



Start Building Your Dividend Portfolio With This 1 Company

Description

In 2015, **BlackRock** released its [Global Investor Pulse Survey](#). In it, 2,000 Canadians were polled as part of a larger international group. The study found that only 60% of Canadians were actively saving for retirement. Among those aged 25-34, only 52% were saving for retirement. This means that a large proportion of Canadians do not have investment portfolios and will have to do so if they aspire to live comfortably after their careers are finished.

Where should they start? Dividend companies are among the most popular for Canadians. Excellent companies will provide steady capital appreciation and a growing dividend distribution. Dividend companies are also turned to by investors for their less-volatile nature and ability to maintain value during downturns.

Constructing a portfolio composed of the right dividend companies will give investors a steady cash flow in addition to seeing their net worth grow. In this article, I will provide one company that Canadians should consider as part of the foundation of their dividend portfolios.

This alternative financial institution should be a primary position

One of the companies that [investors should look at](#) first is **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)). Undoubtedly one of the least-glamorous businesses, Brookfield primarily invests in real assets. These are assets that have intrinsic value due to their properties. Examples include real estate, utilities, and infrastructure.

Brookfield is led by CEO Bruce Flatt, one of the most respected Canadian executives. He has built a reputation that likens him to Warren Buffett. Known for his long tenure, value style of investment, and large ownership stake in Brookfield, Flatt has many qualities that investors should appreciate. Under his leadership, Brookfield stock has seen a compound annual growth rate of more than 13% over the past decade.

The company currently has a market cap of about \$73 billion. A cornerstone in the Canadian market, this company deserves a similar role in your portfolio. As of this writing, Brookfield has a forward dividend yield of 1.36%.

Make sure to diversify your positions

While Brookfield is an excellent company to hold, investors should remember to build a core made up of many companies across different sectors. Other companies that Canadians should consider include **Fortis** (utilities), **Canadian Pacific Railway** (industrials), and **Telus** (telecommunication services). Doing so will provide additional stability should one sector face difficulties.

When choosing dividend companies, investors should not necessarily focus on the dividend yield. Rather, ensuring your companies have a solid history of ongoing and increasing dividend distributions and a low payout ratio will be keys to your success.

Foolish takeaway

I remain bullish in Brookfield Asset Management over the long term. This company has an excellent history of capital allocation and management. These facts can be characterized by its outstanding stock performance over the past decades. Any portfolio that features Brookfield Asset Management as a cornerstone position should hold up moving forward.

Of course, including other forms of investments are important as well. Growth stocks, bonds, and other asset classes will help provide the best diversification. However, if starting with a dividend portfolio is something that interests you, then this would be a great place to start.

CATEGORY

1. Investing

POST TAG

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2. brookfield asset management
3. canada
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TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. TSX:BN (Brookfield)

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