TFSA Investors: 3 Dividend Stocks Yielding up to 7.4%

Description

Earning dividend income inside a TFSA is a great way to add to your savings without having to worry about tax implications on eligible investments. That's why I've outlined three high-yielding stocks that can be great options to hold for the long term.

A&W Revenue Royalties Income Fund (TSX:AW.UN) is a solid option for several reasons. A&W is one of the top fast-food chains in the country, and its focus on offering consumers with high-quality beef is just one of the ways it has been able to build a strong brand and continue to grow. The popularity of the brand is not likely going anywhere anytime soon, and fast food is always a popular option for frugal consumers. That's why over the long term it looks like a very safe option for dividend investors.

Although the stock has generated strong returns over the years, with the share price up over 70% in just five years, the reason it'll attract many investors is because of its dividend. With a yield of 4.5% and payouts made monthly, it's a great option for investors that want a regular stream of income at a decent rate.

Keyera (TSX:KEY) is a bit of a riskier option for investors, but it also presents greater potential rewards as well. The stock has underwhelmed investors over the past 12 months, declining by 3% as oil and gas stocks haven't seen a lot of excitement for some time now. However, there are signs that conditions in the industry are improving, and that could mean big things for Keyera, as only about two years ago the stock was trading at over $40 a share.

At a multiple of 16.5 times earnings, the stock is trading at a modest rate, and a little bullishness could give it a big boost. In the meantime, the stock is paying investors a very attractive payout of 5.7%. Like A&W, Keyera's payouts are made in monthly installments. And despite the challenges in the industry, the company recently hiked its dividend payments as well. In five years, payouts have risen by 50%, and that could continue if the industry is able to remain stable.

High Liner Foods (TSX:HLF) is currently paying investors the highest yield on this list at 7.4%. However, with the stock climbing more than 15% in just the past month, that payout percentage could quickly shrink as the price continues to climb. The company has grown its dividend by a similar amount to Keyera; however, the last time it raised its payouts was back in late 2017.

The company didn't have a strong year in 2018, as there was no revenue growth and profits were down from prior years. However, previous to that, High Liner had shown a lot of consistency in its bottom line and not a lot of variability in its sales either, which is good for dividend investors looking for stability. If the company can rebound in 2019, it could prove to be a good stock to hold as it is currently trading well below book value at a multiple of just 0.7.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:AW.UN (A&W Revenue Royalties Income Fund)
2. TSX:HLF (High Liner Foods Incorporated)
3. TSX:KEY (Keyera Corp.)

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