



My Dividends Can't Stop Growing

Description

Watching my dividends grow is second only to seeing distributions deposited into my account.

While other investment styles ascribe value to placing bets on increasing share prices, I much prefer to lock in yield and subsequently see my yield-on-cost ratchet up as time goes by.

Today I want to talk about five stocks that I own personally — and I'm more than happy to have put my money where my mouth is.

Why?

Well, these stocks will pay me more and more with every passing year.

The oligopoly

While a lack of competition in the Canadian telecom market has been burdensome for the consumer, **Telus Corporation** ([NYSE:TU](#))([TSX:T](#)) has been profiting wildly and demonstrating exemplary shareholder stewardship.

Here's the thing: You can complain up and down about your cell phone bill or you can buy a couple of hundred Telus shares and have the company hand you back your cash on a quarterly basis.

With Telus, you get to collect a yield of nearly 5% while your payouts grow by a few percentage points every couple quarters.

What drove me to buy into this particular telecom?

I like Telus's reputation for exceptional customer service and its dominant position in Western Canada.

The mega-merger

Not too long ago, Agrium and PotashCorp were each handsomely rewarding their shareholders with the proceeds of their respective crop nutrients businesses.

Nutrien Ltd. ([NYSE:NTR](#))([TSX:NTR](#)) has continued what its constituents began, leading 2019 with a dividend increase in excess of 7%.

Trading at a [quite reasonable valuation](#) and paying almost 4%, the company's earnings more than cover the distribution and more cash should be on the way to faithful investors in the New Year.

Why bet on agriculture amid a trade war?

Nutrien is a long-term play on a growing global population and declining soil quality as a result of industrial farming practices.

The boring bank

Investors have leaped into the two largest banks in Canada, but there is seemingly less love for **Bank of Montreal** ([NYSE:BMO](#))([TSX:BMO](#)).

One mixed quarter does not unmake two centuries of good business, and BMO is here to stay.

Pundits proclaimed that low oil prices and troublesome property prices would burn Canadian banks, but they have continuously turned profits. I expect that the same will hold true with the next instance where the sky is allegedly falling.

Get a bit better than 4% on BMO shares and expect dividend growth that continually crushes inflation.

BMO is my pick among the banks because of its attractive valuation and its broad North American diversification.

Coming down the pipe

Between the Spectra Energy acquisition and a problematic regulatory environment, folks have unfairly thrown in the towel on **Enbridge Inc.** ([NYSE:ENB](#))([TSX:ENB](#)).

A 6% yield was once only possible from Enbridge Income Fund, now absorbed into the [massive utility company](#) worth almost \$100 billion.

The company has been delivering annual dividend growth of about 10% for a while now, and another hike is due in early 2020.

Enbridge's true value is not reflected in its share price, and I'm confident that investors will eventually come to their senses.

Transit's green giant

If governments are going to get serious about climate change, then public transit is going to play an enormous part in that transition.

And who's going to build those clean-running buses? **NFI Group** ([TSX:NFI](#)).

Who built the Toronto Transit Commission's first all-electric bus? New Flyer Industries Inc.

Buy the shares up now while they're on sale and secure a roughly 6% yield from a company with explosive earnings and double-digit annualized distribution growth.

NFI has heaps of upside and a bright future ahead of it. I'm more than happy to ride out some volatility while short-term struggles resolve themselves.

CATEGORY

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TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:NTR (Nutrien)
4. NYSE:TU (TELUS)
5. TSX:BMO (Bank Of Montreal)
6. TSX:ENB (Enbridge Inc.)
7. TSX:NFI (NFI Group)
8. TSX:NTR (Nutrien)
9. TSX:T (TELUS)

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