

## RRSP Investors: 2 High-Yield Studs That Belong in Your Portfolio

### Description

When investing in your RRSP, the intent is to have a nice little nest egg for retirement. Therefore, investors need to take advantage of the tax-free growth in an RRSP by investing in fantastic companies that will make their returns compound.

However, there is another advantage RRSPs offer that investors need to exploit, and it's the treatment of foreign income. Typically, any foreign income derived from your investments is subject to a 15% withholding tax, even in a TFSA or RESP. However, in an RRSP, the withholding tax doesn't apply, and you can truly accumulate all of your investment income on a tax-free basis.

Therefore, investors should consider adding some companies with foreign income distributions to their portfolios to use this tax break to their advantage. **Brookfield Renewable Partners LP** ([TSX:BEP.UN](#))([NYSE:BEP](#)) and **Brookfield Property Partners LP** ([TSX:BPY.UN](#))(NYSE:BPY) are two great companies with foreign income included in their distributions.

### Brookfield Renewable

Brookfield Renewable owns and manages a portfolio of renewable power-generating facilities throughout North America, Europe, and Latin America. The company is a global leader in hydroelectric power as it makes up 85% of the company's energy portfolio. However, the company also produces wind, pumped storage, and biomass energy generators, thereby providing the company with exposure to additional growing energy industries.

As for investor returns, the company has increased its payout to investors in each of the past six years and currently offers a yield of 6%. With Brookfield Renewable's leadership position and ample resources to expand its operations, investors can expect reliable returns from this company for years to come.

### Brookfield Property

Brookfield Property owns, operates, and invests in various types of properties across the globe. Therefore, investors can achieve instant diversification by acquiring a company with operations in multiple countries and sectors of the real estate industry. In addition, management's investment objective is to provide a return on equity of 12-15%. Therefore, investors know they have a company that has their interests in mind.

From a valuation perspective, Brookfield Property's price-to-funds from operations ratio is currently 6.3 which is well below the industry average of 15.5. Therefore, investors are significantly underpaying for a company that generates large cash flows and provides a generous yield of 5.19%.

### Foolish bottom line

Both of these companies provide investors with reliable payouts and room for capital appreciation. With

the additional incentive of using the foreign income tax break to your advantage, it's a no-brainer to hold companies like Brookfield Renewable and Brookfield Property in your RRSP.

Fool on!

## CATEGORY

1. Energy Stocks
2. Investing

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1. Editor's Choice

## TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
3. TSX:BPY.UN (Brookfield Property Partners)

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