



3 Quality Dividend Stocks for This Christmas and Beyond

Description

Instead of spending money on presents that could break or be consumed, why not buy a lasting gift for your family this Christmas?

Start with these three quality dividend stocks, which form a nice, diversified portfolio. These companies are from the real estate, utility, and food retail industries.

You and your family can buy many more gifts with the dividends that you'll receive in the future from investing in these quality companies.

Brookfield Property Partners LP ([TSX:BPY.UN](#))(NYSE:BPY) has a global portfolio of quality real estate assets, which generate stable cash flows and deliver steady price appreciation. The company has about 80% of its portfolio in core office and retail assets.

Further, Brookfield Property allocates about 20% of its portfolio in opportunistic investments, which are expected to generate total returns of 18-20%. Overall, management expects to deliver long-term total returns of 12-15%.

Brookfield Property yields 5.2%. Management aims to grow its distribution by 5-8% per year. The quality units are discounted by about 30% from its IFRS value and are an excellent buy for long-term investment.

present gift Christmas holiday

Algonquin Power & Utilities Corp. ([TSX:AQN](#))(NYSE:AQN) is a diversified North American utility. It plans to invest \$9.7 billion through 2021, including the US\$2.4 billion acquisition of **Empire District Electric Co**, which should close in the first quarter of 2017.

Algonquin yields 5.2%. This year marks the sixth consecutive year of its dividend growth. Furthermore, management aims to grow its dividend by 10% per year, which is outstanding for a utility.

Alimentation Couche Tard Inc. (TSX:ATD.B) has grown tremendously. Its convenience store

operating and integrating abilities are top notch.

Couche Tard's return on equity has been 20% or higher since 2010. In the same period, its earnings per share compounded at a rate of 31% per year, its dividend per share compounded at a rate of 32% per year, and its shares' annualized rate of return was 36%.

Other than organic growth, its next leg up will be spurred from the **CST Brands** merger that's expected to close in early 2017 and its progressive rebranding from its multiple brands to its more recognized international brand, Circle K. Couche Tard will maintain its Mac's brand in the province of Quebec where the company started.

Conclusion

All three companies have an investment-grade S&P credit rating of BBB. Moreover, they're priced at reasonable or discounted valuations and are expected to grow their dividends in the foreseeable future. They're ripe for buying today and are stronger buys on dips.

If you invest the same amount in each company today, you will end up with an average yield of 3.6%. And the income from this mini portfolio can grow at a rate of at least 11% per year for the next three to five years.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:AQN (Algonquin Power & Utilities Corp.)
2. TSX:BPY.UN (Brookfield Property Partners)

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Date

2025/08/16

Date Created

2016/12/08

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