



BUY ALERT: 1 Top Dividend-Growth Stock for Your Portfolio

Description

There aren't many stocks that both dividend and growth investors can agree on. Normally, dividend stocks appreciate much too slowly for growth investors to care about. But growth stocks usually don't pay a dividend, which is pretty much the point in dividend investing. What about a company that pays a strong, reliable dividend and has shown market-beating performance over the past five years? That sounds like a stock that both camps can agree on.

Fortunately, such a stock exists. **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) is a Canadian Dividend Aristocrat and has beaten the market over the past few years. It is a company that I have held since 2019 and will [continue to add to](#) in the future. In this article, I will discuss the argument for both dividend and growth investors to add Brookfield Renewable Partners to their portfolio.

The case for dividend investors

For dividend investors, the case is clear. Brookfield Renewable is a Canadian Dividend Aristocrat, having raised its dividend for the past 11 years. Company management has continued to state that its goal is to provide distribution increases of 5-9% on an annual basis. Since 2012, Brookfield Renewable's dividend has increased at a compound annual growth rate of 6%. That's very impressive, considering the company is still allocating a large portion of its funds towards growth projects.

When it comes to reliability in a dividend, investors usually look to the longevity of a company's increases. However, another important aspect to consider is whether that company will be able to continue growing that dividend in the future. Brookfield Renewable calculates its available cash for distributions from its funds from operations (FFO). In its Q4 shareholder's letter, the company stated that the company's annual FFO increased 6% year over year. This suggests that future dividend increases may be sustainable at the same rate.

The case for growth investors

As exciting as the company may be from a dividend point of view, the argument for investment from a

growth perspective may be even more intriguing. Brookfield Renewable Partners is a global leader in the renewable utility sector, with assets around the world. Currently, its portfolio is capable of generating more than 19,000 MW of power. Through its on-going construction projects, the company estimates 23,000 MW of generation in the near future.

Diving a bit deeper into those growth projects, Brookfield Renewable has completed a number of transactions over the past year. It acquired Exelon Generation Company's United States distribution business, which comprises 360 MW of power across 600 sites. The transaction also includes an additional 700 MW of generation currently under construction. This adds to its previous acquisition of Shepherds Flat wind farm in Oregon and international projects like the one in Brazil.

Finally, I can't write about a company being an excellent growth stock and not discuss its performance over the past few years. Since the start of 2019, Brookfield Renewable stock has gained 211%. This represents a growth of 69.5% on an annual basis. A \$10,000 investment at that time would be worth more than \$31,000 today. This compares to a 25.9% growth by the **TSX** over the same period.

Renewable energies will continue to grow over the next decade. Brookfield Renewable estimates that the industry will require investments of about \$100 trillion over the next three decades to see the kind of change it hopes to see. Fortunately, global powerhouses are doing their part to see that plan through. Joe Biden has stated his intentions to [invest US\\$400 billion](#) into clean energy over the next decade. With backing like that, in the industry, and a firm leadership position by Brookfield Renewable, it's hard to see this company do anything but grow.

Foolish takeaway

Brookfield Renewable is an excellent company to hold in your portfolio. This stock is an excellent pick in term of both a dividend company and a growth stock. Brookfield Renewable is a top choice in my portfolio, and I plan to pick up more shares in the very near future. If you don't already hold this company, consider taking another look.

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