



TFSA Investors: 3 Dividend Stallions to Keep in Your TFSA Stable in 2020

Description

When it comes to horses, you don't just want to bet on the fastest horse: you want to put your money on the thoroughbred that you know will keep its pace for the greatest amount of time.

The same strategy can be applied to choosing Dividend Aristocrats. While yield may be king in the eyes of many investors, you should pick and choose the stocks that can keep a high dividend streak up for the longest time.

By that measure, **BCE** ([TSX:BCE](#))([NYSE:BCE](#)), **Exchange Income Corp.** ([TSX:EIF](#)), and **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) seem like the stallions you should put your money on.

One of the big three

Similar to the financial sector, where the Big Six dominate, the telecom sector has its own royalty. The big three companies here are **Rogers Communication**, **Telus**, and **BCE**. These companies have over 90% of the country's total wireless subscribers. Among them, BCE is the [largest company](#) in terms of market cap (\$42.56 billion) and enterprise value (\$65.9 billion).

At the time of writing, BCE is trading at \$61.95 per share, the result of over 39% increase in the past five years, and compound annual growth rate of 6.83%. Even at a conservative rate, a \$20,000 chunk from your TFSA has a chance of growing up to \$38,600 in the next 10 years.

The company has a proud history of increasing dividends for 11 consecutive years. The current yield is a juicy 5.17%.

A pipeline company

Pembina Pipeline is a 65-year-old North American Energy company operating under three major divisions: Pipeline, Financials, and Marketing. The company has been a Dividend Aristocrat for nine years.

Currently, the company offers a yield of 5%, which equates to a flat \$1,000 in your Tax-Free Savings Account (TFSA) if you put \$20,000 on this dividend stallion.

Pembina is trading at a monthly high of \$50.48 per share at the time of writing. It has shown decent growth in the past five years, with a CAGR of 11.18% and a market value growth of about 70%.

An acquisition-oriented airline company

EIF is another longstanding [Dividend Aristocrat](#) with a stellar history of increasing dividends for ten consecutive years. The company is currently offering an even juicier yield of 5.23%. A \$20,000 stall in your TFSA for this stallion will earn you over \$1000 a year.

EIF owns and operates over 14 airline-related companies, with businesses ranging from flight training colleges to aerospace component manufacturing. This well-diversified portfolio of acquisitions gives the company a recession-resistant structure.

The current market value of the company is \$44.31 per share. It has shown tremendous growth in the past five years, with market value increasing over 186% and CAGR of 23.43%, which means that it has the potential of growing its \$20,000 capital to well over \$150,000 in ten years.

Foolish takeaway

Any of the three companies will grow well in your TFSA. The companies have a history of increasing dividends and decent growth rates. In the next 10 years, chances are the companies will have helped you build a decent enough TFSA stable.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:BCE (BCE Inc.)
4. TSX:EIF (Exchange Income Corporation)
5. TSX:PPL (Pembina Pipeline Corporation)

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