



TFSA Users: Aim for a Million With This Boring Dividend Heavyweight

Description

When it comes to stocks, [boring is beautiful](#).

Warren Buffett is a believer in buying pieces of businesses that are easy to understand. And while such boring companies aren't something you'd brag about with your colleagues over the watercooler, they are a means to build wealth while taking on a lower degree of risk.

You could try to [get to a million](#) with speculative securities and risk missing the milestone entirely, or you can set your TFSA, forget about it, and be on a slow and steady path to a million. In the world of investing, the tortoise usually always beats the hare on the road to a million.

What type of stocks can get you on the path? Consider the boring, but beautiful security that is **A&W Royalties Income Fund** ([TSX:AW.UN](#)), the royalty fund behind the legendary burger chain. Unlike a stock, A&W Royalties Fund is obligated to pay you a royalty for the fast food it sells.

Fast food, as you may know, is an "inferior good," which is a good that tends to sell better in tougher times (and vice versa due to the substitution effect), but A&W's burgers are anything but "inferior."

A&W touts itself for fresh ingredients and sustainable products. That's a major reason why those A&W commercials are always praising their beef, which is free from the use of antibiotics and all the sort, to get positive reactions from the folks on the street that are interviewed after trying a new A&W product.

Not only has the company been trying to separate itself from the pack with a focus on quality, but management also has not shied away from including innovating its menu. That's a huge reason why the company got a massive lift from its **Beyond Meat** burgers (it was one of the first to the Canadian market) and why the burger chain can be expected to keep its same-store sales comps healthy in spite of increasing competition in the world of quick-serve restaurants.

It's tough to outdo the comps posted by Beyond Meat, but with new products that continue to find a spot with Canadians, I see A&W as a must-own stock for those who desire a slow and steady move on the route to a million-dollar TFSA.

A&W currently sports a 5.1% yield after shares pulled back 20% on the Beyond Meat hype hangover. With shares trading at 20.1 times trailing earnings and 3.5 times sales, both of which are slightly lower than the five-year historical average multiples of 22 and four, respectively, I'd initiate a starter position today and more on any dips that may present themselves moving forward.

You're getting a robust defensive growth income stream at a slight discount here, so if you're a fan of the burger chain and want to own a slice, now is as great a time as any with all the food innovation that's been happening of late.

Stay hungry. Stay Foolish.

CATEGORY

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TICKERS GLOBAL

1. TSX:AW.UN (A&W Revenue Royalties Income Fund)

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