



Attention Retirees: 5 High-Yield Stocks Paying Up to 9.3%

Description

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

But can a stock offer both safety and a high yield? Yes, if you know where to look. By sticking to strong businesses with sustainable cash flows, light debt loads, and strong management teams, you can avoid potential dividend traps.

So, to help get you started, I've assembled a list of the top five high-yield stocks in Canada. Of course, any payout over 5% comes with some risk. None of the stocks below should represent a core holding in any retirement portfolio. However, each one is a solid compliment for yield-focused investors and can serve to "juice" your portfolio income.

Stock	Current Yield	Market Cap
Dream Global REIT	8.1%	\$1.1 billion
First National Financial Corp.	7.1%	\$1.3 billion
Cominar Real Estate Investment Trust	8.0%	\$3.1 billion
TransAlta Corporation	6.6%	\$3.1 billion
Crescent Point Energy Corp.	9.3%	\$13.6 billion

Source: Yahoo! Finance

Let's say a few words about these companies.

As regular readers know, real estate investment trusts, or REITs, are a special type of holding company. A management team serves tenants, maintains investment properties, and passes on the profits to investors. Even better, these trusts are eligible for big tax breaks, which allows them to pay out consistent, oversized rent cheques.

This makes REITs a great way to invest in real estate assets without the headaches. And because

REITs are publicly traded, you can buy and sell your units just like any common stock. **Dream Global REIT** (TSX:DRG.UN) and **Cominar Real Estate Investment Trust** (TSX:CUF.UN) are two of my favourite names in the space.

For investors who want a higher claim on real estate earnings, mortgage owners like **First National Financial Corp.** ([TSX:FN](#)) are a safer alternative. Lending people money to buy real estate is a relatively low-risk investment since the property is pledged as collateral. And because payments are made monthly, investing in mortgages provides a regular stream of income.

TransAlta Corporation's ([TSX:TA](#))([NYSE:TAC](#)) story hasn't changed in decades. It's a well-run power company serving millions of customers. They turn their lights on and you get a dividend. And given that the yield on a 10-year Government note is less than 2%, TransAlta's payout looks seriously attractive.

Finally, shale oil producer **Crescent Point Energy Corp.** (TSX:CPG)(NYSE:CPG) is one of the highest yielding stocks in the energy patch. When you look at the company's properties and the opportunities ahead of it, they should be able to support their dividend with enough funds left over to grow the business and increase reserves.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:TAC (TransAlta Corporation)
2. NYSE:VRN (Veren)
3. TSX:FN (First National Financial Corporation)
4. TSX:TA (TransAlta Corporation)
5. TSX:VRN (Veren Inc.)

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