# TFSA Investors: This Is a Fabulous Buy-and-Hold Forever Dividend Stock

## Description

**Brookfield Renewable Partners** (TSX:BEP.UN)(NYSE:BEP) offers investors the unique opportunity to buy a stake in a company with exposure to the three key elements ("The Three E's") that, for a long time, have been linked to above-average portfolio returns:

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- Experienced management team with a history of operating expertise and capital discipline;
- Exposure to fast-growing end markets; and
- Extensive track record of returning returns for its shareholders.

What's interesting is that when we typically think of renewable energy, our minds will often go to renewable sources of power such as solar, wind, and even geothermal energy.

But did you know that hydroelectric power, or power derived from the movement of water, has been around for more than 100 years and is currently responsible for producing over 16% of the world's total electricity and over 70% of all renewable electricity?

Nearly half of BEP's renewable power comes from hydroelectric sources, with 25% coming from renewable wind technologies and the balance from solar, distributed generation, and storage.

Brookfield's portfolio is spread across four continents with the bulk of operations taking place in North America followed by South America and Europe, which is mostly composed of wind assets located strategically to take advantage of scarcity value and a smaller presence currently in Asia Pacific.

Led by an experienced management team, the company's strategy is relatively straightforward:

- Acquire and develop high-quality assets for less than their intrinsic value;
- Finance growth while maintaining an investment grade balance sheet;
- Apply operating expertise to grow cash flows sustainably over time; and
- Recycle any remaining capital from older, de-risked assets.

So far, the results have been impressive, to say the least.

Over the past five years, an investment in Brookfield Renewable Partners on the TSX would have returned 15% annually compared to returns of just 6% for the S&P/TSX Composite and S&P 500.

Management at Brookfield is committed to leveraging the returns from its portfolio to deliver above-average shareholder returns for its owners through consistent dividend increases targeted at between 5% and 9% per year and has delivered on those promises over the past eight years, averaging annual dividend growth of 6% per year between 2012 and 2019.

Looking ahead, it has plenty of access to capital to help it fund future growth projects, including $2.3 billion in available liquidity and access to $5 billion in available partner capital.

In addition, the company also has minimal exposure to the threat of an adverse change in credit markets, with less than 10% of its debt exposed to rising interest rates and the bulk of its outstanding maturities extending beyond 2023.

## Foolish bottom line

Currently yielding 5.67% annually on the TSX with expectations of forthcoming annual dividend increases of between 5% and 9% backed by a proven management team and an investment grade balance sheet, a prospective stake in BEP right now certainly looks primed for above-average investment returns.

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TFSA investors seeking exposure to renewable energy markets will want to carefully consider an investment in Brookfield Renewable Partners before looking anywhere else.

Making the world smarter, happier, and richer.

**CATEGORY**

1. Dividend Stocks
2. Investing

**TICKERS GLOBAL**

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)

**PARTNER-FEEDS**

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

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