Buy These 3 Dividend-Growth Stocks for Your RRSP Today

Description

As the RRSP deadline approaches, saving for retirement is top of mind for investors.

If started early and maintained with yearly or monthly deposits, your RRSP is your ticket to a healthy retirement fund for your golden years.

Would you like a retirement fund that provides you with consistent income and stable price action?

Dividend-growth stocks are ideal for this purpose. They are generally backed by a strong and stable history and a secure future, all the while returning cash to shareholders.

Here are three dividend-growth stocks that investors should consider adding to their RRSP portfolios.

Brookfield Infrastructure Partners (TSX:BIP.UN)(NYSE:BIP)

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%.

With assets such as regulated utilities terminals, energy transmission and distribution, railroads, toll roads, as well as assets in newer and faster-growing industries such as communications infrastructure and water infrastructure, Brookfield's cash flows are predictable and safe with long-term contracts behind them.

Recently, management has increased expectations and is now targeting 6-9% annual growth in distributions, and all indications point to them coming in at the top end of this range.

The company is clearly in it to create dividends for shareholders as well as growth.

Suncor Energy (TSX:SU)(NYSE:SU)

Up 15% year to date, Suncor Energy stock is already performing quite well in 2019. This, plus its dividend yield of 3.7% has provided shareholders with a return that is much better than the market return.

Suncor's integrated business model will continue to be a cash windfall for the company, as its downstream business benefits from pricing strength and increasing production.

Accordingly, its 10-year compound annual growth rate in dividends is 22%.

In its latest quarter, Suncor increased its dividend by 9%, as strength in its downstream results drove strong cash flows. With expected free cash flow of over $3 billion in 2018, Suncor is well positioned.

Intact Financial (TSX:IFC)

With a 2.76% current dividend yield and a 9.1% 10-year CAGR in dividends, Intact has certainly provided its shareholders with stable, reliable, and growing income.

The company has a leading competitive position in the insurance industry, with a 17% market share and solid management that is intent on being the consolidators in this fragmented market.

Strong results, a growing dividend, a healthy balance sheet, and the potential for additional growth via acquisitions are drivers for the stock going forward.

Management expects that 15-20% market share will change hands in the next five years. And given that barriers to entry are high in this business, this leaves Intact well positioned to continue to be the consolidator in Canada and in the U.S.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
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2. NYSE:SU (Suncor Energy Inc.)
3. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
4. TSX:IFC (Intact Financial Corporation)
5. TSX:SU (Suncor Energy Inc.)

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