



3 Mid-Cap Stocks With Yields up to 4.1% to Buy Now

Description

One of the most well-known facts about investing is that dividend-paying stocks far outperform their non-dividend-paying counterparts over the long term. It is for this reason that I think all long-term investors should own at least one dividend-paying stock and, depending on your age, investment goals, and risk tolerance, maybe even a diversified portfolio full of them.

With all of this in mind, let's take a look at three mid-cap stocks with high and safe yields up to 4.1% that you could buy today.

1. Emera Inc.

Emera Inc. ([TSX:EMA](#)) is one of the largest electric utilities companies in North America with operations in Canada, the United States, and the Caribbean. It pays a quarterly dividend of \$0.475 per share, or \$1.90 per share annually, which gives its stock a yield of about 4.1% at today's levels.

Investors must also make three notes.

First, Emera has raised its annual dividend payment for nine consecutive years, and its recent increases, including its 10.3% increase in February 2015 and its 18.8% increase in August 2015, has it on pace for 2016 to mark the 10th consecutive year with an increase.

Second, it has a dividend-growth program in place to raise its annual dividend by 8% through 2019.

Third, in its fourth-quarter earnings report on February 12, the company stated that its recent acquisitions will help it reach its dividend-growth target and positions it to extend it beyond 2019.

2. TMX Group Limited

TMX Group Limited ([TSX:X](#)) operates cash and derivative markets for multiple asset classes, including equities, fixed income, and energy, and it also provides clearing facilities, data products, and other services to financial institutions around the world. It pays a quarterly dividend of \$0.40 per share, or \$1.60 per share annually, which gives its stock a yield of about 4% at today's levels.

It is also important to note that TMX Group has maintained this annual rate since 2011, and I think its consistent cash flows from operating activities, including \$254.2 million in fiscal 2014 and \$250.3 million in fiscal 2015, will allow it to continue doing so going forward.

3. Manitoba Telecom Services Inc.

Manitoba Telecom Services Inc. (TSX:MBT) is the leading communications and information technology services company in Manitoba. It pays a quarterly dividend \$0.325 per share, or \$1.30 per share annually, which gives its stock a yield of about 4.1% at today's levels.

Investors must also note that Manitoba Telecom Services has maintained this quarterly rate since the second quarter of 2015. However, I think its increased amount of free cash flow, including 7% year-over-year growth to \$140.7 million in fiscal 2015, and its low payout ratio, including 73% in fiscal 2015, which is at the low end of its target payout range of 70-80%, could allow it to announce a slight dividend hike at some point in 2016.

Which of these mid-cap stocks belongs in your portfolio?

Emera, TMX Group, and Manitoba Telecom Services are three of the most attractive high-yielding mid-cap investment options in their respective industries. Foolish investors should take a closer look at each and strongly consider initiating positions in at least one of them in the very near future.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:EMA (Emera Incorporated)
2. TSX:X (TMX Group)

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