



## 2 Top Dividend-Growth Stocks With Yields Over 4%

### Description

History has shown that buying and holding a portfolio of dividend stocks is a great way to build wealth over the long term, and this strategy generates the highest returns when the companies you own raise their dividends each year.

With this in mind, let's take a look at two top dividend-growth stocks with yields over 4% that you could buy right now.

#### Fiera Capital Corp.

**Fiera Capital Corp.** ([TSX:FSZ](#)) is Canada's third-largest independent publicly traded asset manager with about \$116.9 billion in assets under management (AUM) as of December 31, 2016. It offers a wide range of traditional and alternative investment solutions, including depth and expertise in asset allocation, to institutional investors, private wealth clients, and retail investors in Canada, the United States, the United Kingdom, and across Europe.

Fiera currently pays a quarterly dividend of \$0.17 per share, equal to \$0.68 per share on an annualized basis, which gives it a yield of about 4.7% today.

A 4.7% yield is very good, but what we care about more is dividend growth, and Fiera has shown a strong dedication to delivering just that. It has raised its annual dividend payment each of the last six years, and its two hikes in the last 10 months, including its 6.7% hike in August 2016 and its 6.3% hike last month, have it on pace for 2017 to mark the seventh consecutive year with an increase.

I think Fiera is a top pick for dividend growth going forward as well. I think its very strong financial performance, including its 23.8% year-over-year increase in adjusted net earnings to \$1.25 per share in 2016, and its strong growth of AUM that will help drive future earnings growth, including its 15.3% year-over-year increase to \$116.93 billion in 2016, will allow its streak of annual dividend increases to continue into the 2020s.

#### Enbridge Inc.

**Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)) is North America's largest energy infrastructure company. Its portfolio includes the world's longest and most sophisticated crude oil and liquids transportation system, Canada's largest natural gas distribution company, oil and natural gas storage facilities, and renewable power-generation facilities.

Enbridge currently pays a quarterly dividend of \$0.583 per share, equal to \$2.332 per share on an annualized basis, which gives its stock a yield of approximately 4.1% today.

Enbridge may have a slightly lower yield than Fiera, but its streak of annual dividend increases is more than three times as long. It has raised its annual dividend payment for 21 consecutive years, including a compound annual growth rate of approximately 13.9% for the 10-year period ended in December 2016, and its 10% hike in January has it on pace for 2017 to mark the 22nd consecutive year with an increase.

Enbridge will continue to be one of the market's best dividend-growth stocks in the years ahead too, because it has a dividend-growth program in place. Its program calls for annual dividend growth of 10-12% through 2024 while maintaining a payout ratio of 50-60% of its available cash flow from operations (ACFFO), and I think its consistently strong ACFFO growth, including its 23.2% year-over-year increase to \$3.72 per share in 2015 and its 9.7% year-over-year increase to \$4.08 per share in 2016, will allow it to achieve this dividend-growth target and extend it beyond 2024.

### **Which of these dividend-growth stocks should you buy today?**

Fiera Capital and Enbridge offer high, safe, and growing dividends, making them strong buys, in my opinion. All Foolish investors should take a closer look at each and strongly consider making at least one of them a core holding today.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)

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