



3 Small Caps With Yields of 7-9% to Buy Now

Description

If you're a fan of small caps and high dividends, then this article is for you. I've scoured the market and selected three small caps with high and safe yields of 7-9%, so let's take a quick look at each to determine if you should buy one of them today.

1. NorthWest Healthcare Properties Real Estate Investment Trust

NorthWest Health Prop Real Est Inv Trust ([TSX:NWH.UN](#)) is one of the world's largest owners and operators of healthcare real estate with 120 properties located throughout major markets in Canada, Germany, Australia, New Zealand, and Brazil. It pays a monthly distribution of \$0.06667 per share, or \$0.80 per share annually, which gives its stock a yield of about 8.4% at today's levels.

It is also important to note that NorthWest has maintained its current annual distribution rate since 2011, and I think its ample funds from operations, including an adjusted \$0.82 per share in fiscal 2015, will allow it to continue doing so for the next several years.

2. Capital Power Corporation

Capital Power Corporation ([TSX:CPX](#)) is one of the largest independent power producers in North America with more than 3,200 megawatts of power generation capacity at 18 facilities across Canada and the United States. It pays a quarterly dividend of \$0.365 per share, or \$1.46 per share annually, which gives its stock a yield of about 8.1% at today's levels.

It is also important to make two notes.

First, Capital Power has raised its annual dividend payment for two consecutive years, and its 7.4% hike in July 2015 has it on pace for 2016 to mark the third consecutive year with an increase.

Second, the company has an annual dividend-per-common-share growth target of 7% through 2018.

3. Ag Growth International Inc.

Ag Growth International Inc. ([TSX:AFN](#)) is one of the world's largest manufacturers of portable and stationary grain handling, storage, and conditioning equipment, including storage bins and aeration equipment. It pays a monthly dividend of \$0.20 per share, or \$2.40 per share annually, which gives its stock a yield of about 7.5% at today's levels.

It is also important to note that Ag Growth International has maintained its current annual dividend rate since 2011, and I think its ample funds from operations, including \$40.2 million in fiscal 2015, will allow it to continue to do so going forward.

Is now the time for you to buy one of these small caps?

NorthWest Healthcare Properties REIT, Capital Power, and Ag Growth International are three of the most attractive dividend-paying small caps in their respective industries. Foolish investors should take a closer look at each and consider initiating positions in one of them today.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:AFN (Ag Growth International)
2. TSX:CPX (Capital Power Corporation)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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