3 Great Income Picks for 2020 and Beyond

Description

How diversified is your portfolio? With only a few short weeks until the end of 2019 and an increasing amount of volatility in the air, this is the perfect time to rebalance your portfolio with some long-term picks that can provide growth and income-earning potential.

Bet on the telecom with a solid dividend history

Canada's telecoms remain some of the best long-term investment options on the market. **Telus** (TSX:T)(NYSE:TU) ranks near the top of that list thanks to an impressive track record of dividend increases, strong growth, and an emphasis on reducing churn.

Telus has maintained a bi-annual cadence of hiking its dividend going back nearly a decade, with annual increases stemming back to nearly two decades. The current yield tops out at 4.71%, which is one of the best among the Big Three telecoms, and Telus continues to target between 7% to 10% annual growth of that dividend through 2020.

Another reason why investors should consider Telus comes in the form of its approach towards growth. Earlier this week, Telus announced a plan to invest $16 billion over five years in technology and operations in Alberta, expanding its service in the province.

Telus currently trades at under $48 with a P/E of 16.32.

A growing portfolio (and dividend) helps this utility

Algonquin Power & Utilities (TSX:AQN)(NYSE:AQN) is another interesting pick to mention. As the name implies, Algonquin is a utility, but one that is more diversified than many of its peers. That diversification comes thanks to Algonquin's two subsidiaries: Liberty Power and Liberty Utilities.

Liberty Power has a portfolio of over 40 renewable energy facilities with wind, solar, hydro and thermal elements that collectively provide over 1.5 GW of installed capacity. Liberty Utilities provides water, electric, and gas utility service to over 750,000 customers in a dozen U.S. states.

Over 70% of Algonquin's earnings stem from regulated utilities, with the remaining balance coming from renewable power. The end result is a solid long-term investment that is fed on both a stable and recurring source of revenue, which brings up the other key advantage of investing in Algonquin: its dividend.

Algonquin offers investors a handsome quarterly payout that has a yield of 4.11% and has seen consecutive annual upticks for nearly a decade.

In other words, Algonquin is a great addition to buy and hold.

This Big Five Bank is bigger outside Canada

One of the biggest concerns among critics of Canada's big banks is that they lack significant exposure outside Canada. The argument goes that some exposure to foreign markets could offset a slowdown here in Canada.

Enter **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD), which is the second largest of the big banks but is now also one of the 10 biggest banks in the U.S. market. That growth into the U.S. came in the years following the Great Recession; TD scooped up several smaller banks and rebranded them under a single name.

Today, that U.S. branch network offers a significant boost to earnings and helps feed TD's appetizing (and growing) quarterly dividend. That dividend currently provides a 3.89% yield, and a solid history of annual increases going back over a decade.

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2. NYSE:TD (The Toronto-Dominion Bank)
3. NYSE:TU (TELUS)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:T (TELUS)
6. TSX:TD (The Toronto-Dominion Bank)

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