

The Top 3 Monthly Dividend Stocks in Canada

Description

Who else wants monthly dividend income?

The most annoying thing about stocks is that they only make dividend payments four times a year. This usually doesn't fit too well with the monthly expenses that most people have.

Thankfully, some companies have seen the value in paying shareholders on a more frequent basis. That's why many firms are now sending out dividend cheques monthly rather than the traditional quarterly schedule.

For those of us who rely on dividend income, this certainly makes things easier from a budgeting standpoint. So with this theme in mind, here are three top monthly dividend payers.

1. Enbridge Income Fund Holdings Inc

Enbridge Income Fund Holdings Inc (TSX:ENF) is one of the market's best kept secrets.

On average, the stock trades hands fewer than 250,000 times a day — only a tiny fraction of more well-known businesses. But even though you have probably never heard of this company, it's vital to your day-to-day life.

Enbridge owns pipelines, terminals, and processing facilities across North America. This is the infrastructure needed to ship oil and gas around the country. Needless to say, without the products Enbridge moves through its network, our lives would be very different.

In exchange for transporting these commodities, the company charges a fee (which is then passed on to investors). Today, Enbridge pays a monthly dividend of 12.85 cents per share, though you can expect that distribution to keep growing in the years ahead.

2. RioCan Real Estate Investment Trust

RioCan Real Estate Investment Trust ([TSX:REI.UN](#)) gives you all the benefits of owning real estate without any of the headaches.

The business model is straightforward: buy top properties, collect rent from tenants, and pass on the income to investors. And because of the way in which this trust is structured, RioCan pays *no* corporate income taxes.

However, RioCan is not your typical landlord. The firm specializes in commercial real estate, renting out its properties to businesses like **Walmart**, **Canadian Tire**, Shoppers' Drug Mart, and many other corporations I'm sure you've heard of. Needless to say, this type of clientele always pays the bills on time.

Moreover, because the trust receives rent from tenants monthly, it only makes sense to pay unitholders in the same manner. Today, RioCan sends out a monthly distribution of 11.75 cents per unit, which comes out to an annual yield of 4.9%.

3. Shaw Communications Inc.

Teleco stocks like **Shaw Communications Inc** ([TSX:SJR.B](#))([NYSE:SJR](#)) are favourites among dividend investors, and for good reason.

Because these firms have limited growth prospects, they have little need to reinvest profits back into their businesses. That's why these stocks often throw off a huge amount of cash to investors.

Better yet, it's virtually impossible for new rivals to build their own telecom network from scratch. These high barriers to entry allow established players like Shaw to earn thick profit margins year after year.

For investors, this has translated into a steady stream of income. Today, Shaw pays out a monthly dividend of 9.17 cents per share. That comes out to an annualized yield of 4.0%.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:REI.UN (RioCan Real Estate Investment Trust)
3. TSX:SJR.B (Shaw Communications)

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Date

2025/09/10

Date Created

2015/02/16

Author

rbailieul

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