



## TFSA Investors: 2 Under-the-Radar Income Stocks That Pay You Monthly

### Description

Canadian investors are searching for reliable [income stocks](#) that can provide a better return than is available from fixed-income alternatives.

This is particularly true for retirees who would like to complement their pension payments.

Let's take a look at **Shaw Communications Inc.** ([TSX:SJR.B](#))([NYSE:SJR](#)) and **RioCan Real Estate Investment Trust** ([TSX:REI.UN](#)) to see if they are interesting picks today.

#### Shaw

Shaw undertook a major strategy shift when it bought Wind Mobile in 2016. The deal surprised some followers of the stock, as the company had consistently maintained that it didn't want to enter the mobile wars.

In the end, management realized that Shaw needed a mobile offering to compete with the bundled mobile, Internet, and TV packages being offered by its competitors.

Two years on, the decision appears to be paying off. In its most recent earnings summary, Shaw reported a 12.4% year-over-year increase in consolidated revenue, primarily driven by the strength of the mobile division currently known as Freedom Mobile.

The company continues to invest in network upgrades to ensure it can compete with its peers. Once the capital program peaks, investors could see additional cash flow channeled to the dividend.

Shaw's existing monthly payout is rock solid and currently provides an annualized [yield](#) of 4.5%.

#### RioCan

RioCan owns shopping malls across Canada. That might not sound like a great investment these days with all the news about major department stores going bust, but RioCan's tenant base is balanced and the properties remain in high demand. For example, the company has already found new tenants to

cover 130% of the revenue lost from the exit of Sears.

RioCan receives no more than 5% of its revenue from any single client, so there's a nice hedge in the event that another big name gets into trouble.

The company is shifting its focus to six core markets, where an ambitious development plan could see RioCan add up to 10,000 residential units at its top urban sites over the next decade. The first mixed-use projects are scheduled for completion in late 2018 or early 2019.

In order to help finance the projects and reduce debt, RioCan is selling roughly 100 properties in secondary markets. As of March 31, agreements were already in place for 40% of the targeted sales value and the company says it is monetizing the assets at expected prices.

The robust development pipeline should provide adequate revenue growth in the coming years to support additional increases to the monthly distributions.

RioCan's current payout provides an annualized yield of 6%.

### **The bottom line**

Canadian income investors can find quality high-yield dividend stocks and REITs to hold in the TFSAs. Not all companies are equal, however, and it's important to sift through the opportunities carefully before hitting the "buy" button.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:REI.UN (RioCan Real Estate Investment Trust)
3. TSX:SJR.B (Shaw Communications)

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