



1 Dividend Stock Yielding 8.98% Offering Stable Income

Description

I'll be honest. When I first set out to write this article, I wanted to find a nice oversold dividend stock that I was confident would be a solid investment for Motley Fool investors. However, you may have noticed those are hard to come by at this moment.

While there are certainly some oversold stocks out there, dividend stocks remain a strong driver in this economy. You want passive income and returns that are stable. All while inflation and interest rates rising leave your finances very *unstable*.

But that's not the case with this investment manager yielding a whopping 8.98%. It provides stable income on the **TSX** today, and while it isn't oversold, it remains of value. So, let's see why you may want to invest in it today.

Fiera Capital

Fiera Capital ([TSX:FSZ](#)) is an investment manager mainly working with institutions, mutual funds, charitable organizations and private clients. It has a global portfolio; however, it invests primarily with a focus on the Canadian market looking for growth and value stocks.

It's the value part of this that should interest investors. Remember back in March 2020, when we *all* wished we had bought up the next big stocks? In fact, that's when many Canadians [started investing](#). That's what Fiera stock does, but it has an enormous corporation behind it to find the right companies. In the next year, practically everything will be growth stocks once more. But Fiera aims to find the most valuable.

During its most recent quarterly report, Fiera reported that it indeed had seen its assets and earnings go down year over year. This comes from an incredible time on the market in 2021, with the market falling during this period. Still, its free cash flow rose to \$145.3 million compared to \$101.6 million the year before.

Value available

Granted, the decrease isn't good news. But the free cash flow shows the company may be starting to recover. And it's why it's a strong buy today in [value territory](#), trading at 2.57 times book value, and just into fair value at 18.73 times earnings.

Furthermore, shares are still down 8% year to date and 10% since heights in March. But in the last week or so, there's been some growth. After falling 16% from peak to trough in 2022, Fiera has seen its shares come back by 7% in the last two weeks.

Now for the dividend

Fiera stock offers an incredible dividend of 8.98% as of writing. That comes to \$0.86 per share on an annual basis. It's seen compound annual growth rate of 3.61% over the last five years, which is dished out on a quarterly basis.

And while that dividend yield is certainly high, Fiera has long been known for having a high dividend yield. In fact, even at peak prices, the dividend yield was still 6.7% way back in 2020 before the market crashed. All while shares continue to work their way back towards those heights.

Foolish takeaway

If you were to invest \$20,000 in Fiera today, there are a few things you might look forward to. First, there's the dividends you would bring in at \$1,773 each and every year locked in at these rates. Furthermore, you could see your shares continue to correct to 2020 highs of \$13 per share. Even analyst price targets are strong at \$10.86.

All in all, you could bring in returns of \$4,164 a year from now by investing in Fiera stock today and seeing it hit analyst targets on the TSX today.

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