



3 Top TSX Dividend Stocks to Own in May 2021

Description

Dividend investing is one of the most popular strategies employed by Canadians. However, choosing dividend companies can be difficult. A lot of investors focus on the wrong things, like dividend yield. So, the question becomes, how should investors approach the task of building their dividend portfolio? In this article, I will discuss three top dividend stocks that investors should consider holding in May.

This stock is truly a hidden gem

One of the most interesting growth companies in Canada is surprisingly a top dividend stock. **goeasy** ([TSX:GSY](#)) has begun to turn heads for its recent market outperformance, while offering its shareholders a high-end dividend. I [first covered this stock](#) in June 2020, citing the big opportunities that lay ahead. Since then, the stock has gone on to gain more than 175%! Even more impressively, the stock is nearly 100% higher than its value before the COVID market crash.

But this article is targeted towards the dividend investors, so I'll leave the growth story behind for now. goeasy is a Canadian Dividend Aristocrat, having successfully raised its distribution for the past seven years. What's impressive is how much the company has managed to raise its dividend over that time. Since 2014, goeasy's [dividend has increased](#) from \$0.085 per share to an astonishing \$0.66 per share! That is more than a 700% increase. The company's payout ratio currently hovers around 20%, suggesting it should be able to continue increasing its dividend for the foreseeable future.

Canada's top bank is a top dividend stock

All five of Canada's Big Five banks are great choices as positions in a dividend portfolio. However, if asked to choose, my choice remains **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)). Similar to goeasy, Bank of Nova Scotia has an outstanding growth opportunity in addition to its strong dividend. The company's potential growth comes from its positioning within the Pacific Alliance. This is a region that economists are pegging to growth a much faster rate than the G7 over the next few years.

Another similarity Bank of Nova Scotia shares with goeasy is its status as a Canadian Dividend

Aristocrat. The company has managed to raise its dividend over the past 10 years, which is no easy feat for any company to do. Today, Bank of Nova Scotia offers an attractive dividend yield of 4.57% and maintains a respectable 67% payout ratio.

Investing in Canada's Warren Buffett is always a sound choice

Investors don't use the term "Canada's Warren Buffett" very lightly. However, in my opinion, there is no better way to describe Bruce Flatt, the CEO of **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)). Flatt has drawn comparisons to Buffett due to his value style of investing, large ownership stake in his company, and long tenure as Brookfield Asset Management's CEO. He is also a proponent of "real assets," which are physical assets that have inherent worth. Examples include infrastructure, real estate, and energy, all of which feature strongly in the company's portfolio.

Although Brookfield Asset Management offers a much lower dividend yield than other popular dividend-paying companies (currently 1.18%), it is, nonetheless, very attractive. The company has managed to increase its dividend distribution for the past decade and is in strong financial position to continue doing so.

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