RRSP Riches: 3 Top High-Yield Stocks to Buy in April

Description

Hello there, Fools. I'm back to highlight three stocks boasting high dividend yields of 5% or greater. Why? Because well-selected high-yield stocks

- provide a fat income stream in both good markets and bad markets;
- display lower volatility (risk) than the average stocks; and
- outperform the broader market over the long run.

Studies show that dividends account for roughly 50% of the stock market's total long-term returns. Thus, it only makes sense to dedicate a fair portion of your portfolio to high-yield plays — particularly in an RRSP account where those dividends are tax deferred.

Let's get to it.

Pipeline to profits

Leading off our list is energy transportation and storage specialist **Inter Pipeline** (TSX:IPL), which boasts a dividend yield of 7.6%.

Inter Pipeline's diversified portfolio and stable cash flows provide shareholders with a highly stable — and growing — source of dividends. The company's annual dividend has increased from $0.85 in 2009 to an estimated $1.71 in the current fiscal year.

Inter Pipeline's cash flow has also allowed management to reduce debt and grow organically in recent years.

"Inter Pipeline underpins its monthly dividend from cost of services and fee-based cash flow," said VP of Finance Jeremy Roberge in a recent conference call. "Commodity and margin based cash flow, which have increased as a result of stronger frac spread pricing, is used to strengthen our balance sheet by reducing debt and funding capital projects."

Inter Pipeline shares are up about 15% in 2019.

Living the dream

With a dividend yield of 5.2%, office real estate investment trust (REIT) **Dream Global REIT** (TSX:DRG.UN) is next on our list of high yielders.

Dream looks to lower risk and optimize cash flow by investing in properties outside Canada. And judging from recent results, the company's strategy is paying off.

In Q4, net asset value per unit climbed 24%, same-property operating income grew 6.6%, and net rental income increased 11.5%. Moreover, the company's liquidity position jumped 60%.

"Through thoughtful capital allocation and active asset management, the REIT produced solid organic growth in 2018 and set the foundation going forward," said CEO Jane Gavan. "We believe that our asset quality, attention to customer experience, and the good office fundamentals in our markets will continue to support that trend."

Dream shares are up 19% in 2019.

Fair exchange

Rounding out our list is **Exchange Income** (TSX:EIF), which sports a healthy dividend yield of 6.5%.

Exchange aims to provide stable and growing dividends by investing in strong aerospace and aviation businesses. In the most recent quarter, revenue grew 19%, EBITDA grew 12%, and adjusted EPS increased 14%.

On the strength of those results, annual dividends per share grew 4% to $2.175.

"2018 was yet another example whereby our prudent and proven strategy delivered record results, demonstrating our ability to continue EIC's long track record of dividend growth," said CEO Mike Pyle. "Moreover, we have extended and improved the terms of our convertible debentures and increased capacity under our credit facility earlier in the year, and are well positioned for another exceptional year in 2019."

Exchange shares are up 18.5% so far in 2019.

The bottom line

There you have it, Fools: three attractive high-yield stocks worth checking out.

Don't view them as formal recommendations, of course. Instead, look at them as a jumping off point for further research. A dividend cut (or halt) can be particularly painful, so you'll still need to do plenty of homework.

Fool on.

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