



3 Diversified Monthly Income Stocks to Buy

Description

The only thing more complicated than finding the right mix of income stocks is budgeting around a [differing payout schedule](#). Fortunately, the market provides us with several high-quality, diversified, monthly income stocks to consider.

Here are three options for your portfolio that provide a monthly payout.

Monthly income stock #1: Renewable energy

One of the hottest segments on the market right now with massive long-term appeal is renewable energy. That's precisely why **TransAlta Renewables** ([TSX:RNW](#)) should be on the radar of every single investor.

TransAlta boasts a portfolio of renewable energy assets located across Canada, the U.S., and Australia. Incredibly, TransAlta follows the same lucrative business model as traditional utilities. In other words, TransAlta generates a stable and recurring revenue stream that is backed by decades-long regulatory contracts.

That's not all. Unlike those traditional utilities, TransAlta is straddled with massive transitional costs to shift to renewables. This means that the company can invest in growth and pays out a generous monthly dividend.

That dividend works out to an appetizing 5.39% yield, making a great diversified monthly income stock to own.

Monthly income stock #2: Real estate!

Real estate investments account for some of the best long-term returns, ever. Unfortunately, the [white-hot market](#) in Canada makes it downright impossible for first-time homebuyers to get a foot into the door.

Fortunately, this is where investing in **RioCan Real Estate** ([TSX:REI.UN](#)) can be both lucrative and rewarding. RioCan is one of the largest REITs in Canada, with a massive portfolio of mainly commercial retail properties.

In recent years, that portfolio has shifted more towards mixed-use residential properties, and that's where a massive opportunity lies. The mixed-used properties are in Canada's major metro areas, along high-traffic transit, entertainment, and shopping corridors. This makes it appealing to younger residents who prefer to be close to those urban amenities.

This effectively makes RioCan investors akin to landlords in some ways, just without the late-night maintenance calls. Best of all, just like landlords, RioCan investors receive a monthly income stream, which currently works out to a respectable 3.84%.

This also makes it a superb diversified monthly income option to consider.

Monthly income stock #3: The niche player

Some of the best investments on the market operate in niche segments, where there is high need and little competition. That describes the business of **Exchange Income** ([TSX:EIF](#)). Exchange owns over a dozen subsidiary businesses that are broadly classed into Aviation and Manufacturing segments.

Both segments provide necessary services, for which there is little to any competition. Prime examples of this include cell tower construction, underground fibre optic installation, and providing passenger, cargo, and medevac service to the remote regions of the north.

More importantly, those unique segments all generate cash for Exchange. In fact, in the most recent quarterly update last month, Exchange generated a record-high revenue of \$1.4 billion.

That stellar performance allows the company to provide shareholders with a generous monthly dividend. The current yield works out to a tasty 5.61%.

Buy your diversified monthly income stocks

No investment is without risk. This includes the diversified monthly income stocks noted above. Fortunately, all the stocks mentioned operate in advantageous positions within unique segments of the market. Throw in that tasty income, and you have a great income-focused portfolio.

To see what this means for income seekers, let's consider a \$20,000 investment in each of these stocks. That investment will earn an income of approximately \$250 each month during the first year. Reinvestments and dividend hikes can quickly see that number rise further.

In my opinion, investors should consider one or more of these stocks to augment their portfolio and income potential.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:EIF (Exchange Income Corporation)
2. TSX:REI.UN (RioCan Real Estate Investment Trust)
3. TSX:RNW (TransAlta Renewables)

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