



## 2 Top Dividend Stocks Yielding 3-5% to Buy in May

### Description

If your portfolio lacks yield and you're ready to do something about it, then you've come to the right place. Let's take a closer look at two high-quality stocks with yields of 3-5% that you could buy today.

#### Morneau Shepell Inc.

**Morneau Shepell Inc.** (TSX:MSI) is one of Canada's largest human resources consulting and technology companies. It's the leading provider of employee- and family-assistance programs, the largest administrator of retirement and benefits plans, and the largest provider of integrated absence-management solutions in the country.

Morneau pays a monthly dividend of \$0.065 per share, equal to \$0.78 per share on an annualized basis, which gives it a yield of about 3.8% at today's levels.

On top of being a high yielder, I consider Morneau to be one of the industry's most reliable dividend payers, because it has maintained its current monthly dividend rate since it converted to a conventional corporation in January 2011.

I think Morneau will continue to provide its shareholders with a steady stream of monthly dividends in the years ahead. Its consistently strong growth of normalized free cash flow (NFCF), including its 15.1% year-over-year increase to \$70.9 million in 2016 and its 18.2% year-over-year increase to \$18.09 million in the first quarter of 2017, and the ongoing improvement of its dividend-payout ratio, including 57.4% of its NFCF in the first quarter of 2017 compared with 61.5% in the year-ago period, will allow it to continue to maintain its current monthly rate for the foreseeable future.

#### Brookfield Infrastructure Partners L.P.

**Brookfield Infrastructure Partners L.P.** ([TSX:BIP.UN](#))([NYSE:BIP](#)) owns and operates high-quality, long-life assets in the utilities, transport, energy, and communications sectors across North America, South America, Asia Pacific, and Europe. Examples of its assets include electricity transmission lines, natural gas transmission lines and storage facilities, rail tracks, ports, toll roads, and communication towers.

Brookfield currently pays a quarterly distribution of US\$0.435 per unit, equal to US\$1.74 per unit on an annualized basis, and this gives it a yield of approximately 4.35% at today's levels.

In addition to offering a high and safe yield over 4%, Brookfield is a distribution-growth star. It has raised its annual distribution for seven consecutive years, and its recent hikes, including its 10.6% hike in February, have it positioned for 2017 to mark the eighth consecutive year with an increase.

Brookfield's distribution growth will continue going forward as well. It has a long-term distribution-growth target of 5-9% annually, and I think its continued growth of funds from operations (FFO), including its 13.8% year-over-year increase to US\$2.72 per unit in 2016 and its 4.4% year-over-year increase to US\$0.71 per unit in the first quarter of 2017, and its ongoing organic growth initiatives, including the +US\$2 billion of projects in its capital backlog that will be commissioned through 2020 and immediately be accretive to its cash flow, will allow it to achieve this growth target for the next decade at least.

### **Which of these top dividend stocks belongs in your portfolio?**

I think Morneau Shepell and Brookfield Infrastructure Partners represent very attractive long-term investment opportunities, so take a closer look and strongly consider adding at least one of them to your portfolio today.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)

### **PARTNER-FEEDS**

1. Msn
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### **Date**

2025/07/07

**Date Created**

2017/05/09

**Author**

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