



2 Dividend Stocks That Should Pay You the Rest of Your Life

Description

Stick to quality businesses that share their wealth with you and growing dividends and get paid for the rest of your life. All you have to do is buy shares of the stocks when they're trading at fair (or better) valuations. Without further ado, I'll share two such wonderful stocks with you.

Bank of Nova Scotia

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) remains undervalued despite the recent spike in its shares. Admittedly, the recent surge of almost 12% in Scotiabank stock from \$68 to \$76 per share in about a month doesn't seem normal.

However, I believe the stock was trading too cheaply compared to its Big Banks peers previously, which is why the market has bid up the stock so promptly in the last month.

It goes to show that discounts from quality dividend stocks don't last long. That said, there's still roughly 11% upside potential to the stock's near-term target.

However, long-term investors should really see the international bank's income potential. It's currently good for a yield of 4.7% — a dividend that's rock solid and backed by a payout ratio of about 50% and the company's strong history of paying dividends since 1832.

The bank's strategic positioning in the emerging markets of the Pacific Alliance countries, including Colombia, Chile, Mexico, and Peru, should provide great growth potential down the road, which should lead to dividend hikes over time.



A&W

In the past few years, **A&W Revenue Royalties Income Fund** ([TSX:AW.UN](#)) hasn't given a lot of chances for investors to buy it at a good valuation.

The stock has retreated to a reasonable valuation after the **Beyond Meat** spike such that A&W is worthy of your investment dollars right now.

What should attract investors to A&W is its stable royalty business. It's a capital-light company; the franchisees are those that put up the capital to build new stores.

Currently, the burger chain royalty trust has about 900 stores in Canada and earns a 3% royalty from the sales.

A&W's three-year royalty income growth was 8.7%. Last year's same-store sales growth was even stronger at 9.8%. That's why A&W's recent cash distribution growth has been higher than before. Specifically, its monthly cash distribution is nearly 13% higher than it was a year ago.

As of writing, A&W is good for a yield of roughly 5% and is a great holding for long-term [income investors](#).

The long-term income potential

Between the two stocks, you can get an average yield of 4.8% today and expect growth of at least 4% per year in that income.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)

2. TSX:AW.UN (A&W Revenue Royalties Income Fund)
3. TSX:BNS (Bank Of Nova Scotia)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Bank Stocks
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

Date

2025/08/01

Date Created

2019/09/28

Author

kayng

default watermark

default watermark