



Income for Life: 3 “Forever Assets” to Provide a Stable Dividend Stream

Description

Hi there, Fools. I’m back to call your attention to three large-cap stocks for your watch list — or, as I like to call them, attractive “forever assets.” As a refresher, I do this because large companies (those with market cap of more than \$10 billion)

- help keep your portfolio stable [during periods of high volatility](#); and
- provide [steady and healthy dividends](#) year after year.

In fact, the three large-cap stocks below offer an average dividend yield of 3.7%. So, if you spread them evenly in an average-sized TFSA account of \$27K, they’ll be able to provide \$1,242 in annual income — on top of solid appreciation potential.

Let’s get to it.

Pipeline to profits

Leading off our list is energy distribution and transportation giant **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)), which boasts a market cap of about \$102 billion.

Enbridge utilizes top-tier regulated assets, long-term contracts, and a massive midstream pipeline network to deliver highly stable cash flows for shareholders. In the most recent quarter, Enbridge’s adjusted EBITDA increased 10.7%, while distributable cash flow (DCF) improved 19.5% to \$2.76 billion.

Thanks to that strength, management maintained its full-year DCF guidance of \$4.30-4.60 per share.

“We’re very pleased with our strong start to 2019,” said CEO Al Monaco. “Operationally, all of our systems are running well and near capacity. In fact, we hit record throughput levels this quarter on the Liquids Mainline System.”

Enbridge shares are up 19% so far in 2019 and offer a juicy dividend yield of 5.6%.

Smart assets

With a market cap of \$60 billion, asset management maven **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)) is our next forever asset.

Brookfield's massive asset base (\$350 billion of assets under management) and market-resilient business segments (like real estate, asset management, and infrastructure) allow it to generate robust cash flows for investors. Over the past 12 months, Brookfield has produced \$4.3 billion in funds from operations — \$1.05 billion of which was generated in the most recent quarter.

“Brookfield group liquidity remains strong at \$36 billion,” wrote the company. “We currently generate \$2 billion of annualized cash available for distribution and/or reinvestment to our corporate balance sheet, excluding carried interest and expect this to continue to increase.”

Brookfield shares are up roughly 21% so far in 2019 and offer a yield of 1.3%.

Welcome to the good life

Rounding out our list is life insurance gorilla **Manulife Financial** ([TSX:MFC](#))([NYSE:MFC](#)), which boasts a market cap of roughly \$46 billion.

As one of the Big Three life insurers in Canada, Manulife has the market share, financial muscle, and global growth opportunities — particularly in Asia — to keep delivering stable results for shareholders. In the most recent quarter, core EPS grew 19% while core return on equity improved to 14.2% versus 13.4% in the year-ago period.

“We delivered another quarter of strong core earnings and net income, both of which achieved solid double-digit growth over last year,” said CEO Roy Gori. “New business value grew 31% with double-digit increases across all of our operating segments.”

Manulife shares are up 21% so far in 2019 and offer a particularly scrumptious dividend yield of 4.1%.

The bottom line

There you have it, Fools: three forever assets worth considering for your TFSA account.

As always, they aren't formal recommendations. Instead, see them as a starting point for further research. Even the largest companies can suffer setbacks, so plenty of your own due diligence is still required.

Fool on.

CATEGORY

1. Dividend Stocks
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1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:MFC (Manulife Financial Corporation)
4. TSX:BN (Brookfield)
5. TSX:ENB (Enbridge Inc.)
6. TSX:MFC (Manulife Financial Corporation)

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