



3 Small-Cap Dividend Stocks I Just Added to My Watch List

Description

As a dividend investor, I am always on the lookout for stocks with high and safe yields that can boost my portfolio's returns. After a recent search of several industries, I came across three small caps with high and safe yields of 3-9%, so I added them to my watch list. Let's take a quick look at each to determine if you should add them to your watch list too or if you should take it one step further by initiating a position in one of them today.

1. American Hotel Income Properties REIT LP

American Hotel Income Properties REIT LP ([TSX:HOT.UN](#)) owns 80 hotels totaling 7,048 guest rooms in 27 states in the U.S. It pays a monthly distribution \$0.075 per share, or \$0.90 per share annually, which gives its stock a yield of about 8.8% at today's levels.

Investors must also make two notes.

First, American Hotel has maintained its current annual distribution rate since it went public in 2013.

Second, the company will be converting to U.S.-dollar-denominated distributions in April, which will bring its monthly distribution to US\$0.054 per share. This move has many benefits, including better alignment of its distributions to its cash flows, the elimination of the requirement of its costly currency hedging strategies, and the reduction of its payout ratio to approximately 75% of its adjusted funds from operations, all of which could lead to a distribution hike in the second half of the year.

2. Whistler Blackcomb Holdings Inc.

Whistler Blackcomb Holdings Inc. (TSX:WB) owns a 75% interest in Whistler Mountain Resort Limited Partnership and Blackcomb Skiing Enterprises Limited Partnership, which operate four-season mountain resort businesses located on adjacent and integrated mountains in British Columbia. It pays a quarterly dividend of \$0.24375 per share, or \$0.975 per share annually, which gives its stock a yield of about 3.95% at today's levels.

Investors should also note that Whistler Blackcomb has maintained its current annual dividend rate

since it went public in 2010. However, I think its increased amount of free cash flow, including 12.8% year-over-year growth to \$73.6 million in its 12-month period ended on December 31, 2015, could allow it to announce a dividend hike at some point in 2016.

3. High Liner Foods Inc.

High Liner Foods Inc. ([TSX:HLF](#)) is one of the largest producers and distributors of value-added frozen seafood in North America, and its brands include High Liner, Fisher Boy, Sea Cuisine, and 40 Fathoms. It pays a quarterly dividend of \$0.12 per share, or \$0.48 per share annually, which gives its stock a yield of about 3.2% at today's levels.

Investors must also note that High Liner has raised its annual dividend payment for eight consecutive years, and its 14.3% hike in May 2015 has it on pace for 2016 to mark the ninth consecutive year with an increase.

Does one of these small caps belong in your portfolio?

American Hotel REIT, Whistler Blackcomb, and High Liner Foods are three of the best dividend-paying small-cap investment options in their respective industries, so add them to your watch list and consider initiating positions in one of them over the next couple of trading sessions.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:HLF (High Liner Foods Incorporated)
2. TSX:HOT.UN (American Hotel Income Properties REIT LP)

Category

1. Dividend Stocks
2. Investing

Date

2025/08/28

Date Created

2016/03/10

Author

jsolitro

default watermark