



Earn \$5,000 a Year of Passive Income With A&W (TSX:AW.UN)

Description

How cool would it be if you could just put \$100,000 in an account with the promise that in 365 days, you will receive \$105,000 back?

For some investors this may seem like a dream, but for investors of **A&W Revenue Royalties Fund** ([TSX:AW.UN](#)), it's a reality with the stock's dividend yield at 4.844%!

Aside from A&W restaurants having insanely good burgers, there are two reasons why you need to invest in this stock today.

First, A&W was the first fast-food chain in Canada to offer the **Beyond Meat** burger. Second, its revenues have been steadily increasing.

The Beyond Meat burger

When I say that A&W was the first Canadian fast-food chain to offer the Beyond Meat burger, I mean that it beat its competitors to the punch [almost a year in advance!](#)

A&W rolled out its Beyond Meat burger in July, 2018 across 925 of its locations. The Beyond Burger is served with lettuce, onion, pickles, and tomatoes and offers it without mayonnaise on a lettuce bun.

In June, 2019, Tim Hortons jumped on the Beyond Meat bandwagon and introduced a Beyond Meat breakfast sandwich, wrap and vegan sandwich. Although Tim Hortons announced that it will be pulling its Beyond Meat line out of its restaurants except for those in Ontario and BC, A&W continues to sell the meat-alternative.

This innovation should excite investors, as innovation drives profits. As A&W was the first Canadian fast-food chain to introduce Beyond Meat, A&W likely captured a greater percentage of the market share.

Steadily increasing revenues

At a time when fast-food companies are facing increasing pressure to make its menu options healthier, A&W has proven that it's able to adapt to trends and satisfy its customers.

As the income fund derives its revenues from franchise royalties, its increasing revenue indicates that [restaurant sales are on the rise](#). An article by *BNN Bloomberg* confirms this with reported same-store sales up 10% for the first quarter of 2019.

Investors should be pleased to hear that revenues are growing at a compounded annual growth rate of 7.17% from \$29 million in fiscal 2014 to \$41 million in fiscal 2018.

As A&W continues to add stores across Canada, investors should be reassured that an investment in the income fund is well worth the money.

Summary

Although A&W does not have the reach of **McDonald's** or the trendiness of **Shake Shack**, it has definitely made a name for itself in Canada.

With the introduction of the Beyond Meat burger in July, 2018, A&W showed investors that it is not afraid to change with the times. This is very important for an organization given that consumer tastes change very frequently, so having that flexibility is a plus.

The income fund has also reported growing revenues in each of the past five years. This growth in revenue indicates increased same-store sales, which suggests that business is growing.

If you liked this article, click the link below for *exclusive insight*.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:BYND (Beyond Meat)
2. NYSE:MCD (McDonald's Corporation)
3. NYSE:SHAK (Shake Shack Inc.)
4. TSX:AW.UN (A&W Revenue Royalties Income Fund)

PARTNER-FEEDS

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

Category

1. Investing

Date

2025/08/13

Date Created

2019/10/06

Author

cliu

default watermark

default watermark