



3 Diversified Stock Picks for Growth and Income

Description

As many investors can attest, finding the right stock at the right price is a very difficult task, especially if you're looking for one that can provide both growth and dividend income. Well, to make things easier for you, I have done the hard part and found three stocks that meet these criteria perfectly, so let's take a closer look at each to determine which would fit best in your portfolio.

1. TMX Group Limited

TMX Group Limited ([TSX:X](#)) operates cash and derivative markets for multiple asset classes, including equities, fixed income, and energy, while also providing clearing facilities, data products, and other services to the world's financial institutions.

At today's levels, its stock trades at just 13 times fiscal 2015's estimated earnings per share of \$3.60 and only 11.9 times fiscal 2016's estimated earnings per share of \$3.94, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 20.8.

I think TMX Group's stock could consistently trade at a fair multiple of at least 15, which would place its shares upwards of \$59 by the conclusion of fiscal 2016, representing upside of more than 26% from current levels.

In addition, the company pays a quarterly dividend of \$0.40 per share, or \$1.60 per share annually, which gives its stock a 3.4% yield.

2. Manitoba Telecom Services Inc.

Manitoba Telecom Services Inc. (TSX:MBT) is the fourth-largest communications provider in Canada.

At current levels, its stock trades at just 26.5 times fiscal 2015's estimated earnings per share of \$1.08 and only 20.7 times fiscal 2016's estimated earnings per share of \$1.38, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 72.1.

I think Manitoba's stock could consistently trade at a fair multiple of at least 26.5, which would place its

shares upwards of \$36 by the conclusion of fiscal 2016, representing upside of more than 25% from today's levels.

Also, the company pays a quarterly dividend \$0.325 per share, or \$1.30 per share annually, giving its stock a 4.55% yield.

3. High Liner Foods Inc.

High Liner Foods Inc. ([TSX:HLF](#)) is one of the leading processors and distributors of frozen seafood in North America.

At today's levels, its stock trades at just 14 times fiscal 2015's estimated earnings per share of \$1.13 and only 10.2 times fiscal 2016's estimated earnings per share of \$1.55, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 45.4.

I think High Liner's stock could consistently trade at a fair multiple of at least 15, which would place its shares upwards of \$23 by the conclusion of fiscal 2016, representing upside of more than 45% from current levels.

In addition, the company pays a quarterly dividend of \$0.12 per share, or \$0.48 per share annually, which gives its stock a 3% yield.

Could your portfolio use a growth and income stock?

TMX Group, Manitoba Telecom Services, and High Liner Foods are three of the top value plays in their respective industries, and all have the added benefit of dividends yields of 3% or more. All Foolish investors should strongly consider initiating positions in at least one of them today.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:HLF (High Liner Foods Incorporated)
2. TSX:X (TMX Group)

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