



## Retirement Income: 5 Dividend-Growth Stocks to Buy and Hold Forever

### Description

If you're like me, then you probably like simple things in life. In investing, that means avoiding complicated trading strategies, fancy charts, and complex patterns.

The reason I like investing in dividend stocks is that you focus on simple things, like fundamentals. You pick companies with sound management and dominant positions in their sectors.

These businesses produce products and services everyday that are so crucial to our daily lives. You don't find people discussing them at a dinner table because these businesses are generally old-fashioned and boring.

Once you've invested in these stocks, all you've to do is to earn nice dividends each month, or quarter, and re-invest those payouts to buy more of those shares.

As the years tick by, you'll realize how quickly your portfolio has grown as compounding plays its magic.

To get you started on your built-to-last portfolio for retirement income, I have selected these five stocks that you could buy-and-hold forever.

Investing, however, is risky and no one can guarantee the future, but this investing approach is used by some of the most successful investors, such as Warren Buffett, to produce market-beating returns.

Stock	Dividend Yield	Market Cap
<b>Royal Bank of Canada</b> ( <a href="#">TSX:RY</a> )( <a href="#">NYSE:RY</a> )	3.81%	\$134 billion
<b>Enbridge Inc.</b> ( <a href="#">TSX:ENB</a> )( <a href="#">NYSE:ENB</a> )	4.94%	\$82.59 billion
<b>BCE Inc</b> ( <a href="#">TSX:BCE</a> )( <a href="#">NYSE:BCE</a> )	4.88%	\$53 billion
<b>Bank of Nova Scotia</b> ( <a href="#">TSX:BNS</a> )( <a href="#">NYSE:BNS</a> )	3.98%	\$92.38 billion
<b>Canadian National Railway Company</b> ( <a href="#">TSX:CNR</a> )( <a href="#">NYSE:CNI</a> )	1.65%	\$75.5 billion

Source: Yahoo! Finance

Let's say a few words about these companies.

Canadian banks are one of the safest stocks with a great potential of dividend growth. Their ability to generate superior returns is helped by a very little competition in the local market. They generate a lot of cash and distribute about half of their income in dividends.

Companies like Royal Bank of Canada and Bank of Nova Scotia are offering attractive valuations after a recent pullback in their share prices.

It's tough to ignore Enbridge stock when we talk about making energy infrastructure and utilities part of your dividend portfolio. After the recent acquisitions and expansion, the company has become the largest pipeline operator in North America. Its very attractive dividend-growth policy is there to make sure that your investment continues to beat the rate of inflation.

Similarly, BCE Inc. runs the largest telecom network in Canada with a huge wireless and cable customer base. Income investors in BCE stocks have enjoyed an uninterrupted delivery of dividend cheques for the 135 years. I don't think these payouts are going to vanish anytime soon when internet and cellphones have become an integral part of our daily lives.

Just like BCE which is crucial for the modern day connectivity, businesses in North America can't imagine moving their products across border without the rail network of Canadian National Railway. You can also count on CN dividends for many years to come because it's almost impossible to challenge the company's dominance on rail tracks anytime soon.

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## TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:CNI (Canadian National Railway Company)
4. NYSE:ENB (Enbridge Inc.)
5. NYSE:RY (Royal Bank of Canada)
6. TSX:BCE (BCE Inc.)
7. TSX:BNS (Bank Of Nova Scotia)
8. TSX:CNR (Canadian National Railway Company)
9. TSX:ENB (Enbridge Inc.)
10. TSX:RY (Royal Bank of Canada)

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