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1. [7 Best Monthly Dividend Stocks to Buy Now - Correction Appended](#)

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7 Best Monthly Dividend Stocks to Buy Now - Correction Appended

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 **Correction Appended**

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Highlight: Monthly dividends offer steady income, flexibility and enhanced liquidity.

Body

Dividends are payments -- usually cash but sometimes in the form of additional shares -- made by a publicly traded company to shareholders. Smart investors buy dividend stocks for several important reasons. Dividends allow investors to participate directly in the cash flow and earnings of companies they own. They provide a steady income stream, hedge against inflation and enhance total returns. Companies that pay dividends are generally considered stable, financially sound firms that are also shareholder-friendly.

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Stocks that pay regular dividends operate on different payout schedules. Some pay annually or semiannually, while most pay quarterly. There are a relatively small number of dividend stocks -- around 80 -- that pay monthly dividends.

Monthly dividends help income investors with their budgeting and cash flow needs. They arrive more frequently and are more in line with how most people manage their finances. This can be especially [valuable to retirees](#) but is important to any investor with income as an investment objective.

Here are the seven best monthly dividend stocks to invest in today:

Stock	Market capitalization	Dividend yield
	\$483 million	8.6%
Gladstone Capital Corp. (ticker: GLAD)		
	\$104 million	11.1%
Cross Timbers Royalty Trust (CRT)		
	\$726 million	12.2%
Dynex Capital Inc. (DX)		
	\$454 million	9.7%
Horizon Technology Finance Corp. (HRZN)		
	\$660 million	4.2%
Permian Basin Royalty Trust (PBT)		
	\$713 million	10%
Pennant Park Floating Rate Capital Ltd. (PFLT)		
	\$3.7 billion	6.3%
Main Street Capital Corp. (MAIN)		

Gladstone Capital Corp. (GLAD)

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GLAD is a specialty financial firm that makes money by providing high-interest loans to small and midsize private companies in the U.S. In essence, GLAD is similar to a venture capital investment firm, but it is organized as a [business development company, or BDC](#). Another way to think about GLAD is as a publicly traded, closed-end investment company -- something similar to a closed-end mutual fund or exchange-traded fund but highly specialized and with some key differences. Shareholders of a BDC are called unitholders.

GLAD's 2023 fiscal year ended at the end of September of last year when the firm reported total investment income of \$86 million, which was up \$23 million, or 35%, over the \$63 million it reported for fiscal 2022.

Like a real estate investment trust, a BDC must pay at least 90% of its income to its unitholders as dividends to avoid double corporate taxation. Because of the companies it invests in, GLAD should be considered an aggressive investment.

Market cap: \$483 million **12-month yield:** 8.6%

Cross Timbers Royalty Trust (CRT)

The company's name might imply that CRT is a lumber operation. In reality, CRT is an energy firm that owns oil and natural gas royalty rights on some very productive land in Texas, Oklahoma and New Mexico.

CRT is a relatively small company, but it generates excellent income for its size. We are still awaiting the company's 2023 financial results, which are usually released in March, but -- based on the previous year's results and current estimates -- CRT will earn about \$13 million in net income and distribute about \$11.7 million back to unitholders as monthly dividend income.

CRT has characteristics of a [master limited partnership, or MLP](#), but, technically, it is organized as a publicly traded grantor trust. The trust has increased its dividend for the last two consecutive years.

Market cap: \$104 million **12-month yield:** 11.1%

Dynex Capital Inc. (DX)

DX is an internally managed [mortgage REIT, or mREIT](#), that invests in both commercial and residential real estate mortgage-backed securities, or MBS. Investors should know that DX invests on a leveraged basis, meaning it uses borrowed money to buy MBS on margin. Leverage has the effect of enhancing performance on the upside but can also accelerate losses on the downside.

DX owns both agency and non-agency commercial mortgage-backed securities (CMBS) and residential mortgage-backed securities (RMBS) as well as interest-only (IO) CMBS. Their agency securities are backed by U.S. government housing agencies, such as the Federal Home Loan Mortgage Corporation, known as Freddie Mac, or the Government National Mortgage Association, also known as Ginnie Mae. DX's agency mortgages are mostly against multifamily properties. Its non-agency holdings are privately issued and are backed by other classes of real estate such as office, retail, hospitality and health care.

With interest rates rising over the past two years, DX and most other mortgage companies have struggled, but the rate hikes appear to be coming to an end, and rates will eventually fall. When that happens, DX should benefit.

Market cap: \$726 million **12-month yield:** 12.2%

[Read: [6 of the Best Fidelity Mutual Funds to Buy and Hold](#)]

Horizon Technology Finance Corp. (HRZN)

Horizon is not a venture capital (VC) company, but virtually all of the companies it invests in are backed by VC money. HRZN is a specialty finance company organized as a business development company that generates revenue by making high-yielding loans to venture-funded tech firms.

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Eighty percent of HRZN's investments go to companies in the fields of life sciences and high technology. The remaining 20% is invested in health care information science firms and companies that develop [sustainability technology](#).

In addition to its high monthly dividend, HRZN is on our list because of the company's excellent geographic diversification. According to a recent HRZN investor presentation, 38% of the companies they invest in are in the Western U.S., 29% are in the Midwest, 28% are on the East Coast and 8% are located in Canada.

