



## 1 Dividend Heavy Finance Stock That's a Great Buy Right Now

### Description

As COVID-19 wreaks havoc on the stock markets, it's throwing up stocks that have fallen to levels that make them very attractive. Good stocks are always quick on the rise when the tide turns. As countries and companies slowly try to get back to business by the end of April, this provides a good buying opportunity for investors with a good eye.

In the financial space, **Power Corporation of Canada** ([TSX:POW](#)) is an international management and holding company that focuses on financial services in North America, Europe and Asia. Its core holdings are leading insurance, retirement, wealth management and investment businesses, including a portfolio of alternative asset investment platforms.

POW merged with **Power Financial Corporation** (PFC) in February 2020, and now holds 100% of the issued and outstanding PFC common shares. PFC has excellent subsidiaries like Canada Life, **IGM Financial** ([TSX:IGM](#)) and **Great-West Life** ([TSX:GWO](#)).

POW has been a consistent dividend payer. In 2010, it paid out \$1.16 per share in annual dividends and in 2019 that figure rose to \$1.62 — a CAGR of 3.4% over one decade. While that's not a great number, it's a very steady one.

POW has announced a dividend of \$0.45 per share for the last quarter, which takes the forward yield to just over 8% at the current share price of \$22.34. POW stock has fallen over 40% from \$38 levels to its current price of \$22.34, [making it attractive](#) at the current valuation

Is the dividend payout sustainable? For that, we'll take a quick look at POW subsidiaries, which is where POW gets its revenues from. **Great-West Life Co** is trading at \$23.6, with a forward dividend yield of 7.42%.

Great-West is an insurance company that also offers wealth-management and insurance services across North America and Europe. Great-West's consolidated assets under administration at December 31, 2019, grew to over \$1.6 trillion, a 16% increase from December 31, 2018. It increased its quarterly dividend by 6% from the previous quarter.

The stock has fallen from over \$35 to its current levels today — a fall of over 30%. Even if the stock takes a couple of years to recover, once you add the dividend yields, you're looking at a handsome return on your investment.

## Another high yield subsidiary

**IGM Financial Inc** is another stock from the PFC stable that pays out regular dividends and has taken a tumble of over 36%, from over \$40 in February to \$25.75 today.

The company reported annual net earnings of \$746.7 million for 2019 compared to \$767.3 million in 2018. IGM reported record high assets under management at December 31, 2019, of \$166.8 billion, an increase of 11.9% from the prior year driven by favourable investment returns.

While investment fund sales for 2019 dropped to \$8.7 billion, a decrease of 3.9% from \$9.1 billion in 2018, sales of high net worth solutions (included in investment fund sales), totalled \$4.6 billion 2019, representing an increase of 11% from 2018.

IGM understands that as the world is moving toward funds with lower fees, it has to up its game in the high net worth solutions space — and is doing exactly that.

IGM's sports a forward yield of 8.74% — another stock that will add a great deal of value to POW's growth potential.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:GWO (Great-West Lifeco Inc.)
2. TSX:IGM (IGM Financial Inc.)
3. TSX:POW (Power Corporation of Canada)

### PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
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