



## 3 Top Income Stocks With Yields up to 7.1%

### Description

If you're an income investor with cash on hand that you're ready to put to work, then I've got three stocks that I think you will love. Let's take a closer look at each, so you can determine which would fit best in your portfolio.

#### Morneau Shepell Inc.

**Morneau Shepell Inc.** (TSX:MSI) is 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 Canada.

Morneau Shepell pays a monthly dividend of \$0.065 per share, equal to \$0.78 per share annually, which gives it a 3.9% yield today.

It's also important to make the following two notes about Morneau Shepell's dividend.

First, the company has maintained its current monthly dividend rate since it converted to a conventional corporation from an income trust in January 2011, making it a very reliable income provider.

Second, I think its consistently strong generation of free cash flow (FCF), including \$70.9 million in 2016 and \$34 million in the first half of 2017, and its conservative dividend-payout ratio, including 61.2% of its FCF in the first half of 2017, will allow it to continue to maintain its current dividend rate for the foreseeable future.

#### Morguard Real Estate Investment Trust

**Morguard Real Estate Inv.** ([TSX:MRT.UN](#)) is one of the largest commercial REITs in Canada. As of June 30, its portfolio consisted of 49 properties, including 28 office and industrial properties and 21 retail properties, which are located across six provinces and total about 8.7 million square feet.

Morguard pays a monthly distribution of \$0.08 per unit, equal to \$0.96 per unit annually, and this gives

it a yield of about 6.9% today.

Investors must also make the following two notes about Morguard's distribution.

First, it has paid monthly distributions uninterrupted and without reduction since January 2005, including one increase of 6.7% to its current rate of \$0.08 per unit in March 2012.

Second, I think the company's ample generation of adjusted funds from operations (AFFO), including \$1.26 per unit in 2016 and \$0.60 per unit in the first half of 2017, and its sound distribution-payout ratio, including 80% of its AFFO in the first half of 2017, will allow it to continue to maintain its current distribution rate for decades.

### **Inter Pipeline Ltd.**

**Inter Pipeline Ltd.** (TSX:IPL) is one of the largest energy infrastructure companies in North America and Europe. Its assets include pipelines, offgas extraction facilities, and fractionation plants located in western Canada, and petroleum and petrochemical storage terminals located in the U.K., Denmark, Sweden, Ireland, and Germany.

Inter Pipeline currently pays a monthly dividend of \$0.135 per share, equal to \$1.62 per share annually, which gives it a 7.1% yield today.

It's also important to make the following two notes about Inter Pipeline's dividend.

First, it has raised its annual dividend payment for eight straight years, and its 3.8% hike in November has it on pace for 2017 to mark the ninth straight year with an increase.

Second, I think Inter Pipeline's very strong growth of FFO attributable to common shareholders, including its 25.1% year-over-year increase to \$453.9 million in the first half of 2017, and its greatly improved dividend-payout ratio, including 66.2% in the first half of 2017 compared with 72.4% in the year-ago period, will allow it to continue to grow its dividend in the years ahead.

### **Which of these income stocks should you buy today?**

I think Morneau Shepell, Morguard REIT, and Inter Pipeline are three of the best income stocks in their respective industries, so take a closer look at each and consider investing in at least one of them today.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **POST TAG**

1. Editor's Choice

### **TICKERS GLOBAL**

1. TSX:MRT.UN (Morguard Real Estate Investment Trust)

### **PARTNER-FEEDS**

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

### Category

1. Dividend Stocks
2. Investing

### Tags

1. Editor's Choice

### Date

2025/07/02

### Date Created

2017/08/23

### Author

jsolitro

default watermark

default watermark