



## Retirement Income: 2 High-Yield Stocks Worth Buying Now

### Description

If you are looking to add high-yielding dividend stocks that are reliable and regularly reward their investors, then I have a couple of options for you to consider.

**RioCan Real Estate Investment Trust** ([TSX:REI.UN](#)) and **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) offer attractive yields at the moment after their shares pulled back this year due to various economic reasons.

Let's figure out if they are good investments to produce steady retirement income.

### RioCan REIT

Real estate investment trusts (REITs) are great investment vehicles for investors to get monthly distributions. The biggest advantage of investing in REITs is that professionals manage the rental properties with a clear mandate to increase monthly dividends.

Another benefit of investing in REITs is the advantageous tax treatment these companies get in Canada. REITs pay distributions before they pay tax to the taxman, and that means more income for unitholders.

RioCan is Canada's largest REIT. It manages about 300 retail properties across Canada and has some of the biggest retail names as clients. RioCan pays a monthly distribution of \$0.1175 per unit, or a 5.7% annualized yield.

But its shares have remained under pressure this year, as many investors believe RioCan will have a rough ride going forward due to the perceived demise of traditional retailing. Its shares are down ~8%, while the benchmark S&P/TSX Composite Index is up over 4% this year.

Despite these uncertainties, RioCan has generated a consistent growth in funds from operations (FFO) — a most important measure for shareholders. FFO grew 14% in the past five years to \$1.68 a share in 2016.

Along with increasing FFO, RioCan has also maintained a higher occupancy ratio during that period, reaching 96.7% in the second quarter of this year.

## **BCE Inc.**

BCE is also a perfect retirement investment for various reasons that suit income investors.

First, it delivers predictable cash flows that are given back to investors in the form of generous dividends. The company has done that for the past 134 years, and that history should give you some confidence while investing in this stock.

Second, BCE runs the largest telecom network in Canada with a portfolio of strong media assets, including TV channels and radio stations.

BCE shares currently yield 4.8%, which translates into a \$0.72-a-share quarterly dividend. This stock is also good to beat inflation, as the company regularly hikes its dividend faster than inflation.

I think this is a good time to buy BCE shares, which have underperformed the benchmark index this year, rising just over 2%, as investors ignored this fantastic dividend stocks on concerns that rising interest rates will hurt its earnings.

## **The bottom line**

Improving your retirement income requires bargain-hunting skills in the stock market. So, when you see reliable companies selling cheap, you should take advantage and try to improve the bottom line of your retirement income.

## **CATEGORY**

1. Dividend Stocks
2. Investing

## **TICKERS GLOBAL**

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:REI.UN (RioCan Real Estate Investment Trust)

## **PARTNER-FEEDS**

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

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