



3 Quality Dividend Stocks Yielding 3-5% I'd Buy Today

Description

Dividend stocks should be core holdings in every investor's portfolio, because as history shows, they far outperform their non-dividend-paying counterparts over the long term. With this in mind, let's take a look at three high-quality stocks with yields of 3-5% that you could buy right now.

Toronto-Dominion Bank

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) is Canada's largest bank as measured by assets with approximately \$1.2 trillion in total as of July 31. It provides a wide range of financial products and services to clients in Canada, the United States, and around the world.

TD Bank currently pays a quarterly dividend of \$0.60 per share, equating to \$2.40 per share on an annualized basis, which gives it a yield of about 3.4% at the time of this writing.

Foolish investors must note that the bank has raised its annual dividend payment for six consecutive years, and its two hikes in the last 21 months have it positioned for fiscal 2017 to mark the seventh consecutive year with an increase. It also has a target dividend-payout range of 40-50% of its adjusted net income available to common shareholders, so I think its consistently strong growth, including its 14.7% year-over-year increase to \$7.76 billion in the first nine months of fiscal 2017, will allow its streak of annual dividend increases to continue for decades.

Brookfield Infrastructure Partners L.P.

Brookfield Infrastructure Partners L.P. ([TSX:BIP.UN](#))([NYSE:BIP](#)) is one of the largest owners and operators of critical and diverse global infrastructure networks. Its portfolio includes electricity transmission lines, natural gas transmission lines and storage facilities, rail tracks, ports, toll roads, and communications towers, which are located across North America, South America, Asia Pacific, and Europe.

Brookfield currently pays a quarterly distribution of US\$0.435 per unit, equating to US\$1.74 per unit on an annualized basis, and this gives its stock a yield of about 4.05% at the time of this writing.

It's important to note that Brookfield has raised its annual dividend payment for seven straight years, and its two hikes in the last 15 months have it on track for 2017 to mark the eighth consecutive year with an increase. The infrastructure company also has a long-term distribution-growth target of 5-9% annually, and I think its very strong operational performance, including its 11.9% year-over-year increase in funds from operations to \$1.51 per unit in the first half of 2017, will allow it to achieve this growth target for the foreseeable future.

North West Company Inc.

North West Company Inc. ([TSX:NWC](#)) is one of the leading retailers of food and everyday products and services to rural communities and urban neighbourhood markets in Canada, Alaska, the South Pacific, and the Caribbean. As of July 31, it operates 243 stores under the trading names Northern, NorthMart, Giant Tiger, Alaska Commercial Company, Cost-U-Less, and RiteWay Food Markets.

North West currently pays a quarterly dividend of \$0.32 per share, equating to \$1.28 per share on an annualized basis, which gives it a yield of about 4.2% at the time of this writing.

Investors must note that North West has raised its annual dividend payment each of the last five years, and its 3.2% hike in March has it on track for 2017 to mark the sixth consecutive year with an increase. I think the retailer's very strong financial performance, including its 9.5% year-over-year increase in sales to \$984.70 million and its 15.9% year-over-year increase in adjusted net earnings to \$41.87 million in the first half of 2017, will allow its streak of annual dividend increases to easily continue into the 2020s, making it my top pick in the food retail industry today.

CATEGORY

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