



3 Dividend Aristocrats to Buy for Your RRSP Today

Description

Dividend aristocrats are those [dividend stocks](#) that have raised their dividends over many years, thereby creating a reliable dividend income stream that is growing within a framework that prioritizes this cash flow payment to shareholders.

RRSP investors who are usually looking for a reliable and growing stream of dividend income for their retirement should really value these stocks.

Without further ado, here are three dividend aristocrat stocks that you should consider buying for your RRSP today.

Alaris Royalty Corp. (TSX:AD)

With a current dividend yield of 8.73%, Alaris Royalty stock certainly gives investors a great income stream for their investment.

But with such an elevated [dividend yield](#), we naturally ask ourselves the question of whether there is a problem with this company.

Let's see.

Alaris provides capital to private businesses and collects dividends from these investments (preferred shares) as well as participation in the potential profit and growth of these companies. It's not without risk, and the company has had its struggles with underperforming investments, but the stock currently trades at a low valuation of 1.1 times price to book value while generating an ROE of north of 12% and an ROI of almost 10%.

The company has beaten expectations in the last three quarter with an improved payout ratio of approximately 90%, both of which usually result in stock price outperformance. Plus, we get a solid yield while we wait.

TransAlta Renewables Inc. ([TSX:RNW](#))

Since its IPO in 2013, the company has grown its dividends at a 6% compound annual growth rate. Its 80% to 90% payout ratio remains comfortably below 100%, and this, along with the company's quality assets, many of which are under long-term contracts and partially indexed to inflation, ensures that this dividend is sustainable.

Currently yielding 6.84%, this stock is a great buy for exposure to the fast-growing renewables industry.

Enbridge Inc. ([TSX:ENB](#))([NYSE:ENB](#))

Enbridge stock is currently yielding 5.89%, as it too has a solid history of dividend growth and value creation.

In fact, since 1996, investors have enjoyed 22 years of dividend increases, with a 33% dividend increase in 2015, a 14% increase in 2016, a 15% increase in 2017, and a 10% increase in 2018.

And management expects the dividend to increase 10% next year and 5% to 7% thereafter.

Final thoughts

RRSP investors would do well in the long-term by investing in these three dividend aristocrats which are not only providing solid, growing dividends, but are also giving their shareholders exposure to growing businesses of the future.

Add these to your RRSP and reap the rewards today and in the future.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:AD.UN (Alaris Equity Partners Income Trust)
3. TSX:ENB (Enbridge Inc.)
4. TSX:RNW (TransAlta Renewables)

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