



3 Passive-Income Stocks That Could Add an Extra Month of Income

Description

Passive income is truly life altering. The ability to generate enough cash to cover at least some of your living expenses without the need to work is the holy grail of personal finance.

Unfortunately, most investment options don't fit a passive-income strategy. They're either too volatile or offer negligible yields. However, I believe the three stocks on this list strike the perfect balance between high yield and steady stock performance to truly change the way you live.

Here's a closer look.

Passive-income opportunity #1

NorthWest Healthcare Properties ([TSX:NWH.UN](#)) is one of my favourite passive-income picks. It's easy to sleep at night when you have revenue coming in from leases that are 14 years long and immune to the business cycle.

Furthermore, NorthWest is also immune from Canada's real estate bubble. The company owns and manages properties across the world from New Zealand to Germany. In its most recent quarter, the team expanded its footprint in the U.K.

This well-diversified and robust package of properties is currently available at a price-to-earnings ratio of nine and with a dividend yield of 6%. Deploying a fully maxed-out Tax Free Savings Account (TFSA) into this stock could generate roughly in annual tax-free, work-free income \$4,530. For most families, that's an extra month's salary.

Passive-income opportunity #2

The oil and gas sector is a little more volatile than healthcare, but it's also much more profitable.

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is a great example. The stock offers a 6.34% dividend yield. That could generate \$4,786 in annual passive income. Again, that's an extra month of income for you and

your family without the need to work or pay taxes.

Enbridge stock may have been tricky to hold for the past five years, with the energy market in the slump. But the story is starkly different for the next five years. Energy demand has never been higher, and experts expect it to keep rising for the foreseeable future. A barrel of crude oil now trades at US\$85, while natural gas is trading at US\$6 per Metric Million British Thermal Unit.

In short, Enbridge should be on the top of your list for passive-income opportunities for this decade.

Passive-income opportunity #3

Fiera Capital ([TSX:FSZ](#)) is my last pick on this list. The investment firm has made several moves to expand this year. It now has exposure to warehouse properties in the U.S., distressed debt in India, and sustainable financial products across the world.

Its portfolio of niche, alternative assets seems to be generating plenty of cash flows to support the 7.9% dividend yield. That's the highest yield on this list.

However, Fiera's business model is also much more complex than any of the others mentioned here. Financial products and private equity investments may be vulnerable to a sudden shift in global capital markets or a sudden spike in interest rates. Investors should proceed with caution on this passive-income opportunity.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:FSZ (Fiera Capital Corporation)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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Date

2025/09/12

Date Created

2021/10/15

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