



## Income Investors: 2 Mouth-Watering High-Yield Stocks With Monthly Payouts

### Description

Income investors are always searching for reliable stocks with high yields.

Let's take a look at **A&W Revenue Royalties Income Fund** ([TSX:AW.UN](#)) and **Keg Royalties Income Fund** ([TSX:KEG.UN](#)) to see why they might be attractive picks.

#### A&W

The burger game is a very competitive one, but A&W is hitting the right chord with consumers, and investors are reaping the benefits.

A&W reported Q2 same-store sales growth of 2.7% compared with the same period last year. For the first six months of 2016, the metric is up 5.4%.

The company now has 858 A&W restaurants in Canada contributing to the royalty pool. A total of 23 new locations are currently under construction or in the process of receiving permits.

The company's focus on the quality of its products is helping differentiate it from the competition. A&W only sells beef raised without the use of hormones and chicken raised without the use of antibiotics.

That might not sound like a tasty marketing pitch, but it appears to be working.

A&W is also popular with the Boomer crowd who hung out at the restaurant when they were teens and still enjoy the succulent burgers and famous root beer.

The fund just raised its monthly payout to \$0.133 per trust unit. That's good for a yield of 4.3%.

#### The Keg

The first Keg opened its doors in 1971, and Canadians have flocked to the restaurants ever since.

That's a pretty good track record in the fickle high-end restaurant market, and the success can be attributed to the company's focus on its core qualities: great food served by professional staff in a fun

atmosphere.

Today there are 100 locations contributing to the royalty pool.

For Q2 2016, royalty income rose 1.8% compared with the same period last year. For the first half of the year the metric is up 1%.

The fund's objective is to provide consistent monthly distributions to unitholders at the highest sustainable level. The fund bumped the payout up three times in 2015 and even dished out a one-time special payment at the end of last year.

The distribution rose again in May and currently sits at \$0.09 per unit. Investors who buy today can pick up an annualized yield of 5.5%.

The Keg consistently wins accolades in the Canadian full-service restaurant category, and investors should expect the strong trend to continue.

### **Is one a better pick?**

A few months ago I would have said A&W, but the unit price has been on a tear, gaining 28% year-to-date. At this point, I would call it a toss up between the two names.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

1. TSX:AW.UN (A&W Revenue Royalties Income Fund)
2. TSX:KEG.UN (Keg Royalties Income Fund)

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aswalker

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