



## 1 Value Stock to Buy Before November

### Description

The stock market selloff in March created a fantastic opportunity to pick up stocks at rock-bottom prices. But if you missed the opportunity, there are plenty of stocks trading on the Toronto Stock Exchange at value prices compared to their previous highs.

Consider a company like **Power Corporation of Canada** ([TSX:POW](#)).

### Power Corporation of Canada

Power Corporation is a true financial powerhouse in the financial services industry in North America, Europe, and Asia.

The company's core holdings are leading insurance, retirement, wealth management, and investment businesses. The \$18.3 billion company has been around since 1925. Power Corporation's three major holdings are **Great-West Lifeco**, **IGM Financial**, and Pargesa.

Trading at \$26.79 as of this writing, Power Corporation is well below its year-long high of \$35.15. At this price, the dividend yield is a whopping 6.71%. The company has increased its dividends by [over 40% in the past five years](#).

### Assets under management

In the second-quarter earnings release, Power Corporation announced that net earnings attributable to participating shareholders were [\\$666 million, or \\$0.99 per share](#), compared with \$278 million, or \$0.64 per share in 2019.

At the end of the quarter, Lifeco's consolidated assets under management rose 9.1% from the previous quarter, primarily reflecting the market recovery.

The assets under management at IGM Financial grew to \$165.4 billion — an increase of 12.1% for the

quarter. This number was down slightly from the quarter-end record high set on December 31, 2019.

Total net sales at IGM were \$3.4 billion, compared to net redemptions of \$544 million in the second quarter of 2019. Investment fund net sales were \$864 million, compared to net redemptions of \$364 million in the second quarter of 2019.

## Growth in fintech

Perhaps one of the most exciting ventures from Power Corporation is its growth in fintech.

Fintech, short for financial technology, is the term used to refer to innovations in the financial and technology crossover space, such as online banking.

One of the leaders in fintech, Wealthsimple, is a member of the Power Corporation Group of Companies. The Toronto-based firm was founded in September 2014.

In the past five years, Wealthsimple has grown to be one of Canada's leading financial technology companies and operates one of the country's largest and fastest-growing digital investing services. Wealthsimple holds \$5 billion under management and serves over 175,000 clients. The company is listed as one of the Top 100 Global Financial Technology Companies.

Last week, Wealthsimple announced it had raised \$114 million on a pre-money valuation of \$1.4 billion. This investment was led by TCV, one of the largest growth equity investors focused on technology, along with Greylock Partners, Meritech Capital, Allianz X, and Two Sigma Ventures. These investors currently hold an ownership interest of 7.5% in Wealthsimple on a fully diluted basis.

IGM Financial now holds a 36% ownership interest in Wealthsimple. Prior to the investment, IGM Financial held an ownership interest of 41%.

Cumulatively, IGM Financial has invested \$187 million in Wealthsimple, proving Power Corporation's commitment to the fintech industry.

## The bottom line on value stocks

If you fear you missed out on buying opportunities in the market selloff in March, don't despair. There are still plenty of great opportunities around.

For long-term investors focused on high-quality stocks selling at a discount to prior highs, Power Financial is an excellent choice.

### CATEGORY

1. Dividend Stocks
2. Investing

### POST TAG

1. Editor's Choice

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## Date

2025/08/17

## Date Created

2020/10/20

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