



Retirees: 3 Income Stocks for Your 2019 TFSA Portfolio

Description

Retirees are using the Tax Free Savings Account (TFSA) to hold REITS and dividend stocks to generate additional income to supplement their pensions.

Let's take a look at three stocks that have gone through a pullback and offer growing [dividends](#) with attractive yield.

Canadian Imperial Bank of Commerce ([TSX:CM](#))([NYSE:CM](#))

Investors often skip CIBC in favour of its larger peers, but the company has undergone some important changes in recent years and probably deserves more respect.

CIBC spent US\$5 billion to acquire Chicago-based PrivateBancorp in 2017 in a deal that added an important U.S. presence to diversify the revenue stream. The acquisition gives CIBC a strong platform to expand its operations south of the border, and investors could see additional purchases in the coming years.

At the time of writing, the stock trades for roughly 10 times earnings, which is pretty cheap given the solid financial results and strong economic situation in Canada and the United States.

The current dividend provides a yield of 4.7%.

Inter Pipeline (TSX:IPL)(NYSE:IPL)

IPL reported record results for Q3 2018 and the good times should continue. Funds from operations rose 11% to \$300 million compared to Q3 2017, supported by strong results from the Natural Gas Liquids (NGL) processing operations.

The company is investing \$3.5 billion in a new polypropylene facility that should be completed by the end of 2021. The Heartland Petrochemical Complex, as it is known, is expected to generate at least \$450 million in annual EBITDA.

IPL's Q3 2018 payout ratio was 55%, so the dividend should be safe. The current [yield](#) is 8%.

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

RioCan is working through a strategy shift that will see the company monetize \$2 billion in non-core buildings in secondary cities so it can focus on developments in the six core markets.

The new projects are mixed-use buildings with retail and residential components. The first developments are already near completion and RioCan has indicated it could construct up to 10,000 residential units over the next decade.

The shopping mall properties continue to see strong demand, despite some of the big-name bankruptcies that have occurred in recent years in the department store segment. RioCan's client base is well diversified, so the impact on revenue is minimal when a tenant runs into trouble. Committed occupancy across the portfolio is above 96% and RioCan often fills vacancies at higher rents.

RioCan's payout provides a yield of 5.8%.

The bottom line

CIBC, IPL, and RioCan all pay attractive distributions that should be safe and offer above-average yield. Once market sentiment improves, investors could see some nice gains through the end of next year.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:CM (Canadian Imperial Bank of Commerce)
3. TSX:REI.UN (RioCan Real Estate Investment Trust)

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