



Canadians: 2 Monthly Dividend Stocks Yielding Up to 9%

Description

Last week I'd discussed how tax-free savings account investors can rack up nice monthly gains with [as little as \\$20,000](#). The **S&P/TSX Composite Index** has soared to record highs this year, but the Bank of Canada is warning of stormier clouds ahead.

This means that investors may want to prepare for more choppy conditions by safeguarding their portfolio with more income-generating equities. The two we will focus on today fit that bill.

Freehold Royalties

One of my favourite defensive dividend stocks on the **TSX** is **Freehold Royalties** ([TSX:FRU](#)). Freehold is a Calgary-based company that aims to acquire and manage oil and gas royalties.

Shares have dropped 12.3% in 2019 as of early afternoon trading on December 2. However, this is a company dedicated to rewarding its shareholders.

Freehold released its third-quarter 2019 results on November 13. Royalty production was mostly flat compared to the prior quarter, but the company continued to see an enhancement of third-party drilling in its royalty assets in Canada and the United States. Most important, its dividend remains safe going by its funds from operations success.

Dividends declared in the third quarter reached \$0.1575 per share at writing. Its payout ratio totalled 67% for the first nine months of 2019, and the company has succeeded in meeting its guided payout thresholds between 60-80% of annualized funds flow. Third-quarter funds from operations reached \$0.24 per share at writing.

The stock currently boasts a monthly dividend payout of \$0.0525 per share, which represents a beefy 9.4% yield.

True North REIT

Last week I'd discussed why I [continue to back REITs](#) as we look ahead to the New Year. Canada's real estate market has bounced back in a big way in 2019, and historically low interest rates should underpin the sector as we move forward.

True North REIT ([TSX:TNT.UN](#)) is an open-ended real estate investment trust that owns and acquires Canadian commercial real estate properties. Its stock has increased 39% in 2019 at the time of writing.

Shares have achieved average annual returns of 9% over the last five years — a great boon considering its attractive dividend.

In the third quarter, True North saw its occupancy rate remain flat at 97%. Revenue increased to \$25.6 million in Q3 2019 over \$22.5 million in the prior year. It posted same property NOI growth of 2.6% compared to a 2.6% decline in Q3 2018, and funds from operations climbed to \$9.6 million over \$8.3 million.

The stock last paid out a monthly dividend of \$0.0495 per share, which represents a tasty 8% yield. REITs have gained nice momentum lately, and True North is no exception.

It boasts a price-to-earnings ratio of 13.5 and a price-to-book value of 1.4, within range of its industry peers. Given its dividend, I still like True North's value after this momentous year for REITs.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:FRU (Freehold Royalties Ltd.)
2. TSX:TNT.UN (True North Commercial Real Estate Investment Trust)

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