



Dividend Investors: This High-Yield Portfolio Pays a Safe 5.5%

Description

Income investors are always searching for the highest yield with the lowest chance of headaches.

Let's take a look at **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)), **Inter Pipeline Ltd.** (TSX:IPL), and **Altagas Ltd.** ([TSX:ALA](#)) to see why they might be interesting picks for income investors.

BCE

BCE is a dominant force in the Canadian communications industry, and that situation is unlikely to change.

In fact, the company is set to become even stronger as it works through its takeover of **Manitoba Telecom Services**.

BCE has invested heavily in media assets in recent years and now owns sports teams, a television network, specialty channels, and radio stations.

When you combine the media assets with the world-class mobile and wireline networks, you get a business that interacts with most Canadians on a weekly, if not daily, basis.

Every time someone in this country sends a text, calls a friend, checks e-mail, listens to the weather report, watches the news, downloads a movie, or streams a video, the odds are pretty good that BCE is involved in the process somewhere along the line.

The company generates healthy free cash flow and has a strong history of dividend growth. The current quarterly distribution yields 4.7%.

Inter Pipeline

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

The business has weathered the oil rout very well, and management has taken advantage of the

downturn to invest for the future, including the recent \$1.35 billion purchase of two NGL extraction facilities.

The new assets combined with a strong portfolio of organic development projects should result in solid cash flow growth in the coming years.

Inter Pipeline pays a monthly dividend of 13.5 cents per share for a yield of 5.6%.

Altagas

Altagas is an energy infrastructure company with operations in gas, power, and utility segments.

Management has a strong track record of growing the company through organic growth and strategic acquisitions.

Altagas recently completed the first phase of its Townsend gas-processing facility. An expansion of the site is expected to double capacity by the end of this year.

The company is also working on a propane export terminal as well as new NGL processing and distribution assets in British Columbia.

Reports of a pending large acquisition in the U.S. have knocked the stock down in recent days, giving investors a chance to pick up the shares at an attractive price.

The company says it is in talks with a third party, but no deal has been announced.

Altagas pays a monthly dividend that currently yields 6.5%.

The bottom line

An equal investment in all three companies would provide income investors with a solid 5.6% yield. That's not too shabby in the current environment.

CATEGORY

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2. Investing

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