



Monthly Dividend Income: 4 Top Stocks to Buy in September

Description

Dividend stocks are an important element in supplementing many Canadians' [monthly income](#). With interest rates so low, government bonds, GICs, and supposedly "high-interest" savings accounts (generally around 1.25-1.5%) largely don't provide a positive return after factoring in inflation.

Consequently, investors are still flocking to equities to help meet their income needs. Here are four monthly dividend stocks that pay ample yields, but also have some decent growth upside as time goes on.

Dividend stock #1: Superior Plus

Superior Plus ([TSX:SPB](#)) is a unique Canadian stock that pays a monthly dividend of \$0.06 per share. That is equivalent to a 4.85% annual yield. Since the middle of August, this stock has pulled back by 6.7%, and today it looks attractive.

Over the past few years, this company has been working to reduce debt, divest non-core operations, and focus singularly on propane distribution. Today, it is Canada's leading propane distributor and the fifth largest in the United States.

The company has been growing by consolidating smaller propane distributors across the continent. In fact, it has resulted in Superior producing a 26.5% EBITDA CAGR over the past five years. Combine that with a solid, very well-covered dividend, and this is an attractive stock for growth and income.

Income stock #2: Pembina Pipeline

Speaking about propane, **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) has a pretty large fractionation and propane export business. It also operates a wide array of natural gas-processing facilities and pipelines across Western Canada and the United States.

If you want a play on rising energy prices, but without significant commodity pricing risk, this is a good

stock to own. 94% of its assets derive fee-based, contracted revenues. As a result, it captures fairly stable streams of cash flows. Even during the crash in oil last year, Pembina still maintained its dividend.

Right now, the company is picking up steam in almost all parts of its business and 2021 could be a pretty decent year. The company also has its eyes set on some pretty large projects, like the Cedar LNG project and even the Trans Mountain Pipeline. Today, it pays a \$0.21 dividend per month. That is a huge 6.5% annual yield!

Income Stock #3: TransAlta Renewables

If you are more inclined towards a cleaner energy, **TransAlta Renewables** ([TSX:RNW](#)) could be a good monthly dividend stock. It pays a \$0.07833 dividend per share every month. That's a 4.72% annual yield on your investment.

TransAlta operates 44 wind, hydro, natural gas, and solar facilities across Canada, the United States, and Australia. In total, it operates 2,537 megawatts (MW) of power capacity. Just yesterday, it [announced](#) the acquisition of a 122 MW contracted solar portfolio in North Carolina.

Among peers, this company has a low-levered balance sheet and assets with a long weighted average contract life of 12 years. It also has a potential growth pipeline that could nearly double power capacity over the next five years. For a solid dividend with steady upside, this is [a good renewable stock](#) to own.

Dividend stock #4: NorthWest Healthcare REIT

Real estate investments are attractive for monthly dividends, because they generally have a flow through structure from the rents they collect. **NorthWest Healthcare REIT** ([TSX:NWH.UN](#)) is a unique real estate investment trust (REIT) because it owns and manages hospitals and medical office properties.

This is a good asset class, because they have long-term leases (+14 years) that operate in an essential service environment. Likewise, the leases are generally inflation-indexed or laddered, so rents rise as economic costs rise. So, for an inflation hedge, it's a good bet.

The REIT has been rolling out a joint venture/management platform that provides a lower cost of capital and higher cash flow margins. Consequently, consistent cash flow per share growth might be just around the corner. This dividend stock yields 6%, which equals a \$0.06667 per unit distribution every month.

CATEGORY

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2. Investing

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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:RNW (TransAlta Renewables)
5. TSX:SPB (Superior Plus Corp.)

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