



Income for Life: Here Are 3 “Forever Assets” I’d Buy in 2020

Description

Here are three [quality “forever assets” that you should buy to get income for life](#). Unfortunately, they’ve all had extraordinary price appreciation over the last year. I suggest buying them on dips. Specific percentages are listed below.

National Bank of Canada

You can count on **National Bank of Canada** ([TSX:NA](#)) to pay you increasing income for life! The bank outperforms. In the last five and 10 years, the bank beat its bigger peers in total returns. Over the last 10 years, it was also a top passive-income generator, second only to **CIBC**.

In fiscal 2019, National Bank delivered the best earnings results among the Big Six banks, delivering a 7% increase in adjusted earnings per share against fiscal 2018. Its recent dividend hike (over 12 months) was 9.2%, which was second only to **TD Bank’s** 10.4% dividend hike.

With an 81% revenue generation in Canada, National Bank’s profitability is closely tied to the economic health of the country and, in particular, Quebec, as the province contributes 55% of its revenue. From other businesses in Cambodia and the United States, it generates strong growth.

Currently, National Bank provides a safe yield of 4% that’s protected by a payout ratio of 44%. Because of its strong results, the stock has run up 22% over the last year. It’d be wise to start buying the proven business on meaningful dips of 5-10% in 2020.

Northwest Healthcare Properties REIT

Northwest Healthcare Properties REIT ([TSX:NWH.UN](#)) is another fabulous income stock that will pay you for life. Longer lifespans and the mega-trend of a growing aging population, leading to higher spending in healthcare, will be a growth driver for the REIT for decades to come.

Northwest Healthcare Properties REIT has abundant opportunities to acquire international assets. Its

key markets include Australia, New Zealand, Europe, Brazil, and Canada. Currently, it holds a global portfolio of 171 healthcare properties, including hospitals, healthcare facilities, and medical office buildings.

About 72% of its leases are indexed to inflation, offering steady organic growth. Additional earnings will come from its fee-bearing capital of \$3.6 billion, from which it earns asset management fees. Moreover, management strategically uses debt to expand its portfolio.

The REIT generates safe cash flows in a stable asset class. Its monthly dividend, which is good for a yield of 6.3%, is supported by a high portfolio occupancy of 97% and long-term leases that last for more than 13 years on a weighted-average basis.

The stock has run up 23% over the last 12 months. It'd be wise to start buying the high-yield dividend stock on meaningful dips of 9% or greater.

Brookfield Renewable

The shift from fossil fuels to renewable power will drive decades of growth for **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)).

Brookfield Renewable has 120 years of experience in power generation. It has the expertise to develop and acquire renewable assets and operate the portfolio skillfully to generate attractive risk-adjusted returns.

Currently, its global portfolio, across 25 markets and 15 countries, consists of US\$50 billion of assets in more than 5,250 generating facilities with a total capacity of 18,000 MW.

The utility's primary asset class of hydroelectric generation makes up 74% of its generation. Proudly, it is a U.S. leader in low environmental impact hydroelectric generation. It also has 22% and 4%, respectively, of generation in wind and solar.

Brookfield Renewable has a track record of beating the market with annualized total returns of 16% since inception. Additionally, from 2012 to 2019, it increased its cash distribution on average by 6% per year, sticking to its dividend-growth target of 5-9% per year. Currently, it offers a 4.1% yield.

As a [global company](#) riding on a secular growth trend, Brookfield Renewable has years of growth runway. However, the stock has run up 73% over the last year! And it'd be wise to start buying the dividend stock on meaningful dips of at least 15-30%.

Investor takeaway

National Bank, Northwest Healthcare Properties, and Brookfield Renewable are quality businesses with bright futures that can pay you income for life! Hopefully, the market will correct in 2020 to provide investors better buying opportunities in the excellent dividend stocks.

Stay hungry. Stay Foolish. And have a Merry Christmas!

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TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
3. TSX:NA (National Bank of Canada)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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