# Nearing Retirement? Then These 3 Income Machines Should Be in Your Portfolio

## Description

Whether you're a retiree, nearing retirement, or just want to invest in something that pays you to own it, just about every investor likes getting a dividend.

Getting paid to own a stock is great. Sure, you can make the argument that a company buying back its shares is a better use of its capital (since it doesn't trigger a taxable event for investors, like paying a dividend does), but just about every investor I know would rather have the money in their pocket.

Dividends are flexible, too. An investor can choose to reinvest them back into the original company, put them in a stock they feel is undervalued, or take them as cash and spend the money on a vacation.

Generally, investors who are nearing retirement are switching over from higher growth names to companies with lower growth and a higher current dividend yield. Considering the markets are hitting new all-time highs, it's a great time to do just that.

With that in mind, here are three stocks that should provide investors with a good yield, a safe payout, and even the potential for capital gains.

**Cominar Real Estate Investment Trust**

**Cominar Real Estate Investment Trust** (TSX: CUF.UN) might be my favorite REIT.

Not only does the company pay a generous 7.7% yield, but it just increased its monthly payout from 12 to 12.25 cents per unit. It also has a payout ratio under 90%, which is exactly what REIT investors want to see.

It's also growing rapidly, almost tripling book value since 2010. It just announced the acquisition of 15 more properties in Quebec for $1.5 billion, at a pretty attractive 6.5% cap rate. Management is confident it can digest the acquisition and still keep the company's payout ratio under 90%.

It also trades at a 20% discount to its book value, making it one of the cheapest REITs in the country. Its a cheap REIT with a nice dividend and upside potential. What's not to like?

## BCE Inc.

I once had coffee with a very happy **BCE Inc.** ([TSX: BCE](#))([NYSE: BCE](#)) shareholder, who had one simple rule when it came to investing in the name: He bought more whenever the dividend was more than 5%.

I can only assume he's buying more now, as the company's yield has gone up to 5.1% on this recent selloff. Not only are investors getting a nice, growing dividend, but BCE is also a leader in providing cable TV, Internet, and still owns more than 25% of Canada's wireless market. It has a great moat.

The company is also a huge player in Canada's media sector, owning properties such as The Globe and Main, CTV, TSN, a wide selection of specialty television and radio stations, and even a chunk of the Toronto Maple Leafs and Raptors. Oh, and it's about to acquire **Bell Aliant Inc.** (TSX: BA), which has a dominant market share in Atlantic Canada.

## TransAlta Corporation

Yes, I realize **TransAlta Corporation** ([TSX: TA](#))([NYSE: TAC](#)) hasn't exactly been the poster child of consistency, but I think the company has turned the corner.

It was plagued by unexpected repairs and maintenance to its coal power plants, both in Alberta and the western United States. This led the company to ultimately slash its dividend by 50% early in 2014.

But the new yield looks to be safe, and TransAlta is working through its problems. The company was hurt by lower power prices in Alberta and the Pacific Northwest, but it should get a break starting in 2017 when some of its contracts come up for renewal.

The company has a dividend yield above 6%, and currently trades at just a hair above book value, where it hasn't traded since 2004. Good things could come to investors who brave the bad news and buy the company at these depressed levels.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:TAC (TransAlta Corporation)
3. TSX:BCE (BCE Inc.)
4. TSX:TA (TransAlta Corporation)

## Category

1. Dividend Stocks
2. Investing

**Date**
2025/08/27
**Date Created**
2014/09/12
**Author**
nelsonpsmith

Footer Tagline