



## A 3-Stock Portfolio Suited for Passive-Income Investors

### Description

Is your portfolio set up to provide you with a [steady stream of income](#) that will remain in place throughout retirement? Finding that right mix of income-producing investments can be a daunting task at times, but fortunately, the market provides us with plenty of investment opportunities.

Here are three compelling investment options that will work well in nearly any portfolio.

### Let this utility be your foundation

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is a long-time favourite among investors, and for good reason. Fortis is one of the largest utilities in North America, with a sprawling portfolio of over \$53 billion in assets and facilities in nine states across the U.S., five provinces in Canada, and in three Caribbean nations.

That sprawling portfolio may sound like a highly diversified investment option, but it's the company's stable business and growing dividend that should appeal to investors.

Utilities are some of the most stable investments on the market. They provide a necessary service to the communities they serve, with rates set forth in long-term contracts that span decades. In other words, for as long as the utility keeps the power flowing, a steady stream of revenue will make its way to the utility's balance sheet. In the case of Fortis, this translated into earnings of \$278 million, or \$0.64 per common share in the most recent quarter.

That steady stream of income makes its way back to investors in the form of a quarterly dividend, which currently works out to a respectable 3.49% yield. In terms of growth, Fortis has provided consecutive annual hikes to that dividend for 46 years and continues to forecast annual dividend growth of 6% over the next few years.

Fortis currently trades at just over \$54 with a P/E of 14.90.

## Try something different. Opportunity awaits!

If there's one takeaway from the recent Federal election, it's that the country is heavily polarized on different priorities and issues. In the west, particularly in Alberta, the need for additional pipelines and investment into the oil-rich province remains a priority.

For those investors looking to capitalize on opportunities in the energy sector, Calgary-based **Inter Pipeline** (TSX:IPL) might be a gem in hiding. In addition to operating one of the largest and profitable pipelines in the country, Inter Pipeline also has a storage and Natural Gas Liquids (NGL) business that provides multiple revenue streams.

In terms of opportunity, investors should look to the rapidly ascending Heartland Petrochemical Complex. The \$3.5 billion complex that Inter Pipeline is constructing will take locally sourced propane and convert it into a plastic used in a variety of manufacturing processes. The facility will be the first of its kind in Canada, and the company expects the complex to contribute upwards of \$400 million in EBITDA.

Finally, there's Inter Pipeline's dividend. The company offers an appetizing monthly payout that carries an insane 7.73% yield, handily making it one of the best-paying yields on the market. Incredibly, that yield is well covered with a payout ratio that comes in just over 70%, and the company has provided annual upticks to the dividend for a decade.

## Buy this telecom and forget about it for a decade

Like utilities, telecoms offer similar defensive advantages to investors. **Telus** (TSX:T)(NYSE:TU) is one of the Big Three telecoms in Canada that should be on the radar of any [long-term, income-seeking investor](#).

Telus offers the typical subscription-based services that investors would expect from a leading telecom. While critics often point to the cord-cutting movement as a reason to be wary of a telecom investment, they often neglect the insane growth potential stemming from the wireless industry.

In short, we're using our smartphones for an increasing number of uses, which has eliminated dozens of single-purpose devices from our lives. As the functionality and need for our wireless devices increases, so too does our bandwidth use. It's a vicious circle, and one that Telus will continue to benefit from in the form of higher revenue numbers. By way of example, in the most recent quarter, the company saw revenue growth of 4.2% over the same period last year, while adding 186,000 new subscribers.

Those gains are passed on to shareholders in the form of its handsome quarterly dividend, which currently sports a juicy 4.80% yield.

### CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. NYSE:TU (TELUS)
3. TSX:FTS (Fortis Inc.)
4. TSX:T (TELUS)

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