TFSA Investors: 2 Dividend Aristocrats to Buy and Hold Until the End of Time

Description

Are you daydreaming about spending your retirement without a tinge of worry because you have a life-long income? Don't fantasize; make it happen. **Canadian Utilities** (TSX:CU) and **Enbridge** (TSX:ENB)(NYSE:ENB) are the kinds of investments that should keep you financially secure until the end of time.

Both companies are so-called Dividend Aristocrats of the TSX. You buy the assets today and don't sell tomorrow. If you own CU and ENB, hold them forever. If you still don't have either in your portfolio, you'd better make the stocks your core holdings now.

Longest streak of dividend increases

Canadian Utilities is the top-of-mind pick of retirees because it holds the longest streak of dividend increases. Raising dividends for 47 years and a five-year CAGR rate of 10% are indeed reassuring if you're planning for the sunset years.

This $10.99 billion company owns and operates diversified assets that are all vital in North America and elsewhere. Aside from the core electricity-generation business, Canadian Utilities's assets include industrial water services, real estate properties, and port terminals.

The business is regulated, and therefore, generating income and stable cash flows are the hallmarks of Canadian Utilities. This investment offers instant capital protection since the low-risk nature of the business model makes it recession-proof.

Furthermore, the 4.17% dividend yield is lucrative enough to produce a monthly financial cushion of $450 every month.

Energy powerhouse

Retirees are investing in Enbridge because the premier oil and gas company can provide consistent quarterly cash flows all season long. I, for one, don't need to time the market to buy a high-quality stock to create passive income. This energy stock offers a high dividend yield of 6.03%.

Industry analysts are speculating that the sector to which Enbridge belongs will continue to grow in the foreseeable future. The business is already producing stable revenue streams, but it should improve some more due to line-replacement projects. Enbridge is adding more safety and efficiency as it transports energy.

The company makes profits in several ways. It has been capitalizing on booming natural gas, which results in the extraction of more gas. But this energy giant earns the loyalty of investors because of its record of increasing dividends for 25 straight years.

Enbridge is an energy powerhouse, yet its business is insulated from the volatile oil prices. The company is not an oil producer but derives the bulk of revenue from transporting energy throughout Canada and across the border in the United States. Furthermore, there's lower risk to investors since the company is operating in a regulated monopoly.

Everlasting income

Canadian Utilities and Enbridge come from different sectors. But the common denominator for retirees to consider both is the highly regulated business. Retirees don't have to build a stockpile of investments. In the case of Canadian Utilities and Enbridge, two quality investments are better than quantity.

Besides, the investments of retirees should be safe from market volatility in the later years. With CU and ENB in your TFSA portfolio, you're talking about receiving everlasting income. There's no peril of outliving your retirement savings.

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