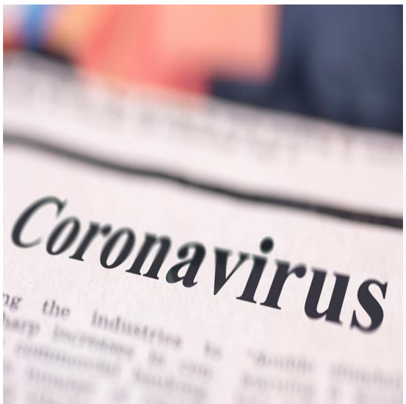

3 High Yield Dividend Stocks to Pandemic-Proof Your Portfolio

Description

The COVID-19 pandemic has had an immeasurable impact on Canadians this year. Affecting our health, careers and daily lives, its effects have been impossible to overstate, including its effect on stocks. In the early months of the pandemic, stocks fell over 35% on concerns about prolonged economic damage. Since then, the markets have climbed back, but the basic risk factors remain.

In this environment, you'd be wise to pandemic-proof your portfolio — that is, build a portfolio of assets that's immune to the worst effects of the pandemic–including the possibility of renewed lockdowns. In this article I'll be exploring three stocks that fit the bill.

Fortis

Fortis Inc (TSX:FTS)(NYSE:FTS) is a utility stock that has done well so far in 2020. Its stock is up 1.58% so far this year and fell less than the market average during the COVID-19 market crash. The underlying company has done pretty well too. In the first quarter, net income came in at $312 million, up from $311 million in the same quarter a year before.

Diluted EPS decreased slightly because of equity dilution. In the second quarter, adjusted EPS came in at $0.56, up $0.02 year-over-year. These figures don't represent massive growth. But they do show that Fortis' has sailed through the pandemic without *serious* hit. In the meantime, you can still buy the stock at a juicy 3.7% yield if you buy today.

NorthWest Healthcare Properties REIT

NorthWest Healthcare Properties REIT (TSX:NWH.UN) is one of the few REITs that managed to avoid any serious damage from COVID-19 lockdowns. As a healthcare REIT, its revenue is supported by government money, resulting in high collections and relatively solid earnings through 2020.

In the second quarter, it had a 97.2% collection rate, a 98% occupancy rate, and net operating income (NOI) basically unchanged year over year. These stable results are what you want to see in a dependable income investment in the COVID-19 era. No, NWH.UN isn't cranking out explosive growth, but it's not a pick you'll lose your shirt on either.

BCE Inc

BCE Inc (TSX:BCE)(NYSE:BCE) is one of Canada's largest telecom stocks. It supplies internet, cell and Fibe TV service nation-wide. It also has investments in IoT and media.

BCE stock has not been a huge winner over the past five years. In fact, it's down slightly over that period. That's one of the things that makes it such an attractive dividend play. Thanks to the combination of a depressed stock price and consistent dividend increases, BCE now yields 6%. That means you get $6,000 back in cash each year on just $100,000 invested!

BCE's earnings this year were down, but not to a ridiculous extent. In the second quarter, revenue and adjusted EBITDA were both down about 9%. Adjusted EPS was down 32%, but free cash flow was up 49%. Overall, a mixed picture. But solid enough to keep the dividends coming, especially after earnings normalize next year.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:FTS (Fortis Inc.)
3. TSX:FTS (Fortis Inc.)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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