

3 Stocks That Could Make Your Grandchildren Rich

Description

As intelligent investors know, dividend-paying stocks generate much higher returns than non-dividend-paying stocks over the long term. It is for this reason that I think dividend-paying stocks should be the primary holdings in portfolios that seniors build for their grandchildren. With this in mind, let's take a look at three monthly dividend stocks with yields up to 10.05% that you could buy today.

1. Northview Apartment REIT

Northview Apartment REIT (TSX:NVU.UN) is one of the largest residential landlords in Canada with over 24,000 residential suites across eight provinces and two territories. It pays a monthly distribution of \$0.1358 per share, or \$1.6296 per share annually, which gives its stock a 10.05% yield at today's levels.

Investors should also note that Northview has raised its annual distribution for three consecutive years, and I think its increased amount of funds from operations, including 3.6% year-over-year growth to \$58.5 million in the first nine months of fiscal 2015, could allow for another small increase in 2016.

2. Exchange Income Corporation

Exchange Income Corporation ([TSX:EIF](#)) is an acquisition-oriented corporation focused on opportunities in the aviation and manufacturing sectors, and it currently has 13 subsidiaries. It pays a monthly dividend of \$0.16 per share, or \$1.92 per share annually, which gives its stock an 8.7% yield at today's levels.

Investors must also note that Exchange Income Corporation has raised its annual dividend payment for five consecutive years, and its 10.3% increase in August 2015 puts it on pace for 2016 to mark the sixth consecutive year with an increase.

3. First National Financial Corp.

First National Financial Corp. ([TSX:FN](#)) is Canada's largest non-bank lender with over \$92 billion in mortgages under administration. It pays a monthly dividend of \$0.129167 per share, or \$1.55 per share annually, which gives its stock a 7.8% yield at today's levels.

It is also very important for investors to note that First National has raised its annual dividend payment every year since it converted itself into a corporate entity in January 2011, resulting in four consecutive years of increases, and its 3.3% increase in October 2015 puts it on pace for 2016 to mark the fifth consecutive year with an increase.

Which of these stocks should you buy for your grandchildren?

Northview Apartment REIT, Exchange Income Corporation, and First National Financial could put your grandchildren on the path to financial freedom, so take a closer look and strongly consider establishing positions in at least one of them today.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:EIF (Exchange Income Corporation)
2. TSX:FN (First National Financial Corporation)

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