This 3-Stock $5,600 Income Stream Is Safe and Real — Secure it Now

Description

Hi there, Fools. I'm here again to call your attention to three high-yield dividend stocks. As a reminder, I do this because stocks with mouth-watering yields

- provide a healthy income stream in all kinds of markets;
- display lower volatility (risk) than the average stock; and
- tend to outperform market averages over the long haul.

In fact, the three stocks below offer an average dividend yield of 5.6%. That means if you buy all three evenly in a $100K RRSP account, you'll be able to create an annual income stream of $5,600 for yourself. Not too shabby.

And that's in addition to all of the capital gains you could earn.

Let's get to our list of high yielders.

Renewed outlook

Leading things off is renewable energy company **Boralex** (TSX:BLX), whose shares sport a solid dividend yield of 3.5%.

Boralex has used its expertise in four types of power generation — wind, hydroelectric, thermal, and solar — to become a leading alternative energy player in France. The company generated 3,415 Gwh of electricity in 2018, up 9% from 2017, while revenue from energy sales increased 14%.

On that strength, management raised the already hefty dividend 10% during the year.

"Over the past year, we've made tremendous progress implementing our growth strategy," said President and CEO Patrick Lemaire. "With the projects under construction, we expect to achieve our 2,000 MW target in 2019, one year ahead of schedule."

Boralex shares are up 9% so far in 2019.

Electric opportunity

With a healthy dividend yield of 4.3%, Ontario electricity giant **Hydro One** (TSX:H) is our next high yielder.

Hydro One leverages its massive scale, strong balance sheet, and leadership position in rate-regulated Ontario to deliver stable cash flows for shareholders. In 2018, EPS increased 18%, revenue improved 3.8%, and operating cash flow clocked in at $1.6 billion.

Backed by those financials, Hydro One paid out $560 million in dividends during the year.

"Hydro One had a strong fourth quarter and made considerable progress in driving down costs," said President and CEO Paul Dobson, "improving service reliability and increasing operational efficiencies throughout 2018 as part of our commitment to deliver greater value to shareholders and customers.

Hydro One shares are up just 6.5% so far in 2019.

Slated for success

Rounding out our list is retail real estate company **Slate Retail REIT** (TSX:SRT.UN), which boasts an especially juicy yield of 9.1%.

Slate utilizes its scale and 100% grocery anchored asset base to maintain a defensive approach. In the most recent quarter, Slate generated flattish revenue of $36.4 million, while funds from operations (FFO) — a key metric in the REIT industry — clocked in at $0.30 per unit.

Currently, Slate's FFO payout ratio sits at a comforting 70.4%.

"[We] remain excited to report on continued progress on our initiatives that will serve to further improve and strengthen the REIT's portfolio and financial position," said CEO Greg Stevenson in the report.

Slate shares are up just 5% so far in 2019, providing Fools with a possible value opportunity.

The bottom line

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

As always, don't view them as formal recommendations. Instead, look at them as a starting point for more research. A dividend cut (or halt) can be especially painful, so you'll still need to do plenty of due diligence.

Fool on.

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1. Editor's Choice

TICKERS GLOBAL

1. TSX:BLX (Boralex Inc.)
2. TSX:H (Hydro One Limited)
3. TSX:SGR.UN (Slate Retail REIT)

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