



3 High-Yielding Small Caps to Add to Your Shopping List

Description

As history has shown, dividend-paying stocks far outperform non-dividend-paying stocks over the long term. It is for this reason that 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 this in mind, let's take a look at three small caps with high and safe yields of 3-7% that you should add to your shopping list.

1. Gluskin Sheff + Associates Inc.

Gluskin Sheff + Associates Inc. (TSX:GS) is one of Canada's largest wealth management firms with approximately \$8.31 billion in assets under management as of December 31, 2015. It pays a quarterly dividend of \$0.25 per share, or \$1.00 per share annually, which gives its stock a yield of about 5.1% at today's levels.

Investors must also note that Gluskin Sheff has raised its annual dividend payment every year since it began paying one in 2006, resulting in nine consecutive years of increases, and its 11.1% hike in November 2015 has it on pace for 2016 to mark the 10th consecutive year with an increase.

2. Crombie Real Estate Investment Trust

Crombie Real Estate Investment Trust ([TSX:CRR.UN](#)) is one of Canada's largest owners and operators of commercial real estate with 261 properties across the country. It pays a monthly distribution of \$0.07417 per share, or \$0.89 per share annually, which gives its stock a yield of about 6.5% at today's levels.

It is also important for investors to make two notes.

First, Crombie has maintained its current annual distribution rate since 2009.

Second, I think its increased amount of funds from operations, including its 3.2% year-over-year growth to an adjusted \$0.96 per share in fiscal 2015, and its reduced payout ratio, including 92.8% in fiscal 2015 compared with 96.4% in fiscal 2014, could allow it to announce a distribution hike at some point

in 2016.

3. Tricon Capital Group Inc.

Tricon Capital Group Inc. ([TSX:TCN](#)) is a principal investor and asset manager focused on the residential real estate industry in North America, and it has approximately \$3.7 billion in assets under management. It pays a quarterly dividend of \$0.065 per share, or \$0.26 per share annually, which gives its stock a yield of about 3.1% at today's levels.

Investors must also note that Tricon raised its dividend by 8.3% on March 9, its first increase since it began paying a dividend in 2010, and I think its strong operational performance could allow 2016 to mark the starting point to many consecutive years of annual increases.

Is there a place for one of these small caps in your portfolio?

Gluskin Sheff + Associates, Crombie REIT, and Tricon Capital Group are three of the most attractive dividend-paying small caps in their respective industries, so add them to your shopping list and consider buying one of them over the next couple of trading sessions.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CRR.UN (Crombie Real Estate Investment Trust)
2. TSX:TCN (Tricon Residential Inc.)

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Date

2025/08/21

Date Created

2016/03/16

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