

## 3 Monthly Dividend Stocks for Beginner Investors

### Description

If you're new to investing and are looking to generate income by building a portfolio of monthly dividend stocks, then this article will make things very easy for you. I've scoured the market and selected three stocks from different industries that have high yields and track records of raising their annual rates, so let's take a quick look at each to determine if you should buy them to form your instant three-stock income portfolio.

#### 1. Exchange Income Corporation

**Exchange Income Corporation** ([TSX:EIF](#)) is focused on investing in profitable, well-established companies with strong cash flows in the aviation and manufacturing industries, so it can distribute monthly cash dividends to its shareholders. It pays a monthly dividend of \$0.16 per share, or \$1.92 per share annually, which gives its stock a yield of about 7.5% at today's levels.

Investors must also make two notes.

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

Second, I think the company's immense growth in free cash flow less maintenance capital expenditures, including 89.9% year-over-year growth to \$3.02 per share in fiscal 2015, and its reduced payout ratio, including 60% in fiscal 2015 compared with 106% in fiscal 2014, could allow it to announce a significant dividend hike at some point in 2016.

#### 2. Enbridge Income Fund Holdings Inc.

**Enbridge Income Fund Holdings Inc.** (TSX:ENF) owns a diverse portfolio of energy infrastructure assets that are operated by **Enbridge Inc.**, which is one of the largest energy companies in North America. It pays a monthly dividend of \$0.1555 per share, or \$1.866 per share annually, which gives its stock a yield of about 6.8% at today's levels.

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First, Enbridge Income Fund Holdings has raised its annual dividend payment for five consecutive years, and its recent increases, including its 10% hike in December 2015, has it on pace for 2016 to mark the sixth consecutive year with an increase.

Second, the company expects to raise its dividend by 10% annually through 2019 and it has a long-term target payout ratio of 80% of its cash available for distribution.

#### 3. Cineplex Inc.

**Cineplex Inc.** ([TSX:CGX](#)) is the largest owner and operator of movie theatres in Canada with 162 theatres from coast to coast. It pays a monthly dividend of \$0.13 per share, or \$1.56 per share annually, which gives its stock a yield of about 3.15% at today's levels.

Investors must also make two notes.

First, Cineplex has raised its annual dividend payment for five consecutive years, and its 4% hike in May 2015 has it on pace for 2016 to mark the sixth consecutive year with an increase.

Second, the company has raised its dividend for its May payment in each of the last five years, and I think its increased amount of free cash flow, including 7.8% year-over-year growth to an adjusted \$2.492 per share in fiscal 2015, and its reduced payout ratio, including 61.8% in fiscal 2015 compared with 64.1% in fiscal 2014, will allow it to continue this tradition in 2016.

### Is now the time to build your income portfolio?

Exchange Income Corporation, Enbridge Income Fund Holdings, and Cineplex are three of the best monthly dividend stocks in their respective industries. All beginner investors should take a closer look and strongly consider buying them to form your instant three-stock income portfolio.

#### CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

#### POST TAG

1. Editor's Choice

#### TICKERS GLOBAL

1. TSX:CGX (Cineplex Inc.)
2. TSX:EIF (Exchange Income Corporation)

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