3 Top Mid-Cap Stocks to Buy Now

Description

Hi, Fools. I'm back to call your attention to three attractive mid-cap 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 hit it big in 2020 while limiting your downside, mid-cap stocks offer a reasonable way to do it.

Let's get to it.

Appreciating assets

Leading off our list this week is **CI Financial** (TSX:CI), which currently has a market cap of $5.4 billion. Over the past year, shares of the asset manager are up about 30%.

The stock has struggled in recent years on increasing redemptions, but CI's turnaround story is definitely gaining momentum. In the most recent quarter, EPS of $0.60 topped estimates by $0.14, even as revenue declined 7% to $527.5 million.

More importantly, CI still generates boatloads of free cash flow, which management continues to use for hefty dividends and share repurchases.

"CI continues to produce high levels of free cash flow, which we are allocating in a prudent manner," CEO Kurt MacAlpine. "This quarter we repurchased $150 million in shares and paid a dividend of $0.18 per share.

CI currently offers a dividend yield of 3%.

Under the boardwalk

With a market cap of roughly $3 billion, **Boardwalk Real Estate Investment Trust** (TSX:BEI.UN) is our next mid-cap star. Over the past year, shares of the residential REIT have risen about 20%.

Boardwalk's investment case is underpinned by a long-term track record, consistently high occupancy rates, and solid scale (it's one of Canada's largest multi-family residential real estate operators). Over the past 12 months, for example, the company has generated a whopping $138 million in free cash flow.

"Boardwalk's Resident-Friendly approach to sustainable incentive reductions and rental rate adjustments continues to produce a positive trend and, for seven consecutive quarters, have delivered a sequential and compounding improvement in revenue," said CEO Sam Kolias in the most recent earnings report.

Boardwalk currently offers a decent dividend yield of 2%.

Engineering growth

Rounding out our list this week is **Stantec** (TSX:STN)(NYSE:STN), which currently sports a market cap of $4.7 billion. Shares of the engineering and construction specialist are up 33% over the past year.

Stantec's proven track record, conservative balance sheet, and leadership position in the design space (top three in North America and top 10 in the world) are just a few good reasons to look into the stock. In the most recent quarter, EPS of $0.59 easily topped expectations as revenue improved 12% to $953 million.

"Solid growth across all geographies and business units, with the exception of Energy & Resources, continues to validate our ongoing strategy to diversify to new geographies and to target acquisitions that support organic growth," said CEO Gord Johnston.

Stantec currently sports a dividend yield of 1.4%.

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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1. NYSE:STN (Stantec Inc.)
2. TSX:BEI.UN (Boardwalk Real Estate Investment Trust)
3. TSX:CIX (CI Financial)
4. TSX:STN (Stantec Inc.)

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