



Income Investors: 6 Great Stocks Yielding at Least 6%

Description

In today's world of anemic GIC yields and other income options that are equally pitiful, income investors are being forced into the stock market.

This isn't necessarily a bad thing. Yes, stocks can be risky. We've all heard the stories of dividend cuts or other impactful events. But individual investors can easily mitigate these risks by using diversification. As long as the majority of a portfolio performs as expected, an investor can count on sustainable income for decades to come.

Here are six of Canada's best dividend stocks, each yielding more than 6%.

Artis Real Estate Investment Trust

Winnipeg-based **Artis Real Estate Investment Trust** ([TSX:AX.UN](#)) is one of Canada's largest real estate holding companies. Its portfolio consists of retail, office, and industrial property in both Canada and the United States.

The company currently pays a \$0.09 per share monthly dividend — good enough for an 8.2% yield. In 2016, Artis generated \$1.55 per share in funds from operations, giving it a payout ratio under 70%. Investors can count on the yield.

First National Financial

While fellow mortgage company **Home Capital Group** melted down, **First National Financial Corp.** ([TSX:FN](#)) only had a momentary blip. Its shares have lost a mere 2.6% in the last month versus a 52% decline for Home Capital.

First National has two major advantages. It's the go-to lender for thousands of Canadian mortgage brokers who don't want their clients ending up at a big bank. And it makes steady profits servicing the \$100 billion worth of mortgages it has issued over the years.

The company earned \$3.27 per share over the last year. It paid out \$1.72 per share in dividends.

That's a fantastic payout ratio for a stock yielding 7.4%.

Alaris Royalty

Although **Alaris Royalty Corp.** (TSX:AD) is struggling a bit today with a couple of partners who are behind on their royalty payments to the company, it still has a bright future ahead of it. There's something special about a business that can consistently invest its capital and get 12-15% returns in today's world.

Even without these partners paying a nickel in agreed-upon royalties, Alaris can still afford its 8.1% payout — although it is tight. Investors also must remember that these payments aren't lost forever. They're deferred, which means Alaris will get the cash eventually.

Just Energy

Just Energy Group Inc. (TSX:JE)(NYSE:JE) declined some 15% last week on temporarily depressed earnings. But even though results were disappointing, the company still easily generated enough free cash flow to cover its 6.9% dividends.

The company gets a bad rap because of its aggressive sales tactics. I believe investors focus too much on that and not enough on the strengths, which include the ability for commercial clients to lock in their price of electricity and the company's growth story into other countries.

Canoe EIT Income Fund

The **Canoe EIT Income Fund** ([TSX:EIT.UN](#)) is like having a whole portfolio in one simple stock. It holds dozens of top dividend stocks and then uses various option strategies to really goose the income it collects. The fund currently yields 9.9% and trades at a significant discount to the underlying assets.

Slate Retail REIT

Slate Retail REIT (TSX:SRT.UN) is the perfect way for Canadian investors to hedge against a falling loonie while still getting paid a generous 7.3% yield to wait.

Slate owns grocery-anchored real estate in so-called secondary markets in the United States. These locations offer great cap rates and income in U.S. dollars. If our currency continues to weaken, the yield to Canadian investors will increase without having to do a thing.

The bottom line

Great income isn't that hard to find. There are dozens of stocks on the Toronto Stock Exchange that yield more than 6%. Pick the best ones and start building your income portfolio today!

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:AD.UN (Alaris Equity Partners Income Trust)
2. TSX:AX.UN (Artis Real Estate Investment Trust)
3. TSX:EIT.UN (Canoe EIT Income Fund)
4. TSX:FN (First National Financial Corporation)
5. TSX:SGR.UN (Slate Retail REIT)

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