



3 Dividend Companies to Build Your Portfolio Around

Description

[Dividend stocks](#) are popular among investors for their ability to create a passive source of income. In addition, dividend companies tend to be more mature and stable than growth stocks. As a result, they would serve investors well as the foundation of a portfolio. This would help your portfolio to withstand the effects of long periods of market uncertainty. In this article, I discuss three top dividend companies to build your portfolio around.

One of the best companies at growing dividends

When investors look for dividend stocks to add to their portfolio, they should focus on companies that can increase dividend distributions year after year. This is especially important if you're looking at dividends as a source of income. If you fail to accumulate shares of companies that repeatedly increase dividend distributions, then the income you receive won't be able to keep pace with the rate of inflation. This effectively lowers your income over time. With that in mind, **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) would be an excellent stock for your portfolio.

Fortis provides regulated gas and electric utilities to more than 3.4 million customers across Canada, the United States, and the Caribbean. Because of the nature of its business, Fortis has been able to continue increasing its dividend regardless of the economic situation. As a result, Fortis has managed to build a 47-year dividend growth streak. This is the second-longest active dividend growth streak in Canada. When looking for top dividend stocks for your portfolio, Fortis should be one of the first companies you consider.

Canada just wouldn't be the same without this company

There's no denying that Canada wouldn't have been able to grow as well as it has without the help of the railway. Since the late 1800s, companies like **Canadian Pacific Railway** ([TSX:CP](#))([NYSE:CP](#)) have helped transport goods and materials from coast to coast. Today, Canadian Pacific dominates the Canadian railway industry as part of a duopoly with the **Canadian National Railway**. It operates more than 20,000 kilometres of track spanning from British Columbia to Montreal, and into the northern

continental United States.

Canadian Pacific is a new entry into the Canadian Dividend Aristocrat list after having increased its distribution for the fifth straight year. However, what interests me the most about this company is that its management team seems very forward-looking. Canadian Pacific has recently announced that it has begun work to install a solar farm at its headquarters. This would generate enough energy to power its headquarters, allowing the company to become carbon neutral.

Invest with Canada's Warren Buffett

Of course, there's only one Warren Buffett. However, Bruce Flatt, the CEO of **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)) is often compared to the Oracle of Omaha. Investors find similarities between the two because of their value style of investing and long tenures as CEOs of their respective companies.

Through its subsidiaries, Brookfield operates and invests in assets within the real estate, renewable energy, and infrastructure industries. As of this writing, Brookfield has more than \$625 billion of assets under management. That makes it one of the largest alternative asset management firms in the world. Brookfield's dividend yield is quite low (0.87%). However, it holds a dividend growth streak of nine years. This makes it a Canadian Dividend Aristocrat and a respectable dividend stock.

CATEGORY

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2. NYSE:CP (Canadian Pacific Railway)
3. NYSE:FTS (Fortis Inc.)
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