



## 3 Diversified Dividend Stocks With Yields up to 4.9%

### Description

Whether you just opened your first brokerage account or have been investing for years, you must own at least one dividend-paying stock, because they far outperform non-dividend-paying stocks over the long term.

I've scoured the market and selected one large cap, one mid cap, and one small cap that have high yields and active streaks of annual increases, so let's take a quick look at each to determine which would fit best in your portfolio.

#### Large cap: Shaw Communications Inc.

**Shaw Communications Inc.** ([TSX:SJR.B](#))([NYSE:SJR](#)) is one of Canada's leading pure-play connectivity providers, and it is its fourth-largest wireless carrier through its WIND Mobile brand. It pays a monthly dividend of \$0.09875, or \$1.185 per share annually, which gives its stock a yield of about 4.9% at today's levels.

Investors must also note that Shaw Communications has raised its annual dividend payment for 12 consecutive years, and its 7.7% hike in March 2015 has it on pace for 2016 to mark the 13th consecutive year with an increase.

#### Mid cap: TransForce Inc.

**TransForce Inc.** (TSX:TFI) is a North American leader in the transportation and logistics industry with operations across Canada and the United States. It pays a quarterly dividend of \$0.17 per share, or \$0.68 per share annually, which gives its stock a yield of about 3.1% at today's levels.

Investors must also note that TransForce has raised its annual dividend payment for five consecutive years, and I think its increased amount of free cash flow from continuing operations, including 18.8% year-over-year growth to \$2.91 per share in fiscal 2015, and its reduced payout ratio, including 23.4% of its free cash flow in fiscal 2015 compared with 24.7% in fiscal 2014, will allow it to continue this streak in 2016.

## Small cap: Canadian Western Bank

**Canadian Western Bank** ([TSX:CWB](#)) is one of the largest banking institutions in Canada's four western provinces with approximately \$23.5 billion in total assets. It pays a quarterly dividend of \$0.23 per share, or \$0.92 per share annually, which gives its stock a yield of about 3.8% at today's levels.

Investors must also make two notes.

First, Canadian Western Bank has raised its annual dividend payment for 23 consecutive years, and its 4.5% hike in December 2015 has it on pace for 2016 to mark the 24th consecutive year with an increase.

Second, the company has a target dividend payout of approximately 30% of its net earnings, and it recently stated that its business "remains well positioned to support continued long-term shareholder value through growth in both earnings and common share dividends."

### Which of these dividend payers belongs in your portfolio?

Shaw Communications, TransForce, and Canadian Western Bank are three of the best dividend-paying investment options in their respective industries and market-cap classes. All Foolish investors should strongly consider establishing positions in at least one of them today.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:CWB (Canadian Western Bank)
3. TSX:SJR.B (Shaw Communications)
4. TSX:TFII (TFI International)

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