



## 3 Stocks Yielding 5-8% for Your RRSP

### Description

Canadian savers are searching for high-yield stocks to help boost returns inside their [RRSP](#) portfolios.

Let's take a look at three names that pay above-average distributions and might even offer a shot at some nice capital gains in the coming years.

#### **Emera Inc.** ([TSX:EMA](#))

Emera is a utility company based in Nova Scotia with assets in Canada, the United States, and the Caribbean. The asset mix includes both regulated and unregulated businesses, providing stable and predictable revenue and cash flow while giving the company the opportunity to benefit when favourable weather conditions push prices higher.

Emera reported a 21% jump in adjusted earnings per share in Q1 2018 compared to the same period last year. The company pays a quarterly dividend of \$0.565 per share for a yield of 5.3%.

Emera currently trades for close to \$42 per share, down from the 12-month high above \$49, giving investors an opportunity to pick up the stock at a reasonable price.

#### **RioCan Real Estate Investment Trust** ([TSX:REI.UN](#))

RioCan operates shopping malls across Canada. The changing retail landscape has taken a toll on some big-name department stores in recent years and that might have investors wondering if RioCan is the right choice for their portfolio.

RioCan has a diversified client base, with no single tenant contributing more than 5% of revenue. When a company leaves, RioCan continues to see strong demand for its properties and has even improved the revenue stream as a result of renting out space vacated by large tenants.

RioCan is working through a strategy shift that will see the company sell roughly 100 non-core properties in smaller cities. As of the latest earnings report, the company had already found buyers for properties valued at \$808 million, representing 40% of the monetization target.

Proceeds are being used to reduce debt and fund ongoing development projects, including the mixed-use properties being built in the top six markets. RioCan plans to construct up to 10,000 residential units at its prime urban locations over the next decade. The first projects are slated for completion at the end of 2018 or in early 2019.

RioCan pays a monthly distribution of \$0.12 per unit. That's good for a [yield](#) of 5.8%.

### **AltaGas Ltd. ([TSX:ALA](#))**

AltaGas recently closed its \$9 billion purchase of WGL Holdings in the United States. The deal created a clean energy player in the Canadian and U.S. market with an enterprise value above \$17 billion, operating in more than 30 states and provinces.

AltaGas has \$6 billion in growth opportunities on the blackboard and will see 80% of 2019 EBITDA come from regulated gas distribution utilities and longer-term contracts. The utility rate base is expected to grow from \$4.5 billion to \$7 billion through 2021. This should support dividend growth.

The stock trades at \$27 per share compared to \$50 in 2014. Investors want to see AltaGas repay a US\$2.3 billion bridge loan that was used to close the WGL deal. Once the company finds buyers for some non-core assets, the market should feel more comfortable with the stock.

In the meantime, investors who buy today can pick up a yield of 8% on the dividend.

### **The bottom line**

All three companies pay reliable distributions that generate above-average yields and are priced at levels that should provide an opportunity for gains in the coming years.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **POST TAG**

1. Editor's Choice

### **TICKERS GLOBAL**

1. TSX:ALA (AltaGas Ltd.)
2. TSX:EMA (Emera Incorporated)
3. TSX:REI.UN (RioCan Real Estate Investment Trust)

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