



2 Dividend Beasts Yielding Over 7.0%

Description

Most yield-hungry investors chase after dividend beasts. Their goal is to create higher-than-average passive income streams. On the **TSX**, [high dividend payers](#) are plenty. However, it would be best if you also chose businesses that align with your risk appetite.

Timbercreek Financial ([TSX:TF](#)) and **Chemtrade Logistics Income Fund** ([TSX:CHE.UN](#)) trades less than \$10 and yields over 7%. The dividend payouts should be sustainable and enough to deliver robust and recurring income streams.

Conservative lending program

Non-bank lenders are not as popular as Canada's banking giants but are [attractive investment prospects](#) too. Timbercreek Financial, an \$779.36 million mortgage investment company, is relatively new. It was founded only in 2016, yet it has established a unique foothold in the financial services sector.

Timbercreek provides structured financing solutions not typically offered by the leading banks and financial institutions. However, the company has a captured market in commercial real estate investors who form the client base. Timbercreek boasts a growing diversified portfolio of high-quality structured mortgage loans.

The niche play is simple and straightforward. Timbercreek extends loans against income-producing commercial real estate. Most of the collaterals or loan securities are multi-residential, office, and retail buildings in urban markets. The incidence of default is minimal.

Besides the secured mortgage loans, Timbercreek's lending program implements conservative loan-to-security ratios. Moreover, it ensures borrowers have the income to repay or service the loans. The loan period is less than five years too. While revenue growth has been slow over the last three quarters, operating income has been positive for seven consecutive quarters (September 2019 to March 2021).

As of May 7, 2021, the share price is \$9.36, while the dividend yield is a lucrative 7.37%. Over the last

4.84 years, the financial stock's total return is 62.76% (10.58% compound annual growth rate).

Need of universal industries

Chemtrade Logistics is another niche player but in another sector. The \$873.82 million company is nearly 20 years old and provides industrial chemicals and services in Canada, the U.S., and South America. At \$8.36 per share, the corresponding dividend yield is a high 7.17% dividend. This stock is among the top performers thus far in 2021 with its 47.5% year-to-date gain.

Newly installed Chemtrade President and CEO Scott Rook said, "The year has started with some weather-based challenges and the continuing uncertainty about the duration and extent of the pandemic's effects on the economy." He adds that management can't predict the outlook for some of Chemtrade's businesses due to the pandemic uncertainty.

Chemtrade caters to various, if not universal, industries such as agriculture, food production, pulp & paper, oil refining, and water treatment. Its top offerings include sulphur and performance chemicals, water solutions and specialty chemicals, and electrochemical products.

The company should bounce back from a dismal 2020 as it operates in many high-demand product areas. Chemtrade's products and services are critical community needs because it helps clean and purify drinking water, nourish growing crops and contribute to responsible pulp & paper production. Analysts even forecast a 43.5% upside to \$12 in the next 12 months.

Niche players and dividend beasts

Timbercreek Financial and Chemtrade Logistics are niche players in their respective industries. Similarly, it's a pair of dividend beasts you can buy even if you have limited capital to invest. The common denominator is the super high dividend yield. However, prospective investors should understand the risks first before taking a position.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CHE.UN (Chemtrade Logistics Income Fund)
2. TSX:TF (Timbercreek Financial Corporation)

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