



## 2 Balanced Growth Stocks for Any Portfolio

### Description

Investors are often told of the importance of diversifying their investments. While this is sound advice to follow, selecting stocks that meet dividend and growth objectives can be a daunting and risky task.

Fortunately, there are some stocks that can meet both of these objectives and more. Here's a look at two stocks that will fit nicely in any portfolio.

#### Royal Bank of Canada: the dividend option

**Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) is the largest of Canada's big banks with operations not just in Canada, but around the world.

In terms of earnings, the bank is an absolute behemoth, posting just shy of \$10 billion in profit for fiscal 2015. Keep in mind that 2015 wasn't exactly considered a great year for growth with the economy shifting into a recession and consumer debt shooting to an astonishing \$1.89 trillion, or \$1.64 for every dollar earned.

Royal's exposure to the energy sector is a paltry 2%, but the company still managed to shore up an account to cover losses if there are problems down the line.

From a banking front, last year Royal acquired Los Angeles-based City National bank to bolster the company's presence in the U.S. commercial and private banking market. The addition of City National has boosted wealth management earnings and helped support the company's recent dividend hike.

Royal currently trades just below \$74, and there's been little change in price year to date. Royal's quarterly dividend is now set to \$0.81 per share, giving the stock a very respectable yield of 4.40%.

#### Brookfield Asset Management Inc.: the diversified-growth option

**Brookfield Asset Management Inc.** (TSX:BAM.A)([NYSE:BAM](#)) is the largest alternative asset management company in Canada. Brookfield has been in business for well over 100 years. It has developed a very impressive knack for identifying distressed assets and coming in at the right time to

purchase them and turn them around.

Brookfield has an impressive portfolio of assets that is valued over \$230 billion. These assets are scattered across Canada, the U.S., Australia and Brazil.

The company is funded from various limited partners. These funds are then invested in distressed assets around the world. Because those assets are distressed, they are often acquired for a significant discount. Brookfield then turns the business around or holds on to it until market conditions improve before selling it. In either scenario, the company comes out with a significant profit.

Given Brookfield's far-reaching investments, investors are effectively getting a diversified portfolio that spans multiple countries and industries by investing in a single stock.

Brookfield currently trades at just over \$43. The stock is up nearly 2% over the past month and nearly 6% in the past three months. Brookfield has a dividend of \$0.18 per quarter, giving the stock a yield of 1.63%. As expected, diversified growth is clearly the reason to invest in Brookfield—not the dividend.

In my opinion, both Royal Bank and Brookfield represent great additions to any portfolio. Investors looking to diversify will not be disappointed with either stock.

## CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

## TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. NYSE:RY (Royal Bank of Canada)
3. TSX:BN (Brookfield)
4. TSX:RY (Royal Bank of Canada)

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