Easy Income: Nail Down These 3 Top High-Yield Stocks Now

Description

Hello there, Fools. I'm back again to highlight three stocks with deliciously high dividend yields. As a reminder, I do this primarily for conservative investors because quality high-yield stocks

- can provide a fat income stream in both good markets and bad markets;
- tend to have lower volatility (or risk) than the average stock; and
- are proven outperformers over the long haul.

Studies show that dividends account for as much as 50% of the stock market's long-term returns. So, it only makes sense to devote a fair percentage of your portfolio to solid high-yield plays.

Let's get to it.

Free money

Kicking things off is **Freehold Royalties** (TSX:FRU), which currently boasts a trailing 12-month dividend yield of 6.4%. Shares of the oil and gas royalty company are down 38% over the past year versus a loss of 24% for the S&P/TSX Capped Energy Index.

For those unfamiliar with Freehold, the company's assets are located primarily in western Canada. Its goal is to acquire and manage royalties, while providing "relatively low-risk" income for shareholders.

"As we have for the past 22 years, we will continue to strive to preserve our balance sheet and maintain an attractive dividend, thus providing investors with a lower risk oil and gas investment," said CEO Tom Mullane in the last quarterly report.

With an adjusted payout ratio of 60-80%, it's easy to agree with that bullishness.

ARC in the storm

Sporting a dividend yield of 6.2%, **ARC Resources** (TSX:ARX) is next on our list of high-yield stars.

Shares of the oil and gas company are off 35% over the past six months versus a loss of 28% for the S&P/TSX Capped Energy Index.

Like Freehold, ARC's assets are predominantly in western Canada — specifically, the Montney and Pembina Cardium regions in Alberta as well as northeast British Columbia. And while the recent oil rout has weighed heavily on the stock, ARC has a proven history of solid long-term returns.

"We will continue to deliver value to our shareholders over the long term with consistent per-share growth and dividends," said President and CEO Myron Stadnyk in the last quarterly release.

Currently, the stock pays a monthly dividend of $0.05 per share.

Property of choice

Rounding out our list is **Choice Properties REIT** (TSX:CHP.UN), which offers a dividend yield of 6%. Shares of the diversified REIT are down 7% over the past year versus a gain of 6% for the S&P/TSX Capped REIT Index.

Choice Properties boasts a portfolio of retail and commercial real estate that spans roughly 66.8 million square feet and consists of 751 properties. They're primarily supermarket-anchored shopping centres and standalone supermarkets. In fact, Choice's principal tenant is **Loblaw Companies**, Canada's largest retailer, which gives shareholders plenty of stability.

In the most recent quarter, Choice posted funds from operations of $169.7 million, up from $108.9 million in the year-ago period.

"Our financial results for the quarter were in-line with expectations," said President and CEO Stephen Johnson. "As well, we were pleased with the progress made on the integration of Choice and CREIT, as we continue our work to position ourselves as Canada's preeminent REIT."

Given that progress, Choice's downside seems limited at this point.

The bottom line

There you have it, Fools: three attractive high-yield stocks you should check out.

As always, don't view them as formal recommendations. They're simply ideas for further research. Higher yields often come with higher risks, so plenty of due diligence is still required.

Fool on.

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1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:ARX (ARC Resources Ltd.)
2. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)
3. TSX:FRU (Freehold Royalties Ltd.)

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