



The Next Wave of Canadian Dividend Aristocrats

Description

Dividend-growth investors look for companies with reliable and consistent dividend-growth streaks. One of the first “go-to” places to look is the Canadian Dividend Aristocrat list. These are companies that have grown dividends for five or more consecutive years.

There are several benefits to achieving this distinguished status. The company’s dividend-growth streak earns instant credibility and it is added to ETFs and mutual funds that track the Aristocrats. This brings with it increased liquidity and more visibility to retail investors.

What companies will be a part of the next wave of Canadian dividend-growth stalwarts? Here are eight companies that are expected to achieve Aristocrat status in 2019. All eight had four-year dividend-growth streaks entering 2018.

Guaranteed inclusion

The two companies below have gotten a head start on the other six, as both have already raised dividends in 2018. So long as they don’t cut their dividend by end of year, they are guaranteed Aristocrat status in 2019.

Innergex Renewable Energy Inc. ([TSX:INE](#)) announced a 3.03% increase at the end of March. With the raise, the company now pays out a quarterly dividend of \$0.17 per share. Its one-year, three-year and five-year growth rates all hover around 3%.

Rising interest rates have enabled **Manulife Financial Corporation** ([TSX:MFC](#))([NYSE:MFC](#)) to once again become a reliable dividend payer. With its 7% raise in February, the company will become an Aristocrat for the second time. Manulife’s previous streak was interrupted by the financial crisis. It has healthy growth rate just north of 10% over the past three and five years.

Expected increases

The six companies listed below have yet to announce a raise this year. With a four-year streak on the line, they should come through for investors in the second half of the year.

Brookfield Real Estate Services Inc. ([TSX:BRE](#)) currently yields 7%, and its three-year dividend-growth rate is 3.2%. Expect a raise in late summer.

Capital Power Corp. ([TSX:CPX](#)) yields 6.5%, and its three-year dividend-growth rate is a robust 7.2%. The company typically raises in late September.

Industrial Alliance Insur. & Fin. Ser. ([TSX:IAG](#)), an insurer, has an impressive three-year double-digit growth rate hovering around 10%. Expect to see a raise in November.

Richards Packaging Income Fund ([TSX:RPI.UN](#)) is a monthly dividend payer that has kept its dividend steady for 16 straight months. It is one of two companies on this list whose streak may be in jeopardy.

SmartCentres Real Estate Investment Trst ([TSX:SRU.UN](#)) has an attractive 6.19% yield and a three-year growth rate of 3.1%. All of the company's most recent dividend raises came in October. Expect the same this year.

Uni-Select Inc. ([TSX:UNS](#)) has historically raised dividends in May. However, this past May, the company kept its dividend steady. Does the shift reflect a change in strategy? Like Richards Packaging, its streak is now in question.

Beat the crowd

Investors should always stay ahead of the broader market. One way of doing so is to get in on dividend-growth companies before they achieve Aristocrat status.

This is but a starting point, and investors should do their own due diligence before starting a position in any of the companies listed.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:BRE (Bridgemark Real Estate Services Inc.)
3. TSX:CPX (Capital Power Corporation)
4. TSX:IAG (iA Financial Corporation Inc.)
5. TSX:INE (Innergex Renewable Energy)
6. TSX:MFC (Manulife Financial Corporation)
7. TSX:RPI.UN (Richards Packaging Income Fund)
8. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)
9. TSX:UNS (Uni-Select)

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