3 Top Dividend Stocks Yielding up to 6.8%

Description

Dividend stocks are a great way to boost your returns and increase your portfolio's cash flow. However, sometimes it's a bit of balancing act trying to find a dividend yield that isn't too small and that also isn't too high that it becomes unsustainable. The three stocks below all have great yields and also provide investors with great prospects for long-term growth.

Pembina Pipeline Corp. (TSX:PPL)(NYSE:PBA) offers investors a monthly dividend of $0.19 per share, which was recently hiked and will yield a return of 5.1%. The pipeline company has a strong presence in oil and gas, and so it will be reliant on a strong commodity price in order to grow, but it has proven that it can achieve strong results without it as well.

Pembina has turned a profit in each of the past five years and has grown its bottom line in each of those years as well, which is very impressive given the number of corporations in the industry that have struggled to stay afloat and that have had to shut down operations entirely. Instead, Pembina's earnings have increased 154% since 2013 for a compounded annual growth rate (CAGR) of 26% during that time.

Year to date, the stock has been a little volatile, as the share price is down a little more than 1% in 2018, but over the past three months the stock has risen 9% amid stronger oil prices.

Boston Pizza Royalties Income Fund (TSX:BPF.UN) is a stock that won't be tied to commodity prices, but it will grow as the economy gets stronger. Boston Pizza is one of the country's most popular restaurant brands and as disposable incomes rise, consumers will spend more on dining out. The stock has declined 8% since the start of the year, and that's a big reason why its dividend yield has grown to 6.8%.

It's a terrific monthly payout that is stable as well, with the company distributing 78% of its free cash flow over the past four quarters in the form of dividends. The stock is a great long-term buy that, until recently, has been offering very strong, steady returns. Over 10 years, the share price has grown more than 60% and shown a lot of consistency during that time.

SmartCentres Real Estate Investment Trst (TSX:SRU.UN) is another monthly dividend stock in yet another industry that can provide you with great returns. Trading near its book value, SmartCentres could be a good value buy, as its stock has declined 7% in the past year with REITs in general struggling to find much momentum, as interest rates have been rising, and struggling retailers have continued to make headlines.

However, SmartCentres is well diversified in its holdings, and the company achieved strong results in its most recent quarter with sales rising over 6% and profits growing by 66%.

The company has averaged a strong 40% profit margin over the past five quarters, and strong free cash flow of $341 million over the trailing 12 months gives SmartCentres a lot of flexibility moving forward. It has paid out a little more than half of that free cash as dividends, making its 5.9% yield not only very attractive, but also very sustainable.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:BPF.UN (Boston Pizza Royalties Income Fund)
3. TSX:PPL (Pembina Pipeline Corporation)
4. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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