



## Manulife Financial Corp. Is Good for Your Portfolio

### Description

**Manulife Financial Corp.** ([TSX:MFC](#))([NYSE:MFC](#)) is the largest insurer in the country with one in five Canadians already clients of the insurance giant. Outside of Canada, the company has a large footprint in the U.S. as well as Asia.

Here's a few reasons why Manulife is a great option for your portfolio.

#### Growth outside of Canada

With the insurance market in Canada already well served, the largest insurer is now looking outside the country to fuel growth and attract new clients. The company's two core areas outside Canada are Asia and the United States.

Asia is currently undergoing a massive shift in wealth as the massive middle class as well as a steadily increasing aging population continue to grow. This could easily result in a doubling of wealth in the region over the next decade. The exclusive 15-year deal with Singapore-based DBS Holdings Ltd. will fuel much of this growth as the company has exposure to the Chinese, Hong Kong, Indonesian, and Singaporean markets.

Within the U.S., Manulife operates under the John Hancock brand, which continues to be in a period of growth. Recently, John Hancock saw an increase in mutual fund growth flows by 14%, and the company entrenched further into the market with a new life insurance partnership with Vitality.

By growing outside of Canada, the company is diversifying itself, limiting the potential downward impact on results from one region that may be underperforming (such as weakened Alberta), which should lead to prolonged growth and healthier dividends.

#### Growth and dividend play

Manulife currently trades at just shy of \$19. While the stock is down approximately 9% year-to-date, the company has shot up nearly 20% in the past month.

Manulife pays out a quarterly dividend of \$0.19 per share, giving it an impressive yield of 3.92%. The company recently announced a 9% increase to the dividend of 9%, marking the third year in a row that the company has raised the dividend.

In the most recent quarter, Manulife's results were weaker than expected thanks in part to the company's exposure to the weakened energy industry. This had the result of Manulife needing to revise expected earnings for 2016.

In 2015, the company's core earnings came in at \$3.428 billion, which represents an increase of over half a billion over the 2014 figure. Overall, the company generated core earnings of \$859 million in the most recent quarter, representing a \$146 million increase over the same quarter last year. Manulife achieved over \$1 billion in insurance sales in the quarter, a massive 22% more than the same quarter last year.

Despite the weaker-than-expected results from the Canadian operations, the U.S. and Asian arms of the company continue to excel and grow, posting 14% growth in mutual fund gross flows and 28% growth in insurance sales.

In my opinion, Manulife remains a great option for investors who are seeking to diversify their portfolios with a growth stock and also provide some dividend income.

#### **CATEGORY**

1. Investing

#### **TICKERS GLOBAL**

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:MFC (Manulife Financial Corporation)

#### **Category**

1. Investing

#### **Date**

2025/08/01

#### **Date Created**

2016/03/14

#### **Author**

dafxentiou

default watermark