3 High-Yield Monthly Dividend Stocks for Income Investors

Description

Monthly dividend stocks can be great to supplement income and support living expenses for investors, and there's nothing better if they also offer high dividend yields. Here are three such top-quality monthly dividend stocks that offer yields up to 6%.

Enercare Inc. (TSX:ECI)

Enercare is among North America's largest energy-solutions providers, dealing in products and services such as water heaters, air conditioners, sub-meters, and plumbing. That might sound a boring business, but it's also defensive and ensures stable revenues for Enercare regardless of business cycles. You wouldn't wait for the economy to recover if you've got leaking pipes and a broken heater, would you?

This advantage combined with Enercare's growth strategy, which is focused on acquisitions, HVAC rentals, and expansion of its sub-metering business, has boosted its sales substantially in recent years. Its revenue and net income jumped 66% and 15%, respectively, during the nine months ended Sept. 30, 2016.

For investors, consistent revenues have meant 42% growth in Enercare's dividend since 2011. Today, you can not only enjoy the stock's 5% yield, but you also have the option to take shares at 5% discount to market price instead of cash dividends under Enercare's dividend reinvestment plan.

Canadian REIT (TSX:REF.UN)

While many REITs pay monthly dividends, Canadian REIT is one of my favourites thanks to its strong business portfolio. Canadian REIT gets roughly half of its profits from retail properties and about 25% each from industrial and office properties. Canadian REIT counts top names such as **Canadian Tire**, **Suncor Energy**, **Loblaw**, and **Lowe's** among its tenants.

Its diversity and strong tenant base has enabled Canadian REIT to grow its fund from operations at a compounded average of 8% in the past two decades. Not surprisingly, the company has raised its dividend for 15 straight years. Today, Canadian REIT stock yields a solid 4% and is pretty cheap at just about half of its five-year average P/E, making it a great dividend stock to consider.

Altagas Ltd. (TSX:ALA)

This year could be a game changer for diversified energy infrastructure company.

Altagas processes and sells natural gas and operates power and gas utilities. Altagas plans to invest $500-550 million in key projects this year, including new pipelines, expansion of its Townsend facility in northern British Columbia, and a proposed propane export terminal at Ridley Island.

But the biggest event could be a potential merger with **WGL Holdings Inc.** (NYSE:WGL) in a deal worth more than US$5 billion. WGL is a public utility holding company that serves more than one million customers in Washington D.C. through its subsidiaries, such as Washington Gas.

While the merger could boost Altagas's prospects substantially, it is already a top-notch dividend payer, having grown its dividend at an annual compounded rate of 8% since 2010. With non-commodity operations now contributing more than 90% to its EBITDA, Altagas's is a reliable, stable, and growing business that should be able to support its +6% dividend yield going forward.

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