



3 Reliable Monthly Income Stocks With Yields of 5-9%

Description

Many investors are turning to monthly dividend stocks to supplement their income, because savings accounts and Guaranteed Investment Certificates (GICs) simply do not offer yields anywhere close to what can be earned in the stock market. With this in mind, let's take a quick look at three monthly dividend stocks with yields of 5-9% that you could buy right now.

1. First National Financial Corp.

First National Financial Corp. ([TSX:FN](#)) is the parent company of First National Financial LP, which is the largest non-bank originator, underwriter, and servicer of mortgages in Canada with approximately \$94.3 billion in mortgages under administration.

It pays a monthly dividend of \$0.14167 per share, or \$1.70 per share annually, which gives its stock a yield of approximately 5.5% at today's levels.

It's also important to make two notes about its dividend.

First, the company has raised its annual dividend payment for four consecutive years, and its two hikes since the start of 2015, including its 9.7% hike in April, have it on pace for 2016 to mark the fifth consecutive year with an increase.

Second, I think its very strong operational performance, including its 8.4% year-over-year increase in mortgages under administration to a record \$94.3 billion and its 47.8% year-over-year increase in pre-fair market value earnings before interest, taxes, depreciation, and amortization (pre-FMV EBITDA) to \$56.8 million in the first quarter of 2016, will allow its streak of annual dividend increases to continue going forward.

2. Dream Industrial Real Estate Investment Trust

Dream Industrial Real Estate Invest Trst ([TSX:DIR.UN](#)) is one of the largest owners and operators of light industrial properties in Canada with a portfolio of 219 properties totaling approximately 17 million square feet across key industrial markets.

It pays a monthly distribution of \$0.05833 per share, or \$0.70 per share annually, which gives its stock a yield of approximately 8.5% at today's levels.

It's also important to make two notes about its distribution.

First, the company has maintained its current annual distribution rate since 2014.

Second, I think its consistent generation of adjusted funds from operations (AFFO), including \$0.823 per share in fiscal 2015 and \$0.202 per share in the first quarter of 2016, its sound payout ratio, including 86.6% of its AFFO in the first quarter, and its very high in-place occupancy rate, including 93.5% at the end of the first quarter, will allow it to continue to maintain its current distribution rate for the foreseeable future.

3. Superior Plus Corp.

Superior Plus Corp. ([TSX:SPB](#)) owns a portfolio of diversified businesses with operations in energy distribution, specialty chemical distribution, and construction products distribution.

It pays a monthly dividend of \$0.06 per share, or \$0.72 per share annually, which gives its stock a yield of approximately 6.2% at today's levels.

It's also important to make two notes about its dividend.

First, the company has raised its annual distribution each of the last two years, but this streak will end if it does not announce a hike before the end of 2016.

Second, I think its ample amount of adjusted operating cash flow (AOCF), including \$1.61 per share in fiscal 2015 and its projected \$1.50-1.80 per share in fiscal 2016, and its very low payout ratio, including just 29.2% of its AOCF in the first quarter, will allow it to announce a dividend hike when it reports its second-quarter earnings results in late July or early August.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:DIR.UN (Dream Industrial REIT)
2. TSX:FN (First National Financial Corporation)
3. TSX:SPB (Superior Plus Corp.)

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Author

jsolitro

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