



## 2 Dividend Stocks Yielding Over 5% to Buy in May

### Description

If you're on the prowl for great dividend stocks to add to your portfolio this month, then you've come to the right place. Let's take a closer look at two stocks with yields over 5% and track records of dividend growth, so you can determine if you should buy one or both.

#### Brookfield Renewable Partners LP

**Brookfield Renewable Partners LP** ([TSX:BEP.UN](#))([NYSE:BEP](#)) is one of the leading owners, operators, and developers of renewable power-generation facilities in North America, South America, and Europe. As of March 31, its portfolio consisted of 260 power-generation facilities, including 218 hydroelectric facilities and 35 wind facilities with a total installed capacity of 10,621 megawatts.

Brookfield currently pays a quarterly distribution of US\$0.4675 per unit, equal to US\$1.87 per unit on an annualized basis, and this gives it a yield of about 6.2% today.

In addition to a yield over 6%, Brookfield offers distribution growth. It has raised its annual distribution for five consecutive years, and its 5.1% hike in February has it on pace for 2017 to mark the sixth consecutive year with an increase.

Brookfield is a top pick for distribution growth going forward too. It has a long-term distribution-growth target of 5-9% annually, and I think its very strong growth of normalized funds from operations (NFFO), including its 7.6% year-over-year increase to US\$1.83 per unit in 2016 and its 9.8% year-over-year increase to US\$0.45 per unit in the first quarter of 2017, and its ongoing expansion efforts that will help fuel future NFFO growth, including its development pipeline of over 6,000 megawatts of capacity, will allow it to achieve this distribution-growth target into the late 2020s at least.

#### Genworth MI Canada Inc.

**Genworth MI Canada Inc.** (TSX:MIC) through its subsidiary, Genworth Financial Mortgage Insurance Company Canada, is the largest private residential mortgage insurer in Canada. It provides mortgage default insurance to Canadian residential mortgage lenders, making homeownership more accessible to first-time homebuyers.

Genworth currently pays a quarterly dividend of \$0.44 per share, equal to \$1.76 per share on an annualized basis, which gives it a yield of approximately 5.2% today.

Like Brookfield Renewable Partners, Genworth offers dividend growth in addition to a high yield, and its streak of annual increases is even more impressive. It has raised its annual dividend payment each of the last seven years, and its 4.8% hike in November 2016 has it on pace for 2017 to mark the eighth consecutive year with an increase.

I think Genworth is a great dividend-growth play going forward too. It has a target dividend-payout range of 35-45% of its net operating income (NOI), so I think its continued growth, including its 4.4% year-over-year increase to \$4.23 per share in 2016 and its 19.8% year-over-year increase to \$1.15 per share in the first quarter of 2017, and its growing portfolio of invested assets that will help drive future NOI growth, including its 7% year-over-year increase to \$6.28 billion in the first quarter, will allow its streak of annual dividend increases to continue in 2018 and beyond.

### **Which of these top dividend stocks belongs in your portfolio?**

I think Brookfield Renewable Partners and Genworth MI Canada represent two of the best long-term investment options in their respective industries, so 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

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1. Editor's Choice

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1. NYSE:BEP (Brookfield Renewable Partners L.P.)
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## Tags

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