



3 High-Yield Dividend Stocks to Build a 2nd Pension With

Description

Every Canadian envisions a stress-free retirement. However, the sunset years won't be enjoyable if you don't cover the blind spots. The primary lookout is [cash flow](#). Pensions like the Canada Pension Plan (CPP) and Old Age Security (OAS) will be there when you retire, although they aren't the total package.

Building a second pension will help you conquer the financial hurdles in retirement. Start today and [do it yourself](#). If you have seed capital, consider [dividend investing](#). Choose from among high-yield dividend stocks like **Keyera** ([TSX:KEY](#)), **Alaris Equity Partners** ([TSX:AD](#)), and **True North Commercial** ([TSX:TNT.UN](#)).

Rock-solid dividends

Keyera is a solid choice because the energy stock is a dividend aristocrat. Besides the lucrative 5.94% dividend, the payout of this \$7.39 billion energy infrastructure company is monthly, not regular quarterly. You can incorporate the investment income into your monthly budget.

Dividend growth has been steady since Keyera went public in 2003. Because 70% of its cash flows come from fee-for-service contracts with investment-grade customers, commodity price fluctuations won't interrupt dividend payments. The total return in the last 18 years is 967.77% (13.92% CAGR).

Keyera's year-to-date gain of 53.82% makes it one of **TSX**'s top performers. Management has allocated up to \$450 million in growth capital for the full year of 2021. It also hopes to realize between \$45 million and \$65 million in cost savings this year.

Unique funding structure

Alaris Equity Partners is ideal if your preference is the private capital market. The \$758.51 million income trust specializes in helping private businesses (no startups) achieve their full potentials.

The stock isn't doing bad either, as evidenced by the 15.95% year-to-date gain. At \$16.87 per share, you can partake of Alaris' generous 7.32% dividend. Given the high yield, any investment amount will double in less than ten years (9.83 years).

Alaris' investment or structure is unique. The company provides equity or growth capital to lower middle-market companies in North America. Apart from a proven management team, a funding candidate must be generating an annual free cash flow of \$3 million or more. More importantly, the company has a low risk of obsolescence.

Stability in the pandemic

True North Commercial isn't the largest real estate investment trust (REIT) in Canada, but it possesses the best tenant profile among all REITs. Also, at only \$7.62 per share, this \$665.22 million REIT pays an attractive 7.92% dividend. Like Keyera and Alaris, True North outperforms in 2021 (+26%).

How can you go wrong when the federal government of Canada is the lead lessee in 12 of the 47 income-producing properties? Government tenants compose 35% of the high-quality renters, while 40% are credit-rated companies. The top three contributors to gross revenue are the federal government of Canada (14.4%), the province of Alberta (9.8%), and the province of Ontario (60%).

True North's weighted average term on lease renewals and replacements is 7.4 years. For new lease deals, it's 4.3 years. The occupancy rate is a high 97%. Because of the fully occupied portfolio of predominantly government and credit-rated tenants, expect the REIT to maintain stability in the pandemic environment.

Prepare for the unemployment years

A second pension will help future retirees prepare for and get through the unemployment years. Retirement life should be a ball with recurring income streams from high yield dividend stocks.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:AD.UN (Alaris Equity Partners Income Trust)
2. TSX:KEY (Keyera Corp.)
3. TSX:TNT.UN (True North Commercial Real Estate Investment Trust)

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