Boost Your Retirement Nest Egg With These 3 Stocks

Description

As you approach retirement, are you looking to invest in companies with low-risk, reasonable growth and good dividend yields? If the answer to this question is yes, then you are in the right place. I am going to highlight three companies that could be right for you.

All three companies fulfill the following criteria:

- A beta value of less than one, which is an indicator of low market volatility and reduced risk.
- A strong history of dividends with current annual yields exceeding 4%.
- A minimum of 5% compound annual growth rate (CAGR) in revenue from 2014 to 2017.

The three companies are **Northland Power** (TSX:NPI), **RioCan Real Estate Investment Trust** (TSX:REI.UN), and **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM).

Northland Power Inc.

Northland is well positioned to capitalize on the green revolution. It is a Toronto-based company that develops, builds, owns, and operates clean and green power projects in Canada, Europe, and other international markets. Northland's power plants produce electricity from clean-burning natural gas and renewable sources such as wind, solar, and biomass.

Northland has a forward annual dividend yield of approximately 4.8%. These dividend payments are likely sustainable given that they only represented 57% of free cash for the first six months of this year.

From 2014 to 2017, the company's revenue has grown at an impressive CAGR of almost 22%.

Revenue is up over 20% for the first six months of this year compared to the corresponding period last year. Revenue is likely to continue its upward trend in the coming years, as the company expands its generating capacity with the Hai Long Offshore Wind Project in Taiwan and the Deutsche Bucht Offshore Wind Project in Germany.

RioCan Real Estate Investment Trust

With 45 million square feet of retail-focused, leasable property across 294 locations in Canada, RioCan is one of the largest real estate investment trusts in Canada. Its tenants include some of the country's biggest retailers, and its occupancy rate is an impressive 96.8%.

RioCan's forward annual dividend yield is currently at 5.7%. Its moderate dividend-payout ratio of 68% should be easily sustainable. Revenue increased at a CAGR of 5.9% from 2014 to 2017.

Moving forward, RioCan should benefit from recent growth in the Canadian economy and low unemployment, which should drive retail demand in the short to medium term. In the long term, investors should keep an eye on the rise of ecommerce in Canada, which could affect the demand for physical retail locations.

Canadian Imperial Bank of Commerce

As one of the Big Five Canadian banks, CIBC has long been a safe investment. CIBC currently offers a forward annual dividend yield of 4.5%, the highest of the Big Five banks. Its 2014-to-2017 yearly revenue CAGR of 7.5% is also the best among the Big Five.

Despite slowing mortgage growth, CIBC's net income rose 26% in the second quarter of 2018 compared to the corresponding period last year. Furthermore, CIBC's P/E ratio and PEG ratio are the lowest of the Big Five, suggesting that its stock is currently undervalued.

Investor takeaway

Income investors often have to choose between companies with good dividend yields or reasonable revenue growth. These three stocks represent a good mix of both and could be valuable additions to your investment portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:CM (Canadian Imperial Bank of Commerce)
3. TSX:NPI (Northland Power Inc.)
4. TSX:REI.UN (RioCan Real Estate Investment Trust)

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