



## 2 Dividend Aristocrats With Rock Solid Payouts

### Description

Canadian dividend aristocrats are companies that have managed to introduce dividend hikes for at least five consecutive years. The **TSX** boasts several [dividend stocks](#) that offer [juicy dividend yields](#) and have been sharing a portion of their profits with shareholders for several years. However, not all dividend stocks with long dividend-paying streaks are dividend aristocrats.

For instance, several Canadian bank stocks boast dividend-paying streaks that span over a century and a half, but many of them have dividend growth streaks for just a few years. It is important to keep this difference in mind when searching for dividend stocks for your portfolio.

Companies with profitable business models, growing cash flows, and long-term growth potential are likelier to continue allocating more funds to shareholder dividends each year. Today, I will discuss two Canadian dividend aristocrats that could be ideal candidates for core holdings in your self-directed investment portfolio.

### Fortis

**Fortis Inc.** ([TSX:FTS](#))([NYSE:FTS](#)) is a \$28.48 billion market capitalization utility holdings company that owns and operates several regulated and long-term contracted utility businesses. The company's operations span Canada, the U.S., Central America, and the Caribbean, serving over 3.4 million customers. Earning most of its revenues through regulated assets means that Fortis generates reliable and predictable cash flows.

Fortis is also a Canadian dividend aristocrat that has increased its shareholder dividends for the last 48 years, and it is inching closer to the 50-year mark. Its stable revenues allow the business to fund its capital programs and its rising shareholder dividends comfortably. Fortis trades for \$60.34 per share at writing, and it boasts a rock-solid and juicy 2.55% dividend yield.

### Canadian National Railway

**Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)) is a \$113.77 billion market capitalization giant in Canada's railway industry. The company owns and operates an extensive railway network that serves Canada and the United States. Its 33,000 km of railway tracks stretch from British Columbia to Nova Scotia and span south to Louisiana across the border. Its transportation services play a crucial role for various industries in the North American economy.

CN Railway boasts a 25-year dividend growth streak, making it another top Canadian dividend aristocrat. At writing, CN Railway stock trades for \$136.16 per share, but it boasts a meagre 1.80% dividend yield. The stock does not offer much bang for your buck in its yield. However, its 35.7% payout ratio means that the company can comfortably fund its dividend hikes for years to come.

## Foolish takeaway

Dividend aristocrats offer you the opportunity to invest in assets that can provide you with growing shareholder returns each year. You can use [dividend investing](#) as a method to generate stable and reliable returns through these income-generating assets.

Lining your account balance with additional cash can help you with some of your monthly expenses. Alternatively, you could consider reinvesting the shareholder dividends through a dividend reinvestment plan to unlock the power of compounding and accelerate your wealth growth.

Fortis stock and CN Railway stock are two Canadian dividend aristocrats that could be ideal for this purpose.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

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2. NYSE:FTS (Fortis Inc.)
3. TSX:CNR (Canadian National Railway Company)
4. TSX:FTS (Fortis Inc.)

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