



## Income Investors: 3 Low-Risk Stocks That Pay 4% Dividends

### Description

The TSX has been very volatile this year, and one way investors can protect themselves is to invest in low-risk stocks that pay good dividends. Risk is measured by beta, which gives investors an idea of how much an individual stock swings in relation to the market. A beta of more than one indicates the stock is more volatile, while a beta of less than one indicates it is less volatile and should provide more stability.

In this article, I'm going to review stocks that are low risk (low beta) and that also offer good dividends of at least 4%. The companies here are also spread across different industries, so you can even further minimize your risk through diversification.

**Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) has a beta of 0.73 and a strong record of paying and increasing dividends regularly. The dividends from CIBC are paid quarterly and currently offer an annual return of 4.6%. This is a good stock to put money into and leave for years, since the dividend growth alone will help you earn a good return.

In just the past two years the company's dividend grew from \$1.06 in March 2015 to \$1.27 earlier this year for an increase of almost 20%. If the company were to keep dividends growing at that rate, then it would take just eight years for the company's dividend to double. That would mean that today's 4.6% dividend could pay you 9.4% eight years from now. And don't forget it's also likely the stock will appreciate in value in eight years too, so there are tremendous opportunities here to make a good return.

**BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) provides an even lower beta of 0.31 than CIBC and also has a good history of paying and increasing dividends. Its quarterly dividend has jumped from \$0.65 in April 2015 to \$0.7175 for its most recent quarter for an increase of over 10%. Although it is not as big of a jump as CIBC, BCE also offers a slightly higher yield of about 4.9%.

BCE has strong growth prospects and has been steadily increasing revenues over the past three years which have shown a compounded annual growth rate of 2%, while profits have averaged increases of 12%. If the company is able to continue those levels of growth (especially profitability), then it is likely

it will see its share price appreciate considerably.

**Canadian REIT** (TSX:REF.UN) is a real estate investment trust with a portfolio of over 200 properties in Canada and the U.S., totaling over 33 million square feet. Currently, the stock offers a monthly dividend of 4.1%. Like BCE, Canadian REIT has a fairly low beta of about 0.38, making it fairly stable compared to the market.

The company has also increased its dividend, but a bit more modestly. The dividend increased by a total of about 4.6% in the span of two years. However, the company is also growing, so it is understandable if it wants to retain a bit more money. The company has seen revenues grow for four consecutive years, and it still has many opportunities for growth going forward.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

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2. NYSE:CM (Canadian Imperial Bank of Commerce)
3. TSX:BCE (BCE Inc.)
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## Author

djagielski

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