

3 Small-Cap Stocks With Yields up to 9%

Description

As wise investors know, dividend-paying stocks outperform non-dividend-paying stocks over the long term, and small-cap stocks have the highest growth rates on average. Investing in a dividend-paying, small-cap stock can be a recipe for huge returns, so let's take a look at three with yields up to 9% that you could buy right now.

1. Bonterra Energy Corp.: 9% yield

Bonterra Energy Corp. ([TSX:BNE](#)) is one of the leading producers of oil and natural gas in Canada. It pays a monthly dividend of \$0.15 per share, or \$1.80 per share annually, giving its stock a 9% yield at today's levels. It is also very important to note that the company reduced its dividend by 50% in January in order to maintain its financial stability in the low commodity price environment, and I think the new rate is sustainable for the long term.

2. Morneau Shepell Inc.: 5.1% yield

Morneau Shepell Inc. (TSX:MSI) is the largest provider of human resources consulting and outsourcing services in Canada. It pays a monthly dividend of \$0.065 per share, or \$0.78 per share annually, which gives its stock a 5.1% yield at current levels. Investors should also note that the company has maintained this monthly rate since January 2011, but its increased amount of free cash flow, including 9% year-over-year growth to \$30.23 million in the first half of fiscal 2015, could allow for a slight increase in the second half.

3. Milestone Apartments Real Estate Inv't Tr: 4.4% yield

Milestone Apartments Real Estate Inv't Tr (TSX:MST.UN) is one of the largest multi-family residential landlords in the United States. It pays a monthly distribution of \$0.05417 per share, or \$0.65 per share annually, giving its stock a 4.4% yield at today's levels. It is also worth noting that Milestone has maintained this monthly rate since April 2013, its first full month as a public company, but its increased amount of funds from operations, including 32.2% year-over-year growth to \$29.14 million in the first half of fiscal 2015, could allow for a significant increase in the very near future.

Should you increase your portfolio's yield?

Bonterra Energy, Morneau Shepell, and Milestone Apartments are three of the top dividend-paying, small-cap investment options in the market today. Foolish investors should take a closer look and consider buying one of them.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BNE (Bonterra Energy Corp)

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