



\$25,000 Is All You Need to Earn \$1,750/Year Using 2 Dividend Stocks

Description

Sometimes your biggest earnings in the stock market can come from [unlikely sources](#). Investors overlook royalty companies such as **Keg** ([TSX:KEG.UN](#)) and **Diversified** ([TSX:DIV](#)). Both stocks pay high dividends of around 7%.

Let's dive into how you can easily generate \$1,750/year with these two great stocks.

For steak lovers

If you love great steaks, you'll be interested in the concept of Keg. Keg is a \$182.45 million income fund that operates as an unincorporated, open-ended limited purpose trust. The history of the stock dates back to 1971.

The company's position in the restaurant industry is unique, as the concentration is the higher end of the casual dining restaurant segment. The focus is on customers in search of high-quality steaks and prime ribs at affordable prices.

Keg's investment is primarily in The Keg Rights Limited Partnership, which owns the trademarks, trade names, operating procedures and systems, and other intellectual property used for the operation of Keg steakhouse restaurants and bars.

The Keg brand has loyal followers, specifically "steak lovers" that comprise its core guest segment in the 105 Keg restaurants. If you're an investor, you'll receive a generous serving of dividend. The stock yields 7%, which is above the market average.

Popular trademarks

Diversified is a \$342.6 million multi-royalty corporation that engages in the acquisition of royalties from multi-location businesses and franchisors in North America. Currently, this small-cap stock owns the trademarks to AIR MILES, Mr. Lube, Mr. Mikes, and Sutton.

Of the four trademarks, AIR MILES is the most prominent. It has the most extensive coalition loyalty program in Canada. About 67% of Canadian households are participants in the program. The leader in the quick-lube-service business, Mr. Lube, contributes nearly \$235 million of annual system sales.

Mr. Mikes is the competitor of Keg and is operating 42 casual steakhouse restaurants in western Canadian. Mr. Mikes reports \$85 million of annual system sales. Sutton is a leading residential real estate brokerage franchisor.

Diversified is hands-off in the operations of the respective Royalty Partners but it regularly collects growing royalty streams to sustain dividend payments. The stock offers a dividend of 7% as well.

Royalty stream

As of this writing, Keg is trading at \$16.07 per share, while you can purchase Diversified for \$3.14 per share. The price total of both is \$19.21, or rounded off to \$20. You only need to invest \$10,000 in both or \$5,000 in each. With the identical yield of 7%, your total monthly dividend will be \$58.33 or nearly \$60.

Assuming you have \$25,000 to invest, the annual dividend you will receive is \$1,750 or a monthly passive income of \$145.83. The more shares you purchase, the higher your earnings will be from these dividend stocks.

Keg and Diversified are not as popular as the stocks in the banking or energy sectors. Although they are also small-cap stocks, both firms are enjoying a level of success. [Your earnings can be enormous](#), even with minimal exposure in both.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:DIV (Diversified Royalty Corp.)
2. TSX:KEG.UN (The Keg Royalties Income Fund)

PARTNER-FEEDS

1. Business Insider
2. Msn
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