



3 Top Dividend Stocks to Buy in September 2021

Description

[Dividend investing](#) is a very popular strategy among Canadians. By building a solid dividend portfolio, investors can supplement, and eventually replace, their income. Motley Fool Canada recognizes that and offers its Dividend Investor premium service to site users. However, it can still be difficult to determine which stocks are better suited for your portfolio. So, in this article, I aim to bring forward more dividend ideas for September 2021. Here are three top dividend stocks to buy this month!

This should be a starter stock in your portfolio

When thinking of starter stocks, investors should look for companies with business models that are easy to understand and have a history of strong performance. **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)) satisfies both of these conditions. The company invests in and operates real assets. These are assets that have intrinsic value due to their substance or properties. Through its subsidiaries, Brookfield Asset Management has a notable presence in the real estate, infrastructure, and renewable energy industries.

In terms of performance, few companies can match Brookfield's exceptional returns over the past two decades. Since August 1995, Brookfield stock has generated an average annual return of 15.95%. To put that into perspective, that would have turned a \$10,000 investment into more than \$475,000. Although Brookfield's forward dividend yield is relatively low (0.91%), it also has a low payout ratio of 28.3%. This suggests that the company has sufficient room to continue growing its dividend in the future.

Trust in a company that has raised its dividend for nearly five decades

For a company to continually raise its dividend over multiple decades, it must have a business that is in demand and an exceptional management team. **Fortis** (TSX:FTS)([NYSE:FTS](#)) satisfies both of those qualities. The company has managed to [grow its dividend](#) for the past 47 years. This is the second-

longest active dividend-growth streak in Canada. To further put that into perspective, the next longest dividend-growth streak in Canada is 16 years shorter than Fortis's.

For those that are unfamiliar, Fortis provides regulated gas and electric utilities to more than 3.4 million customers in Canada, the United States, and the Caribbean. Because its business is essential for everyday life, Fortis is a company that should succeed regardless of what economic conditions we find ourselves in. Few companies will ever manage to raise its dividend for four decades in a row. Fortis deserves heavy consideration for a spot in your portfolio.

This industry is a favourite of many Canadians

The Canadian banking industry is heavily regulated. As such, it's very difficult for new competitors to enter the market and displace the leaders. Because of this, many Canadians feel safe investing in the Big Five. This includes **Bank of Montreal**, **Bank of Nova Scotia**, **Canadian Imperial Bank of Commerce**, **Royal Bank of Canada**, and **TD Bank**. Choosing between these individual companies could be difficult, as they tend to move very similarly. One strategy that investors tend to follow is to invest in the bank they use.

All five of these banks are Canadian Dividend Aristocrats. That means they have all managed to raise their dividends for at least five years. In fact, all these companies have dividend-growth streaks of about 10 years. Their dividend yields are all similar as well. Investing in one of these banks will provide you with a yield of 3-5%.

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