

Dividend Investors: 4 Top Monthly Income Stocks to Start Your High-Yield Portfolio

Description

Canadian investors are always searching for top dividend stocks to help boost their savings and income.

Here are four companies to help you get started.

RioCan Real Estate Investment Trust ([TSX:REI.UN](#))

RioCan is Canada's largest REIT with interests in more than 300 retail locations.

Management has done a good job of bringing down debt in the past year, and the company has several interesting development projects in the works that should provide strong support for the generous distribution.

For example, RioCan is planning to add up to 10,000 residential units at its top urban locations. The company also has an interest in 15 new retail sites that will add 3.3 million square feet of new rental space.

Occupancy and funds from operations are rising, while debt and the payout ratio are falling, so all of the important numbers are moving in the right direction.

RioCan pays a monthly distribution of 11.75 cents per unit. That's good for a yield of 5.3%.

Inter Pipeline Ltd. ([TSX:IPL](#))

Inter Pipeline owns natural gas liquids (NGL) extraction assets, conventional oil pipelines, oil sands pipelines, and a liquids storage business based in Europe.

The balanced revenue stream has helped the company navigate the oil downturn very well, and management has taken advantage of the tough times to invest for strong growth, including the recent \$1.35 billion purchase of NGL extraction assets and infrastructure from **The Williams Companies**.

Inter Pipeline recently raised its monthly distribution to \$0.135 per share, and investors should see continued growth as new assets contribute to the revenue stream.

The current payout provides a yield of 5.4%.

Altagas Ltd. ([TSX:ALA](#))

Altagas owns an interesting mix of natural gas infrastructure, utilities, and power-generation assets about evenly split between Canada and the United States. This gives Canadian investors a great option to get U.S. exposure through a Canadian stock.

Management has a strong track record of finding strategic tuck-in acquisitions, as well as developing organic projects in promising gas locations.

The company's Townsend gas-processing plant recently started commercial operations, and an expansion at the site should be online later this year.

As these projects ramp up, investors should see solid dividend growth.

The stock currently pays a monthly distribution of \$0.175 per share for a yield of 6%.

Corus Entertainment Inc. ([TSX:CJR.B](#))

Corus went through a rough spell in the lead-up to the new pick-and-pay rules for Canadian TV subscriptions, but a strategic acquisition has alleviated much of the concern, and investors are set to reap the rewards.

What's up?

Corus purchased Shaw Media from **Shaw Communications** just as the new rules went into place last year.

The deal gave Corus ownership of roughly 35% of the Canadian English TV content with programming that covers a wide swath of the market.

As a result, Corus should have the depth and scale to compete under the new system, despite not being a service provider.

The business continues to generate adequate free cash flow to cover the monthly dividend of 9.5 cents per share. At the time of writing, investors are getting a yield of 8.75%.

Which one is the best?

All four companies are attractive picks today for starting a high-yield dividend portfolio. If you only buy one, I think Inter Pipeline probably offers the best potential for both dividend growth and stock-price appreciation over the medium term.

CATEGORY

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1. TSX:ALA (AltaGas Ltd.)
2. TSX:CJR.B (Corus Entertainment Inc.)
3. TSX:REI.UN (RioCan Real Estate Investment Trust)

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Date

2025/08/28

Date Created

2017/01/04

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