



5 Top Dividend Stocks Yielding 5% or More

Description

Dividend investing can be one of the easiest paths to investing success. While higher yields can be indicative of a dividend being at risk, especially in the event of an economic downturn, some stocks pay attractive yet sustainable yields that are supported by the characteristics of their businesses.

Here are five stocks with yields of 5% or greater which appear positioned to survive anything but the worst economic crisis.

Now what?

Altagas Ltd. ([TSX:ALA](#)) is diversified utility and provider of pipeline and storage services to the energy patch. It offers investors a very tasty yield of almost 7%. In 2017, the company expects to generate roughly a quarter of its EBITDA from the provision of midstream services to the energy industry — 36% through its gas distribution operations and 40% from its power-generating business.

These industries have steep barriers to entry and remain in high demand regardless of the state of the economy. When this is considered with the highly regulated nature of these industries and contracted cash flows, the stability of the dividend is ensured and Altagas is protected from economic downturns.

Brookfield Renewable Partners L.P. ([TSX:BEP.UN](#))([NYSE:BEP](#)) is a leading global renewable energy utility which pays a dividend yielding a very attractive 6% after hiking its annual distribution at the end of 2016. Its portfolio of renewable energy assets has 10,700 megawatts of capacity, it operates globally across seven countries, and it has a solid history of identifying accretive opportunities.

Importantly, over 90% of its cash flows are contracted; in combination with the inelastic demand for electricity, this virtually assures that the distribution remains sustainable.

The secular trend to renewable energy globally will act as a powerful tailwind for years to come.

Enbridge Income Fund Holdings Inc. ([TSX:ENF](#)) Canada's premier energy infrastructure investment vehicle yield a juicy 6%. The fund owns a diverse portfolio of energy assets comprised of petroleum liquids storage and transportation facilities, natural gas transmission pipelines, and 14 renewable

power-generation assets.

These operations are underpinned by highly dependable contracted cash flows which, along with steep barriers to entry, virtually ensures earnings as well as the sustainability of its dividend.

Inter Pipeline Ltd. (TSX:IPL) owns and operates a diverse portfolio of energy processing, storage, as well as transmission assets. It rewards shareholders with a healthy 5.7% yield. It derives roughly 90% of its EBITDA from its Canadian operations and the remainder from western Europe.

While having an impressive history of growth for its dividend, having hiked it for the last eight years straight, it remains sustainable because the majority of its earnings come from contracted sources. This should continue, particularly as drilling activity in the energy patch picks up because of higher oil prices, sparking greater demand for its assets.

Brookfield Property Partners L.P. ([TSX:BPY.UN](#))(NYSE:BPY) is a globally diversified real estate company that owns, operates, and develops real estate across almost all segments of the industry. It pays a sustainable distribution which yields an impressive 5%. The distribution is supported by the stable cash flow generated by its portfolio of property assets.

The partnership plans to grow its distribution by 5-8% annually. This appears achievable because of the quality of its core assets; Brookfield Place in New York and the Fashion Show Mall in Las Vegas make up 80% of its balance sheet and are expected generate total returns of 10-12%.

So what?

All five stocks offer investors fantastic yields that are far higher than bonds or cash. More importantly, because of the natures of their businesses, those yields appear sustainable, making any of them core holdings for an income-focused portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

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1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:ALA (AltaGas Ltd.)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:BPY.UN (Brookfield Property Partners)

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