



3 Monthly Dividend Stocks Yielding Up to 10.3%

Description

If you're interested in earning monthly dividend income, then this might be the most important message you'll ever read.

Here's why: there's a small group of companies that pay dividends every month. That's in stark contrast to the regular quarterly schedule. And some of these stocks are the highest yielding names around.

In all, there are more than 100 businesses ready to serve you. Big names are rare in this group. Most of them are ex-income trusts. But there's enough quality in this universe to build a portfolio that cranks out reliable income. Here are my three favourite names to get you started.

Earn a 8.7% 'rent cheque' without becoming a landlord

Dream Office REIT ([TSX:D.UN](#)) gives you all the benefits of owning real estate without any of the headaches. The business model is simple: buy top properties, collect rent from tenants, and pass on the income to investors.

However, Dream is not your typical landlord. The trust specializes in office space. Its tenants include AAA businesses such as **BCE**, **Enbridge**, and the **Bank of Nova Scotia**. Needless to say, this type of clientele always pays the bills on time.

Moreover, the trust receives rents from tenants monthly. That's why it only makes sense to pay investors in the same manner. Today, Dream pays an 18.67¢ distribution roughly every 30 days, which comes out to an annual yield of 8.7%.

1 dividend stock to buy and hold forever

Mortgage Investment Corporations are becoming popular investments because of their double-digit yields. No, that's not a typo. It's quite normal for these stocks to sport yields of 10%... 12%... even 15%.

My favourite name in this space is **Atrium Mortgage Investment Corporation** ([TSX:AI](#)). The company has carved out a profitable niche by providing smaller, short-term loans to landlords and developers. These deals are not typically offered by Canada's big banks. That's why borrowers are willing to pay double-digit interest rates.

For shareholders, this has translated into a 7.3% yield. And given that these loans are backed up by real estate, Atrium's dividend is one of the most reliable around.

This stock soared 90% the last time this happened

The energy industry is hopping on board the monthly payout bandwagon. Historically, these stocks offered little in the way of yield. But to attract investors, many are adopting the growth-plus-income model: expanding production while paying shareholders big dividends.

Enerplus Corp ([TSX:ERF](#))([NYSE:ERF](#)) is a great example. The company's oil output is soaring thanks to new shale plays in Alberta, Saskatchewan, and North Dakota. New drilling techniques have also allowed management to boost reserves.

The best part: thanks to the panic in the oil patch, this stock has never been cheaper. Enerplus shares are now trading at their lowest level since the financial crisis. The last time prices fell this much this fast, the stock rallied more than 90% over the next 18 months.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:ERF (Enerplus Corporation)
2. TSX:D.UN (Dream Office Real Estate Investment Trust)
3. TSX:ERF (Enerplus)

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