



## 2 Small-Cap Dividend Stocks That Pay You Every Month

### Description

If you're searching for dividend stocks to help supplement your monthly income, then you've come to the right place. Let's take a closer look at two small caps with yields of 4-8% that you could add to your portfolio today.

#### Ag Growth International Inc.

**Ag Growth International Inc.** ([TSX:AFN](#)), or AGI for short, is one of the world's leading manufacturers of grain handling, conditioning, and storage equipment. Its product offerings include augers, belt conveyors, grain storage bins, grain aeration equipment, grain drying systems, and fertilizer handling and storage systems, and its brands include Batco, Wheatheart, TRAMCO, NuVision, Entringer, Union Iron, and Grain Guard.

AGI pays its shareholders a monthly dividend of \$0.20 per share, representing \$2.40 per share on an annualized basis, and this gives its stock a yield of about 4.6% today.

It's highly important to always confirm the safety of a stock's dividend before investing, especially if you'll be relying on it to supplement your income, and you can do this with AGI by checking its cash flow. In its fiscal year ended on December 31, 2016, its funds from operations (FFO) totaled \$52.89 million, and its dividend payments totaled just \$35.3 million, resulting in a sound 66.7% payout ratio.

In addition to having a high and safe 4.6% yield, AGI can be considered one of the most reliable dividend payers in its industry, because it has paid dividends every month since its initial public offering in May 2004 and maintained its current monthly rate since November 2010.

I think investors can continue to rely on AGI for monthly income for decades. I think its very strong FFO growth, including its 39.9% year-over-year increase to \$52.89 million in 2016, and its ongoing acquisition activity that will help fuel future FFO growth, including its acquisitions of Entringer S.A., NuVision Industries, Mitchell Mill Systems, and Yargus Manufacturing in 2016, will allow it to continue to maintain its current monthly rate for the foreseeable future.

## NorthWest Healthcare Properties REIT

**NorthWest Health Prop Real Est Inv Trust** ([TSX:NWH.UN](#)) is one of the world's leading owners and operators of healthcare real estate infrastructure, including medical office buildings, clinics, and hospitals. Its portfolio currently consists of 138 income-producing properties totaling approximately 9.2 million square feet of gross leasable area located throughout major markets in Canada, Brazil, Germany, Australia, and New Zealand.

NorthWest pays its unitholders a monthly distribution of \$0.06667 per unit, representing \$0.80 per unit on an annualized basis, giving its stock a yield of approximately 7.4% at today's levels.

Confirming the safety of this +7% yield is as easy as checking NorthWest's cash flow. In its fiscal year ended on December 31, 2016, its adjusted funds from operations (AFFO) totaled \$0.86 per unit, and its distributions totaled just \$0.80 per unit, resulting in a healthy 93% payout ratio.

Like AGI, NorthWest is a very reliable income provider. It has maintained its current annual distribution rate since its initial public offering in March 2010, and I think its strong AFFO growth, including its 4.9% year-over-year increase to \$0.86 per unit in 2016, and its improved payout ratio, including 93% in 2016 compared with 97.6% in 2015, will allow it to continue to maintain its current rate for another seven years at least.

### Which should you buy today?

AGI and NorthWest Healthcare Properties REIT offer high and reliable income streams, so take a closer look at each and consider initiating a position in one of them today.

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1. Dividend Stocks
2. Investing

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1. Editor's Choice

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

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