



CERB Users: Give Yourself a Big, Fat Raise With These 3 Passive-Income Generators

Description

CERB users shouldn't expect the CRA payment to last forever. Sooner or later, the CERB payments will end, and they may stand to shrink for certain Canadians between now and the day they expire. As such, now is as good a time as any to leverage one's savings to invest in passive-income generators that help supplement your income today and be there for you when those CERB cheques stop flowing in.

Without further ado, consider the following three passive-income securities that can fuel a sustainable passive-income stream that can last indefinitely.

H&R REIT: A risk-on contrarian play for CERB users

H&R REIT ([TSX:HR.UN](#)) is a beaten-up REIT that currently sports a 7.1% yield following its recent distribution reduction in response to troubles brought forth by the coronavirus pandemic.

The diversified REIT is heavily weighted in some of the least-sexy real estate sub-industries today: retail and office. While the long-term impact of this pandemic on demand for such properties remains unknown, I'm in the camp that's of the belief that demand for such properties will eventually recover to those pre-pandemic levels.

H&R REIT ripped the band-aid off by reducing its distribution by 50%. The distribution is now well covered, and some bulls think that the stock has 100% upside from these depths. If you're a CERB user who's seeks a chance to have their cake (significant passive income) and eat it too (capital gains), H&R REIT is worth betting on at \$9 and change.

Suncor Energy: A quality energy kingpin that's super cheap

Speaking of ripping the band-aid off, integrated energy kingpin **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) slashed its dividend by 55%, and it got punished by investors for doing so.

The stock now sports a 3.6% dividend yield that's very well covered. Although the firm could have kept its dividend intact for a longer duration given its decent financial footing, it's apparent that management would rather prepare for the worst and reward investors with a big hike at a later date than delay the inevitable, only to disappoint shareholders at some point down the road.

Today, Suncor stock is overly punished and is a solid bet for those CERB users looking for sustainable income alongside a shot at outsized capital gains in the event of an upside correction in response to [recovering](#) oil prices. Suncor is no slouch. It's still a king in the oil patch, but at the end of the day, it's at the mercy of exogenous events that move the needle in energy prices.

TC Energy: A quality passive-income darling at a reasonable price

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) is the cream of the crop when it comes to midstream operators. The resilient pipeline kingpin is well diversified, both in terms of the liquids it moves and the geographies that it serves. The brilliant management team led by Russell Girling is in a spot to continue bucking the trend, rewarding investors with decent total returns, even as the industry continues facing headwinds.

At 5.7%, TC Energy's dividend yield isn't the largest in the world, but it is one of the best covered as far as midstream operators are concerned. Despite sensitivity to the price of the underlying commodities that it transports, the firm ultimately looks more utility-like in nature relative to many of its peers in the space. As the company looks to get new projects online, investors will stand to be rewarded with 8-10% dividend hikes until 2021 (and potentially beyond).

If you're looking for a lower-volatility play at a nice discount (TRP trades at just 1.9 times book), TRP ought to be at the [top of the shopping list](#) of CERB users.

CATEGORY

1. Coronavirus
2. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. NYSE:TRP (Tc Energy)
3. TSX:HR.UN (H&R Real Estate Investment Trust)
4. TSX:SU (Suncor Energy Inc.)
5. TSX:TRP (TC Energy Corporation)

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