



Get Collosal Income From the Top 3 Monthly Dividend Stocks

Description

A monthly payable dividend (or distribution) is a nice trait to have for a component in your income stream, but the frequency of such payments shouldn't be your primary focus. Instead, you should pay most of your attention to the dividend's yield, sustainability, and growth, as I noted in a prior piece meant for [beginner income investors](#). And, of course, one can't forget about the price being paid for the dividend-paying security.

If you're one to live off the passive income generated by your investments and would like the best monthly payers, I've narrowed the list down to three timely bets that I believe have a solid blend of dividend yield, growth, sustainability, and value.

So, in descending order of yield (7.93%, 5%, and 4.34%) here they are.

Inovalis REIT ([TSX:INO.UN](#))

With a distribution yield of nearly 8%, Inovalis REIT is probably the best-kept secret on the TSX index. The yield is absurdly high, but it's one of the few 8%-yielding distributions that aren't "accidentally high" because of a plunge in the underlying share price.

At the time of writing, INO.UN is 1.5% below its all-time high reached last September. That's nothing short of remarkable, but the more remarkable part of Inovalis's dividend is the fact that it's not only sustainable with an 87.5% payout ratio, but it's also well positioned to continue growing, as the REIT bolsters its AFFO with further growth projects.

While you probably won't get the biggest capital gains in the world, Inovalis is a crème-de-la-crème play for income investors who are all about monthly payouts and would rather not play the "buy low, sell high" game.

AltaGas ([TSX:ALA](#))

AltaGas is a Calgary-based energy infrastructure player that was recently touted as a [top RRSP dividend pick for safety of capital and income](#) by fellow Fool contributor Karen Thomas.

“AltaGas is a dividend stock that is in the stable and steady energy infrastructure business in North America. This is why the stock’s volatile performance in the last year or so was anything but expected,” said Thomas.

In spite of the recent issues endured by AltaGas, Thomas noted that the company’s payout ratio was “very health at well below 30%.” Although it has been a long way down for the long-time falling knife, deep-value investors have to be encouraged by the ridiculously cheap multiples (0.8 times book and 0.9 times sales) and the dividend (yielding just shy of 5% at the time of writing), while not the highest quality in the world, is bountiful and should be enough to keep long-term investors happy as they wait for the stock to get back on track.

AltaGas is a deep-value bet and is the most volatile option of this three-stock sampler, so if you consider yourself a conservative income investor, it may be wise to dollar-cost-average your way into the name.

Shaw Communications ([TSX:SJR.B](#))([NYSE:SJR](#))

Finally, we have Shaw, my favourite monthly income stock of the batch. The disruptive telecom sports a 4.34% yield at the time of writing, which, while seemingly stretched, is completely safe given the cash flow growth opportunity that lies ahead.

Shaw is going to be spending money hand over fist to get in on the 5G wireless arms race with its wireless business Freedom Mobile. Now, as you may know from my previous pieces, I’m a raging bull on Shaw and the potential for the wireless business to gain share on the incumbents over time.

Capex is going to continue pop, and dividend growth won’t be massive over the medium term, but as time goes on and the company gains traction on its bigger brothers in the Canadian telecom space, I see a scenario where investors could be rewarded with colossal dividend hikes for their patience with a name that’s been ridiculously volatile over the past few years.

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1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:ALA (AltaGas Ltd.)

3. TSX:INO.UN (Inovalis Real Estate Investment Trust)
4. TSX:SJR.B (Shaw Communications)

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Author

joefrenette

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