5 Top High Yield Stocks Paying Up to 9.8%

Description

Buying stocks based on yield alone is asking for trouble. Just ask anyone who lost money on **Enerplus**, **Yellow Pages**, or **Canadian Oil Sands**.

But can a stock offer both safety and a big yield?

Definitely. You just have to know where to look. By sticking to wonderful businesses with sustainable cash flows, light debt loads, and strong management teams, you can avoid potential dividend traps. Here are five top stocks to get you started.

Stock	Current Yield	Market Cap
Rogers Communications Inc.	4.5%	$22.0 billion
A&W Revenue Royalties Income Fund	5.0%	$343 million
Artis Real Estate Investment Trust	7.4%	$2.0 billion
Dream Office REIT	8.7%	$2.8 billion
Crescent Point Energy Corp.	9.8%	$12.6 billion

Source: Yahoo! Finance

Let’s say a few words about these companies.

Dream Office REIT’s (TSX:D.UN) business model is simple: buy top properties, collect rent from tenants, and pass on the income to investors. Moreover, because the trust receives rent from tenants monthly, it only makes sense to pay investors in the same manner. Today, Dream pays an 18.67¢ distribution roughly every 30 days, which comes out to an annual yield of 8.7%.

Rogers Communications Inc. (TSX:RCI.B)(NYSE:RCI) is arguably one of the most hated companies in Canada—both by customers and investors. The bearish sentiment is understandable. Rogers is facing intense competition in its cable and wireless business.

The good news? The stock’s dividend yield is at a record high and now pays out a tidy 4.5%. Short-term struggles aside, Rogers remains well positioned to benefit from long-term growth in the wireless business—which will likely translate into more dividend hikes for shareholders.

I love eating at A&W. But where does my money go? The **A&W Revenue Royalties Income Fund** (TSX:AW.UN). In exchange for using such a famous brand name, franchisees pay 3% of their revenues to this fund, which is passed right on to shareholders. Today, A&W Revenue Royalties pays out a tidy 5.0%. And unless people develop a sudden preference for brussels sprouts, this trust should keep delivering distributions for years to come.

Artis Real Estate Investment Trust (TSX:AX.UN) owns a diversified portfolio of about 250 industrial, retail, and office properties across North America. These generally aren't trophy assets and owning this trust won't make you the talk of your next cocktail party. But they are reliable properties that spit out steady cash flow.

Finally, shale oil producer **Crescent Point Energy Corp.** (TSX:CPG)(NYSE:CPG) is one of the highest yielding stocks in the Canadian energy patch, with a jaw dropping 9.8% payout. The obvious question is whether this dividend is sustainable. But when we look at Crescent Point's properties and the opportunities ahead of it, I expect they will be able to support their distribution and still grow the business.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:RCI (Rogers Communications Inc.)
2. NYSE:VRN (Veren)
3. TSX:AW.UN (A&W Revenue Royalties Income Fund)
4. TSX:AX.UN (Artis Real Estate Investment Trust)
5. TSX:D.UN (Dream Office Real Estate Investment Trust)
6. TSX:RCI.B (Rogers Communications Inc.)
7. TSX:VRN (Veren Inc.)

Category

1. Dividend Stocks
2. Investing

Tags

1. Editor's Choice

Date
2025/08/20
Date Created
2015/03/13
Author
rbaillieul