



Income Investors: 3 Unique Dividend Picks for Your TFSA

Description

Sometimes it is worthwhile to look beyond the popular names in an industry and pick other top players that lie in the shadows.

Here are the reasons why I think **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)), **Rogers Communications Inc.** ([TSX:RCI.B](#))([NYSE:RCI](#)), and **Algonquin Power & Utilities Corp.** ([TSX:AQN](#)) are solid choices right now.

Bank of Montreal

Bank of Montreal sits in the shadows of its larger peers, but investors should give it a closer look.

The company has a balanced revenue stream that includes a strong Canadian personal and commercial banking group, an impressive wealth management division, and a large capital markets operation. Bank of Montreal also has a growing retail presence in the United States, and that business is doing very well.

In fact, year-over-year adjusted net income from the U.S. group jumped 25% in 2015. The recent acquisition of GE Capital's Transportation Finance business should boost earnings even more in 2016 and beyond.

Bank of Montreal pays a quarterly dividend of \$0.84 per share that yields 4.7%.

Rogers

Rogers is similar to Bank of Montreal in that investors often prefer to buy its competitors.

The company has struggled with customer service issues, and keeping cable customers signed up is an ongoing battle, but Rogers has a very strong mobile division, and management is making good progress on its efforts to improve the business.

At the end of the day, you'll want to buy Rogers as a turnaround play. The company is a telecom and

media powerhouse with few real competitors and a business model that generates significant free cash flow. For Blue Jays and Leafs fans, the stock also offers an opportunity to own a piece of your favourite sports team.

Rogers has a strong history of dividend growth. The current quarterly distribution of \$0.48 per share yields about 4%.

Algonquin Power

Most income investors buy the larger utilities when looking for a pick in the sector, but Algonquin should probably get more respect.

The company owns renewable energy and distribution assets in Canada and the United States and continues to grow at a healthy clip through in-house developments as well as strategic acquisitions.

The diversified asset mix includes water, electricity, and natural gas utilities and provides a balanced revenue stream from both regulated and non-regulated segments.

Algonquin Power increases its dividend on a regular basis, and the current distribution yields about 4.8%. Investors have enjoyed a 130% increase in the stock price over the past five years.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
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TICKERS GLOBAL

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2. NYSE:RCI (Rogers Communications Inc.)
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