



3 Top Financial Stocks Yielding 3-5%

Description

As a dividend investor, I'm always on the lookout for high-quality stocks that can boost my portfolio's yield. After a recent search of the financial sector, three stocks caught my eye. Let's take a closer look at each, so you can determine which would fit best in your portfolio.

Sun Life Financial Inc.

Sun Life Financial Inc. ([TSX:SLF](#))([NYSE:SLF](#)) is one of the world's largest financial services organizations with approximately \$943.82 billion in assets under management. It provides a wide range of insurance, wealth, and asset management solutions to individuals and corporate clients around the globe.

Sun Life currently pays a quarterly dividend of \$0.435 per share, equating to \$1.74 per share on an annualized basis, and this gives it a yield of about 3.5% at the time of this writing.

Investors must also make the following two notes about Sun Life's dividend.

First, the company's recent dividend hikes, including its 3.6% hike in May, have it on track for 2017 to mark the third consecutive year in which it has raised its annual dividend payment.

Second, Sun Life has a target dividend-payout range of 40-50% of its underlying net income, so I think its very strong growth, including its 11.1% year-over-year increase to \$1.26 billion in the first half of fiscal 2017, will allow its streak of annual dividend increases to continue for many years to come.

Fiera Capital Corp.

Fiera Capital Corp. ([TSX:FSZ](#)) is the third-largest independent publicly traded asset management firm in Canada with approximately \$125.66 billion in assets under management. It provides a wide range of traditional and alternative investment solutions 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 \$0.18 per share, equal to \$0.72 per share on an annualized

basis, which gives it a yield of about 5% at the time of this writing.

It's important to make the following two notes about Fiera's dividend as well.

First, the asset manager's recent dividend hikes, including its 5.9% hike in August, have it on track for 2017 to mark the seventh consecutive year in which it has raised its annual dividend payment.

Second, I think Fiera's very strong financial performance, including its 8% year-over-year increase in adjusted net earnings to \$0.54 per diluted share and its 86.7% year-over-year increase in operating cash flow to \$26.08 million in the first half of fiscal 2017, will allow its streak of annual dividend increases to easily continue into the 2020s.

Bank of Montreal

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) is Canada's fourth-largest bank as measured by assets with approximately \$708.62 billion in total. It provides a full range of financial products and services to more than 12 million clients in Canada, the U.S., and around the world.

BMO currently pays a quarterly dividend of \$0.90 per share, equating to \$3.60 per share on an annualized basis, and this gives it a yield of about 3.8% at the time of this writing.

Investors must also make the following two notes about BMO's dividend.

First, the bank's recent dividend hikes, including its 2.3% hike in May, have it on track for fiscal 2017 to mark the sixth consecutive year in which it has raised its annual dividend payment.

Second, BMO has a target dividend-payout range of 40-50% of its adjusted basic earnings per share, so I think its consistent growth, including its 14.8% year-over-year increase to \$6.22 in the first nine months of fiscal 2017, will allow its streak of annual dividend increases to continue for another six years at least.

Which of these financial giants belongs in your portfolio?

I think Sun Life, Fiera Capital, and BMO would make great additions to any Foolish portfolio, so take a closer look at each and consider adding one of them to yours today.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. TSX:BMO (Bank Of Montreal)
3. TSX:FSZ (Fiera Capital Corporation)
4. TSX:SLF (Sun Life Financial Inc.)

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