



4 Great Investments to Buy for a Lifetime of Income

Description

Stocks are not just for growing your wealth. They are also a reliable source of income in retirement, and the right portfolio can give you financial stability till the very end. Such a portfolio would carry both components for investment income — i.e., capital appreciation and dividends.

And if you are creating a portfolio that can offer you a lifetime of income, there are four that should be on your radar.

The banking giant

Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#)) holds the crown in the Canadian banking sector. It also spent a decent amount of time as the “heaviest” security on the TSX (by market capitalization) before being ousted by **Shopify**. Still, it’s one of the most stable stocks you can buy and hold, practically for decades. It offers a great combination of capital-appreciation potential, dividends, and stability.

And to get the best of the mixture of these three “traits,” you should try and buy it during market crashes or sector-wide dips. That’s when you will be able to lock in the best yield as well as capture the best value. As for stability, the Canadian banking sector is quite secure as a whole, and being the largest player that exerts a massive influence on the market, Royal Bank of Canada is a rock-solid holding.

An old Dividend Aristocrat

If you are looking for a Dividend Aristocrat with a dividend-growth streak far longer than Royal Bank’s, which offers a different mixture of dividends and capital-appreciation potential, **Thomson Reuters** ([TSX:TRI](#))([NYSE:TRI](#)) is an option worth considering. It offers an almost paltry yield (1%) but a very strong capital-appreciation potential, which is evident by its 10-year compound annual growth rate (CAGR) of 22.7%.

The company has been growing its payouts for 27 consecutive years, making it one of the five oldest

Aristocrats in the country. It's also quite attractively valued right now, considering its price-to-earnings multiple of 9.5, which is quite unusual for a growth stock of its caliber and consistency. The company has a proud history, and it has evolved its business model to cement its potential for future growth.

A renewable energy and utility company

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) offers security and endorses its place as [a lifetime holding](#) in two ways. First is its position as a utility business, which is inherently safe. Second, its focus on renewables secures it a place in the green future. The company has a market capitalization of about \$11.7 billion and assets worth \$16 billion.

It also has an impressive presence — i.e., over a million consumers. The company is also currently trading at a discount of 22% from its 2021 peak. This has pushed the yield up to a very attractive number (4.9%), and the capital-appreciation potential is decent enough (10-year CAGR: 13.6%). The company might start growing faster in the coming years.

A REIT

[Commercial REITs](#), especially those holding on to attractive asset classes like light industrial (which saw a boost thanks to the e-commerce boom), have been very successful lately. But **Granite REIT** ([TSX:GRT.UN](#)) has been a great growth stock well before that. The consistency and pace of its growth are quite impressive.

The 10-year CAGR is 17.5%, and thanks to the financial keeping pace with the growth, the price-to-earnings multiple is just 5.7, while the price-to-book multiple is at 1.3 times, making the stock's value quite attractive.

Another “sweetener” is the highly stable 3% yield. The geographically diversified portfolio is also highly stable, making it a great long-term holding.

Foolish takeaway

The four [Dividend Aristocrats](#) offer a great combination of payouts and growth. But, more importantly, they offer stability and relative certainty of long-term returns via both dividends and capital appreciation.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NASDAQ:TRI (Thomson Reuters)
2. NYSE:AQN (Algonquin Power & Utilities Corp.)
3. NYSE:RY (Royal Bank of Canada)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:GRT.UN (Granite Real Estate Investment Trust)

6. TSX:RY (Royal Bank of Canada)
7. TSX:TRI (Thomson Reuters)

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