



## How to Get Defensive and Earn an Income

### Description

Have you ever tried to balance the income-earning potential of your portfolio while also making sure that the mix of investments is adequately diversified and can weather a market pullback?

That concern is something that is increasingly on the minds of investors lately. While the market is still in healthy double-digit territory for 2019, much of the gains in the past three-month period have been nearly erased amid renewed talk of trade wars, tariffs, the USMCA getting ratified, interest rates, and fluctuations in oil and gold prices.

In other words, now might be a good time to rebalance a portfolio with a [defensive investment](#), and **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is a company that can accomplish that and much more.

### Why Fortis is unique among utilities

There's a stereotype when it comes to utilities, namely, that they're boring investments. Yes, they offer a stable and recurring stream of revenue, and in many cases also offer investors a tasty dividend too, but the cost of offering that dividend often leaves little room for investing in growth — or so it would seem.

Fortis not only dispels that stereotype, but in recent years has thrived following a series of increasingly larger and lucrative acquisitions. Those acquisitions, in turn, provide a handsome bump to Fortis' already impressive dividend and have helped propel Fortis to become one of the top 15 utilities in North America, with customers located in Canada, the U.S. and in the Caribbean. The bulk of those earnings stem from the U.S. market, an important consideration for defensive investors wary of the loonie falling further to the greenback.

Also worth noting is the fact that Fortis boasts a portfolio that is 99% regulated, with PPAs that often span a decade or more in duration, adding additional stability to an already impressive business.

One of the major concerns with Fortis among critics is the growing need for traditional utilities to move toward [renewable energy](#). This is something that Fortis is well aware of, and the company's five-year

\$17.3 billion capital investment program states that delivering clean energy as one of its main objectives, with one such example being the US\$370 million New Mexico Wind Project under construction by one of Fortis' utilities. Upon completion, the wind project will provide a 247 MW renewable energy resource with enough capacity to power nearly 100,000 homes.

Fortis' dividend remains one of the most popular reasons investors consider the utility, and for good reason. Fortis has provided annual upticks to its already impressive dividend dating 45 consecutive years, and there are plans afoot to continue those annual increases with an average rate of 6% through 2023. Currently, that quarterly dividend provides an appetizing 3.63% yield, handily making Fortis a great investment option for nearly any portfolio.

## CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

## TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)

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dafxentiou

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