase in revenue to \$27.3 billion and an 8.2% year-over-year increase in net income to \$7.21 billion, could allow this streak to continue in 2016.

2. Fortis Inc.: 3.9% yield

Fortis Inc. ([TSX:FTS](#)) is one of the largest electric and gas utilities companies in North America. It pays a quarterly dividend of \$0.38 per share, or \$1.52 per share annually, giving its stock a 3.9% yield at today's levels.

It is also very important to make two notes. First, Fortis has increased its dividend for 42 consecutive years, which is the record for a public corporation in Canada. Second, the company plans to increase its dividend by another 6% annually through 2020, which will allow its streak of annual increases to reach 47 years.

3. Telus Corporation: 3.9% yield

Telus Corporation ([TSX:T](#))([NYSE:TU](#)) is one of Canada's largest telecommunication companies. It

pays a quarterly dividend of \$0.42 per share, or \$1.68 per share annually, giving its stock a 3.9% yield at today's levels.

Investors should also make two very important notes. First, Telus has increased its dividend for 11 consecutive years. Second, the company has a multi-year dividend-growth program in place, which will grow its dividend by another 10% annually through 2016, and I think it will announce a new program as soon as this one is completed.

Should you buy one or all of these stocks today?

Royal Bank of Canada, Fortis, and Telus could form your instant three-stock dividend portfolio. All Foolish investors should take a closer look and strongly consider buying at least one of them today.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:RY (Royal Bank of Canada)
2. NYSE:TU (TELUS)
3. TSX:FTS (Fortis Inc.)
4. TSX:RY (Royal Bank of Canada)
5. TSX:T (TELUS)

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