Passive Income Alert: These 5 Stocks All Yield +8%

Description

Are you looking for high yield? Want a way to convert some of your hard-earned cash into a dependable income stream?

Look no further. We can help.

The best part of these great dividend stocks is that despite their high yields (all pay at least 8% annually), all of them look to have sustainable payouts. You can count on these dividends to help fund your retirement or to start your own passive income empire.

Let's take a closer look.

Alaris Royalty

Alaris Royalty (TSX:AD) is a different kind of finance company. It gives long-term financing to old-school businesses (think retail, manufacturing, or services) in the form of preferred shares. It's a win-win situation; the company gets a source of flexible financing — the preferred shares can always be repurchased, but for a nice premium — while Alaris gets to collect yields in the 12-15% range.

Sure, some of the deals do end up going sideways, but Alaris' portfolio is diverse enough today to weather the storm. The company is on pace to generate just under $2 per share in distributable income in 2019, while the dividend is currently at $1.65 per share. That gives us a payout ratio of just over 80%, which is quite sustainable. The current dividend yield is 8.7%.

Remember, Alaris isn't dependent on internal cash flow for growth. It finances most of any new deal. This also bodes well for the dividend, as any new partnership is immediately accretive to the bottom line.

Chemtrade Logistics

Specialty chemicals aren't a sexy business, but demand is steady. Given that it takes a lot of initial costs to compete against the incumbents, companies already operating in the space don't really need to worry about new competition.

This is all good news for **Chemtrade Logistics** (TSX:CHE.UN), one of the largest North American specialty chemical producers. Customers include oil refineries, municipal water treatment plants, and the pulp and paper industry. Demand is steady no matter what the underlying economy is doing.

The company pays a succulent 11.6% dividend, a payout that is well-covered by distributable cash flow. It hasn't missed a dividend since 2001, a remarkable streak for a company with such a high yield.

Fiera Capital

Despite paying out an excellent 8.2% dividend, **Fiera Capital** (TSX:FSZ) is actually more of a growth company. The asset manager keeps buying out specialty firms, slowly growing assets under management via acquisition.

In 2019 alone, the company has made a handful of acquisitions, including one to bolster its European operations. These deals have helped it surpass $150 billion in assets under management, propelling it comfortably into a top wealth manager. Remember, the company had just $29 billion in assets under management back in 2011. Growth has been remarkable.

Demand should continue to be strong, especially in the company's specialty funds. This bodes well for long-term shareholders. The dividend is just a bonus.

Melcor REIT

Melcor REIT (TSX:MR.UN) is a small Alberta-based owner of real estate, primarily in its home province. 31 of Melcor's 38 buildings are located in Alberta, consisting of approximately 2.5 million square feet of space. The total portfolio is just under three million square feet.

This focus on Alberta isn't a good thing, as the province is still struggling economically. But investors who buy today will likely do very well in the long term. After all, Melcor is trading at just half book value. Even a recovery to 75% of book value will be a nice result.

In the meantime, investors can collect the company's generous 8.8% dividend, a payout that is quite sustainable when comparing it to funds from operations.

Boston Pizza

Boston Pizza Royalties Income Fund (TSX:BPF.UN) owns the trademarks for Canada's largest fast-casual chain of restaurants, a company that has expanded to nearly 400 locations from coast-to-coast.

Long-term investment results have been excellent. The fund has delivered a 12% annual return since its 2002 IPO, including reinvested dividends. It has also increased the distribution significantly over the last few years, including six increases since 2011. Yes, same-store sales growth has been a little weak lately, but that should recover with Alberta's economy.

In the meantime, investors are treated to an 8.1% dividend, a payout that should slowly increase over time as the company continues to grow. Investors should note the payout ratio is approximately 100% of earnings, but that's acceptable for a company like this one.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:AD.UN (Alaris Equity Partners Income Trust)
2. TSX:BPF.UN (Boston Pizza Royalties Income Fund)
3. TSX:CHE.UN (Chemtrade Logistics Income Fund)
4. TSX:FSZ (Fiera Capital Corporation)
5. TSX:MR.UN (Melcor Real Estate Investment Trust)

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