



## 2 Top Canadian Dividend Aristocrats to Buy and Hold Forever

### Description

Dividend Aristocrats are a rare breed of equity securities. As the year progresses, the economic situation worldwide seems to be improving. However, the rising economic activity could still make way for increased volatility. It would be wise to invest in a portfolio of reliable income-generating assets to protect and grow your capital.

The best Canadian Dividend Aristocrats are a gift that keeps on giving. The longer you remain invested in a Dividend Aristocrat, the more it will pay you through increasing dividend payouts. I will discuss two Canadian Dividend Aristocrats that you could buy and hold forever.

### Royal Bank of Canada

**Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) has been paying its shareholders increasing dividends for decades, regardless of the economic conditions in the country. Canadian banks have recently found themselves in a consolidation channel as the country went through a rare credit downturn. The pandemic only made things worse.

Rising provisions for credit losses (PCLs) and thinning net interest margins (NIMs) accounted for most of the news in the last two years. However, RBC managed to outperform its peers due to the strength of its wealth management and capital markets businesses. As the economy looks like it is on the mend, RBC is in the early stages of what could be a prolific bull run for the [industry titan](#).

The stock's valuation is at an all-time high, and it is not as attractively priced as it used to be. However, it could still be a stock worth buying due to its juicy 3.7% dividend yield. Royal Bank of Canada may be one of the priciest Canadian Dividend Aristocrats to consider for your portfolio. However, it could also be an undervalued stock for the high-quality business it has.

### Bank of Montreal

**Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) is another excellent Canadian Dividend Aristocrat with a

lengthy dividend-growth streak. The pandemic was tough on BMO, as it took on a lot of damage during the crash in 2020. The stock's valuation declined by nearly 50% before it bounced back in the space of a few months.

BMO's exposure to the Canadian oil patch and its corporate loans to smaller businesses were considered a source of weakness for the financial institution. With the economic situation improving, the same weakness could be a substantial strength for the Canadian bank. The bank's incredible rally was a testament to its strength.

BMO is trading for \$116.71 per share at writing, and it is at its all-time-high valuation. Despite its high price, the stock boasts an attractive 3.63% dividend yield. The stock does not look like it will slow down anytime soon, and it could be a worthwhile addition to your investment portfolio.

## Foolish takeaway

Canadian Dividend Aristocrats make for excellent long-term investments. Royal Bank of Canada and Bank of Montreal offer juicy and [reliable dividend payouts](#) that keep growing each year. The Canadian financial institutions could provide you with increasing payments forever and could be excellent foundations for your Tax-Free Savings Account portfolio.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:RY (Royal Bank of Canada)
3. TSX:BMO (Bank Of Montreal)
4. TSX:RY (Royal Bank of Canada)

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