



## Outperform the TSX With These 3 Dividend Stars

### Description

Investing in dividend-growth stocks is one of the easiest ways to grow your wealth and outperform the market over the long term, because all you have to do is buy great stocks with safe and growing dividends and hold them for as long as possible. With this in mind, let's take a look at three dividend stars that you could buy right now.

#### **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#))

Bank of Nova Scotia is Canada's third-largest bank as measured by assets with over \$923 billion in total as of January 31, 2018. It provides a full range of financial products and services to about 24 million customers in North America, Latin America, the Caribbean, Central America, and parts of Asia.

Bank of Nova Scotia currently pays a quarterly dividend of \$0.82 per share, representing \$3.28 per share on an annualized basis, which gives it a yield of about 4% at the time of this writing. It has raised its annual dividend payment each of the last seven years, and its recent hikes have it on track for fiscal 2018 to mark the eighth straight year with an increase.

Foolish investors must also note that the financial titan has a target dividend-payout range of 40-50% of its adjusted net income attributable to common shareholders, so its consistently strong growth, including its 18.4% year-over-year increase to \$1.87 per share in the first quarter of 2018, should allow it to continue to deliver dividend growth to its shareholders for many years to come.

#### **Brookfield Renewable Partners LP** ([TSX:BEP.UN](#))([NYSE:BEP](#))

Brookfield owns and operates one of the world's largest portfolios of renewable power-generation facilities. As of December 31, 2017, its portfolio consists of 841 facilities with approximately 16,400 megawatts of generating capacity, which are located across 24 markets in 14 countries.

Brookfield currently pays a quarterly dividend of US\$0.49 per unit, representing US\$1.96 per unit annually, which gives it a yield of about 6.45% at the time of this writing. It has raised its annual distribution for six straight years, and [its 4.8% hike](#) in February has it on track for 2018 to mark the seventh straight year with an increase.

It's also important to note that the renewable energy giant has a long-term distribution-growth target of 5-9% annually, and I think its very strong growth of funds from operations (FFO), including its 31% year-over-year increase to US\$1.90 per unit in 2017, and its fast-growing asset base that will help fuel future FFO growth, including its addition of 579 facilities and over 5,500 megawatts of capacity in 2017, will allow it to achieve this target for the foreseeable future.

#### **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#))

BCE is Canada's largest communications company with approximately 22.11 million subscribers as of December 31, 2017. It provides advanced broadband wireless, television, internet, and business communications solutions to residential, business, and wholesale customers across the country.

BCE currently pays a quarterly dividend of \$0.755 per share, representing \$3.02 per share annually, which gives it a yield of about 5.4% at the time of this writing. It has raised its annual dividend payment for nine consecutive years, and its 5.2% hike in February has it on pace for 2018 to mark the 10th consecutive year with an increase.

Investors must also note that Canada's [largest communications company](#) has a target dividend-payout range of 65-75% of its free cash flow, so I think its consistent growth, including its 6% year-over-year increase to \$3.42 billion in 2017 and its projected 3-7% year-over-year increase in 2018, will allow its streak of annual dividend increases to continue going forward.

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1. Dividend Stocks
2. Investing

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2. NYSE:BEP (Brookfield Renewable Partners L.P.)
3. NYSE:BNS (The Bank of Nova Scotia)
4. TSX:BCE (BCE Inc.)
5. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
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### Date

2025/09/27

### Date Created

2018/03/21

### Author

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