

The Instant 3-Stock Portfolio for Dividend Investors

Description

Dividend stocks are the foundation of great portfolios. However, not all dividend stocks are created equal, so this is where you must do your homework. Fortunately for those of you who are reading this article, I've done the necessary homework and compiled a list of three stocks with high and safe yields of 4-6%, track records of dividend growth, and the ability to continue growing their dividends going forward, so let's take a closer look at each to determine if you should buy one or all of them today.

Brookfield Renewable Partners LP

Brookfield Renewable Partners LP ([TSX:BEP.UN](#))([NYSE:BEP](#)) is one of the world's largest owners and operators of renewable energy assets. As of June 30, its portfolio consisted of 261 facilities, including 218 hydroelectric facilities and 36 wind power facilities, which are located across North America, South America, and Europe.

Brookfield currently pays a quarterly distribution of US\$0.4675 per unit, equating to US\$1.87 per unit on an annualized basis, giving it a yield of about 5.6% at the time of this writing. It's important to note that the company's 5.1% distribution increase in February has it on track for 2017 to mark the sixth consecutive year in which it has raised its annual distribution, and that it has a long-term distribution-growth target of 5-9% annually, making it my favourite high-yielding investment option in the renewable energy industry today.

BCE Inc.

BCE Inc. ([TSX:BCE](#))([NYSE:BCE](#)) is Canada's largest communications company with about 21.92 million subscribers as of June 30.

BCE currently pays a quarterly dividend of \$0.7175 per share, equating to \$2.87 per share on an annualized basis, which gives it a yield of about 4.9% at the time of this writing. Investors must note that the company's 5.1% dividend increase in February has it positioned for 2017 to mark the ninth consecutive year in which it has raised its annual dividend payment, and that it has a target dividend-payout range of 65-75% of its free cash flow (FCF), so I think its strong FCF growth, including its projected 5-10% growth in fiscal 2017, will allow this streak to continue for decades.

Laurentian Bank of Canada

Laurentian Bank of Canada ([TSX:LB](#)) is one of Canada's largest financial institutions. It provides a wide range of financial products and services to individuals and businesses across the country, and as of April 30, it had about \$45.4 billion in assets.

Laurentian Bank currently pays a quarterly dividend of \$0.62 per share, equating to \$2.48 per share on an annualized basis, which gives it a yield of about 4.15% at the time of this writing. It's important to note that the company's three dividend hikes in the last 18 months have it on track for 2017 to mark the 10th consecutive year in which it has raised its annual dividend payment, and that it has a target

dividend-payout range of 40-50% of its adjusted net income, so I think its consistently strong growth, including its 20.4% growth to \$164.27 million in the first nine months of fiscal 2017, will allow this streak to easily continue for another decade.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:BEP (Brookfield Renewable Partners L.P.)
3. TSX:BCE (BCE Inc.)
4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
5. TSX:LB (Laurentian Bank of Canada)

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