



2 Dividend Aristocrats to Buy and Hold Forever

Description

Currently, I consider myself an aggressive growth investor. However, it has always been my intention to gradually shift to a more dividend-minded approach, as I move further into my investing career. As I am still very much in the wealth-accumulation phase, I do not currently own many dividend-paying companies. In fact, I own no Canadian dividend-paying companies as of this writing. However, there are two companies that I am very much looking forward to adding in the future.

The leader in rail transport

This is a company I have [featured many times](#) on The Motley Fool. **Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)) is by far my favourite Dividend Aristocrat in Canada. The company operates the largest rail network in Canada and the third largest in North America. Its network spans nearly 33,000 km and reaches from British Columbia to Nova Scotia. This also includes its United States operations, which reach as far south as Louisiana.

In terms of revenue, Canadian National reported the fourth-largest operating revenue in North America for fiscal year 2019. Its revenue of US\$11.42 billion was almost double the operating revenue of **Canadian Pacific**, the next largest Canadian railway company. Canadian National's revenue has continued to increase year over year. Comparing its revenue from fiscal years 2019 and 2018, we can see a modest 4% growth.

Canadian National currently has the 10th-longest active dividend-growth streak in Canada (24 years). Its forward payout ratio is 1.64% with a payout ratio of 44.06%. Although I currently do not hold this stock in my portfolio, I fully expect to in the future.

A leader in renewable energy distribution

This second company is one that I owned when I first started investing. At that time, I was focused on creating a portfolio with strong dividend-growth companies. I identified **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) as an appropriate stock and added it as one of my original

holdings. However, since then, my investment goals have changed, and I reluctantly sold my position in this company. I would like to stress that the sell does not indicate any doubt that I have toward Brookfield Renewable's potential.

[The company](#) operates one of the largest publicly traded renewable energy platforms. Its portfolio includes 5,301 generating facilities in North and South America, Europe, and Asia. Altogether, its facilities have a generation capacity of approximately 19,300 MW. Although Brookfield Renewable has experience in operating wind, solar, distributed generation, and storage facilities, most of its portfolio is focused on hydroelectric power. Currently, 64% of its portfolio is allocated towards this branch of its business.

Brookfield Renewable is currently sporting a 10-year dividend-growth streak, firmly placing it as a Canadian Dividend Aristocrat. Its forward dividend yield is 3.80%, and the company has a payout ratio of 52.74%. Although I once sold my position in this company, I expect to re-enter sometime in the future.

Foolish takeaway

Two companies that dividend-focused investors should own for the foreseeable future are Canadian National Railway and Brookfield Renewable Partners. Both companies are leaders in their respective industries and have a very strong history of dividend distributions. I do not currently own either company, but that will certainly change in the future, assuming the companies maintain their impressive advantages on their competitors.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. brookfield renewable partner
2. canada
3. dividend
4. dividend aristocrat
5. dividend stock
6. Editor's Choice
7. Industrials
8. investing
9. market
10. recession proof
11. renewable energy
12. renewables
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TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:CNI (Canadian National Railway Company)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:CNR (Canadian National Railway Company)

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