Market cap:\$454 million **12-month yield:** 9.7%

Permian Basin Royalty Trust (PBT)

The University of Texas at Austin's **[Bureau of Economic Geology](#)** estimates that there is a mind-boggling 74 billion barrels of oil reserves in the Permian Basin located in Texas and New Mexico. PBT holds overriding royalty interests in several [oil and gas](#) fields in this incredibly energy-rich area.

PBT pays a respectable monthly dividend, but its current yield is the lowest on our list. We're bringing PBT to your attention for its growth potential in addition to its dependable income.

On Sept. 27, 2023, PBT closed at \$21.80 a share. Oil futures on that day closed at almost \$94 a barrel. Today oil futures are at about \$71 a barrel and PBT is right around \$14. So we see that, to an extent, PBT trends in sympathy with oil prices. Oil is a cyclical commodity that rises and falls with the economy and market factors. We can't predict when oil will rebound, but when it does it's reasonable to think PBT will rebound as well.

Market cap:\$660 million **12-month yield:** 4.2%

Pennant Park Floating Rate Capital Ltd. (PFLT)

With a dependable monthly income yield of around 10%, PFLT should not be overlooked by [income investors](#). PFLT provides first-lien, secured loans and notes as well as second-lien and mezzanine loans to private middle market companies that are in high growth or buyout stages of maturity. To a lesser extent, PFLT also offers private high-yield equity loans.

What makes this company unique is that, whenever possible, it originates floating-rate loans. This means the interest it collects is not fixed but adjusts up and down based on a benchmark rate like the three-month LIBOR. Floating-rate securities tend to be less volatile than their fixed-rate counterparts. One of the company's most important goals is to preserve capital for its shareholders.

PFLT has a cohesive and experienced management team with an impressive track record of long-term success. This monthly dividend payer is well worth your consideration.

Market cap: \$713 million **12-month yield:** 10%

Main Street Capital Corp. (MAIN)

The final entrant on our list is another BDO. MAIN concentrates its investment efforts on lower-middle-market U.S. companies that generate between \$10 million and \$1.5 billion in revenue and up to \$10 million in before-tax earnings. It targets companies in the manufacturing, communications, technology, [health care](#) and retail industries.

Unlike the other BDOs on our list, MAIN uses a judicious mix of both equity and debt when it invests in growing companies. This will make MAIN somewhat more volatile than pure debt BDOs, but it will also give it superior potential for capital appreciation. MAIN makes investments of between \$3 million and \$75 million. Companies use the money for buyout activity, refinancing, growth and other forms of recapitalization.

MAIN has a small but growing asset management advisory business as well, but that segment of its operations is not yet a significant contributor to revenue or profits.

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Market cap: \$3.7 billion **12-month yield:** 6.3%

Glenn Fydenkevezis is a writer and content creator with specialties in financial markets, securities law and compliance, and commercial real estate finance. He began his career in the financial services industry more than 20 years ago.

After beginning as a broker, he rose through the ranks to become an officer in the risk and compliance division at one of Wall Street's largest and most respected firms. Glenn founded MasterPlan Capital, a boutique commercial real estate investment bank, in 2006 and remained the company's president until 2017. Today, Glenn provides high-quality web content for business and media clients.

Correction

Update 01/16/24: This story was previously published at an earlier date and has been updated with new information.

Graphic

Picture, While there are a smaller number available, dividend stocks that pay out monthly are more in line with how people manage finances., (Getty Images)

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Company: GLADSTONE CAPITAL CORP (91%); DYNEX CAPITAL INC (67%); HORIZON TECHNOLOGY FINANCE CORP (67%); MAIN STREET CAPITAL CORP (66%); BEST INC (58%); CROSS TIMBERS ROYALTY TRUST (55%)

Ticker: GLAD (NASDAQ) (91%); DX (NYSE) (67%); HRZN (NASDAQ) (67%); MAIN (NYSE) (66%); BEST (NYSE) (58%); CRT (NYSE) (55%)

Industry: NAICS523999 MISCELLANEOUS FINANCIAL INVESTMENT ACTIVITIES (91%); SIC6799

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INVESTORS, NEC (91%); NAICS525990 OTHER FINANCIAL VEHICLES (67%); SIC6371 PENSION, HEALTH & WELFARE FUNDS (67%); SIC6289 SERVICES ALLIED WITH THE EXCHANGE OF SECURITIES OR COMMODITIES, NEC (67%); NAICS523940 PORTFOLIO MANAGEMENT AND INVESTMENT ADVICE (66%); SIC5999 MISCELLANEOUS RETAIL STORES, NEC (58%); NAICS523910 MISCELLANEOUS INTERMEDIATION (55%); SIC6792 OIL ROYALTY TRADERS (55%); PRICE INCREASES (98%); INVESTMENT TRUSTS (89%); MUTUAL FUNDS (89%); EXCHANGE TRADED FUNDS (79%); FUNDS & INVESTMENT TRUSTS (79%); SECURITIES TRADING (78%); BANKING & FINANCE (74%); REAL ESTATE INVESTING (74%); REAL ESTATE INVESTMENT TRUSTS (74%); VENTURE CAPITAL (74%); REAL ESTATE (72%); INTEREST RATES (64%)

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