



TFSA Investors: 3 Dividend Stocks Yielding Up to 8.8% That Pay Monthly

Description

Are you looking for a good place to store your money that isn't a low-yielding savings account at your bank? The good news is there are some very good dividend stocks out there for you to choose from today that make payments to you every month just for holding their shares.

And if you hold the investments inside your TFSA, the dividend income and any capital appreciation earned will be tax-free as well. Here are three stocks that could be some great options for investors today.

Morguard North American Residential REIT ([TSX:MRG.UN](#)) is a great dividend to invest in if you're looking for some [stability](#) and lots of recurring cash flow.

The REIT has been steadily growing over the years. In each of the past four quarters, the company has generated positive free cash flow. That's important, especially when a company like Morguard is paying a dividend of 3.4%, as that will help ensure that there's room to keep it going and also to increase those payouts as well.

Currently, Morguard pays investors \$0.0566 every month per share, compared to \$0.05 three years ago. While that may seem negligible, it's not; it's an increase of more than 13% in three years for a compound annual growth rate (CAGR) of 4.2%.

That's a solid rate of increase every year that could help investors earn a lot more in the years to come, giving them added incentive for holding the stock over the long term.

With more than 12,000 residential suites in its portfolio, Morguard has a lot of diversification across Canada and the U.S., making it a very appealing buy for investors that value stability.

High Arctic Energy Services Inc ([TSX:HWO](#)) is much more of a riskier buy, and with a yield of around 8.8% entering this past week, it's sure to attract some dividend investors. Inevitably, questions arise as to whether the company can even afford its high payouts.

With High Arctic recording losses for three straight quarters, those questions would be well founded.

The good news, however, is that High Arctic has generated free cash flow of \$17.5 million over the past four quarters, which is more than the \$10.1 million that it has paid out in dividends during that time.

The reality is that free cash is much more of an important indicator for a company being able to pay dividends than net income, which should give investors some reassurance that High Arctic's dividend does not appear to be in danger, at least in the short term.

While the company may not have raised its payouts in years, even maintaining those dividend payments has been no small feat given the challenges that many oil and gas companies have faced during that time.

Global Water Resources Inc ([TSX:GWR](#))([NASDAQ:GWRS](#)) pays investors the lowest yield on this list, at around 2.3%. However, like Morguard, it has increased its payouts over the years, raising them from US\$0.022 every month three years ago to US\$0.023861.

That's a lot of decimals to factor in, but it comes out to a growth rate of 8.46% for a CAGR of 2.7%. It's not a growth rate that's going to get a lot of investors excited, but the fact that [payments are rising](#) is still a good sign for investors.

With the company being in the water business, it's also a very good, relatively safe investment to make. And as it's based in Phoenix, Arizona, there's definitely a lot of room for Global Water to expand should it decide to look to other parts of the U.S.

Its strategy has been paying off for investors thus far, as the stock has tripled in value over the past five years. With a solid dividend amid a stable industry, the stock could be a rock-solid investment.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:HWO (High Arctic Energy Services Inc)
2. TSX:MRG.UN (Morguard North American Residential Real Estate Investment Trust)

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Author

djagielski

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