



3 Stocks Yielding 4-7% to Buy for Income Growth

Description

As income investors, we want to own stocks with high and reliable distributions, and the best ones to buy are those that can also grow their distributions over time. With this in mind, let's take a look at three great income stocks with yields over 4% and track records of growth, so you can determine if you should invest in one or more of them today.

CI Financial Corp. ([TSX:CIX](#)) is one of the largest wealth management and investment fund companies in Canada. As of September 30, it had approximately \$185.8 billion in assets under management and advisement.

CI Financial currently pays a monthly dividend of \$0.1175 per share, equating to \$1.41 per share on an annualized basis, giving it a 4.9% yield at the time of this writing.

Foolish investors must make the following two notes.

First, the financial giant has raised its annual dividend payment for eight consecutive years, and [its 2.2% hike](#) in May has it on track for 2018 to mark the ninth consecutive year with an increase.

Second, I think its consistently strong financial performance, including its 10.4% year-over-year increase in adjusted net earnings to \$1.59 per share in the first nine months of 2017, and its growing amount of assets under management and advisement that will help drive future growth, including its 24.3% year-over-year increase to \$185.8 billion as of October 31, will allow it to easily extend its streak of annual dividend increases into the 2020s.

Keyera Corp. ([TSX:KEY](#)) is one of the leading providers of essential services to oil and gas producers in the Western Canada Sedimentary Basin, such as natural gas gathering and processing, natural gas liquids fractionation, transportation, storage, and marketing, and iso-octane production and sales.

Keyera currently pays a monthly dividend of \$0.14 per share, equal to \$1.68 per share on an annualized basis, which gives it a yield of about 4.6% at the time of this writing.

Investors must also make the following two notes.

First, the service provider has raised its annual dividend payment for eight straight years, and its 5.7% hike in May has it on pace for 2018 to mark the ninth consecutive year with an increase.

Second, I think Keyera's very strong generation of distributable cash flow (DCF), including \$2.56 per share in 2016 and \$1.80 per share in the first nine months of 2017, and its conservative payout ratio, including 68.6% of its DCF in the first nine months of 2017, will allow its streak of annual dividend increases to continue going forward.

Plaza Retail REIT ([TSX:PLZ.UN](#)) is one of Canada's largest owners and managers of retail real estate with a focus on central and eastern Canada. Its portfolio currently consists of 295 properties, which are located across eight provinces and total about 7.73 million square feet.

Plaza currently pays a monthly distribution of \$0.0225 per unit, equating to \$0.27 per unit on an annualized basis, and this gives it a yield of about 6.25% at the time of this writing.

It's important to make the following three notes.

First, in January, Plaza's monthly distribution will increase to \$0.0233 per unit, equal to \$0.28 per unit annually, which would bring its yield up to about 6.5% at the time of this writing.

Second, it has raised its annual distribution for 14 consecutive years, and [the 3.7% hike](#) that takes effect in January will put it on track for 2018 to mark the 15th consecutive year with an increase.

Third, I think the REIT's consistently strong growth of adjusted funds from operations (AFFO), including its 12.7% year-over-year increase to \$0.249 per unit in the first nine months of 2017, and its wildly improved payout ratio, including 81.6% of its AFFO in the first nine months of 2017 compared with 88.6% in the year-ago period, will allow it to continue to deliver distribution growth to its unitholders for decades.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CIX (CI Financial)
2. TSX:KEY (Keyera Corp.)
3. TSX:PLZ.UN (Plaza Retail REIT)

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