3 Dividend Stocks for Over 38% Annual Returns

Description

As the growth market continues to slow, investors are turning their attention back to dividend stocks. It's something every investor should have in their portfolio and something we at the Motley Fool recommend on a regular basis.

However, when it comes to the best dividend stocks to give you the best bang for your buck, it takes some digging right now. The high dividend yields we saw before the market crash last year simply aren't around. You're lucky to find a 6% dividend yield or higher. But these yields do exist.

I'll go over three dividend stocks I would choose for my passive-income portfolio that can deliver sustained growth of 38% or more each year.

Keyera

As the oil and gas sector continues to rebound, Motley Fool investors should get excited about **Keyera** (TSX:KEY). The energy infrastructure business will be key to the energy rebound, with about 4,400 kilometres of pipelines and 16 active gas plants. But the company's marketing is where the real growth is likely to be.

During its latest earnings report, Keyera management stated it would be increasing its marketing margin from around $220 million to around $290 million! That's a significant jump, as the company expects a significant increase in oil and gas use.

Keyera offers investors a dividend yield of 6.13% as of writing. On top of that, shares have grown at a compound annual growth rate (CAGR) of about 9.5% as of writing.

WPT Industrial

Another area that continues to boom is the e-commerce sector. But before you go ahead and put all your cash in this still volatile industry, I would think broader and invest in dividend stocks like **WPT Industrial REIT** (TSX:WIR.UN).

This company provides light industrial properties where many e-commerce giants ship and store products. The company has been growing at a rapid pace, recently announcing a joint venture for a further 13 properties that value about $370 million. The company collected an astounding 99.8% of rents during its latest earnings report, which was a record for the business, generating $8.5 billion in revenue.

Motley Fool writers continue to recommend this stock based on its future potential, but also its solid dividend yield of 4.39% as of writing. Meanwhile, shares have risen 33% in the last year alone.

Nutrien

Finally, as far as dividend stocks go, it doesn't get much more stable than food. **Nutrien** (TSX:NTR)(NYSE:NTR) was a fan favourite by Motley Fool writers when it first came on the market, but the recent market volatility has many forgetting about this stock. But you shouldn't.

Nutrien is consolidating the crop nutrient market and bringing it into the 21st century with its developments. As crop nutrient prices climb past all-time highs, Nutrien continues to be a dividend stock with a solid future. It recently reported a 60% increase in EBITDA, delivering a record-setting $109 million in adjusted EBITDA.

Shares of the company are up 68% as of writing, soaring past all-time highs. You can then also pick up a 2.91% dividend yield as of writing from this top one of the dividend stocks.

Foolish takeaway

Let's say you were to put $5,000 into each of these stocks and see them rise for the next decade. If all three of these dividend stocks were to continue this trend towards growth and all you did was reinvest dividends, that $15,000 investment could be worth $73,052! That's 387% in total returns in just one decade — or 38.7% per year.

CATEGORY

1. Investing
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TICKERS GLOBAL

1. NYSE:NTR (Nutrien)
2. TSX:KEY (Keyera Corp.)
3. TSX:NTR (Nutrien)

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