



3 Dividend Aristocrats That Will Bolster Your RRSP

Description

A dividend aristocrat is a stock that has increased their dividend payout for 25 years or more. This is going by the standards for the **S&P 500** dividend aristocrats, which is the model I will follow today.

There is an alternative definition for TSX-listed stocks that allows for a more inclusion, but I want to use the more exclusive categorization so we can pick out the best stocks possible.

Stocks with a long history of dividend growth tend to be backed by stable and reliable companies that boast strong cash flow. These are particularly attractive targets for a retirement portfolio, as investors can rely on long term income growth to [grow their nest egg](#).

With that in mind, let's review three TSX-listed equities that can proudly call themselves dividend aristocrats.

Canadian Western Bank

Canadian Western Bank ([TSX:CWB](#)) is a regional bank based in Edmonton. Shares of Canadian Western have climbed 31% in 2019 as of close on September 18.

The bank released its third quarter 2019 results on August 29. It reported a third-quarter profit of \$71 million and adjusted cash earnings per share of \$0.82. This beat out Refinitiv analyst estimates and was up from \$0.75 per share in the prior year.

The bank has achieved strong results on the back of 12% loan growth and a 14% increase in net interest income. It has successfully expanded the proportion of its loan portfolio in Central and Eastern Canada from 22% in Q3 2018 to 26% in the most recent quarter.

Management announced an increase in its quarterly dividend to \$0.28 per share, representing a 3.3% yield. Canadian Western has achieved dividend growth for 27 consecutive years.

Toromont Industries

Toromont Industries ([TSX:TIH](#)) is a Vaughan-based industrial company that operates through its Equipment Group segment and CIMCO segment. Shares of Toromont have climbed 19% in 2019 as of close on September 18.

The stock has averaged annual returns of 13% over the past 10 years. This kind of capital growth is a great boon for income investors.

In the first six months of fiscal 2019, Toromont has reported a 19% year-over-year increase in net earnings to \$116.7 million and an 18% jump in earnings per share to \$1.43.

Operating income in its Equipment Group segment rose 16% from the prior year to \$162.1 million primarily due to higher revenues and gross profit margins.

The stock offers a quarterly dividend of \$0.27 per share, representing a modest 1.6% yield. However, Toromont has posted 29 straight years of dividend increases.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is one of the top utility stocks on the TSX. Back in late 2018 I'd suggested that investors should [flock to Fortis](#) stock as turbulence rattled markets.

Global economic anxiety has led to a rout in bond yields, and income-yielding equities like Fortis have been big beneficiaries in an increasingly dovish rate environment. Shares of Fortis have climbed 24.8% in 2019 so far.

In September Fortis announced an increase in its capital expenditure plan. It will now spend \$18.3 billion between 2020 and 2024, up \$1 billion from its 2018 plan. These are primarily aimed at its regulated utility businesses.

The goal for Fortis will be to dramatically raise its rate base by the middle of the next decade, which will in turn support further dividend increases.

Better yet, Fortis also announced a 6.1% hike to its quarterly dividend in September. It now offers a quarterly dividend of \$0.4775 per share, representing a 3.4% yield. Fortis has now achieved dividend-growth for a whopping 46 consecutive years.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)

2. TSX:CWB (Canadian Western Bank)
3. TSX:FTS (Fortis Inc.)
4. TSX:TIH (Toromont Industries Ltd.)

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