



Get a Head Start With 7% Dividends From 2 Generous Stocks

Description

The consensus of most economists is that families and households in Canada will have to bear with high prices for a longer stretch. Even the Bank of Canada (BoC) has a cloudy outlook on the consumer price index (CPI). Governor Tiff Macklem admitted that the Feds didn't expect inflation to rise as fast as it's rising in 2022.

Macklem sees annual inflation rate staying uncomfortably high or about 5% over the first half this year. He added that if supply chain disruptions persist, price pressure won't ease quickly. The ongoing pandemic also adds to the uncertainties. The BoC has yet to hike interest rates, but a [hike cycle](#) is coming to bring inflation down to its 2% target.

Canadians might need more than their active or regular income to cope with rising inflation. The TSX remains resilient, despite the weak start to 2022. If you have extra cash, now is a good time to [start investing](#).

Alaris Equity Partners ([TSX:AD.UN](#)) and **Timbercreek Financial** ([TSX:TF](#)) are [generous dividend payers](#). The pair yields over 7%, so would-be investors could have a head start with dividends. Either stock will provide a steady flow income during this inflationary period and beyond.

Capital for profitable companies

Alaris is a \$830.92 million private equity firm that helps lower middle market companies in North America realize their full potential. However, the company only capitalizes profitable private companies with historical free cash flows of more than \$3 million. The businesses should likewise be asset-light and have low risk of obsolescence.

Management will release its Q4 and full-year 2021 results next month, although the results in the first three quarters of last year were impressive. Total revenue climbed 41.8% to \$110 million versus the same period in 2020. Net earnings reached \$98.14 million compared to the \$10.55 million net loss in the prior year period.

Apart from the over \$400 million capital deployment since September 2020, the \$42.9 million revenue in Q3 2021 was a new record. Given the overall health of the portfolio, Alaris maintains a positive outlook for 2022. At \$18.43 per share, the dividend yield is an ultra-high 7.16%.

Conservative non-bank lender

Timbercreek Financial attracts income investors, because of its relatively cheap price (\$9.67 per share) and lucrative dividend yield (7.14%). Having \$19,340 in capital can purchase 2,000 shares of this financial stock. The investment will produce \$1,380.88 in extra income without sweat.

The \$788.56 million non-bank, commercial real estate lender maintains a conservative policy. It provides structured financial solutions to commercial real estate investors, although the loan terms are fewer than five years. The short duration loans ensure high portfolio turnover while providing inflation-protected returns.

Furthermore, risk-averse investors should find the conservative portfolio risk position attractive. The weighted average loan-to-value ratio is 69.6%, while the quarterly weighted average interest rate on net mortgage investments is 7.1%. Notably, 87.1% of Timbercreek's mortgage investment portfolio consists of cash-flowing properties.

Expect management to report respectable full year 2021 results soon. Timbercreek's CEO Blair Tamblyn thinks the company has an expanded capital base and the financial flexibility to achieve steady growth of the total portfolio.

Pure dividend plays

Dividend beasts Alaris and Timbercreek are pure dividend plays. Start investing to earn considerable passive income in 2022.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

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2. TSX:TF (Timbercreek Financial Corporation)

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