



These 2 Stocks Just Raised Their Dividends by up to 3.3%

Description

Earnings season is in full swing. Not only is it a great time to see the most up-to-date financials of the world's largest companies, but it's also the most popular time for companies to raise their dividends. Let's take a closer look at two companies that just raised their dividends by 2-4%, so you can determine if you should invest in one of them today.

Chartwell Retirement Residences ([TSX:CSH.UN](#))

Chartwell is Canada's largest owner and operator of senior residences with 138 owned, 46 partially owned, and 10 managed communities across the country.

In its fiscal 2017 fourth-quarter and full-year earnings release on February 22, Chartwell announced a 2.1% increase to its monthly distribution to \$0.049 per unit, equating to \$0.588 per unit on an annualized basis, which brings its yield up to about 3.9% today.

Investors must make three additional notes.

First, the first payment at the increased rate is payable on April 16 to shareholders of record on March 31.

Second, the company was already on track for 2018 to mark the fourth consecutive year in which it has raised its annual distribution, and the hike it just announced puts it on pace for 2019 to mark the fifth consecutive year with an increase.

Third, I think Chartwell's steady growth of funds from operations, including its 2.2% year-over-year increase to \$0.93 per unit in 2017, and the growing demand for its services, driven by [Canada's aging population](#), will allow it to continue to deliver distribution growth in 2020 and beyond.

Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#))

RBC is Canada's biggest bank, and one of the largest in the world based on market capitalization. It provides a full range of financial products and services to more than 16 million customers in Canada,

the United States, and 34 other countries.

In its fiscal 2018 [first-quarter earnings](#) release on February 23, RBC announced a 3.3% increase to its quarterly dividend to \$0.94 per share, equating to \$3.76 per share on an annualized basis, which brings its yield up to about 3.7%.

Foolish investors must make three additional notes.

First, the first quarterly installment at the increased rate is payable on and after May 24 to shareholders of record at the close of business on April 25.

Second, the banking giant was already on pace for fiscal 2018 to mark the eighth straight year in which it has raised its annual dividend payment, and this hike puts it on track for fiscal 2019 to mark the ninth straight year with an increase.

Third, RBC has a target dividend-payout range of 40-50% of its adjusted net income, so I think its consistently strong growth, including its adjusted 10% year-over-year increase to \$2.01 per share in the first quarter of 2018, and its growing base of average earning assets that will help fuel future growth, including its 8.1% year-over-year increase to \$1.07 trillion in the first quarter of 2018, will allow it to continue to grow its dividend for the foreseeable future.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:RY (Royal Bank of Canada)
2. TSX:CSH.UN (Chartwell Retirement Residences)
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