

## 3 Monthly Dividend Stocks Yielding Up to 8.5%

### Description

MP900387760 If I could show you how to generate dependable, monthly income for your portfolio, would you be interested?

For income investors, dividends aren't just a source of returns. Many depend on those regular distributions to help pay the bills, so being forced to wait three months for the next payment isn't always practical.

Thankfully, there's a small universe of stocks that pay dividends every month, rather than using the more traditional quarterly schedule. On the Toronto Stock Exchange there are more than 100 companies ready to serve you.

Many of these stocks are ex-income trusts that converted themselves into dividend-paying corporations. While widely held names are rare in this group, there's enough quality and variety in it to build a portfolio that generates a reliable stream of monthly income. Here are three ideas to get you started.

#### 1. RioCan REIT

**RioCan REIT** ([TSX: REI.UN](#)) is a simple way to collect a "rent cheque" every month of the year without the burdens of actually being a landlord. Because of the way this firm is structured, it pays no corporate income taxes to the government. It has built an impressive portfolio of assets spanning 330 properties and 79 million square feet of real estate across North America.

More importantly, RioCan doesn't rent out its properties to just any tenant on Kijiji. This landlord specializes in retail and commercial properties to high-quality tenants such as **Walmart**, **Canadian Tire**, and Shoppers' Drug Mart. Needless to say, these types of customers aren't going out of business any time soon.

What we're most interested in is the company's steady dividend. Since the trust's inception in 1994, this company has never missed a dividend to unitholders. Today it is paying investors a monthly dividend of \$0.1175 per share and yields 5.2%.

#### 2. Timber Creek Mortgage Investment

Mortgage investment corporations, or MICs for short, are an alternative fixed-income investment. They have become more popular in recent years because of their sustained double-digit yields. Yes, you read that correctly: double-digit yields.

One of my favourite names in this space is **Timber Creek Mortgage Investment** (TSX: TMC). The company occupies an interesting niche within the lending business by providing smaller, short-term mortgages not typically offered by other financial institutions in Canada. Because of this gap in the market, borrowers are typically willing to pay a premium for these customized loans.

For shareholders, the fund provides investors with the opportunity to invest indirectly in a diversified portfolio of high-quality mortgage loans backed by income-producing real estate such as offices, apartments, and retirement communities. Today, the fund yields a hearty 8.5%.

### 3. Surge Energy

Small-cap oil and gas producer **Surge Energy** ([TSX: SGY](#)) has been one of the hottest names in Canada's oil patch. Over the past year, the stock has spiked more than 50% following some impressive operating results. The company is on track to grow production by a whopping 40% this year.

Investors are being paid handsomely while they wait for this growth to play out. Last year, the company started paying out monthly distributions and today the stock yields 7.7%. That's one of the highest yields in the oil patch.

Of course, the obvious question is whether that payout is sustainable. However, when you look at what Surge's properties are and the opportunities ahead of it, shareholders shouldn't expect the company to have much trouble supporting the dividend. Barring a major drop in oil prices, Surge Energy should be able to generate enough cash flow to modestly grow its reserves and production.

### Who else wants monthly dividend income?

Paying a monthly dividend is a good for both companies and investors. Companies gain a loyal investor base and shareholders benefit from being better able to match income and living expenses. They're a solid addition to any income-hungry portfolio.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:REI.UN (RioCan Real Estate Investment Trust)
2. TSX:SGY (Surge Energy Inc.)

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