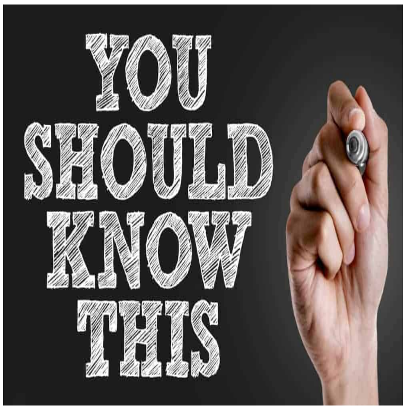

Keep the CRA Away! 3 Ways to Earn $1,590 in Tax-Free Income This Year

Description

Hello, Fools! I'm back to highlight three high-yield dividend stocks. As a reminder, I do this because high-yield dividend stocks

- provide a healthy income stream in both good and bad markets; and
- tend to outperform the market over the long run.

The three stocks below offer an average dividend yield of 5.3%. If you spread them out evenly in an average $30K TFSA account, the group will provide you with an annual income stream of $1,590 — on top all the appreciation you could earn.

So, if you're looking to boost your tax-free income in 2020, these three stocks are a good place to start searching.

Profit pipe

Leading off our list is pipeline giant **Inter Pipeline** (TSX:IPL), which boasts a dividend yield of 7.6%.

Inter Pipeline's healthy dividend continues to be supported by a diversified portfolio, stable cash flows, and high-quality oil sands assets. More importantly, Inter Pipeline's cash flow has fueled significant debt reduction over the past few years.

In the most recent quarter, Inter Pipeline's funds from operations (FFO) — a key cash flow metric — clocked in at a solid $204 million.

"Our oil sands transportation business continued to deliver strong, stable results, and we saw significantly improved results from our European storage operations," said President and CEO Christian Bayle

Inter Pipeline shares are up about 9% over the past year.

Dream scenario

With a dividend yield of 3.2%, real estate company **Dream Office REIT** (TSX:D.UN) is next on our list of high yielders.

Dream's rock-solid balance sheet, solid position in the attractive Greater Toronto Area (89% of portfolio), and efficiencies of scale should continue to fuel hefty long-term dividends. In the most recent quarter, Dream's diluted FFO per unit improved to $0.42, which was fueled by a strong combination of increased cost savings and management fees.

"We are pleased with the financial performance and the progress we have made in repositioning our portfolio year to date," said CFO Jay Jiang. "We are well positioned to capitalize on opportunities that can continue to grow the value and quality of our business."

Dream Office shares are up an impressive 41% over the past year.

Fair exchange

Rounding out our list is aerospace and aviation equipment specialist **Exchange Income** (TSX:EIF), which sports a healthy dividend yield of 5.1%.

Exchange continues to lean on its diversified business model, disciplined acquisition strategy (which emphasizes high margins), and hefty cash flows to deliver stable dividends for shareholders. In the most recent quarter, EBITDA grew 12% to $89 million, as revenue jumped 15% to $355 million — both all-time quarterly highs.

"The third quarter saw us reach new highs on a number of financial metrics, once again demonstrating the importance of our diversified business model," said CEO Mike Pyle.

Exchange shares are up 46% over the past year.

The bottom line

There you have it, Fools: three top high-yield stocks worth checking out.

As always, don't view them as formal recommendations. Instead, look at them as a starting point for more research. A dividend cut (or halt) can be especially painful, so you'll still need to do plenty of due diligence.

Fool on.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:D.UN (Dream Office Real Estate Investment Trust)
2. TSX:EIF (Exchange Income Corporation)

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Date
2025/08/26
Date Created
2020/01/08
Author
bpacampara