



4 Must-Buy Stocks for Retirees

Description

These days, most retirees are starved for investments that produce steady, predictable income. Traditional fixed income investments just aren't cutting it. Sure, the average bond is as safe as ever, but investors looking to get anything more than a 3%-4% yield have to take on some risk.

Besides, traditional fixed income investments are difficult for retail investors to buy. Pricing isn't nearly as transparent for fixed income as for equities. Typically, the investor is stuck paying more to buy bonds, since the market isn't really interested in a retail investor buying a few thousand dollars' worth of fixed income at a time.

Because of low interest rates and the difficulty of buying bonds, retail investors have turned to equities to help them with their income-producing needs. Depending on the type of stock, investors can choose either a lower, growing dividend, or a higher but more stable payout. Each has their advantages, but typically retirees are looking for current income.

Here are four names that every investor should look at for their income portfolios, not just retirees.

1. RioCan REIT

Investors looking for steady income should choose the best companies they can, and there are not many REITs that are higher quality than **RioCan** ([TSX: REI.UN](#)), Canada's largest operator of retail space.

The company's top tenants include companies like **Loblaw**, **Walmart**, and **Cineplex**, which aren't about to start missing rent payments. Even if the Canadian economy sputters and retail stocks suffer, RioCan's complexes generally are located in good spots. This will minimize the damage of any downturn.

The stock currently yields 5.2%, paying out \$0.1175 monthly. Investors shouldn't expect many dividend increases, but can depend on RioCan to send them their monthly cheques, just like clockwork.

2. BCE

Shares in **BCE** ([TSX: BCE](#))([NYSE: BCE](#)) have gone down nearly 6% during the last few weeks, bringing up the company's dividend yield up to 5.2%. This looks like a terrific entry point.

Results from Canada's second-largest telecommunications company continue to be solid. First quarter profit was up nearly 10% compared to last year's numbers, and the company's payout ratio continues to look rock solid. Investors can buy BCE and tuck it away for a long time, safe knowing that it will continue to deliver annual dividend raises for the foreseeable future.

Telecom bears are nervous because of consumers cutting their cable subscriptions. This isn't such a big deal, since most of us still enjoy television, and the price increases passed onto customers more than make up for any cord-cutters.

3. Rogers Sugar

Is there anything more predictable and boring than the sugar business? That's just the way **Rogers Sugar** ([TSX: RSI](#)) likes it.

The company enjoys protection from the government, which taxes any imported sugar so heavily that it just isn't competitive. This leaves the whole market open for Rogers Sugar and its privately held competitor Redpath. If there's any sugar left over, it can just export it to other markets that don't tax sugar imports.

The company stumbled in late January, as shares fell 20%. This is a great time to get in, especially for income investors, since the company's dividend yield is 7.8%.

4. Boston Pizza Royalties Income Fund

Hungry for dividends? The **Boston Pizza Royalties Income Fund's** ([TSX: BPF-UN](#)) 6.1% dividend yield is sure to whet any investor's appetite.

Boston Pizza collects a royalty for every pizza, beer, and any other item sold at its more than 350 locations across the country. Since the company has such low overhead, it's far more profitable than a traditional restaurant setup. It lets franchisees worry about things like hiring servers and keeping the place looking spiffy, while investors get paid first. It's a nice position for investors to be in.

Plus, it makes the weekly trip down to the local Boston Pizza far less painful if an investor knows a small part of the bill is going back into their pocket.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:BPF.UN (Boston Pizza Royalties Income Fund)

4. TSX:REI.UN (RioCan Real Estate Investment Trust)
5. TSX:RSI (Rogers Sugar Inc.)

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