3 Dividend Superstars to Buy and Hold

Description

Buying and holding high-quality dividend stocks while reinvesting all dividends received is one of the most powerful and time-honoured strategies to build wealth over the long term. Let's take a closer look at three stocks with yields up to 8.1% that you could buy right now.

Enbridge Income Fund Holdings Inc. (TSX:ENF)

Enbridge Income Fund Holdings indirectly owns high quality, low-risk energy infrastructure assets across North America, including natural gas pipelines, liquids pipelines and storage terminals, and renewable and alternative power generation facilities.

Enbridge Income Fund Holdings pays a monthly dividend of $0.1883 per share, equating to $2.2596 per share annually, which gives it a yield of about 8.1% at the time of writing. It has raised its dividend in each of the past seven years, and its recent hikes, including its 10% hike that took effect in February, place it on track to mark the eighth straight year with an increase.

It's also important to note that it has a dividend growth target of 10% annually through to 2020. I think that its steady growth of distribution income, including its 22.6% increase to $309 million in 2017, will allow it to extend this target into the mid-to-late 2020s.

Genworth MI Canada Inc. (TSX:MIC)

Genworth MI Canada, through its subsidiary, Genworth Financial Mortgage Insurance Company Canada, is Canada's largest private residential mortgage insurer. It provides mortgage default insurance to residential mortgage lenders in Canada, which makes buying a home easier for first-time homebuyers.

Genworth pays a quarterly dividend of $0.47 per share, equating to $1.88 per share annually, which gives it a yield of about 4.6% at the time of writing. The insurance giant has raised its annual dividend payment for eight consecutive years, and its 6.8% hike in November put it on track for 2018 to mark the ninth straight year with an increase.

Foolish investors must also note that Genworth has a target dividend-payout range of 35-45% of its net operating income; thus, I think its consistently strong growth, including its 16.7% increase to a fully diluted $1.33 per share in 2017, will allow it to continue to deliver dividend growth to its shareholders through to the 2020s.

Telus Corporation (TSX:T)(NYSE:TU)

Telus is Canada's fast-growing national telecommunications company, with approximately 13.05 million subscribers as of December 31, 2017. It's also the largest healthcare IT provider in Canada, and its international division delivers business process solutions to companies worldwide.

Telus pays a quarterly dividend of $0.505 per share, which amounts to $2.02 per share annually, giving it a yield of about 4.6% at the time of writing. The communications giant has raised its dividend for a very impressive 14 straight years, and its recent hikes, including its 2.5% hike in November, put it on track for 2018 to mark the 15th straight year with an increase.

It's important to note that Telus has a dividend growth program that calls for 7-10% growth annually through 2019, and I think its consistently strong earnings growth, including its projected 2.8-8.9% growth to $2.53-$2.68 per share in 2018, will allow it to complete this program and announce a new one that extends into the late 2020s or early 2030s.

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