3 Top Mid-Cap Stocks to Lock In Your 1st Million

Description

Hi, Fools. I'm back to call your attention to three attractive mid-cap stocks — or, as I like to call them, my top "sweet spot" stocks. As a reminder, I do this because mid-cap companies — those with a market cap of between $2 billion and $10 billion — have two key features:

- more upside potential than large "blue-chip" companies; and
- less downside risk than speculative small caps.

In other words, if you want to become a millionaire over the next several decades, mid-cap stocks offer a reasonable way to do it.

Let's get to it.

Under the boardwalk

Leading off this week is **Boardwalk Real Estate Investment Trust** (TSX:BEI.UN), which currently sports a market cap of $2.3 billion. Over the past year, shares of the residential REIT are down 9%.

Boardwalk leans on its long-term track record, consistently solid occupancy rates, and impressive scale (it's one of Canada's largest multi-family residential real estate operators) to deliver robust cash flows for shareholders. Over the past 12 months, the company has generated a whopping $134 million in operating cash flow.

"By focusing on maintaining high occupancy, reducing incentives, managing controllable operating expenses and enhancing the value of our portfolio, the trust has been able to optimize and drive higher net operating income and funds from operations," said Chairman and CEO Sam Kolias.

Boardwalk currently offers a decent yield of 2.3%.

Make a U-turn

Next up, we have **Cameco** (TSX:CCO)(NYSE:CCJ), which has a market cap of about $5 billion. Shares of the uranium producer are off 21% over the past year, providing contrarian Fools with an interesting opportunity.

Cameco has limited production until uranium prices strengthen and has cautioned investors that it could lower output even further down the line. “We are not restarting mines until we see a better market and we may close more capacity, although no decision has been taken yet,” said CEO Time Gitzel in an interview with *Reuters* last month.

With that said, new nuclear reactor builds around the world, as well as life extensions in places like France, suggest that there’s some hope for a turnaround.

With a beta of only 0.6, the risk/reward tradeoff seems worth it.

Mining your business

Rounding out our list this week is **Ivanhoe Mines** (TSX:IVN), which currently has a market cap of $4 billion. Over the past year, shares of the mining company are up about 18%.

Ivanhoe operates mainly in the Democratic Republic of Congo (DRC), so political risks are always in play. But the company has been making solid progress of late. This past summer, for example, the company secured an additional $612 million from its largest shareholder, China’s state-owned CITIC Metal. Ivanhoe will use the money to build the Kamoa-Kakula copper mine in the DRC.

While the stock remains highly volatile, Ivanhoe is a potent way to play the bullish long-term outlook for copper.

The bottom line

There you have it, Fools: three attractive mid-cap stocks worth checking out.

As always, they aren’t formal recommendations. View them instead as a jumping off point for further research. Even the best mid-cap stocks can face serious trouble from time to time, so plenty of due diligence is still required.

Fool on.

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TICKERS GLOBAL

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2. TSX:BEI.UN (Boardwalk Real Estate Investment Trust)
3. TSX:CCO (Cameco Corporation)
4. TSX:IVN (Ivanhoe Mines Ltd.)

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