



3 Dividend Beasts for the Long-Term Value Investor

Description

Companies with relatively high dividend yields, or those that continuously raise their dividend for years or decades at a time are relatively abundant on the TSX now, thanks to declining equity prices and a macroeconomic environment that appears to be hostile to energy-and-financials-heavy Canadian equities.

Within this context, here are my top five dividend picks for investors looking for stable income, at newfound value levels:

Fortis

A company that's managed to stay relatively stable during this most recent rough patch in Canadian income stocks, **Fortis Inc.** ([TSX:FTS](#))([NYSE:FTS](#)) has remained a [top pick of mine](#) for some time now, and for good reason. The company has raised its dividend for more than four decades (on its way to five), and has more recently committed to raising its distribution in the mid-single digits per year for the next five years, making this company a great dividend growth play for long-term investors seeking retirement income in the next decade or two.

The regulated nature of Fortis' cash flows make this company an excellent investment for long-term investors, adding stability and reliability to the company's impressive aforementioned track record of dividend growth over time. Fortis would be a top-five pick of mine for investors looking for one company to generate income for them for the next fifty years.

CIBC

In terms of Canada's largest six banks, **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) has continuously held the juiciest yield for years. This reality is due to fundamental factors that have enticed investors to CIBC's peers; CIBC has traditionally held a disproportionate ratio of assets in Canada in lieu of the rest of the world when compared to its peers. Additionally, CIBC's recent global acquisitions have been made at a higher premium relative to the price the bank's peers were able to gain diversification, begging questions around long-term rates of return on these assets.

Taking advantage of a [historically high dividend yield](#) (especially for a company that continuously raises its dividend distribution) can be an advantageous strategy for an investor with a long-term time horizon, and the ability to buy into the bank's long-term vision and management team.

Telus

In the telecommunication space, **Telus Corporation** ([TSX:T](#))([NYSE:TU](#)) has been one of the steadiest growers of shareholder value for long-term investors in recent decades. The firm has grown its dividend yield by more than 8.5% per year for the past ten years, providing dividend growth matched by few other firms on the TSX.

Similar to the other two companies on this list, Telus enjoys a unique position in a Canadian telecommunications oligarchy, which provides for higher average margins and greater long-term cash flow generation, giving Telus the ability to continue to increase dividends over time in perpetuity. For those with a long-term time horizon, Telus is an excellent pick at current levels.

Stay Foolish, my friends

CATEGORY

1. Bank Stocks
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TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. NYSE:FTS (Fortis Inc.)
3. NYSE:TU (TELUS)
4. TSX:CM (Canadian Imperial Bank of Commerce)
5. TSX:FTS (Fortis Inc.)
6. TSX:T (TELUS)

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