3 Stocks Yielding up to 9.6% to Buy and Hold

Description

Dividend stocks should be core holdings in every investor's portfolio, because, as history shows, they outperform their non-dividend-paying counterparts over the long term. With this in mind, let's take a look at three high-quality stocks with yields up to 9.6% that you could buy right now.

Crombie Real Estate Investment Trust (TSX:CRR.UN)

Crombie REIT is one of Canada's largest owners and managers of retail real estate with a portfolio of 284 income-producing properties located across the country that total approximately 19 million square feet.

Crombie pays a monthly distribution of $0.07417 per unit, equating to $0.89 per unit annually, which gives it a yield of about 7.1% at the time of this writing. The real estate giant has paid monthly distributions uninterrupted and without reduction since April 2006, including one hike of 4.8% back in May 2008, which makes it one of the most reliable income providers in its industry.

I think Crombie's very strong cash-flow-generating ability, including its 7.2% increase in adjusted cash flow from operations (ACFO) to $151.88 million in 2017, and its improved payout ratio, including 87.7% of its ACFO in 2017 compared with 88.7% in 2016, will allow it to continue to provide its unitholders with a reliable income stream going forward.

Power Corporation of Canada (TSX:POW)

Power Corporation is a diversified international management and holding company with ownership interests in companies in several industries, including financial services, renewable energy, and communications.

Power Corporation currently pays a quarterly dividend of $0.3585 per share, representing $1.434 per share annually, which gives it a yield of about 4.8% at the time of this writing. It has raised its annual dividend payment each of the last three years, and its 7% hike in May 2017 has it on track for 2018 to mark the fourth straight year with an increase.

I think Power Corporation's very strong financial performance in 2017, including its 27.3% increase in adjusted net earnings to $3.36 per share, will allow it to announce another dividend hike when it reports its fiscal 2018 first-quarter earnings results next month, and I think it will continue to deliver dividend growth to its shareholders for many years to come.

Pattern Energy Group Inc. (TSX:PEG)(NASDAQ:PEGI)

Pattern Energy is one of the world's largest independent power producers. It has a portfolio of 25 wind and solar power facilities, including one it has agreed to acquire, with a total owned interest of 2,942 megawatts in the United States, Canada, Japan, and Chile.

Pattern Energy pays a quarterly dividend of US$0.422 per share, representing US$1.69 per share on an annualized basis, which gives its NASDAQ-listed shares a yield of about 9.6% at the time of this writing. It has raised its annual dividend payment each of the last four years, and its recent hikes, including its 0.5% hike in November 2017, have it on pace for 2018 to mark the fifth straight year with an increase.

It's important to note that Pattern Energy has a dividend-payout target of 80% of its cash available for distribution (CAFD), so I think its consistently strong CAFD growth, including its 9.6% increase to US$145.8 million in 2017 and its projected 3-24% increase in 2018, will allow it to continue to grow its dividend in 2019 and beyond.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CRR.UN (Crombie Real Estate Investment Trust)
2. TSX:POW (Power Corporation of Canada)

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