



2 Excellent Dividend Stocks With Yields up to 6.4%

Description

If you're on the hunt for great dividend stocks to add to your portfolio, then I've got two that I think you will love. Let's take a closer look at each, so you can determine if you should invest in one or both of them today.

Morguard Real Estate Investment Trust

Morguard Real Estate Inv. ([TSX:MRT.UN](#)) owns and operates commercial properties across Canada. As of March 31, its portfolio consisted of 49 properties, including 28 office and industrial properties and 21 retail properties, which are located across British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, and Quebec and total approximately 8.72 million square feet of gross leasable area.

Morguard pays a monthly distribution of \$0.08 per unit, representing \$0.96 per unit on an annualized basis, giving it a yield of about 6.4% at today's levels.

It's highly important to always confirm the safety of a stock's distribution before investing, and you can do this with Morguard by checking its distributions as a percentage of its adjusted funds from operations (AFFO). In its three-month period ended on March 31, its AFFO totaled \$0.31 per unit, and its distributions totaled \$0.24 per unit, resulting in a sound 77.4% payout ratio.

Morguard is also a very reliable income provider. It has paid monthly distributions uninterrupted and without reduction since January 2005, and it has maintained its current monthly rate since March 2012.

I think Morguard will continue to provide its unitholders with a steady stream of high monthly income going forward too. I think its consistent AFFO generation, including \$0.31 per unit in the first quarters of both 2017 and 2016, and its consistently sound payout ratio, including 77.4% in the first quarters of both 2017 and 2016, will allow it to maintain its current annual distribution rate for decades.

Toronto-Dominion Bank

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)), or TD Bank for short, is the largest bank in Canada as measured by assets with approximately \$1.25 trillion as of April 30. It offers a wide range of financial

products and services to 25 million customers in Canada, the United States, and around the world.

TD Bank currently pays a quarterly dividend of \$0.60 per share, representing \$2.40 per share on an annualized basis, and this gives its stock a yield of about 3.8% at today's levels.

As mentioned before, it's important to always confirm the safety of a stock's dividend, and you can do this with TD Bank by checking its dividend payments as a percentage of its adjusted net income. In its six-month period ended on April 30, its adjusted net income totaled \$2.67 per share, and its dividend payments totaled just \$1.15 per share, resulting in a rock-solid 43.1% payout ratio, which is at the low-end of its target payout range of 40-50%.

On top of offering a high and safe yield, TD Bank is one of the market's best dividend-growth stocks. It has raised its annual dividend payment in each of the last six years, and its recent hikes, including its 9.1% hike in March, have it on pace for 2017 to mark the seventh consecutive year with an increase.

I think TD Bank will continue to deliver a high and growing dividend to its shareholders in the years ahead as well. As mentioned previously, it has a target dividend-payout range of 40-50% of its adjusted net income, so I think its continually strong growth, including its 12.2% year-over-year increase to \$2.67 per share in the first six months of fiscal 2017, and its growing asset base that will help fuel future net income growth, including its 11.3% year-over-year increase to \$1.25 trillion as of April 30, will allow its streak of annual dividend increases to continue into the late 2020s at least.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:MRT.UN (Morguard Real Estate Investment Trust)
3. TSX:TD (The Toronto-Dominion Bank)

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Date

2025/07/07

Date Created

2017/05/27

Author

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