



The RRSP Deadline Is Fast Approaching! Give Your Retirement a Boost With This 5% High-Yield Dividend Stock

Description

With the RRSP deadline fast approaching, finding the right investments to buy with your hard-earned contribution money is certainly on investors' minds.

In my opinion, **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)) is a stock that investors should consider for its 5% high-yield status and for its consistent and predictable track record as a [dividend-paying stock](#).

Why Brookfield?

With one of the largest portfolios of globally diversified global infrastructure assets, Brookfield has a strong track record of driving shareholder value and wealth.

It has many qualities that investors should look for in a stock:

- a strong competitive advantage
- a strong track record
- predictable [cash flows](#)
- a growing dividend

Brookfield's assets are long-life assets that provide essential services.

Assets include regulated utilities terminals, energy transmission and distribution, railroads, toll roads, as well as assets in newer, faster-growing industries such as communications infrastructure and water infrastructure.

And because these assets provide essential services, they bring predictable cash flows and have long-term contracts.

Strong track record

Since 2009, Brookfield has grown its funds from operations by a compound annual growth rate (CAGR) of 19%, and it's per unit distribution by a CAGR of 11%.

Management has increased expectations and are now targeting 6-9% annual growth in distributions, and all indications point to them coming in at the top end of this range. They are clearly in it to create dividends for shareholders as well as growth.

In the fourth quarter of 2018, Brookfield generated a 2.5% increase in funds from operations per share, and management increased the dividend by 7%, in what was the 10th consecutive year of dividend increases.

Financial strength

The company is backed by the \$52 billion market capitalization behemoth, **Brookfield Asset Management**, which has a stake in Brookfield Infrastructure's assets and provides management and administration services.

There appears to be no shortage of opportunities and Brookfield remains ready to pounce, with ample liquidity and the backing of Brookfield Asset Management.

In terms of future opportunities, the list is long and exciting.

From different geographies to different industries, the fact is that the much of the growth is coming from new sources.

Aging public infrastructure, economic growth in Asia, water scarcity, and unprecedented data usage are big drivers. In fact, Brookfield is in discussions to acquire certain energy infrastructure assets in the U.S. and India.

Final thoughts

Brookfield is a high-yield dividend stock that provides investors with a predictable and consistently growing dividend, making it a good addition to your RRSP portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

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