



3 Dividend Aristocrats You Should Hold in Your Portfolio

Description

Dividend stocks are good to consider in any portfolio, whether it's a growth-oriented one or a dedicated dividend portfolio. Growth investors can benefit from dividend companies by providing stability to their portfolios during downturns. Dividend stocks have been shown to be less volatile during periods of uncertainty. However, investors shouldn't just get any dividend stock. Instead, they should focus on Dividend Aristocrats, which are known for having a long history of increasing distributions.

One of the best dividend-paying companies in the world

Canadian Dividend Aristocrats are companies that are able to increase dividend distributions for at least five consecutive years. Although many companies are able to hit that mark, very few companies are able to sustain those increased dividends over many decades. In fact, there are only three companies listed on the **TSX** which currently have dividend growth streaks of at least 30 years. Of that group, **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) stands out as the top dividend stock, in my opinion.

Fortis is an exceptional company for any portfolio because of its recession-proof business. The company provides regulated gas and electric utilities to more than 3.4 million customers across Canada, the United States, and the Caribbean. As of this writing, Fortis holds the second-longest active dividend growth streak in Canada at 47 years. This streak becomes even more impressive when you consider how many companies needed to cut dividends in 2020 alone. Fortis is an excellent company, deserving of a spot in your portfolio.

Choose one of the Canadian banks

When it comes to dividend investing, Canadians are very quick to turn to the banking industry. This habit of relying on the banks comes with good reason. The Canadian banking industry is highly regulated. This makes it very difficult for small and newer competitors to enter the industry and disrupt the leaders. As a result, the Big Five banks have become very popular among retail and institutional investors alike. Of that group, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) stands as my top choice.

The reason I'm bullish on the Bank of Nova Scotia is its exposure to the Pacific Alliance, a region that includes Chile, Columbia, Mexico, and Peru. Economists are forecasting that the Pacific Alliance will grow at a much faster rate than the G7 over the coming years. If that's true, it could be very beneficial to the Bank of Nova Scotia. In addition, the company's 10-year streak of dividend increases, and a 4.60% forward dividend yield make it a very interesting choice for dividend portfolios.

Invest in Canada's Warren Buffett

Bruce Flatt is often referred to as Canada's Warren Buffett. He draws this comparison for his long tenure as the CEO of **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)), a value style of investing, and a large ownership stake in his company. It's certainly no secret that Warren Buffett has been one of the most successful investors ever. So, any company that is legitimately compared to the Oracle of Omaha should be taken seriously as a viable option for your portfolio.

Through its subsidiaries, [Brookfield Asset Management](#) invests in and operates real assets. These are assets that have intrinsic value due to their properties. For example, assets within the real estate, infrastructure, and utility industries. In July, [the company announced](#) that it would be partnering with **Tesla** to develop the largest sustainable neighbourhood in North America.

Brookfield currently holds a nine-year dividend growth streak and offers a 0.93% forward yield. This is a stock both growth and dividend investors can appreciate.

CATEGORY

1. Investing

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1. NYSE:BN (Brookfield Corporation)
2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:FTS (Fortis Inc.)
4. TSX:BN (Brookfield)
5. TSX:BNS (Bank Of Nova Scotia)
6. TSX:FTS (Fortis Inc.)

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