

Dividend Investors: Diversify and Earn up to 8.8% With These 3 Stocks

Description

Dividend stocks that earn high yields sometimes can be seen as unstable or otherwise poor investments because their yields are believed to be unsustainable. The problem is that investors often don't do enough due diligence to analyze whether payouts are too high and will just discount a high yield and assume that it is too good to be true. However, that's not always the case; sometimes a yield has simply risen due to a falling share price.

Below are three stocks that have high yields that could be great long-term buys.

AltaGas Ltd. ([TSX:ALA](#)) has declined 18% in the past year, and that's a big reason behind the stock's very high 8.8% yield. And while investors might be concerned that the yield is too high, the company sure isn't, as it [raised its payouts](#) back in October. Since 2013, dividend payments have grown 46%, averaging a compounded annual growth rate of 7.9% during that time.

The stock is a great buy, as it offers investors monthly payouts, a growing dividend, and it's also good value buy, as the share price trades at only 1.3 times its book value. In its most recent quarter, AltaGas saw its revenues rise more than 14% from last year, while profits soared more than 44%.

Although the company has done well recently, investors have been very bearish on oil and gas stocks, and it may take some time for the stock to pick up momentum.

Northwest Health Prop Real Est Inv Trust ([TSX:NWH.UN](#)) offers investors a unique REIT to invest in. Not only will you be able to indirectly benefit from the healthcare industry and aging populations, but the stock will also provide you with a lot of [geographical diversification](#), as NorthWest has properties in Canada, Germany, Brazil, and Australia.

The stock price has dropped more than 8% in the past year, although in the last three months it has been gaining steam, rising 11% during that time.

While its dividend hasn't grown, it still can offer investors a great payout with an annual yield of 6.9%. In 2017, NorthWest paid out 87% of its free cash in the form of dividends, although prior to that it paid out just 59%.

In its most recent quarter, the company's top line rose by 22%. If it can continue to grow, it'll only be a matter of time before the share price takes off.

TransAlta Renewables Inc. ([TSX:RNW](#)) is a great renewable energy play that could see a lot of growth in the long term, as we see more demand for greener and more sustainable sources of energy. It may take some time for that to happen, but in 2017 TransAlta's revenues grew by 77% and could be a sign of things to come.

TransAlta has generated strong free cash flow as well and paid out 84% of it as dividends last year, and prior to that payouts were just 73% of free cash. The 7.6% dividend paid by TransAlta is another

great yield that you can put into your portfolio that will allow you to sit back and count the cash as you further diversify your holdings.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:ALA (AltaGas Ltd.)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
3. TSX:RNW (TransAlta Renewables)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Investing

Tags

1. Editor's Choice

Date

2025/08/27

Date Created

2018/05/29

Author

djagielski

default watermark

default watermark