



## Supplement \$2,000/Month CERB Payout with Dividend Stocks

### Description

The Canadian government has offered millions of people directly impacted by the COVID-19 financial support via the Canada Emergency Response Benefit (CERB). For eligible Canadians, the CERB will pay \$2,000 for a four-week period. If the situation persists, you can reapply for this benefit for up to a total of 16 weeks.

As businesses have shutdown, unemployment rates in Canada have spiked. According to Trading Economics, Canada's unemployment rates rose from 7.8% in March to 13% in April. If you are fortunate enough to have a nest egg to tide you over during these uncertain times, you can invest those CERB payments in quality dividend stocks.

The recent market turmoil has sent stocks to multi-year lows. And as dividend yields and stock prices move in opposition to each other, the forward yield of several companies is attractive. If you collect CERB payments for four months, you could invest the cumulative amount of \$8,000 in quality stocks.

## This dividend stock can be used to supplement CERB payments

Investing in beaten-down stocks that have the potential to stage a turnaround is a sure-shot way to build wealth. One such stock is the Montreal-based **Fiera Capital** ([TSX:FSZ](#)). Shares of Fiera capital are trading at \$9.19 which is 30% below their 52-week high. The stock has gained close to 100% in market value after it hit a multi-year low of \$4.77 in March 2020.

Fiera is an asset management company. At the end of March 2020, [the company had](#) \$158.1 billion in assets under management (AUM). This was \$13.2 billion higher than in the first quarter of 2019.

Investors were worried about the impact of the COVID-19 pandemic on the company financials. The volatile market and resultant sell-off led to \$14.4 billion in redemptions for Q1. Fiera ended 2019 with AUM of \$170 billion.

In Q1, Fiera's revenue was up 13% year over year, at \$161.7 million. Comparatively, its adjusted EBITDA rose 12% to \$43.5 million. The asset management giant announced quarterly dividends of

\$0.21 per share, indicating a forward yield of 9.14%. So, an investment of \$10,000 in this stock would result in annual dividend payments of \$914.

With 102 million shares outstanding, Fiera will spend close to \$21.4 million in quarterly dividends. According to Yahoo! Finance data, its operating cash flow stood at \$145.3 million at the end of 2019, which means dividend payouts are secure. Fiera's cash balance of \$65 million at the end of Q1 can easily cover these payouts as well.

## Fiera is trading at a cheap valuation

Despite a double-digit revenue gain in Q1, analysts expect Fiera Capital's sales to fall 3.4% year over year to \$634.5 million in 2020. Comparatively, its earnings are expected to fall by 13.4%. The market uncertainty will make investors wary.

Fiera Capital has a price-to-sales multiple of 1.2 and a price-to-book ratio of 1.5. Its forward price-to-earnings multiple of 7.2 looks enticing given the stock's juicy dividend payout. The stock was oversold in March and has made a strong comeback in the last two months.

Fiera is the second-largest publicly traded asset manager in the country. Further, it offers a wide range of investment strategies. Almost 46% of AUM [is invested in fixed income](#) which limits overall volatility.

Fiera is a great stock to hold when the markets recover. As investor sentiment turns positive, there will be an uptick in the company's AUM. However, its safe dividends make Fiera a viable option for income, value, and contrarian investors at the current price.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:FSZ (Fiera Capital Corporation)

### PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

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