



## These Monthly Dividend Payers Could Carry Your Portfolio for Years

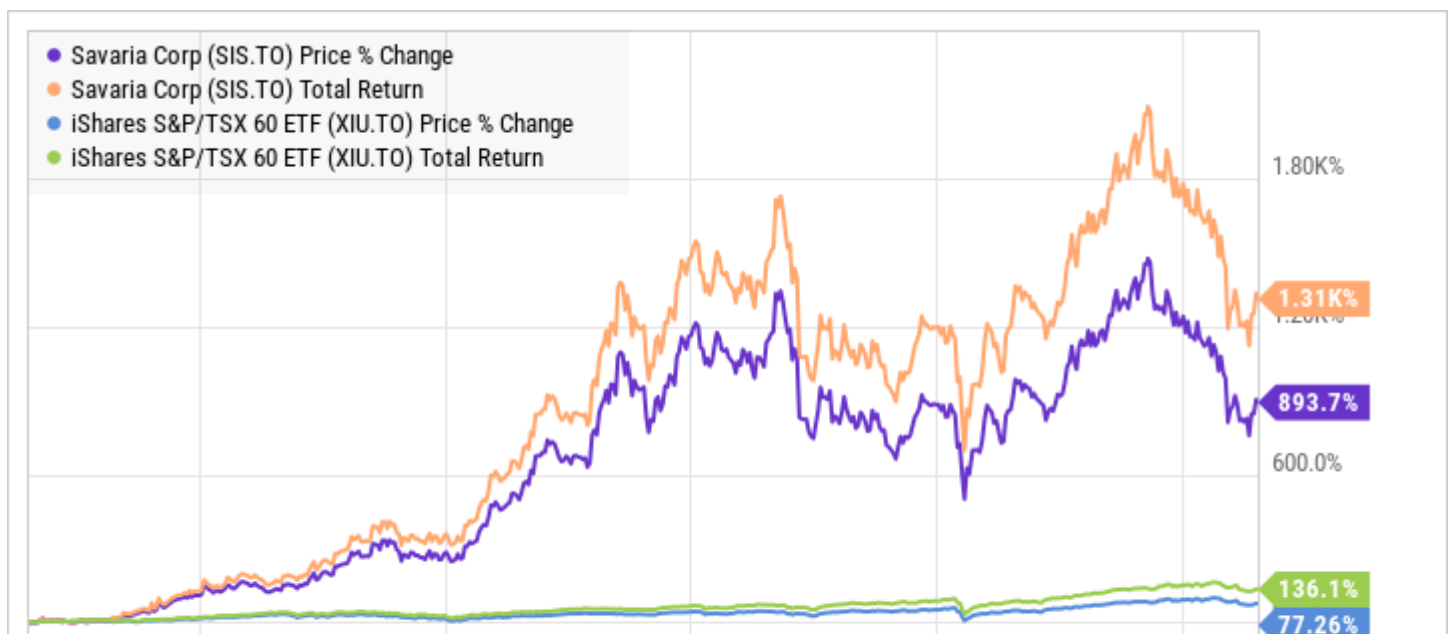
### Description

Here is a good mix of monthly [dividend stocks](#) that could carry your portfolio for years. If you buy the same amounts in each stock, your average yield will be 4.8%. Of the three, **Savaria** ([TSX:SIS](#)) will most likely carry a big chunk of price appreciation over the next three to five years. **Canadian Net REIT** ([TSX:NET.UN](#)) would pay good passive income but probably still weigh more towards growth. **First National** ([TSX:FN](#)) should provide a good balance of income and growth.

### Monthly dividend stock with strong growth prospects

Savaria has a market cap of below \$1 billion. The mid-cap stock has been a poor performer recently, falling 33% in the last 12 months versus the market that only fell 4%. That's the kind of volatility risk that investors take when investing in smaller cap stocks that are sensitive to economic cycles.

However, Savaria can reward long-term investors with strong price appreciation. For example, its 10-year price appreciation and total returns immensely exceeded market returns as shown below. As a relatively small company, it has greater room for growth.



SIS data by YCharts

The company rides on the trend of an increasing aging population by providing accessibility solutions globally. It designs, manufactures, distributes, and installs stairlifts for straight and curved stairs, vertical and inclined wheelchair lifts, and elevators for home and commercial use. It also manufactures and markets pressure management products for the medical market, medical beds for the long-term care market, and medical equipment and solutions for the safe handling of patients, including ceiling lifts and slings. Furthermore, Savaria converts and adapts vehicles for personal and commercial uses.

Analysts believe the Canadian Dividend Aristocrat trades at a meaningful discount of 36%. The industrial stock's 10-year dividend-growth rate (DGR) is 16.9%. It yields a solid 3.5%, paid in the form of a monthly dividend.

## Small-cap Canadian REIT with high growth

Canadian Net REIT has a market cap of about \$145 million, which is considered a small cap in Canada. Trading on the TSX Venture Exchange, it has been delivering exceptional growth versus other [Canadian REITs](#).

The commercial REIT sources acquisition and development opportunities. So far, it has grown to a diversified portfolio of 100 properties in Eastern Canada. The quality portfolio tends to maintain an occupancy rate of about 99% and generates sustainably growing cash flows.

Rising interest rates have caused a selloff in REITs, including in Canadian Net REIT, which is 12% cheaper year to date. This is a good opportunity for investors to accumulate units. Analysts believe the monthly dividend payer is undervalued by about 22%. It provides a decent yield of 4.8% and is a Canadian Dividend Aristocrat with a five-year DGR of 13.3%. It could be an excellent passive-income generator in your TFSA.

## First National provides good balance of income and growth

First National pays out eligible dividends that are favourably taxed in non-registered accounts. It is a large non-bank mortgage lender in Canada. It offers commercial and residential mortgage solutions.

The dividend stock has increased its dividend every year since 2012, which makes it a Canadian Dividend Aristocrat. Its 10-year DGR is 6.1%. Coincidentally, it yields about 6.1%. If it continues with this kind of growth, the fairly valued stock can deliver long-term returns of about 12% per year.

The company considers its portfolio to be conservative. Particularly, it invests in creditworthy mortgages of which approximately 70% are insured. Co-founders of the company own roughly 70% of First National as well. To investors, this may be an advantage or disadvantage. For example, it's an advantage in that their interests are aligned with those of shareholders. A disadvantage maybe less liquidity in the common stock. Yahoo Finance shows an average daily trading volume of 36,056 in the \$2.3 billion market cap stock.

### CATEGORY

1. Dividend Stocks

2. Investing

## **TICKERS GLOBAL**

1. TSX:FN (First National Financial Corporation)
2. TSX:SIS (Savaria Corporation)
3. TSXV:NET.UN (Canadian Net Real Estate Investment Trust)

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