Craving Income? 5 Foodie Funds to Buy

Description

Loads of investors have dumped their shares in fast-casual restaurant chains due to the catch of the day — mobile delivery platforms.

Bears will be bears.

Fortunately, we can look past the short-term thinking that has driven these decisions and lock in amazing yields with companies that have sticky customer bases and established brands.

Let's have a look at five stocks that will line your pockets with dividends and hopefully see some capital appreciation as folks come to their senses.

T-bones beat T-bonds

I've never eaten at The Keg – much to the amazement of seemingly everyone – so I can't speak to the quality of the food, but I can say that the stock looks quite appealing.

Yielding over 6.5%, **The Keg Royalty Income Fund** (TSX:KEG.UN) pays you monthly and has a history of occasional special dividends.

It's also easy to like the stock's low volatility, with a beta of around 0.6, and its reasonable valuation at only 11 times earnings.

Root beer bucks

Between frosty mugs of soda and quaintly-named hamburgers, A&W has all of the nostalgic traits that are sure to lure even the most jaded millennial.

Thing is, **A&W Revenue Royalties Income Fund** (TSX:AW.UN) is here to stay and has been steadily increasing its distribution since 2017 – over 15% in two years, yes please.

But wait, there's more: A&W has strong same store sales growth and is continuously growing its royalty pool.

In short, more distributable cash is on its way and unitholders are due for another raise.

From Edmonton with love

Edmonton, AB, 1964 – Boston Pizza and Spaghetti House was born.

Wait, what?

The origins of **Boston Pizza Royalties Income Fund** (TSX:BPF.UN) are a bit surprising, but customers have kept coming back for over half a century.

Today, shares of the fund will pay you monthly distributions that work out to about 8% annually.

While BP may not be on the same growth trajectory as the companies that we have hitherto discussed, it possesses a margin of safety due to the fact that it only trades about 35% above its book value.

Fresh out of the oven

Depending on where you live in this fine country, either Pizza Pizza or Pizza 73 are household names.

Love it or hate it, **Pizza Pizza Royalty Corp.** (TSX:PZA) has franchises that are quick, inexpensive, and cemented in our minds.

With a yield of over 8%, the stock pays you well – and monthly – all while trading below book value and at little over 11 times earnings.

If Pizza Pizza's latest earnings are any indication, the gradual decline in sales may be over and the company might be poised for a return to growth.

A sprinkle of diversification

Believe it or not, Jack Astor's, Scaddabush, Reds, Canyon Creek, Abbey's Bakehouse, Duke's, and the Loose Moose all fall under one banner.

SIR Royalty Income Fund (TSX:SRV.UN) has a portfolio of restaurants that have recently been cooking up a dividend growth rate of about 5% per year.

Trading at around 10 times earnings and yielding a mighty 9%, SIR is serving investors a heap of value with generous side of income.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:AW.UN (A&W Revenue Royalties Income Fund)
2. TSX:BPF.UN (Boston Pizza Royalties Income Fund)
3. TSX:KEG.UN (The Keg Royalties Income Fund)
4. TSX:PZA (Pizza Pizza Royalty Corp.)
5. TSX:SRV.UN (SIR Royalty Income Fund)

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