



This High-Yield Trio Could Be Your Ticket to a Secure Retirement

Description

We all dream about what it will be like to retire securely. For some, that might mean finally being able to travel the world. For others, it might just mean having more time to do what you love, including spending time with loved ones. Whatever your retirement dream, the thing that's needed to make it a reality is a secure income stream. For those who aren't sure where their retirement income will come from, here are three stocks that could provide just what you need.

These boring assets produce a beautiful income stream

For many, **Brookfield Infrastructure Partners LP** ([TSX:BIP.UN](#))([NYSE:BIP](#)) is as dull a company as they come. That's because most don't find much excitement in a company that owns a diversified portfolio of pipelines, power lines, ports, and other infrastructure assets.

However, while there might not be anything exciting about the assets Brookfield Infrastructure Partners owns, what is exciting is the steady stream of cash flow these assets generate each year. Overall, 91% of its cash flow comes from contracted and regulated sources. Meanwhile, with high margins and minimal maintenance needs, it's able to return 60-70% back to investors each year, enabling those buying today to nab a 4.5% yield.

That said, Brookfield Infrastructure Partners's current income stream is only part of the story. The company is in the midst of a major expansion phase consisting of US\$2.3 billion of capital projects. Those growth projects, when combined with other factors, should increase its earnings by 6-9% per year, giving the company clear visibility to increase its payout by 5- 9% per year.

In addition, Brookfield Infrastructure Partners has a knack for buying high-quality infrastructure assets at good prices, which enhances its ability to grow the payout. In fact, it has already increased its distribution by 11% this year and at a 12% compound annual rate since forming in 2009. Given its history and future projections, investors can count on steady income growth for years to come.

The lazy way to be a landlord

One way many retirees try to generate retirement income is by owning real estate. However, that can

be a job in itself. That's why my preferred land lording option is **Brookfield Property Partners LP** ([TSX:BPY.UN](#))(NYSE:BPY), which owns a global real estate portfolio. Those properties throw off rather steady income, which Brookfield Property Partners sends back to investors via a rather healthy 5% yield.

That said, like its infrastructure sibling, that income stream is only one part of the Brookfield Property Partners's story. The other part is its clearly visible growth.

Using a similar combination of embedded organic growth initiatives, such as redevelopment and development projects underway, Brookfield Property Partners expects to grow its earnings by 8-11% annually through 2021. That provides it with the clear line of sight to deliver 5-8% annual distribution increases over that same time frame. Best of all, there are no tenants to chase or overflowing toilets to fix, making this the lazy way to be a real estate mogul.

Getting paid to go green

Brookfield Renewable Partners LP ([TSX:BEP.UN](#))(NYSE:BEP) shares many of the same characteristics as its siblings. It too generates steady cash flow since contractual obligations support 90% of its earnings stream. Meanwhile, it expects that a combination of contract escalators and development projects in the pipeline will support steady mid-single-digit cash flow growth over the next several years.

The only real difference is that it generates cash flow from hydro and wind power assets as opposed to infrastructure and property assets, enabling investors to collect some green by going green. In fact, the company has a higher current yield than its siblings at more than 6%. Meanwhile, with visible cash flow growth in the forecast, the company expects to boost its distribution by 5-9% annually over the long-term, making it an excellent income growth stock for retirement-focused investors.

Investor takeaway

These Brookfield entities all generate steady cash flow, the bulk of which they distribute back to investors. On top of that, each has visible growth on the horizon due to contract escalations and projects in the pipeline, giving them the ability to project mid-single-digit annual distribution increases over the long term. It's those growing income streams that make these companies such compelling options for investors seeking security in their retirement years.

CATEGORY

1. Dividend Stocks
2. Investing

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TICKERS GLOBAL

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2. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)

4. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
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Author

mdilallo

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