



These +6% Yielders Pay You Every Month

Description

If you're an income investor with cash on hand that you're ready to put to work, then you've come to the right place. Let's take a closer look at two quality stocks with yields over 6% that you could buy right now.

Altagas Ltd.

Altagas Ltd. ([TSX:ALA](#)) is one of the largest owners and operators of energy infrastructure in North America. Its portfolio includes a diverse mix of natural gas, power, and utilities assets, including natural gas gathering and processing plants, natural gas pipelines, wind, hydro, biomass, and natural gas-fired power-generation facilities, and five regulated gas distribution franchises that serve over 570,000 customers in the U.S. and Canada.

Altagas currently pays a monthly dividend of \$0.175 per share, representing \$2.10 per share on an annualized basis, which gives its stock a stunning 6.8% yield at today's levels.

As Foolish investors, we know we must always confirm the safety of a stock's dividend before investing, and you can do this with Altagas by checking its dividend payments as a percentage of its normalized funds from operations (NFFO). In its fiscal year ended on December 31, 2016, its NFFO totaled \$554 million (\$3.52 per share), and its dividend payments totaled just \$315.3 million (\$2.03 per share), resulting in a conservative 56.9% payout ratio.

In addition to offering a high and safe stream of monthly income, Altagas offers dividend growth. It has raised its annual dividend payment every year since 2010, including a compound annual growth rate of about 8% in that span, and its 6.1% hike which took effect in August 2016 has it positioned for 2017 to mark the seventh consecutive year with an increase.

I think investors can count on Altagas for further dividend growth in the years ahead as well. I think its very strong NFFO growth, including its 17.9% year-over-year increase to \$554 million in 2016 and the "high single-digit percentage growth" it expects to achieve in 2017, and its aggressive expansion plans that will drive future NFFO growth, including its \$2.6-2.89 billion worth of projects that will be commissioned through 2020, will allow its streak of annual dividend increases to continue into the late

2020s at the very least.

Crombie Real Estate Investment Trust

Crombie Real Estate Investment Trust ([TSX:CRR.UN](#)) is one of the largest owners and managers of commercial real estate in Canada. Its portfolio currently consists of 280 properties located across the country that total approximately 19.1 million square feet.

Crombie pays a monthly distribution of \$0.07417 per unit, representing \$0.89 per unit on an annualized basis, and this gives its stock a lavish 6.4% yield today.

You can easily confirm the safety of this 6.4% yield by checking Crombie's distributions as a percentage of its adjusted funds from operations (AFFO). In its fiscal year ended on December 31, 2016, its AFFO totaled \$140.74 million (\$1.00 per diluted unit), and its distributions totaled \$125.74 million (\$0.89 per unit), resulting in a sound 89.3% payout ratio.

On top of having a high and safe yield, Crombie is known as being a very reliable income provider, because it has paid distributions every month since April 2006 and maintained its current monthly rate since May 2008.

I think Crombie will continue to provide its unitholders with a steady stream of monthly income going forward as well. I think its continued AFFO growth, including its 3.2% year-over-year increase to \$0.96 per diluted unit in 2015, and its 4.2% year-over-year increase to \$1.00 per diluted unit in 2016, and the ongoing improvement of its payout ratio, including 89.3% in 2016 compared with 92.8% in 2015 and 96.4% in 2014, will allow it to continue to maintain its current monthly rate for another nine years at least.

Which should you buy today?

I think Altagas and Crombie REIT are two of the best investment options for income investors today, so take a closer look at each and strongly consider initiating positions in at least one of them.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:ALA (AltaGas Ltd.)
2. TSX:CRR.UN (Crombie Real Estate Investment Trust)

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