



3 Top TSX Dividend Stocks for Reliable Retirement Income

Description

Many Canadians rely on **TSX** [dividend stocks](#) to supplement their income. In today's low interest rate environment, government bonds, GICs, and high-interest savings accounts are basically serving a negative yield after inflation.

While dividend stocks are subject to more market volatility and risk, they can provide a great, stable real returns over the longer term. Here are three top TSX dividend stocks that would be [great reliable sources of cash](#) for those in retirement or soon to retire.

Fortis: A top TSX utility stock

If you are worried about stock market volatility, **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is about as defensive as you can get. It operates 10 different regulated utility businesses across North America.

93% of its assets are for transmitting or distributing gas or electricity. Since gas and power are essential to modern society, the company captures very predictable and stable cash flows. This TSX dividend stock is heading into 48 years of annually increasing its dividend!

Today, it is committed to a nearly \$20 billion capital plan. This should help expand its rate base by a compound annual growth rate of 6% for the next four years. As a result, management expects to raise its 3.5% dividend by an annual rate of at least 6% over that period. For a very defensive, stable way to earn rising income streams, Fortis is a great TSX stock to buy, tuck away, and forget about.

Brookfield Infrastructure Partners: A top diversified infrastructure stock

Another infrastructure-focused TSX stock is **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)). Across the world, it owns and operates ports, railroads, natural gas processing plants, pipelines, utilities, cell towers, and data centres. I like this stock because you get asset and geographic

diversification.

Brookfield generally takes a contrarian approach to the economy. It acquires assets in distressed markets and either holds them for cash yield or sells them for top market value in the economic peak. As a result, this business can capture stable returns in almost any economic environment.

Today, it is [collecting shareholder approval](#) to acquire a large Canadian midstream business, **Inter Pipeline**. This should give it ample opportunities to unlock value and grow cash flows for a number of years to come.

While this TSX stock only pays a 3.6% dividend now, it has grown that dividend by a 10% compounded average growth rate since 2009. Given its diverse portfolio and ample organic growth opportunities, it can likely keep up that dividend-growth rate for years ahead.

Granite REIT: A top TSX real estate stock

Granite REIT ([TSX:GRT.UN](#)), like its name, is a solid TSX dividend stock to buy and hold. It operates a portfolio of institutional grade industrial and logistics properties in Canada, the United States, and Europe.

This REIT is anchored by **Magna International** (around 30% of revenues). However, **Amazon**, True Value, and **Wayfair** are some of its other key top tenants. Granite has over 99% occupancy and a weighted average lease term of six years. That means its revenues for the foreseeable future are very predictable.

On top of that, the company has one of the best, low-levered balance sheets in the industry and a very low cost of capital. Granite pays a 3.4% dividend today. It has raised that dividend consistently for the past nine years. Investors can likely expect it will do the same going forward!

CATEGORY

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1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. NYSE:FTS (Fortis Inc.)
3. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
4. TSX:FTS (Fortis Inc.)
5. TSX:GRT.UN (Granite Real Estate Investment Trust)

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