



3 Top Dividend Stocks Yielding Up to 7.6%

Description

[stock report](#) or type [TikTok](#) They chuckled when she started investing on her own — but their laughter turned to amazement when she unveiled her eight-figure fortune.

In the 1920s, Anne Scheiber was hired as an auditor at the IRS. She never earned a lavish salary. To save money she lived in a small, rent-controlled apartment and wore the same coat year after year.

In 1944, at the age of 50, Ms. Scheiber began investing her \$5,000 life savings into great American companies like **PepsiCo**, **Chrysler**, **Coca Cola**, and **Schering-Plough**. She reinvested any dividends that were paid out to investors and never sold any shares even after repeated stock splits.

When Ms. Scheiber passed away in 1995, her small investment had grown to \$22 million. Anne donated it all to Yeshiva University in New York.

Of course, the story of Ms. Scheiber is an exceptional case. But it illustrates the key to building wealth in the stock market: Buy wonderful businesses, reinvest the dividends, and hold for the long haul.

Even today, thousands of ordinary investors are using this same method to build wealth in the stock market even if they don't have Ivy League educations or MBAs. Here are three stocks that could help you do just that.

This little-known company now yields 4%

This company is one of the market's best-kept secrets. The stock trades fewer than 500,000 shares per day — a fraction of the more widely held stocks. Yet if you own shares of this business, you are a partner in one of the best monopolies in the country.

While you may not have heard of **Inter Pipeline** (TSX: IPL), this company is vital to our daily lives. The company owns energy pipelines, terminals, and storage facilities throughout western Canada. More importantly, the firm has a monopoly on these assets; another company can't simply build competing pipelines alongside.

In return for moving these commodities, Inter Pipeline earns a fee, which it passes on to investors. Last year, the company paid out almost \$100 million to shareholders — an enormous amount of money, which shows how dedicated the company is to rewarding investors. Today, the stock yields a tidy 3.9%.

41 consecutive dividend hikes and counting

Canadian Utilities ([TSX: CU](#)) is a great example of what small dividend hikes compounded over time can do for a stock's yield. Over the past four decades, the company has increased its dividend almost 16-fold. If you had bought and held the stock over that time, the yield on your original investment would be almost 30% today.

More increases are almost certainly on the way. Chasing growth in Alberta's red-hot economy, over the next three years Canadian Utilities plans to spend more than \$5 billion in new electric transmission infrastructure projects in the province. The company has also been expanding its presence in northern Canada, Australia, and the green energy industry.

More importantly, these assets are regulated — assets where the utility is allowed to earn a specific return set by the government. This means Canadian Utilities is practically guaranteed to earn a respectable return on investment for decades to come.

Collect a monthly “rent cheque” without becoming a landlord

This company gives you all the perks of investing in real estate without having to collect security deposits, chase down tenants, or fix clogged toilets. **Dream Office REIT** ([TSX: D.UN](#)), formerly known as Dundee REIT, is Canada's largest commercial landlord. The trust owns 185 properties across the country, totaling some 28 million square feet. Its list of tenants reads like a who's who of remarkable Canadian businesses such as **Bank of Nova Scotia**, **BCE**, and **Enbridge**. Needless to say, these tenants pay their rent and aren't going out of business any time soon.

However, what we're most interested in is the company's reliable dividend. Since it started making payments in 2003, this company has never missed a dividend or cut its total annual payments. Today the fund pays investors a monthly distribution of \$0.186 per share. That comes out to a 7.6% yield.

As Ms. Scheiber's story demonstrated, finding great investments isn't rocket science. Wonderful businesses that reward shareholders through growing dividends will outperform over the long haul. While Bay Street loves to promote more active strategies, it's the few investments you buy and hold forever that generate real long-term wealth.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:CU (Canadian Utilities Limited)
2. TSX:D.UN (Dream Office Real Estate Investment Trust)

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