



2 Dividend-Growth Stocks I'd Buy Today With a \$6,000 Windfall

Description

Sometimes investors find themselves with a bit of extra cash.

The windfall could be from a bonus at work, a gift from a family member, or even the result of a rebalancing of the portfolio.

Regardless of the reason, a good place to put the extra funds is in quality dividend-growth stocks.

Here's why I think **Sun Life Financial Inc.** ([TSX:SLF](#))([NYSE:SLF](#)) and **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)) deserve to be on your radar.

Sun Life

Sun Life is down 10% in the wake of the Brexit vote, and I think the sell-off is overdone.

The company is stronger than it was the last time the market went crazy and carries less exposure to volatile markets. Management exited the problematic annuities business in the wake of the Great Recession and has focused new investments on more reliable sectors such as asset management.

Sun Life is also boosting its bets on Asian markets with a specific focus on India.

Why?

The country's insurance market is set for exponential growth, and the government recently increased the equity position that foreign companies can hold in local partnerships. As a result, Sun Life has raised its position in Birla Sun Life from 26% to the maximum 49%. The business has grown significantly over the past 15 years and currently boasts more than 60,000 advisors operating in 400 Indian cities.

Sun Life raised its dividend by 8% in 2015 and just bumped it up again. Investors who buy today can pick up a yield of 4%.

The stock now trades at a multiple that is in line with the banks but doesn't carry the same housing or

energy risks faced in the Canadian market.

Enbridge

Enbridge took a hit last year as investors fled any name connected to the oil and gas market.

The company might see a slowdown in infrastructure demand in the near term, but Enbridge has enough projects on the go to keep it busy while the energy sector recovers.

In fact, the company plans to complete \$18 billion in new pipelines over the next three years. As these assets go into service, revenue and cash flow should increase enough to support annual dividend growth of at least 8%.

If oil prices remain low for an extended period of time, Enbridge has the financial firepower to grow through acquisitions.

The stock isn't as cheap as it was earlier this year, but investors who buy today still get a 3.9% yield and solid upside potential in both the dividend and the share price.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:SLF (Sun Life Financial Inc.)

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