# 2 Dividend Aristocrats That Have Stood the Test of Time

## Description

Canadians who want to invest in the stock market must first understand the risks associated with stock investing. People use their hard-earned money to purchase equities to make more money. However, stocks are often described as high-risk asset classes when compared with other types of investments.



The chances of losing capital are equal to the opportunities to make profits. Unexpected events beyond investors' control can suddenly turn a bull market into a bear market. Because of this natural market behaviour, a wise investor must find ways to reduce or mitigate the risks.

For long-term investors looking to secure their financial future and not be overrun by adverse developments, the best action plan is to seek stocks that have stood the test of time. Come hell or high water, income streams will flow for decades and sustain your financial needs. If you're investing today, consider two dividend aristocrats.

## Dividend pioneer

The **Bank of Montreal** (TSX:BMO)(NYSE:BMO) is the superior choice of risk-averse investors. First, its dividend track record goes as far back as 1829 or nearly 192 years. Canada's fourth-largest bank was the first company ever to pay dividends.

Second, the bank stock is investor-friendly. Dividend payouts did not stop in the face of severe recessions and cyclical markets. In the 2008 financial crisis, BMO didn't ask for a central bank bailout. It will not seek support too because of the 2020 pandemic.

Third, despite the massive headwinds last year, BMO's revenue in fiscal 2020 rose 2.8% to $26.2 billion versus fiscal 2019. Net income fell 11.5% to $5.1 billion due to the 239.8% increase in credit loss provision. All Big Five banks made the same move.

Last, BMO pays a decent 4.31% dividend. If you were to invest $150,000, you could expect a recurring income stream of $1,616.25 every quarter. The payments should be everlasting as the bank maintains a payout ratio of less than 60%.

## Dividend growth streak leader

If BMO leads in the longest dividend track record category, **Canadian Utilities Limited** (TSX:CU) wins in the most prolonged  dividend growth streak department. This $8.59 billion diversified utility company has raised its dividends for nearly 50 consecutive years. Long-term investors and retirees should find this record equally attractive.

The share price is cheaper than BMO ($31.44 versus $76.64), while the dividend offer is a lucrative 5.6%. Canadian Utilities can sustain the dividend growth streak because of its strong financial, excellent operating performance, and long-term contracted assets. The regulated business is the key strength and growth catalyst.

Canadian Utilities derive nearly 85% of its total revenue from regulated assets, so cash flows and earnings are stable and recurring. Both factors are the reasons for the company's strong credit ratings. Over the last ten years, the asset base has more than doubled, with investments reaching $15 billion during the period.



As a diversified global utility and energy infrastructure company, you're investing in an enduring business. Aside from Canada, the footprint is expanding internationally. The company operates in Australia, Latin America, and Mexico most recently.

## Safe dividend stocks

These days, investors must be selective in choosing stocks, given the elevated volatility. Dividend aristocrats like the Bank of Montreal and Canadian Utilities have stood the test of time. Both are excellent choices if you want to weather the storm or market anomalies that may come.

**CATEGORY**

1. Bank Stocks
2. Dividend Stocks
3. Investing

**TICKERS GLOBAL**

1. NYSE:BMO (Bank of Montreal)
2. TSX:BMO (Bank Of Montreal)
3. TSX:CU (Canadian Utilities Limited)

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