



A Top Dividend Stock to Kick-Start Your TFSA Retirement Portfolio

Description

One of the best ways to kick-start your retirement savings is to purchase high-quality income stocks. There are stocks that have high-quality assets, histories of growing earnings and dividends, and positive outlooks. Simply put, these are buy-and-forget stocks.

A perfect starting point for investors is **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)).

Growth strategy

Brookfield Infrastructure is one of the largest owners and operators of global infrastructure networks that facilitate the movement and storage of energy, water, freight, passengers and data. The company's high-growth strategy is centered on the [acquisition of high-quality assets](#) at great value.

It's a strategy that has proven successful. Since its inception in 2008, shareholders have enjoyed a compound annual growth (CAGR) rate of 15%. The company has a targeted return on equity between 12% and 15%.

Thus far in 2018, the company has deployed \$1.8 billion in capital towards six new investments. In addition, it delivered \$350 million in organic growth initiatives. The company isn't done.

Most recently, the company announced its intent to purchase **Enercare** for \$4.3 billion. Enercare is one of North America's largest home and commercial services companies. The deal is expected to close in the fourth quarter. It has also announced it's in advanced discussion to acquire high-quality assets in India.

Dividend growth

Brookfield Infrastructure is a [Canadian Dividend Aristocrat](#), having raised dividends for 10 consecutive years. Over that time span, it has raised dividends on average by 11% annually. Over the long term, the company has a targeted annual dividend-growth rate between 5% and 9%.

The company has also been a mainstay in **National Bank's** Canadian Dividend All-Stars portfolio. This

list of top dividend stocks screens for a yield greater than 4%, a sustainable and growing dividend, and upside potential.

Short-term headwinds

Year to date, the company has struggled with its share price, losing approximately 7% of its value. This is due in large part to rising interest rates and a rising U.S. dollar. In turn, the stronger dollar has had an adverse effect on emerging markets in which Brookfield has significant exposure. It is estimated that approximately 30% of the company's operations are in Brazil.

Emerging markets have seen their fair share of ebbs and flows. The important part is that they remain emerging and still have plenty of attractive growth prospects. Given its exposure, Brookfield is well positioned to benefit from the inevitable bounce-back. Take Warren Buffett's advice: when investors are fearful, it's time to buy.

Analysts are unanimous in their coverage with 11 of 11 rating the company a buy or strong buy. The one-year average price target is \$59.77, which implies 16% upside.

Brookfield Infrastructure is the perfect foundation for your TFSA or RRSP portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)

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