



Got \$3,000? Buy These 3 Monthly-Paying Dividend Stocks to Boost Your Passive Income

Description

Investing in monthly-paying dividend stocks is the cheapest way to supplement yourself with passive income. You do not require huge capital upfront to invest in stocks compared to other asset classes. Apart from earning regular dividends, the investor can also gain from stock appreciation. So, having looked into the advantages of monthly-paying dividend stocks, here are the top three TSX stocks that you could buy right now.

Pizza Pizza Royalty

The food services sector was one of the hardest-hit sectors during the pandemic-infused lockdowns. Meanwhile, **Pizza Pizza Royalty** ([TSX:PZA](#)) has invested in building its delivery, pick-up, and digital ordering infrastructure to offset dine-in sales decline. These investments and the reopening of the economy have led to a sequential improvement in its operating performance.

In its recently announced [third quarter](#), Pizza Pizza Royalty's top line increased by 9.3% on a sequential basis, while its adjusted EPS grew 9.4%. Amid the improvement, its stock price has risen by 75.5% from its March lows to trade just 5.5% lower for this year.

Earlier this month, Pizza Pizza Royalty's board hiked its monthly dividends by 10% to \$0.055 per share. So, its dividend yield currently stands at an attractive 7.1%. The company's valuation also looks cheap, with its forward price-to-earnings multiple and forward enterprise value-to-sales multiples standing at 11.1 and 0.6, respectively. So, given its improving operating metrics, high dividend yield, and attractive valuation, [I am bullish on Pizza Pizza Royalty](#).

NorthWest Healthcare Properties REIT

NorthWest Healthcare Properties REIT ([TSX:NWH.UN](#)) invests in healthcare real estate infrastructure. Its portfolio consists of 190 properties covering 15.4 million square feet across Canada, Brazil, Europe, Australia, and New Zealand. The company has an astonishing occupancy rate of

97.2%, while its weighted average lease expiry stands 14.5 years.

Meanwhile, the company earns 80% of its revenue from public healthcare funding directly or indirectly, delivering predictable earnings and cash flows. When many REITs are struggling with their collections, the company collected or formally deferred 97.6% of its revenue in its September-ending quarter. In October, the collections improved further to 98.1%.

So, given its high occupancy rate, longer weighted average lease expiry, and strong cash flows, NorthWest Healthcare's dividends are safe. The company currently pays monthly dividends of \$0.067 per share, representing an annualized payout of \$0.80 per share. So, its dividend yield stands at an attractive 6.6% as of yesterday.

Pembina Pipeline

My third pick would be **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)), which has paid \$9.1 billion in dividends since its inception. The energy infrastructure company runs a highly diversified business, with over 85% of its adjusted EBITDA earned from fee-based contracts. Meanwhile, the company is working on raising the contribution from fee-based contracts to over 90%.

Despite the challenging period, Pembina Pipeline generated \$796 million of adjusted EBITDA in its recently announced third quarter. The management is also projecting its 2020 adjusted EBITDA to come in the range of \$3.25 billion to \$3.30 billion. Further, the company has access to \$2.54 billion of liquidity at the end of the third quarter. So, given its strong track record, stable cash flows, and healthy liquidity, Pembina Pipeline's dividends are safe.

The company pays monthly dividends of \$0.21 per share at an annualized payout of \$2.52. So, it has a healthy dividend yield of 7.4%. With oil prices improving amid the vaccine hope and the discount on its stock price, Pembina Pipeline would be an excellent buy right now.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
3. TSX:PPL (Pembina Pipeline Corporation)
4. TSX:PZA (Pizza Pizza Royalty Corp.)

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