



3 Excellent Dividend Stocks for Your RRSP

Description

Dividend stocks are the foundation of great retirement portfolios. However, not all dividend stocks are created equal, so this is where you must do your homework. Fortunately for those of you reading this article, I've done the necessary homework and compiled a list of three stocks from different industries and market-cap classes with high and safe yields of 3-9%, so let's take a quick look at each to determine if you should buy one or all of them today.

1. Sun Life Financial Inc.

Sun Life Financial Inc. ([TSX:SLF](#))([NYSE:SLF](#)) is one of the largest financial services organizations in the world, providing protection and wealth products to over 37 million people.

It pays a quarterly dividend of \$0.405 per share, or \$1.62 per share annually, which gives its stock a yield of approximately 3.6% at today's levels.

It's also important to make the following two notes regarding its dividend.

First, the company's three dividend hikes since the start of 2015, including its 3.9% hike last month, have it on pace for 2016 to mark the second consecutive year in which it has raised its annual dividend payment.

Second, it has a medium-term target dividend-payout range of 40-50% of its underlying net earnings, so I think its very strong growth, including its 27% year-over-year increase to \$3.76 per share in fiscal 2015 and its 13.1% year-over-year increase to \$0.95 per share in the first quarter of fiscal 2016, will allow its streak of annual dividend increases to continue for many years to come.

2. Gibson Energy Inc.

Gibson Energy Inc. ([TSX:GEI](#)) is one of North America's largest independent midstream energy companies, providing services such as the transportation, storage, blending, processing, marketing, and distribution of crude oil, condensate, natural gas liquids, water, oilfield waste, and refined products. It's also the second-largest distributor of industrial propane in Canada.

It pays a quarterly dividend of \$0.33 per share, or \$1.32 per share annually, which gives its stock a yield of approximately 8.35% at today's levels.

It's also important to make the following two notes regarding its dividend.

First, the company's 3.1% dividend hike in March has it on pace for 2016 to mark the fifth consecutive year in which it has raised its annual dividend payment.

Second, I think its ample amount of distributable cash flow, including \$181 million in the first quarter of fiscal 2016, and its continued focus on infrastructure development, including the \$300 million worth of contracted assets that it expects to place into service through mid-2017 (all of which will immediately be accretive to its cash flows), will allow its streak of annual dividend increases to continue for many years into the future.

3. Whistler Blackcomb Holdings Inc.

Whistler Blackcomb Holdings Inc. (TSX:WB) owns a 75% interest in each of Whistler Mountain Resort Limited Partnership and Blackcomb Skiing Enterprises Limited Partnership, which together operate its four-season mountain resort business in British Columbia.

It pays a quarterly dividend of \$0.24375 per share, or \$0.975 per share annually, which gives its stock a yield of approximately 3.8% at today's levels.

It's also important to make the following two notes regarding its dividend.

First, the company has maintained its current annual dividend rate since it went public in 2010.

Second, I think its very strong growth of free cash flow, including its 46.7% year-over-year increase to \$103.6 million in the first half of fiscal 2016, and its very low payout ratio, including just 24.8% of its free cash flow in the first half, could allow it to raise its dividend when it reports its third-quarter earnings results in August.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

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2. TSX:SLF (Sun Life Financial Inc.)

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