



Passive Income Builders: 3 Dividend Stocks

Description

It's pretty rare for the growth of your capital asset and a juicy dividend yield to come by together. The growth outpaces the rate at which the dividends are increased, so you are likely to see a relatively stunted dividend yield.

If your sole aim is to generate a passive income, however, you might want to forgo the underperforming market value for higher dividend yield.

An asset management firm

Fiera Capital ([TSX:FSZ](#)) is a global asset management firm. [The company](#) operates under the principle of "strength through diversification." The company currently manages assets worth about \$170 billion and is considered the country's leading independent investment management firm. The company operates in 17 locations globally with over 750 employees.

If we look at the five-year market value patterns of the company, it seems adamant about sticking to around \$12 market value. Currently, the company is trading at \$11.9 per share at writing.

It offers a juicy yield of 6.73% to investors. If you put \$15,000 of your Tax-Free Savings Account (TFSA) money in it to start generating a passive income, it will get you about \$84 a month. The dividends are paid quarterly and have grown over 60% in the past five years.

The chances are that your dividend dependent paycheck will get fatter every year.

A small REIT

At \$109.4 million market cap, **Melcor REIT** ([TSX:MR.UN](#)) is [indeed small](#). The company focuses on commercial real estate in western Canadian markets. It was conceived as a spin-off of Melcor developments, a 95-year-old real estate development company.

Currently, the company manages 38 assets worth over \$700 million. The bulk of the properties belongs to the retail window, while the remaining rest are industrial properties.

The market value of Melcor has been pretty stagnant since 2015. Currently, the company is trading at \$8.1 per share. It is also rigidly consistent with its payouts, sticking with 0.0563 a share since Jan 2017. This translates to a very hefty yield of 8.2%. A \$15,000 chunk in it would result in \$102.5 a month in passive dividend income.

A yield monster

North American Financial 15 Split Corp ([TSX:FFN](#)) is a \$123-million portfolio of 15 Canadian and U.S. financial firms. The portfolio was designed with long-term capital and dividend growth in mind.

Some of the major financial institutions in which the fund has a stake are **Bank of America, JPMorgan & Chase, Goldman Sachs Group and Toronto-Dominion.**

Though the stock itself never managed to see any significant growth, the dividend yield of this fund is enormous. Currently, it's offering a monstrous yield of 20.9%, with an unusual payout ratio of around 80%.

The monthly payout of 0.1133 per share hasn't changed for three years. A \$15,000 stake in this fund will get you around \$261 a month.

Foolish takeaway

Building a passive income with the stocks shared above will get you about \$447 a month. On your combined \$45,000 investment, that's a yield of almost 12%.

This is a decent enough sum to take some burden off your primary income or help you build substantial wealth through reinvesting the dividends.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:FSZ (Fiera Capital Corporation)
2. TSX:MR.UN (Melcor Real Estate Investment Trust)

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