



## Attention Retirees: 5 Monthly Dividend Stocks Yielding Up to 8.7%

### Description

Who else wants monthly income?

While I'm a major believer in dividend investing, there has always been one major problem: most of us pay our bills on a monthly cycle, yet our dividend cheques arrive only once per quarter.

Bonds are even worse. With few exceptions, most fixed-income securities pay interest semi-annually. GICs and other term deposits only pay interest once a year or at maturity.

This can make budgeting a real headache. Thankfully, there's a small universe of stocks that pay dividends monthly, and it's a real win-win for everybody. Companies gain a loyal shareholder base, while investors are better able to match their income with expenses.

Widely held names are rare in this group. However, there's enough quality and variety to build a portfolio that spits out reliable cash flow. Here are five of my favourites:

| Stock                              | Current Yield | Market Cap |
|------------------------------------|---------------|------------|
| Shaw Communications Inc.           | 4.3%          | \$13.1B    |
| H&R Real Estate Investment Trust   | 6.0%          | \$6.3B     |
| Dream Office REIT                  | 8.5%          | \$2.9B     |
| Enbridge Income Fund Holdings Inc. | 4.0%          | \$2.7B     |
| Student Transportation Inc.        | 8.7%          | \$613.3M   |

Source: Yahoo! Finance

Let's say a few words about these companies.

**Dream Office REIT** ([TSX:D.UN](#)) and **H&R Real Estate Investment Trust** ([TSX:HR.UN](#)) give you all the perks of becoming a landlord, minus the hassles. These firms own properties, collect rent from

tenants, and pass on the income to investors. And thanks to a special loophole, these trusts pay NO corporate income taxes.

However, unlike most landlords, H&R and Dream don't own typical apartment buildings. Instead, these firms specialize in office and commercial real estate—an asset class that is usually off-limits to small investors. Because their corporate tenants have a lot more “rent money” than the average household, these trusts sport some of the highest yields around.

Telecom stocks like **Shaw Communications Inc.** ([TSX:SJR.B](#))([NYSE:SJR](#)) are popular with income investors, and for good reason. Because of their limited growth prospects, these companies throw off most of their earnings to shareholders as dividends. High barriers to entry also allow incumbents to crank out oversized profits year after year.

It's pretty straightforward with **Student Transportation Inc.** (TSX:STB)(NASDAQ:STB): It operates thousands of school buses in hundreds of counties across the continent. The kids go to school and you get paid: simple, stable, lucrative. Even if the economy hits a pothole, boring businesses like Student Transportation will still be cranking out dividends.

Finally, **Enbridge Income Fund Holdings Inc.** (TSX:ENF) owns thousands of miles of energy pipelines, shipping commodities like oil and gas across western Canada. Here's what I love about this business: while oil prices can swing wildly from day to day, the actual volume of crude going through the company's network remains remarkably consistent. As a result, Enbridge's cash flows resemble bond coupons.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:D.UN (Dream Office Real Estate Investment Trust)
3. TSX:HR.UN (H&R Real Estate Investment Trust)
4. TSX:SJR.B (Shaw Communications)

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