



3 Canadian Dividend Stocks to Buy and Hold Forever

Description

Are you looking for [Canadian dividend stocks](#) to buy and hold forever? Here are three quality Canadian Dividend Aristocrats you can invest passively in through retirement for growing income.

A Canadian dividend stock you can trust

Brookfield Infrastructure Partners ([TSX:BIP.UN](#))([NYSE:BIP](#)) is a top-notch Canadian dividend stock to buy and hold forever. It has paid an increasing cash distribution since its inception after it was spun off from **Brookfield Asset Management**.

This year marks the 13th consecutive year of dividend growth for the global utility. That length of time covers the ebbs and flows of a business cycle, which suggests solid business performance through good and bad economic times. Otherwise, it couldn't have maintained the dividend growth.

As a standalone stock, BIP has outperformed peers and the market on the **TSX** and **NYSE** since inception. On the TSX, with dividends reinvested, the dividend stock has generated annualized returns of 24% since inception.

This goes to show that the company's global portfolio across different critical infrastructure assets is a winning combination that produces sustainable cash flow. Additionally, its portfolio requires low maintenance capital investments that average less than 20% of its funds from operations (FFO) while maintaining high EBITDA margins of over 50%.

The stock provides a decent yield of 3.7% currently and intends to increase the cash distribution by 5-9% annually. Consider holding BIP stock in your Tax-Free Savings Account (TFSA) for growing income tax-free.

A Canadian REIT for passive income

You become a real passive landlord by buying and holding forever units of quality real estate

investment trusts (REITs) like **Canadian Net REIT** ([TSXV:NET.UN](#)).

As a relatively small REIT with only about 84 properties, the Canadian REIT has greater growth potential from acquisition opportunities.

Canadian Net REIT is a Canadian Dividend Aristocrat. This year marks its ninth consecutive year of dividend growth. Actually, it gained more traction with higher dividend growth in the last few years.

Investors can rest assured that its payout is rock solid as it has increased its cash distribution at a slower pace than its FFO growth in the long run, while maintaining a low payout ratio.

The triple-net/management-free lease REIT is an excellent value today as the stock dipped recently from raising gross proceeds of \$17.5 million at \$7.45 per unit. Expect management to allocate that capital well to grow the business.

Start with a 4% yield today and the dividend stock will likely raise cash distributions by at least 10% over the next few years. Also, consider holding NET.UN stock in your TFSA for passive tax-free income.

A proven dividend stock for growth

Alimentation Couche-Tard (TSX:ATD.A)(TSX:ATD.B) is the global convenience store and roadside fuel retailing leader. It began testing charging stations in Norway early on to prepare for the shift to electric vehicles.

The growth stock has performed acquisitions and integrations in the fragmented industry for decades. Management still sees M&A growth opportunities complemented by various organic growth initiatives.

[ATD.B](#) is a Canadian Dividend Aristocrat with a three-year dividend growth rate of 18%. At \$48.58 per share at writing, the stock is still a great value trading at a trailing-12-month price-to-earnings ratio of about 15.7.

As it's a growth-oriented dividend stock, investors can choose to hold it in any type of investment account — TFSA, RRSP, or taxable account.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. TSX:ATD (Alimentation Couche-Tard Inc.)
3. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
4. TSXV:NET.UN (Canadian Net Real Estate Investment Trust)

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