



3 Great Monthly Dividend Stocks for Beginner Investors

Description

If you're new to investing and are interested in buying a monthly dividend stock or are looking to build a portfolio full of them, then this article is for you. I've scoured the market and selected three stocks from different industries that have high and safe yields of 4-7%, so let's take a quick look at each to determine if you should buy one or all of them today.

1. H&R Real Estate Investment Trust

H&R Real Estate Investment Trust ([TSX:HR.UN](#)) is one of North America's largest diversified REITs with ownership interests in over 500 office, retail, industrial, and residential properties across Canada and the United States. It pays a monthly distribution of \$0.1125 per share, or \$1.35 per share annually, which gives its stock a yield of about 6.2% at today's levels.

It is also very important for investors to make two notes.

First, the company has maintained its current annual distribution rate since fiscal 2013.

Second, I think H&R's consistent growth of funds from operations, including its 3.7% year-over-year increase to \$1.95 per share in fiscal 2015, and its low payout ratio, including 69.2% of its funds from operations in fiscal 2015, will allow it to raise its dividend when it reports its first-quarter earnings results in May.

2. Shaw Communications Inc.

Shaw Communications Inc. ([TSX:SJR.B](#))([NYSE:SJR](#)) is one of Canada's leading pure-play connectivity providers, and it is the country's fourth-largest wireless carrier. It pays a monthly dividend of \$0.09875, or \$1.185 per share annually, which gives its stock a yield of about 5.1% at today's levels.

It is also very important for investors to make two notes.

First, the company's 7.7% dividend hike in March 2015 has it on pace for fiscal 2016 to mark the 13th consecutive year in which it has raised its annual dividend payment.

Second, I think Shaw's streak of annual dividend increases can continue going forward for the following three reasons:

- It generates ample free cash flow, including \$291 million in its first half of fiscal 2016
- It has a modest dividend-payout ratio, including 64.9% of its free cash flow in its first half of fiscal 2016
- Its two "transformative transactions" that closed in the last two months, including its \$2.65 billion sale of Shaw Media and its \$1.6 billion acquisition of WIND Mobile, sets the company up for long-term growth

3. CI Financial Corp.

CI Financial Corp. ([TSX:CIX](#)) is one of Canada's largest wealth management firms and investment fund companies with nearly \$143 billion in assets under management and advisement. It pays a monthly dividend of \$0.11 per share, or \$1.32 per share annually, which gives its stock a yield of about 4.8% at today's levels.

It is also very important for investors to make two notes.

First, the company's 4.8% dividend hike in June 2015 has it on pace for fiscal 2016 to mark the seventh consecutive year in which it has raised its annual dividend payment.

Second, I think CI Financial's consistent growth of free cash flow, including its 7% year-over-year increase to \$596.6 million in fiscal 2015, and its modest payout ratio, including 60.7% of its free cash flow in fiscal 2015, will allow it to raise its dividend when it reports its first-quarter earnings results on May 5.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:CIX (CI Financial)
3. TSX:HR.UN (H&R Real Estate Investment Trust)
4. TSX:SJR.B (Shaw Communications)

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