



## Earn \$1,000 Monthly Passive Income With a \$100,000 Investment in These 2 Dividend Stocks

### Description

Most stocks trading on the TSX Index that pay dividends typically make those dividend payments about once a quarter or once every three months. However, there are some other listings that will pay their dividends more frequently than that. Most of those listings are structured as real estate investment trusts (REITs), but there are still a few exceptions out there.

Here are two stocks that pay monthly dividends and that aren't REITs. With a \$100,000 initial investment, they could net you a cool \$1,000 in monthly passive income from your Registered Retirement Savings Account (RRSP).

**Chemtrade Logistics Income Fund** ([TSX:CHE.UN](#)) operates a diversified chemicals business, providing industrial products and services to customers throughout North American markets.

Through its Sulphur Products & Performance Chemicals division, Chemtrade is a leading processor of spent acid from the petroleum refining industry as well as the largest producer of ultra pure sulphuric acid used by the electronics industry.

Meanwhile, through its Water Solutions and Specialty Chemicals division, CHE manufactures and sells water treatment solutions to municipal and industrial clientele, while its Electrochemicals segment also helps manufacture agents used in by pulp and paper mills.

CHE stock currently pays its shareholders \$0.10 each month, which works to a 13.1% annual dividend yield — one of the highest payouts you'll find anywhere on the TSX Index these days.

Unlike Chemtrade, which is faced with the unfortunate challenge of having to continually manage its exposure to changing chemicals prices, a company like **Inter Pipeline** (TSX:IPL) has the advantage that as much as 70% of its earnings before interest, taxes, depreciation, and amortization (EBITDA) come from cost-of-service and fee-based contracts.

That element goes a long way in providing the company with added flexibility, whereby it can use any surplus cash flows from favourable swings in commodity prices to invest in profitable growth projects

like its Heartland Complex, Canada's first integrated propane dehydrogenation and polypropylene complex.

The Heartland Complex, which is expected come into service sometime in late 2021, comes with a price tag in the neighbourhood of \$3.5 billion but is expected to add up to \$500 million in annual EBITDA by the time all is said and done.

Investors should expect that once the Heartland Complex is complete, IPL's leverage metrics should revert to more normal levels, but until then, this is still an investment-grade company with strong access to capital markets and a sustainable dividend profile offering still untapped growth potential.

The dividend is a monthly \$0.1425 payout, working out to \$1.71 annually and an 8.63% yield as of Monday's closing price.

## Foolish bottom line

Taken together, these two investments yield an average of 10.87% annually, or just shy of 1% per month.

Allocating a slightly larger weight to the higher-yielding CHE stock could yield investors as much as 1% per month, or \$1,000 on a \$100,000 investment.

Readers will, of course, need to check with a registered financial advisor to find out if such an allocation would make sense for them within their unique risk and return objectives, but needless to say, those looking to add some [additional yield](#) to their portfolios may want to take a hard look at these two [monthly dividend stocks](#).

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. TSX:CHE.UN (Chemtrade Logistics Income Fund)

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