

## 2 Quality Stocks With 5-6% Yields for Your RRSP

### Description

The RRSP contribution deadline is February 29 for the 2015 tax year. If you're not sure what to invest in, there are two quality dividend stocks you can consider: **Brookfield Infrastructure Partners L.P.** ([TSX:BIP.UN](#))([NYSE:BIP](#)) and **Brookfield Property Partners LP** ([TSX:BPY.UN](#))([NYSE:BPY](#)).

#### Brookfield Infrastructure

Brookfield Infrastructure owns a diversified portfolio of high-quality, long-life infrastructure assets, which generate stable and growing cash flows over time.

Brookfield Infrastructure owns utility assets, such as electricity transmission lines and an electricity and gas distribution business in six countries. It also owns transport assets, including rail operations with about 9,900 km of tracks in southwest Australia and Brazil, 11 toll roads in South America, and 33 ports in North America, the U.K., and Europe. Further, it owns assets to store, transmit, and distribute energy in North America. Lastly, it owns essential communications infrastructure in France.

In 2015 Brookfield Infrastructure generated 42% of its funds from operations (FFO) from its transport segment, 41% from its utility segment, 9% from its energy segment, and 8% from its communications segment.

It has 90% of its cash flows either contracted (46%) or regulated (44%). On top of that, its FFO payout is about 68%. Its stable cash flows and sustainable payout ratio increases the safety of its dividend.

Brookfield Infrastructure has increased its distribution for eight consecutive years. In the first quarter, the diversified utility hiked its distribution by 7.5%, and it targets its distribution growth to be 5-9% per year.

At about \$48.2, Brookfield Infrastructure yields 6.1% based on a quarterly distribution of US\$0.57 per unit (which is an annual payout of US\$2.28 per unit) and a foreign exchange of US\$1 to CAD\$1.30.

**Brookfield Asset Management Inc.** is the general partner and manager of Brookfield Infrastructure and has about 30% equity interest in it.

#### Brookfield Property Partners LP

Brookfield Property is one of the largest commercial real estate companies in the world with 138 premium office properties, 172 best-in-class retail properties, and it also has interests in multi-family, triple net lease, industrial, and hospitality assets. Its assets are diversified across core office properties (60%), core retail properties (30%), and opportunistic and development investments (10%).

In the first quarter Brookfield Property hiked its distribution by 5.7%, and it targets its distribution growth to be 5-8% per year. At about \$27, Brookfield Property yields 5.4% based on a quarterly distribution of US\$0.28 per unit (which is an annual payout of US\$1.12 per unit) and a foreign exchange of US\$1 to CAD\$1.30. Brookfield Asset Management is the general partner and manager of Brookfield Property

and owns about 68% of the real estate company.

## Conclusion

If you're looking for quality investments for long-term price appreciation and above-average income, you should consider Brookfield Infrastructure and Brookfield Property. Both are qualified investments for RRSPs.

If you buy them in an RRSP, you won't need to worry about the different tax reporting because their distributions consist of return of capital, other income, foreign dividends, and interests.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)

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