

## Attention TFSA investors: Brookfield Infrastructure Partners L.P. Is Among Dividend-Paying Stocks at 52-Week Highs With More Upside to Come

### Description

For TFSA investors, it is a key strategy to keep your [highest-yielding stocks](#) and bonds concentrated in this tax-sheltered portfolio.

While dividends are subject to lower tax rates than bonds, it is nevertheless a key money-saving strategy to keep your stocks that are paying the high and growing dividends in a TFSA.

Here we have a couple of such stocks. But the investment case goes beyond the dividend yields and includes prospects for dividend growth going forward and for capital appreciation of the stock, as the companies continue to grow their businesses.

These companies have [solid businesses and solid business prospects](#). And to top it all off, they also have safe and increasing dividends that provide investors with that much-needed income.

With **Brookfield Infrastructure Partners L.P.** ([TSX:BIP.UN](#))([NYSE:BIP](#)), investors get their income needs met while gaining exposure to the infrastructure investment trend that is taking place worldwide.

The stock currently has a dividend yield of just under 4%. And with a history of consistent increases in its dividend, we can feel secure in management's track record. The company's per-unit distribution has increased by a cumulative average growth rate of 12% since 2009, and in the latest year, it increased by another 12%.

The company's assets are long-life assets that provide essential services and have long term contracts and predictable cash flows.

And, at a 65% payout ratio, the company remains well within its targeted range of between 60% and 70%.

Going forward, management's plans, which are targeting 5-9% annual growth in distributions and long-term ROEs of 12-15% seems highly reliable.

Another company that is a good candidate for investors' TFSA portfolios is **Fortis Inc.** ([TSX:FTS](#))([NYSE:FTS](#)).

Being a regulated utility company, it is an inherently defensive investment, and if the recent increase in interest rates begins to put a damper on the economy and consumer spending, this stock makes even more sense.

With a current dividend yield of 3.5% and a business model whereby its earnings are currently almost 100% from regulated and/or long-term utility infrastructure, investors can feel safe with this dividend.

We can also expect growth in this dividend, as the company expects an increase in its rates to support

its plans to increase dividends by a cumulative average growth rate of 6% through to 2022.

Going forward, Fortis is focused on low-risk organic growth opportunities and not large-scale utility acquisitions, further highlighting the defensive attributes of this company/stock.

With strong and growing dividends, both of these stocks have a place in investors' TFSAs.

## **CATEGORY**

1. Dividend Stocks
2. Investing

## **TICKERS GLOBAL**

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. NYSE:FTS (Fortis Inc.)
3. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
4. TSX:FTS (Fortis Inc.)

## **PARTNER-FEEDS**

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

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