



## 3 Top Dividend Stocks to Pounce On Today

### Description

As history has shown, dividend-paying stocks far outperform non-dividend-paying stocks over the long term. It is for this reason that all long-term investors should own at least one dividend-paying stock and, depending on your age, investment goals, and risk tolerance, maybe even a diversified portfolio full of them.

With all of this in mind, let's take a look at three of the top dividend-paying stocks from three different industries that you could buy right now.

#### 1. Bank of Nova Scotia

**Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) is the third-largest bank in Canada with approximately \$863.1 billion in total assets. It pays a quarterly dividend of \$0.70 per share, or \$2.80 per share annually, giving its stock a 5.1% yield at today's levels.

Investors must also make two important notes.

First, Bank of Nova Scotia has raised its annual dividend payment for five consecutive years, and its recent increases, including its 3% increase in March 2015 and its 2.9% increase in August 2015, puts it on pace for 2016 to mark the sixth consecutive year with an increase.

Second, the company has a target dividend-payout range of 40-50% of its net earnings, so its consistent growth, including its 2.9% year-over-year increase to \$7.21 billion in fiscal 2015, should allow its streak of annual increases to continue going forward.

#### 2. Manitoba Telecom Services Inc.

**Manitoba Telecom Services Inc.** (TSX:MBT) is one of Canada's leading communications solutions companies. It pays a quarterly dividend \$0.325 per share, or \$1.30 per share annually, giving its stock a 4.3% yield at today's levels.

It is also important for investors to note that Manitoba Telecom Services reduced its dividend by 23.5%

in June 2015 to “maintain a strong balance sheet” and to bring its dividend-payout range to 70-80% of its annual free cash flow, which is more in line with its peers.

This move also makes its dividend much more sustainable from a fundamental standpoint, and the cash that is freed up can be used to invest in its core business to drive growth, which will ultimately lead to higher free cash flow and allow it to slowly grow its dividend over time.

### 3. ATCO Ltd.

**ATCO Ltd.** ([TSX:ACO.X](#)) is a diversified global corporation with operations in utilities, energy, structures, and logistics. It pays a quarterly dividend of \$0.2475 per share, or \$0.99 per share annually, giving its stock a 2.8% yield at today's levels.

A 2.8% yield may not impress you at first, but it is very important to make two notes.

First, ATCO has raised its annual dividend payment for 22 consecutive years, tying it with **Thomson Reuters Corp.** for the fourth-longest active streak for a public corporation in Canada.

Second, the company traditionally increases its dividend in the second or third week of January, and it has increased it by about 15% each of the last three years, so investors should look for its next increase very shortly.

### Which of these dividend dynamos should you buy?

Bank of Nova Scotia, Manitoba Telecom Services, and ATCO represent three of the most attractive dividend-paying investment opportunities in the market today. All Foolish investors should strongly consider beginning to scale in to long-term positions in at least one of them over the next couple of trading sessions.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:ACO.X (ATCO Ltd.)
3. TSX:BNS (Bank Of Nova Scotia)

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### Date

2025/06/28

### Date Created

2016/01/07

### Author

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