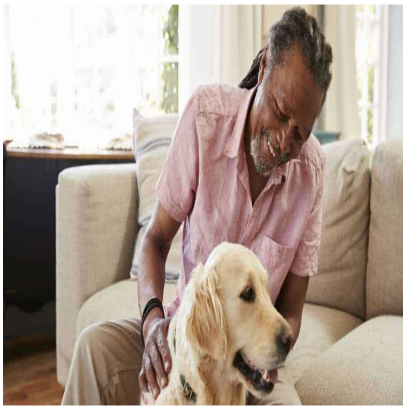

Retirees: Use These 3 Stocks to Supercharge Your CPP Pension

Description

Current Canada Pension Plan (CPP) benefits max out at just over $1,000 per month if you qualify for the full amount — something many Canadian savers can't even count on because of various factors. That's not enough for a comfortable retirement.

Sure, things like Old Age Supplement (OAS) and Guaranteed Income Supplement (GIS) will help, but these sources of income alone do not translate into prosperous golden years. Trips to spoil the grandkids will be replaced by scouring local grocery stores for the best deals, and nobody wants that.

Fortunately, there's a solution. A portfolio stuffed with Canada's best high-yield stocks can generate significant passive income. Just $250,000 invested in such names is enough to really make a difference.

Let's take a closer look at three stocks you can use today to give yourself a significant raise.

Slate Retail REIT

Slate Retail REIT (TSX:SRT.UN) continues to be one of my favourite stocks, and not just because of its succulent 8.7% yield, either.

The company owns grocery-anchored real estate in medium-sized cities in the United States. These assets come with a number of interesting advantages including stable rents, better returns on investment when compared to similar assets in larger centres, and better potential to add to the portfolio going forward. The portfolio — which should get bigger in 2020 — currently consists of 79 properties spanning some 10 million square feet of space.

Slate's valuation is compelling, too. The portfolio should generate US$1.20 per share in funds from operations in 2019 — final results aren't out yet — while the trust's U.S.-dollar denominated shares trade at just US$10.06. That's a valuation of just over eight times funds from operations, which is exceptionally cheap.

Slate's current yield is sustainable, something reinforced by the recent 1.1% dividend raise. In fact, Slate has boosted its payout every year since 2015.

Rogers Sugar

The sugar business won't ever be accused of being very exciting, but I don't think retirees looking to maximize their income mind so much.

Instead, **Rogers Sugar** (TSX:RSI) offers predictable demand, solid earnings, little competition, a sector that is protected from competition through government tariffs on imported sugar, and, most importantly, one of the most stable dividends you can get.

And, as a special treat, Rogers shares are currently on sale, thanks to some weakness in the company's newest subsidiary, maple syrup. The company is fine taking lesser profits from maple syrup in the short term to protect market share — a decision the market wasn't happy with. Shares sold off as a result and are just barely above the 52-week low. Remember, the stock was 25% higher just over six months ago.

The current dividend is 7.3% and has been maintained since the company converted from an income trust to a corporation in 2011.

Laurentian Bank

If you're looking for a generous (and well-covered) dividend from the banking sector, it's time to check out one of the smaller players. **Laurentian Bank of Canada** (TSX:LB) is a terrific choice.

Laurentian, the seventh-largest Canadian bank, has been making some interesting changes lately. It has been working to make branches more efficient, closing down many and converting the rest to focus on mortgages and wealth management. It has expanded away from Quebec through various specialty acquisitions and through growth in its mortgage brokerage arm. And management has a plan in place to increase profitability, which bodes well for the long term.

While investors wait for these plans to translate into bottom line earnings growth, they're treated to the most generous dividend of any major Canadian bank. The current yield is an eye-popping 6%. That's much better than what the competition offers.

Investors don't have to worry about the security of the payout, either. Laurentian targets a 50% payout ratio, and it hasn't missed a dividend in more than a century.

The bottom line

These three stocks can combine to give you some serious income. If you split $250,000 equally between these three names, you would generate more than $18,000 per year, or $1,500 per month. Add that to your CPP, OAS, or GIS, and you're well on your way to a comfortable retirement.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
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TICKERS GLOBAL

1. TSX:LB (Laurentian Bank of Canada)
2. TSX:RSI (Rogers Sugar Inc.)
3. TSX:SGR.UN (Slate Retail REIT)

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