

3 Notable Dividend Hikes

Description

One of the most successful investment strategies is to buy and hold stocks with track records of dividend growth. This is because a rising dividend is a sign of a very strong business with excellent cash flows and earnings to support increased payouts, and the dividends themselves really add up over time when reinvested.

With this in mind, let's take a look at three stocks that raised their dividends by 6-12% last week and have active streaks of annual increases, so you can determine if you should invest in one or more of them today.

Brookfield Asset Management Inc.

Brookfield Asset Management Inc. (TSX:BAM.A)([NYSE:BAM](#)) is one of the world's largest alternative asset managers with approximately US\$250 billion in assets under management. It owns and operates assets with a focus on property, renewable power, infrastructure, and private equity.

In its fourth-quarter earnings release on February 9, Brookfield announced a 7.7% increase to its quarterly dividend to US\$0.14 per share, representing US\$0.56 per share on an annualized basis, and this gives its stock a yield of about 1.5% today.

Investors must also make the following two notes.

First, the first quarterly payment at this increased rate will be made on March 31 to shareholders of record at the close of business on February 28.

Second, this hike puts Brookfield on pace for 2017 to mark the sixth consecutive year in which it has raised its annual dividend payment, and I think its very strong financial performance, including its 27.7% year-over-year increase in funds from operations to US\$3.18 per share in 2016, could allow this streak to continue for decades.

Great-West Lifeco Inc.

Great-West Lifeco Inc. ([TSX:GWO](#)), or Lifeco for short, is an international financial services holding company with interests in the life insurance, health insurance, retirement and investment services, asset management, and reinsurance businesses in Canada, the United States, and Europe.

In its fourth-quarter earnings release on February 9, Lifeco announced a 6.1% increase to its quarterly dividend to \$0.367 per share, representing \$1.468 per share on an annualized basis, and this brings its stock's yield up to about 3.9% today.

It's also important to make the following two notes.

First, the first quarterly installment at this increased rate is payable on March 31 to shareholders of

record at the close of business on March 3.

Second, this hike has Lifeco positioned for 2017 to mark the third consecutive year in which it has raised its annual dividend payment, and I think its strong growth of operating cash flow, including its 22.1% year-over-year increase to \$6.25 billion in 2016, could allow this streak to continue through 2020 at the very least.

FirstService Corp.

FirstService Corp. ([TSX:FSV](#))([NASDAQ:FSV](#)) is one of North America's leaders in the essential property services industry. Its FirstService Residential division is North America's largest manager of residential communities, and its FirstService Brands division is one of North America's largest providers of property services to residential and commercial customers.

On February 9, the day before its fourth-quarter earnings release, FirstService announced an 11.4% increase to its quarterly dividend to US\$0.1225 per share, representing US\$0.49 per share on an annualized basis, and this gives its stock a yield of about 0.9% at today's levels.

Investors should also make the following two notes.

First, the first quarterly payment at this increased rate will be paid out on April 7 to shareholders of record at the close of business on March 31.

Second, this hike puts FirstService on pace for 2017 to mark the second consecutive year in which it has raised its annual dividend payment, and I think its consistent growth in key financial metrics, including its 35% year-over-year increase in adjusted earnings per share to US\$1.62 and its 25.2% year-over-year increase in operating cash flow to US\$109 million in 2016, will allow this streak to continue in 2018 and beyond.

Which should you buy today?

I think Brookfield Asset Management, Great-West Lifeco, and FirstService all represent attractive long-term investment opportunities, so take a closer look at each and consider initiating positions in at least one of them today.

CATEGORY

1. Dividend Stocks
2. Investing

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1. Editor's Choice

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2. TSX:BN (Brookfield)
3. TSX:FSV (FirstService Corporation)
4. TSX:GWO (Great-West Lifeco Inc.)

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