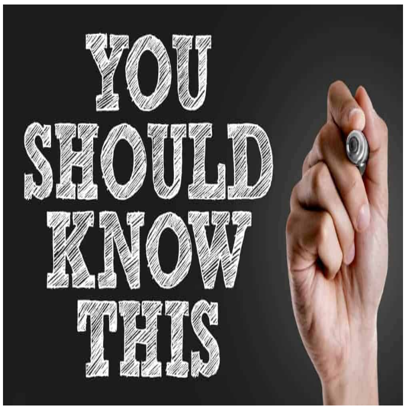

3 Canadian Dividend Aristocrats Yielding 6%+ to Buy in May

Description

A dividend aristocrat is a company that has hiked its annual dividend every year for the last five consecutive years with a market cap in excess of $300 million. Companies with such a solid history of regular increases typically possess stable mature business, wide economic moats and dependable growing earnings, making them attractive investments. Dividend growth investing is one of the most assured means of achieving investing success. Let's take a closer look at three top Canadian dividend aristocrats yielding 6% or more that should be in every investors' portfolio.

Brookfield Renewable Partners (TSX:BEP.UN)(NYSE:BEP)

Brookfield Renewable is the leading publicly listed renewable energy company that possesses a mix of defensive characteristics and solid growth potential. It pays a regularly growing distribution that it has hiked for the last nine years straight to yield a juicy 6.5%. Regardless of the claims of some analysts, Brookfield Renewable's distribution is sustainable and will continue to grow as its earnings increase.

The partnership recently reported some robust first quarter 2019 results including an 8% year over year increase in actual power generation. That saw funds from operations rise by a healthy 18% to US$27 million and net income increased fivefold to US$43 million.

Such strong growth should continue for the remainder of 2019 and into 2020 as Brookfield Renewable's growth initiatives gain momentum. During the quarter, the partnership commissioned a 19-megawatt hydroelectric facility in Brazil and continued developing a 134-megawatt portfolio of hydro, wind, pumped storage and rooftop solar projects. When this is coupled with growing demand for electricity in Brookfield Renewable's core markets of North America, Brazil and Colombia, those facilities will drive earnings higher as they are commissioned.

Enbridge (TSX:ENB)(NYSE:ENB)

Enbridge is a leading North American provider of infrastructure to the energy patch. Enbridge has increased its dividend for an incredible 23 years straight to see it yielding a very tasty 6%. For some time it has been attracting considerable negative attention from traders which sees it currently ranked as the third most shorted stock on the TSX after competitor **TransCanada** and Canada's largest mortgage lender **Royal Bank of Canada**.

The midstream services provider is in the process of resolving the issues that have been attracting the attention of short sellers, including a complex corporate structure and heavily indebted balance sheet. During 2018, Enbridge established agreements for the sale of $7.8 billion in assets, the proceeds of which upon completion will be directed to reducing debt.

Enbridge announced a robust 2018 financial performance, including an impressive 35% year-over-year increase in adjusted net income to $2.65 per share as well as a 36% increase in distributable cash flow. The company's earnings will continue to expand at a solid clip as production in the energy patch expands as Enbridge completes the $16 billion of projects under development. That will support the sustainability of Enbridge's dividend while funding further increases, making it a must-own stock for all investors.

Plaza Retail REIT (TSX:PLZ.UN)

The disruptive effect of e-commerce and online shopping on traditional bricks and mortar retailing continues to pose a threat to the viability of shopping malls and retail REITs. Nonetheless, Canadian malls have not suffered the same cataclysmic decline that has occurred in the U.S., nor have domestic retail REITs been as severely impacted.

After a sharp decline in value over the last two years, Plaza Retail appears attractively valued, trading at a moderate discount to its book value. It finished 2018 with a 96% occupancy rate and well-laddered debt profile, with its mortgages having an average term to maturity of 5.5 years.

Plaza Retail has a solid development pipeline with over 1.3 million of square footage being developed, of which 536,731 square feet is currently under construction and expected to be completed during 2019. As those properties commence operations, they will give Plaza Retail's earnings a solid boost. The trust's earnings growth is enhanced by management's strategy of recycling capital and making opportunistic accretive acquisitions.

Plaza Retail has a long history of hiking its distribution, it has increased for the last 16 years giving it a very appealing 6.7% yield. The payment appears sustainable with a payout ratio of 96% of adjusted funds flow. That sustainability is enhanced by the trust's steadily growing earnings, which should see the payout ratio fall to a more viable level.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)

4. TSX:ENB (Enbridge Inc.)
5. TSX:PLZ.UN (Plaza Retail REIT)

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