



Collect \$400/Month With This Little-Known Stock

Description

The key element to [building wealth in your TFSA](#) is to manage it well. While it is an uncomplicated savings account, you should be familiar with the rudiments of investing. Income seekers usually plan ahead and sometimes set a specific amount of desired income.

Assuming you want to collect at least \$400 per month of passive income, you invest in dividend stocks. The chosen stock should deliver the equivalent amount of your target over an extended period of time. It doesn't come in an instant. You also have to learn to reinvest the dividends to compound your earnings.

CI Financial ([TSX:CIX](#)) is a little-known stock in the financial services sector. The \$5 billion asset management firm is not in the league of Canada's big banks, nor is it as popular. Many investors are invested in bank stocks because of regular dividend payments. But CI Financial has been around since 1965 and is a dividend payer as well.

Money management

When you have a TFSA, it is important to actively manage your account. You need to carefully choose the financial instruments you will include in the account. Most TFSA investors start off with high-dividend-paying stocks.

CI Financial, through its subsidiaries, manages client-focused equity, fixed-income, and alternative investments portfolios. Part of the services includes managing mutual funds, hedge funds, and funds of funds for the clients. The business is stable with annual net income in the range of \$500-\$600 million.

The company is one of Canada's largest investment firms and operating through eight subsidiaries. The group as a whole has a history of growth and strategic alignment. Institutions and individual investors are offered a comprehensive and innovative selection of investment products and services.

The asset management company is a dividend stock. For the last five years, the average dividend yield is 5.42%, which is a desirable rate for greenhorn and veteran investors. But the challenge to be a

worthy dividend stock is to show growth and stable earnings.

In keeping up with the digital environment, CI Financial is advancing the company's digital strategy. Last year, CI Financial acquired a majority stake in WealthBar, a leading Canadian online wealth management and financial planning platform. The move is aimed to attract Main Street Canadians interested in affordable investing services.

High dividends

CI Financial is known to passive investors and as a good investment prospect for would-be investors. The stock is having [a respectable run](#) thus far in 2019. From the year-end price of \$17.28, CIX is trading at \$20.98 as of this writing. But the desirability lies in the 4.7% dividend yield and the low 42.62% payout ratio.

CI Financial is worthy of consideration if your wish is to collect \$400 per month. You can purchase the stock and put it in your TFSA. Reinvest the dividends for greater dividends.

I'm reminded of the saying, "money begets money." The more you have, the more you can invest. Money breeds quietly when you have a high-dividend stock in your portfolio.

CATEGORY

1. Bank Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CIX (CI Financial)

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