



## TFSA Pension: 3 Canadian Dividend Stocks to Buy for Monthly Passive Income

### Description

Retirees and other [TFSA](#) investors seeking monthly passive income can now buy top Canadian stocks at [undervalued](#) prices for a self-directed portfolio.

### RioCan

**RioCan** ([TSX:REI.UN](#)) operates shopping malls. It is also building mixed-use sites with retail and rental units combined. The 204 existing properties and 13 locations under development are primarily located in six major urban centres strategically situated near core transit routes and areas where people want to live and work.

RioCan took a big hit during the pandemic when lockdowns forced malls to close. Government aid helped RioCan and most of its customers get through the downturn, but investors still saw the unit price plunge, and RioCan trimmed its monthly payout from \$0.12 to \$0.08. This angered loyal holders of the trust's units who believed management's statements through most of the pandemic that the payout was safe.

Today, the company is on the mend. Malls are open and shoppers are flooding back to stores, gyms, and movie theatres. RioCan raised the distribution to \$0.085 per month earlier this year. Net income in the first quarter (Q1) came in at \$160 million compared to \$107 in the Q1 2021.

The unit price rallied to a 2022 high of \$26 in March but has pulled back to \$20.50 at the time of writing. At this price, the trust units provide an attractive 5% yield, and investors could see another increase in the payout for 2023.

### Keg Royalties Income Fund

**The Keg** ([TSX:KEG.UN](#)) has survived every major economic downturn and disruption in the Canadian restaurant industry over the past 50 years and has grown to more than 100 locations. Steak lovers steadily flock to their favourite Keg locations, many of which are located in former mansions or sites of

historical value.

The Keg is known for great food, quality service, and a fun atmosphere. The bar and patios are popular with the after-work crowds and weekend socializers. This business has loyal customers and should continue to thrive now that the pandemic restrictions are in the rearview mirror.

The Keg pays a monthly distribution of close to 9.5 cents. At the current unit price near \$15.50 investors can get a 7.25% annualized yield.

## Pembina Pipeline

**Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) has a current [market capitalization](#) of close to \$26 billion. The energy infrastructure company has the size needed to drive growth through strategic investments in acquisitions and internal projects.

Pembina Pipeline operates pipelines, logistics, gas gathering and processing, and propane export services. The rebound in the oil and gas sectors bodes well for Pembina Pipeline in the next few years. Producers will start to allocate more capital to boosting output to take advantage of the higher prices. This will drive higher volume across Pembina Pipeline's businesses.

Pembina Pipeline pays a monthly dividend of \$0.21 per share. That's good for an annualized yield of 5.4% at the current share price of \$46.60.

Pembina Pipeline reported strong Q2 results. Earnings came in at \$418 million compared to \$254 million in the same period last year. Management increased guidance for the year, so the outlook remains positive.

The stock sold off in June, dropping from \$53 per share to \$43 amid the broad pullback in the energy sector. The dip looks overdone, and Pembina Pipeline still appears undervalued today.

## The bottom line on top stocks to buy for passive income

RioCan, The Keg, and Pembina Pipeline all pay attractive monthly distributions with high yields. If you have some cash to put to work in a TFSA focused on monthly passive income, these stocks look cheap right now and deserve to be on your radar.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:KEG.UN (The Keg Royalties Income Fund)
3. TSX:PPL (Pembina Pipeline Corporation)
4. TSX:REI.UN (RioCan Real Estate Investment Trust)

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