Looking to Diversify Your Retirement Portfolio? Look to These 4 Stocks in the Fall

Description

The **S&P/TSX Composite Index** has had a difficult September so far. The index was just barely into negative territory in early afternoon trading on September 14. Energy stocks have turned in a weak performance, and financials have been forced to contend with trade anxiety even after a very good bank earnings season.

Instead of retreating to the sidelines, investors should look to diversify their holdings with income-yielding stocks during this period. Today we'll look at four stocks that offer attractive diversification, income, and stability as we move into the cooler months.

CAE (TSX:CAE)(NYSE:CAE)

CAE stock has climbed 13% in 2018 so far. The aerospace and defense company has seen shares fall 1.5% over the past month. Increased defence spending in Canada, the United States, and across the developed world is good news for companies like CAE, which has won contracts with both Canadian and U.S. military branches.

In its fiscal 2019 fourth quarter report, CAE saw defence revenue rise 3% year-over-year to $268.3 million. It won contracts with the U.S. Navy, the Royal Canadian Air Force, and the German Air Force. The board of directors also approved an 11% hike to its dividend to $0.10 per share, representing a modest 1.4% dividend yield.

Canadian Western Bank (TSX:CWB)

Canadian Western stock has dropped 12.2% in 2018 so far. Shares have plunged 5.2% month-over-month as of early afternoon trading on September 14. Back in August, I'd discussed why regional bank stocks were a solid option for those looking for alternatives to the Big Six.

Canadian Western released its third-quarter results on August 30. The bank increased its dividend by $0.01 per share to $0.26, representing a 2.9% dividend yield. Profit rose 10% year-over-year to $66.2 million or $0.70 per share on the back of solid internal growth and a successful expansion into Ontario.

Genworth MI Canada (TSX:MIC)

Genworth stock has increased 0.76% so far this year. Shares are up 17.3% from the same time in 2017. In the second quarter, Genworth saw net income fall 22% year-over-year to $116 million while transactional premiums written rose 3% to $166 million.

The company has received a boost from higher interest rates, but has seen slower growth due to a smaller transactional mortgage originations market. Genworth offers a quarterly dividend of $0.47 per share, representing a 4.3% dividend yield.

Magna International (TSX:MG)(NYSE:MGA)

Magna International stock has plunged 17.3% over a three-month span. This occurred in the face of record second quarter sales, which were up 12% year-over-year to $10.3 billion. The big fear for Magna and other automotive parts manufacturers is the ongoing NAFTA re-negotiations. Magna has been pushing for a deal from day one, as its significant U.S. footprint shields it from a theoretical uptick in American auto content.

However, other sticking points have emerged during talks, and the October 1 deadline is looming large. Because of this, Magna probably represents the biggest short-term gamble on this list. The stock offers a quarterly dividend of $0.33 per share, representing a 2.3% dividend yield.

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