



Give Yourself the Gift of Dependable Monthly Income With These 3 Stocks

Description

Each Christmas, it seems like we get more and more stuff that we don't really need.

Instead of buying another pair of gloves, a sweater the recipient will never wear, or another box of cheap chocolates, I have a suggestion: give something more practical instead. And nothing's more practical than cold, hard cash.

I'm not talking about a wad of cash in an envelope. There's nothing wrong with that, but I'd much rather receive a present that keeps generating cash. That's the kind of gift that keeps on giving.

There's no rule that says you've got to be selfless during the holiday season either. There's nothing wrong with giving yourself the gift of dependable monthly income. And if you do it often enough, it'll sure come in handy come retirement time.

Here are three terrific monthly income stocks that would make a terrific addition to any portfolio.

Inter Pipeline

As I outlined [about a week ago](#), I think there's one very important reason to prefer **Inter Pipeline Ltd.** (TSX:IPL) over its larger peers: it does 90% of its business in Alberta.

Alberta is very friendly to pipelines. The energy sector touches everyone's lives, and royalties from both oil and natural gas make up a significant percentage of provincial coffers.

Compare that to the rest of Canada. Folks protesting pipelines is common in British Columbia. It's the same with Quebec and Ontario. And the United States is hardly better. Thus, there's a big advantage to operating in Alberta.

The other thing Inter Pipeline has going for it is excess capacity. The majority of its cash flow comes from three pipelines transporting bitumen from the oil sands. These pipelines have capacity of about four million barrels per day. They're currently transporting about two million barrels per day. It's easy to see the potential there for higher earnings when the oil sands start expanding again.

And finally, Inter Pipeline pays a succulent dividend of 5.6%. It can easily afford the payout, and a couple of recent acquisitions look like they'll boost the bottom line for 2017, making it likely the company will increase its dividend for the 10th consecutive year.

Boardwalk REIT

Boardwalk REIT ([TSX:BEI.UN](#)), the Calgary-based owner of more than 33,000 apartment suites across Canada, is suffering a bit. Approximately 60% of income comes from Alberta, which was hit hard by oil's decline.

But there's still a lot to like about the company. It has a pristine balance sheet. It has a debt-to-assets ratio of 41%, far below the 50% level, which is standard for the sector. The company is using this balance sheet strength to both acquire and develop new properties while prices are down. That's a smart strategy.

It also has a great management team who collectively own approximately a quarter of all outstanding shares. You very rarely see that kind of insider ownership for REITs.

And finally, we can't forget about the dividend. Boardwalk shares currently yield 4.8%—a payout easily supported by cash flows. Things would have to get really bad in Calgary before Boardwalk would cut its dividend.

Extendicare

Extendicare Inc. ([TSX:EXE](#)) spent 2015 and 2016 reinventing itself. First it sold its U.S. operations, retreating to Canada and its much safer regulatory environment. It then spent the cash on a number of acquisitions; it doubled its home health business as well as bought several retirement homes and agreed to build even more.

These moves have already buoyed the bottom line. Through the first nine months of 2016, Extendicare generated \$0.59 per share in adjusted funds from operations—up more than 25% versus last year. And 2017 should be even better as some of the new builds start adding to net income.

That's very good news for the company's \$0.04 per share monthly dividend. The payout ratio is currently 61%, indicating that a dividend increase could easily happen in 2017. Shares currently yield 4.8%.

The bottom line

It doesn't get much better than getting a monthly dividend cheque for doing absolutely nothing. That's a gift I can really get excited about giving, whether it's to a loved one or for my own selfish purposes.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:BEI.UN (Boardwalk Real Estate Investment Trust)
2. TSX:EXE (Extendicare Inc.)

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