



## 2 Monthly Dividend Stocks Every Portfolio Needs

### Description

Finding a diversified mix of income-producing investments can be a daunting task at times, but fortunately, there are plenty of great income-producing stocks on the market at the moment that can provide tasty yields to help [fast-track your portfolio growth](#).

Two such investments that are worthy of consideration are **Exchange Income** ([TSX:EIF](#)) and **TransAlta Renewables** ([TSX:RNW](#)). Let's take a moment to mention what these companies offer and why you should strongly consider adding them to your portfolio.

### Meet the diversified aviation and manufacturing powerhouse

Exchange Income is best described as a portfolio of one-dozen subsidiary companies that cater to the aviation and manufacturing sectors of the economy. Apart from the obvious diversification factor, Exchange's subsidiaries are all uniquely positioned in corners of the market where there is strong demand and limited competition, and they also provide a necessary service, which results in perhaps the most important point: they are all cash generators for the parent company.

By way of example, on the aviation side of the business, Perimeter provides scheduled flight and cargo services to northern Manitoba. Keewatin Air provides medevac coverage from northern Manitoba and Nunavut into Winnipeg, and Bearskin Airlines provides cargo and flight services between Manitoba and northern Ontario. Turning to the manufacturing side, Exchange Income's subsidiaries include sheet metal and tubular products, trailer-mounted and stainless steel tanks, high-pressure water systems and cell phone tower installation services.

In terms of results, Exchange Income reported results for the first fiscal quarter of 2019 this week, which, among other things, showcased a 12% increase in revenue over the same period last year to \$297 million, an uptick in EBITDA by 18% to \$64 million, and an increase in free cash flow of 9%, coming in at \$1.41 per share.

The impressive results also helped fuel Exchange Income's monthly dividend, which currently yields an impressive 6.17% and measures up to a sustainable 75% payout ratio based on the adjusted net

earnings over the trailing 12-month period.

## You can save the planet and get rich

TransAlta is another monthly dividend pick with massive upside. Like several of Exchange Income's subsidiaries, TransAlta provides a necessary service, in that the company has a portfolio of 34 renewable energy generation facilities that are scattered across 10 operating regions that collectively generate 2,407 MW of renewable energy across solar, wind, hydro, and gas elements.

The interesting opportunity for investing in TransAlta comes in the form of the changing face of power generation. Be it through public opinion, legislation policy, or just preference, companies, homes and governments are shifting away from fossil fuel-burning facilities to renewable ones, and this puts renewable energy players such as TransAlta in a prime position to capitalize on that opportunity. Power-purchase agreements stipulate how much of the utility is to be sold and at what rate the company is to be compensated at for the duration of the agreement, which, in many cases, spans decades.

In other words, TransAlta offers a necessary, renewable energy service to replace existing fossil fuel companies and, in doing so, reaps the rewards of what could be decades' worth of [recurring, reliable revenue](#). Throw in TransAlta's monthly dividend, which currently provides an eye-opening 6.78% yield, and you have the makings of a long-term buy and forget favourite that will power any portfolio to riches.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:EIF (Exchange Income Corporation)
2. TSX:RNW (TransAlta Renewables)

### PARTNER-FEEDS

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