3 Dividend Growth Stocks to Protect Your Portfolio

Description

It's been wild ride for investors this past year. We haven't seen this much volatility in the markets in a number of years. Have doubts? As of writing, 2018 occupies four of the top five ranks for the largest S&P daily point losses. In percentages, the losses have range from 3.24% to 4.10%. The TSX Index has fared even worse than the **S&P** losing 7.85% of its value.

default watermark

What's an investor to do? One of the best strategies against a volatile market is to buy dividend growth stocks. These are companies with a reliable history of dividend growth. With that in mind, here are three up-and-coming companies who are on the verge of joining the coveted Canadian Dividend Aristocrat list.

Manulife Financial (TSX:MFC)(NYSE:MFC)

Insurance companies were hit hard during the financial crisis, and many ended up either cutting or suspending their dividends. Manulife Financial was one such company. Now, the company is on the verge of rejoining the Aristocrat list as the company is now thriving.

In an environment of rising interest rates, insurance companies do quite well. Manulife is no exception. Over the past five years, the company has grown its Assets Under Management and Administration by a compound annual growth rate (CAGR) of 20%. Its Asian segment is white-hot, adding an average of 38% in new business annually since 2014.

Since returning to dividend growth, Manulife has grown its dividend by a CAGR of 11%, outpacing the average Canadian Dividend Aristocrat.

Brookfield Real Estate Service (TSX:BRE)

No to be confused with a Real Estate Investment Trust (REIT), Brookfield Real Estate provides information and services to realtors and real estate brokers. The company generates a ton of cash which is underpinned by a fixed fee structure. Approximately 73% of the company's revenue is based on fix fees which provides lower revenue volatility.

Adding to the stability, the company has achieved a historical 95% contract renewal rate. Brookfield's also has long-term contracts with over 35%+ expiring in 2025 or beyond. This certainty has enabled it to grow dividends by an average of 20% annually.

Industrial Alliance Insurance and Financial Services (TSX:IAG)

Industrial Alliance is another insurance company who has benefited from rising interest rates. The company has grown assets under management by 11% on average over the past five years. It has been steadily decreasing its leverage, and has improved its coverage ratio from 7.9 in 2014 to 14.5 as of the third quarter of 2018.

The company has also been capturing a significant percentage of new business market share. IA Financial Group is ranked third in capturing new business in the Individual Insurance and Individual Wealth Management – Segregated Funds segments.

The company has comfortably raised dividends by double digits, averaging a 13.8% dividend growth rate since 2014.

CATEGORY

1. Dividend Stocks
2. Investing

default watermark

TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:BRE (Bridgemarq Real Estate Services Inc.)
3. TSX:IAG (iA Financial Corporation Inc.)
4. TSX:MFC (Manulife Financial Corporation)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date
2025/08/24
Date Created
2018/12/07
Author
mlitalien

default watermark