



## 3 Dividend Stocks With +5% Yields Pay Cash Every Month

### Description

The Canadian stock market yield about 2.5%. So, getting a yield of north of 5% indicates a doubling of that income. Here are three [dividend stocks](#) that pay cash to their common stockholders every month with yields of greater than 5%. Income investors should add them to their watch lists immediately.

## Healthcare REIT you can count on for passive income

**NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)) is headquartered in Toronto, but it generates long-term contracted and stable rental income from a globally diversified portfolio of healthcare facilities. It has paid a safe monthly cash distribution for more than 10 years.

At the end of 2021, the Canadian REIT had \$10 billion of assets and owned 224 properties across Canada, Brazil, Australia, the U.K., and Europe. Because of the stability of its asset class, it maintains a high occupancy rate of about 97% and a weighted average lease expiry of roughly 14 years.

The rental indexation in its international portfolio serves as a hedge for currency volatility. Moreover, management aims to secure its portfolio with local-currency debt whenever possible to minimize foreign exchange risk.

The Canadian REIT currently trades at close to its 2021 net asset value of \$14.47 per unit. So, the monthly dividend payer is fairly valued and offers a generous yield of 5.6%. The dividend stock tends to issue equity to fund growth, at which time it may provide buy-the-dip opportunities.

## Exchange Income stock

**Exchange Income** ([TSX:EIF](#)) is a very different idea for income. It's categorized in the airline industry under the industrials sector. Specifically, it focuses on aerospace & aviation services and equipment and manufacturing.

Greg Newman, a senior wealth advisor and portfolio manager at Scotia Wealth Management, just

chose Exchange Income as one of his top picks on *BNN* yesterday. He thinks the name is cheap with a catalyst. He expects a rebound in the areas they're in (i.e., aviation and manufacturing).

"The dividend stock trades at 11 times 2023 earnings. We model a 23% earnings-per-share growth rate. The balance sheet is okay because of government assistance. You get paid a nice dividend on a comfortable payout ratio in a noisy environment for the capital markets right now. For this name, from a risk-reward standpoint, looks pretty good."

*Greg Newman, senior wealth advisor and portfolio manager at Scotia Wealth Management*

At writing, the monthly dividend stock yields 5.4%, and it trades at a discount of roughly 19% from the 12-month consensus price target. It sounds like investors can consider [Exchange Income](#) for juicy monthly income and price appreciation over the next few years.

## Pembina Pipeline

**Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) is popular for its monthly dividend. At \$47.18 per share, it yields 5.3%. Latest comments on Pembina stock from Varun Anand are as follows:

"The dividend yield is sustainable, and it will increase by 3.8% once the KKR deal is done. Pembina has a very strong balance sheet, but the valuation is no longer compelling. Oil and gas stocks go through boom and bust, so a long-term hold will see lots of volatility. It's good for income, but there are better areas to invest in if you want compounded returns over five years."

*Varun Anand, vice president and senior portfolio manager at Starlight Capital*

The analyst consensus 12-month price target of \$46.68 per share indicate the monthly dividend stock is fully valued. If you're strictly looking for passive income, Pembina stock could work. But if you want price appreciation, too, it will be better to buy it in a correction.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:EIF (Exchange Income Corporation)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
4. TSX:PPL (Pembina Pipeline Corporation)

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