



3 High-Yield Dividend Stocks to Earn a Truckload of Passive Income in 2023

Description

One of the best ways to build wealth at an accelerated pace is by creating multiple sources of income. Few investors actually know they can easily begin earning passive income with a small amount of capital by holding a basket of dividend stocks in their portfolio.

In fact, buying high-yield [dividend stocks](#) is an easy way to generate additional income. Here are three such TSX stocks that may become passive-income machines in 2023.

An asset manager with a 9.8% dividend yield

One of Canada's largest asset management companies, **Fiera Capital** ([TSX:FSZ](#)) ended the third quarter (Q3) with \$158.3 billion in assets under management (AUM). Its AUM has grown from \$29 billion in 2011 to \$158 billion in the September quarter, allowing the company to consistently support higher dividend payouts.

In the last 18 years, Fiera has increased dividends at an annual rate of 7.4%. It currently offers investors a forward yield of 9.8%, which is among the highest on the TSX.

A volatile macro-environment will continue to hamper FSZ stock in the next 12 months. However, once the equity market stabilizes, investors will once again pour into this asset class, driving management fees and earnings higher for Fiera Capital.

Down 42% from all-time highs, Fiera Capital is trading at a discount of 10% to consensus price target estimates. After accounting for its dividend yield, total returns will be closer to 20% in the next year.

An energy heavyweight

An energy stock trading on the TSX, **Keyera** ([TSX:KEY](#)) is an energy infrastructure company with a sustainable dividend yield. Its robust base of cash-generating assets benefits from high utilization rates, allowing Keyera to improve cash flows consistently and fund organic growth initiatives.

Keyera’s distributable cash flow per share has grown at an annual rate of 8% since 2008. Comparatively, its dividend payouts have risen by close to 6% annually in this period. It currently offers investors a monthly dividend of \$0.16 per share, translating to a tasty yield of 6.1%.

Keyera now expects its adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) to increase by 6% annually through 2025, which should support dividend increases in the future.

Its widening profit margins will also be used to reduce long-term debt, providing the company with even more flexibility to drive organic growth higher.

A TSX stock with a 8% yield

The final stock on my list is **Canoe EIT Income Fund** ([TSX:EIT.UN](#)), an investment fund that aims to maximize monthly distributions and capital appreciation by investing in a portfolio of top-quality assets.

EIT stock offers investors a yield of more than 8% and has returned 227% to shareholders in the last 10 years.

Canoe explained that it has a disciplined “bottom-up” investment process, allowing it to deliver consistent returns to investors. Its actively managed portfolio is focused on quality franchises and stable businesses that benefit from long-term growth.

The Foolish takeaway

Investing \$25,000 in each of these three TSX stocks will enable investors to generate \$6,000 in annual dividends, indicating an average yield of 8%. If the stocks are held in a [Tax-Free Savings Account](#), the dividends will be exempt from federal or state taxes.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
Fiera Capital	\$8.77	2,851	\$0.215	\$613	Quarterly
Keyera Corp.	\$31.52	793	\$0.16	\$126.88	Monthly
Canoe EIT Income Fund	\$13.87	1,822	\$0.10	\$182.2	Monthly

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:EIT.UN (Canoe EIT Income Fund)
2. TSX:FSZ (Fiera Capital Corporation)
3. TSX:KEY (Keyera Corp.)

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