



3 Stocks With Yields Over 5% to Buy and Hold

Description

As history shows, dividend-paying stocks outperform non-dividend-paying stocks over the long term. This means that we should all own at least one dividend-paying stock and, depending on your age, investment goals, and risk tolerance, maybe even a diversified portfolio full of them. With this in mind, let's take a look at three stocks from three different industries with yields up to 8.3% that you could buy today.

1. Capital Power Corporation

Capital Power Corporation ([TSX:CPX](#)) is one of the largest power producers in North America with 17 facilities that have a generation capacity of more than 3,200 megawatts. It pays a quarterly dividend of \$0.365 per share, or \$1.46 per share annually, giving its stock an 8.2% yield at today's levels.

Investors must also make two very important notes. First, Capital Power has raised its annual dividend payment for two consecutive years, and its 7.4% increase in July puts it on pace for 2016 to mark the third consecutive year with an increase. Second, the company has a dividend-growth program in place to increase it by another 7% annually through 2018.

2. Alaris Royalty Corp.

Alaris Royalty Corp. ([TSX:AD](#)) is one of the largest alternative financing companies in North America. It pays a monthly dividend of \$0.135 per share, or \$1.62 per share annually, giving its stock a 6.8% yield at today's levels.

It is also very important to note that Alaris has raised its annual dividend payment for five consecutive years, and its recent increases, including a 4% increase in June and a 3.8% increase in July, puts it on pace for 2016 to mark the sixth consecutive year with an increase.

3. National Bank of Canada

National Bank of Canada ([TSX:NA](#)) is the sixth-largest bank in Canada, with approximately \$216.1 billion in total assets. It pays a quarterly dividend of \$0.54 per share, or \$2.16 per share annually,

giving its stock a 5.3% yield at today's levels.

Investors must also make two very important notes. First, National Bank has raised its annual dividend payment for five consecutive years, and its recent increases, including a 3.8% increase on December 2, puts it on pace for 2016 to mark the sixth consecutive year with an increase.

Second, the company has a target dividend-payout range of 40-50% of net earnings, so its consistent growth, including a 5.6% year-over-year increase to \$1.68 billion in fiscal 2015, should allow this streak to continue for the next several years.

Which of these stocks should you buy for yield?

Capital Power, Alaris Royalty, and National Bank of Canada can provide the dividend income that your portfolio needs in 2016 and beyond. All Foolish investors should strongly consider initiating positions in one of them in the very near future.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

1. TSX:AD.UN (Alaris Equity Partners Income Trust)
2. TSX:CPX (Capital Power Corporation)
3. TSX:NA (National Bank of Canada)

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Date

2025/08/23

Date Created

2016/01/04

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