



3 Dividend Stocks I'll Be Adding to My Portfolio in the Future

Description

Investing in dividend stocks is an excellent way to build wealth. In fact, dividend investing is a very popular strategy employed by Canadians. One aspect of dividend companies that makes them very appealing is that shareholders are awarded a monthly or quarterly payout just for holding shares. Over time, these payouts can significantly supplement or even replace an investor's primary source of income. In this article, I'll discuss three dividend stocks that I'll be adding to my portfolio in the future.

This should be a foundational stock in your portfolio

There's a select group of stocks that Canadians should consider buying when building a portfolio. One of which is **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)). Through its subsidiaries, this company owns, invests in, and operates real assets. These can be described as physical assets within the real estate, infrastructure, and utility industries. In fact, Brookfield's subsidiaries are so successful that an investment in any one of those companies would be an excellent decision as well.

Brookfield Asset Management claims a dividend-growth streak of nine years. That makes it a Canadian Dividend Aristocrat. Investors may notice that Brookfield's forward dividend yield is quite low (0.93%). However, so is its payout ratio (28.25%). This suggests that Brookfield may be able to continue raising its dividend distribution over the next few years. An [excellent dividend company](#) led by an exceptional management team and that is [well positioned for the future](#), Brookfield is a company you should consider buying today.

Looking forward to adding this stock to my portfolio again

In late 2019, I'd held shares of **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) in my portfolio. At the time, I was very focused on growing a dividend portfolio. However, with the opportunities that presented themselves during the COVID-19 market crash in 2020, I decided to switch to a growth-oriented portfolio. Despite a move that proved successful, I never forgot about Fortis. This is one of the most remarkable dividend companies on the **TSX** and one that I plan on adding to my portfolio again in the future.

Fortis is known for holding the second-longest active dividend-growth streak in Canada. At a staggering 47 years, Fortis's management team has shown that it is capable of intelligently allocating capital over a long period. It's this ability to grow dividend distributions, despite many periods of economic uncertainty, that leads me to believe that Fortis's higher-than-preferred payout ratio isn't an issue. There are so few companies that will ever manage to build a dividend-growth streak as long as Fortis has. Take note of this exceptional dividend stock.

Investing in the Canadian banks

Like many Canadians, I am fond of the Canadian banking industry. The highly regulated nature of that industry makes it very hard for smaller and newer competition to make a large impact on the industry. That makes an investment in the industry leaders very intriguing. Of the Big Five banks, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) is my top choice.

Bank of Nova Scotia is another Canadian Dividend Aristocrat, claiming a dividend-growth streak of 10 years. With a forward dividend yield of 4.61%, it offers the largest payout of all the companies mentioned in this article. In addition, investors should also note that Bank of Nova Scotia's payout ratio stands at 50.35%. This gives the company adequate room to continue growing its distributions in the future. A top company in a secure industry, this is one stock that'll always be up for consideration in my portfolio.

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1. Bank Stocks
2. Dividend Stocks
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