



3 Monthly Dividend Stocks to Add Yield and Reduce Risk in Your Portfolio

Description

As Foolish investors know, dividend-paying stocks outperform non-dividend-paying stocks over the long term, and they minimize downside risk in times of uncertainty. With these factors in mind, let's take a look at three stocks that pay dividends on a monthly basis that you could add to your portfolio today.

1. First National Financial Corp.: 9% yield

First National Financial Corp. ([TSX:FN](#)) is Canada's largest non-bank lender, offering both commercial and residential mortgage solutions. It pays a monthly dividend of \$0.125 per share, or \$1.50 per share annually, giving its stock a 9% yield at today's levels. The company has also increased its annual dividend payment for three consecutive years, and its 7.1% increase in March 2014 puts it on pace for 2015 to mark the fourth consecutive year with an increase.

2. Enercare Inc.: 6.25% yield

Enercare Inc. (TSX:ECI) is one of Canada's largest home and commercial services companies, providing water heaters, furnaces, air conditioners, and other HVAC rental products, protection plans, and related services. It pays a monthly dividend of \$0.07 per share, or \$0.84 per share annually, which gives its stock a 6.25% yield at current levels. The company has also increased its annual dividend payment for five consecutive years, and its 15.9% increase in March puts it on pace for 2015 to mark the sixth consecutive year with an increase.

3. Peyto Exploration & Development Corp.: 5.2% yield

Peyto Exploration & Development Corp. ([TSX:PEY](#)) is one of the largest natural gas exploration and production companies in Alberta. It pays a monthly dividend of \$0.11 per share, or \$1.32 per share annually, giving its stock a 5.2% yield at today's levels. It is also worth noting that the company has increased its annual dividend payment for two consecutive years, and its 10% increase in November 2014 puts it on pace for 2015 to mark the third consecutive year with an increase.

Which of these monthly dividend payers belongs in your portfolio?

First National Financial, Enercare, and Peyto Exploration & Development represent three of the most attractive monthly dividend-paying investment opportunities in their respective industries. Foolish investors should strongly consider establishing positions in one or more of them today.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:FN (First National Financial Corporation)
2. TSX:PEY (Peyto Exploration & Development Corp)

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