



## 3 Diversified Stock Picks to Add Growth and Income to Your Portfolio

### Description

As many investors have realized, finding the right stock at the right price is not an easy task. It is even more difficult to find stocks that can offer both growth and income. To simplify the search process, I have compiled a list of three dividend-paying stocks that are trading at inexpensive forward valuations compared with their industry averages, so let's take a closer look to determine if you should buy one or all of them today.

#### 1. Laurentian Bank of Canada

**Laurentian Bank of Canada** ([TSX:LB](#)) is one of the largest financial institutions in Canada, with approximately \$37.66 billion in total assets. At today's levels, its stock trades at 8.7 times fiscal 2015's estimated earnings per share of \$5.52 and 8.2 times fiscal 2016's estimated earnings per share of \$5.85, both of which are inexpensive compared with the industry average price-to-earnings multiple of 13.2. In addition, the company pays a quarterly dividend of \$0.56 per share, or \$2.24 per share annually, giving its stock a 4.65% yield.

#### 2. West Fraser Timber Co. Ltd.

**West Fraser Timber Co. Ltd.** ([TSX:WFT](#)) is one of the largest integrated wood products companies in North America. At current levels, its stock trades at 16.2 times fiscal 2015's estimated earnings per share of \$4.24 and 11.5 times fiscal 2016's estimated earnings per share of \$5.98, both of which are inexpensive compared with the industry average price-to-earnings multiple of 18.5. Additionally, the company pays a quarterly dividend of \$0.07 per share, or \$0.28 per share annually, which gives its stock a 0.4% yield.

#### 3. Power Corporation of Canada

**Power Corporation of Canada** ([TSX:POW](#)) is one of the world's largest diversified international holding companies. At today's levels, its stock trades at 10.6 times fiscal 2015's estimated earnings per share of \$3.01 and 10 times fiscal 2016's estimated earnings per share of \$3.21, both of which are inexpensive compared with the industry average price-to-earnings multiple of 12.2. Also, the company pays a quarterly dividend of \$0.31125 per share, or \$1.245 per share annually, giving its stock a 3.9%

yield.

### Should you buy one of these stocks today?

Laurentian Bank, West Fraser Timber, and Power Corporation are three very inexpensive dividend-paying investment options. All long-term investors should consider beginning to scale in to positions in at least one of them today.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

### TICKERS GLOBAL

1. TSX:LB (Laurentian Bank of Canada)
2. TSX:POW (Power Corporation of Canada)
3. TSX:WFG (West Fraser Timber Co. Ltd.)

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