An Instant 3-Stock Dividend Portfolio for Cautious Investors

Description

How do you put together a portfolio of stocks that offers decent dividend payments and low volatility?

Not everyone has the stomach to ride out the ups and downs of the stock market. At the same time, many investors need to earn supplementary income and money market products just don't offer enough interest these days.

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With these factors in mind, I think cautious investors should consider **Metro Inc.** (TSX: MRU), **Emera Inc.** (TSX: EMA), and **Shaw Communications Inc.** (TSX: SJR.B)(NYSE: SJR) as safe picks in this environment.

Metro Inc.

If you live in Quebec or Ontario, you probably shop at one of Metro's stores. The company operates nearly 800 grocery locations and 250 drug stores in the two provinces. Despite heavy competition in the grocery sector, Metro continues to increase earnings.

For cautious investors, Metro is the ideal investment. The company's stock has very low volatility and Metro recently increased its dividend by 20%. Both the stock price and the dividend distribution have doubled over the past five years.

Emera Inc.

Halifax-based Emera is an energy and services company with operations in Canada, the U.S., and four Carribbean countries. The company's assets primarily include electricity generation, transmission and distribution. Emera also owns gas transmission operations.

Investors own Emera for its reliable earnings and distributions. The company receives 80% of its net income from regulated investments and is very successful at driving efficiency into the operation.

I picked Emera for this portfolio because the company just announced a 6.9% increase in its dividend. The company also stated that it is committed to a 6% annual growth rate in the dividend through the next five years. This is great news for investors because it will ensure stability in the stock price during rough times in the market.

Emera's dividend yields about 4.4%.

Shaw Communications Inc.

Shaw provides cable, Internet, and satellite services to residential and business customers right across Canada. Shaw also owns a strong portfolio of media assets that include HGTV Canada, Showcase, and the Global TV network.

I picked Shaw because it doesn't own a wireless network and is somewhat immune to the competition concerns that come up once in a while and hit the shares of **BCE Inc.**, **Rogers Communications Inc.**, and **Telus Corporation**.

Shaw decided not to spend the $1 billion needed to build a wireless network and has been able to invest in other assets that should produce healthy cash flow and high margins.

Recently, Shaw spent $1.2 billion for ViaWest, a data center company based in Colorado. Internet storage services are in high demand and Shaw is now in a great position to capitalize on the cloud-based service needs of its enterprise customers.

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Shaw's shareholders receive a monthly dividend that yields about 4%.

Our #1 stock idea – Yours FREE!

Cautious dividend investors can sleep well at night with these three companies. For long-term investors, the capital appreciation has been a nice bonus for limited risk.

Our top analyst, Iain Butler, recently discovered one more stock that is just as reliable as Metro, Emera, and Shaw.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:EMA (Emera Incorporated)
3. TSX:MRU (Metro Inc.)
4. TSX:SJR.B (Shaw Communications)

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Author
aswalker

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