5 Stocks That Pay You 12 Times Per Year

Description

Who else wants monthly income?

Hey, I'm a big fan of dividend stocks. But it's not always easy to juggle quarterly payouts with monthly bills. Doable? Sure. Convenient? Not really.

Thankfully, there's a small universe of stocks that pay dividends monthly. It's a real win-win for everybody involved. Companies gain a loyal shareholder base and investors are better able to match their income with expenses.

Widely known names are rare in this group. Many of them are ex-income trusts that converted into dividend-paying corporations. However, there's enough quality and variety to build a portfolio that spits out reliable cash flow.

The good news is that the recent drop in equity prices has turned some of these names into veritable cash cows. Here are five of my favourites:

Stock	Current Yield	Market Cap
Shaw Communications Inc.	4.0%	$13.91B
Student Transportation Inc.	8.2%	$577.44M
Dream Office REIT	8.1%	$2.99B
Enbridge Income Fund Holdings	4.2%	$2.59B
Medical Facilities Corp.	6.6%	$535.70M

Source: Yahoo! Finance

Let's say a few words about these companies.

Telecom stocks like **Shaw Communications Inc.** (TSX:SJR.B)(NYSE:SJR) are popular with dividend investors, and for good reason. High barriers keep competitors out. That allows incumbents to crank out thick, oversized profits year after year.

And because they have limited growth prospects, telecom names like Shaw throw off most of their earnings to shareholders as dividends. Today, Shaw pays out a monthly distribution of 10 cents per share. That comes out to an annual yield of 4%.

Student Transportation Inc. (TSX:STB)(NASDAQ:STB) churns out some of the highest dividends you can find today. However, the stock is also looked down upon because everyone knows future earnings growth will be meager at best. Then again, no one in their right mind should think a stock yielding 8% deserves to produce much earnings growth. But with a yield this high, shareholders who sit around reinvesting their dividends will beat most others as the years go by.

Dream Office REIT (TSX:D.UN) is probably the most controversial name on this list. The real estate investment trust buys properties and passes on the income to unitholders. However, because of a glut of office space on the market, the firm is struggling to raise rents. That said, the trust now yields 8.1%, which is more than enough for investors to justify the risk. And with bonds yielding next to nothing, this payout looks seriously attractive.

The story is straightforward at **Enbridge Income Fund Holdings Inc.** (TSX:ENF). It's a well-run pipeline company that gets paid to ship oil and gas around the country. While energy prices can swing wildly from day to day, the actual volume of crude remains remarkably consistent. If the economy takes a downturn, boring companies like Enbridge will provide some of the best returns around.

Finally, **Medical Facilities Corp.** (TSX:DR) is an ex-income trust that owns six surgical centres throughout California and the Midwest. What I love about this business is that people don't stop getting sick just because the stock market tanks or interest rates rise. That means the company's cash flows are as steady as bond coupons.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:D.UN (Dream Office Real Estate Investment Trust)
3. TSX:DR (Medical Facilities Corporation)
4. TSX:SJR.B (Shaw Communications)

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