



## 3 Top Dividend Stocks Yielding Up to 7.7%

### Description

If you want to invest in exotic mining companies panning for gold in Africa or the next hot technology start-up with unpronounceable buzzwords, then income investing isn't for you.

However, if you want to buy good, old-fashioned businesses that actually make a profit, then you'll like this strategy just fine. If you're willing to trade being the talk of your next cocktail party for solid, long-term returns, then this approach to investing will suit you well.

The truth is, dividend investors may be a boring lot, but I'll gladly trade excitement for consistent profits any day of the week. If you're just starting to build your own income portfolio, here are three top dividend stocks to get you started.

#### 1. Pembina Pipeline Corp

This might be the best income investment you've never heard of. **Pembina Pipeline Corp's** ([TSX: PPL](#))([NYSE: PBA](#)) stock trades hands less than 500,000 times per day — just a tiny fraction of the trading volume for more widely held names. However, if you own a share of this business, you own a piece of some of the most valuable infrastructure monopolies in the world.

While you have probably never heard of Pembina Pipeline, this company is vital to your day-to-day life. The firm owns energy pipelines, terminals, and storage facilities throughout western Canada. Given that it's almost impossible to build a competing business once this infrastructure is in place, Pembina is able to crank out steady profits year after year.

That's good news for investors because Pembina passes on most of its profits to shareholders. Today, the company pays out a \$0.14 monthly dividend to investors, which comes out to an annualized yield of 3.6%. With shale energy and oil sands production projected to surge over the next decade, I'd expect that dividend to continue growing.

#### 2. Dream Office REIT

Owning investment real estate is a great source of income, but the truth is that becoming a landlord

can be kind of a hassle. That's why you might be interested to learn about a way to collect passive monthly income without buying any rental properties.

**Dream Office REIT** ([TSX: D.UN](#)) is one of the largest commercial landlords in the country, with 185 properties totaling nearly 28 million square feet of real estate. Because the trust is publicly traded, it can be bought and sold just like a regular stock. Today, the trust pays out a monthly distribution of \$0.19 per unit, which comes out to an annual 7.7% yield.

Best of all, this payout is backed by high-quality tenants like the Government of Canada, **BCE Inc.**, and **Enbridge Inc.** Needless to say, these tenants aren't going out of business any time soon.

### 3. Bank of Montreal

**Bank of Montreal** ([TSX: BMO](#))([NYSE: BMO](#)) has pulled off the impossible. Since 1829 — three decades before Confederation — the company has managed to pay a dividend every year to shareholders. That's the longest streak of any public company in North America.

Think of everything that has happened over that time — wars, depressions, and asset bubbles. For this company it hardly mattered. For 185 consecutive years, Bank of Montreal's shareholders have been always able to count on a dividend cheque arriving in their mailboxes.

How has the company been able to pull this off? It was a combination of tall barriers to entry that kept competitors out of the industry and high switching costs keeping customers in the business. Given that all of these competitive advantages are still in place, Bank of Montreal is likely to continue paying dividends to shareholders for another century to come.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:BMO (Bank Of Montreal)
4. TSX:D.UN (Dream Office Real Estate Investment Trust)
5. TSX:PPL (Pembina Pipeline Corporation)

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