



## 1 Overlooked Dividend Stock (Yielding 5.6%) to Buy in January 2023

### Description

**Great-West Lifeco** ([TSX:GWO](#)) is a Winnipeg-based financial services holding company, which is engaged in the life and health insurance, retirement and investment services, asset management, and reinsurance businesses in Canada, the United States, and Europe. Today, I want to discuss why I consider this top [dividend stock](#) overlooked in late January 2023. Let's dive in.

### How has this dividend stock performed over the past year?

Shares of Great-West have dropped 10% year over year as of close on January 25. However, the stock has jumped 10% to kick off the new year. This is a promising start for a heavily diversified company. Investors who want a more detailed look at its recent performance can play with the interactive price chart below.

### Here's why I'm seeking exposure to this highly diversified company

Canadian investors should be eager to seek exposure to the markets that Great-West has a hand in. Last year, Vantage Market Research estimated that the global health insurance market was valued at US\$2.6 trillion in 2021. The market researcher projects that this market will reach US\$3.3 trillion by 2028. That would represent a compound annual growth rate (CAGR) of 4.4% over the forecast period.

Great-West also boasts exposure to the wealth management space through its retirement and investment advisory services. In 2020, Allied Market Research estimated that the global wealth management market was valued at US\$1.25 trillion. Moreover, the researcher projected that this market would reach US\$3.43 trillion by 2030, which would represent a CAGR of 10% from 2021 through to 2030.

These burgeoning markets make this dividend stock a worthy target in the beginning of 2023.

## Should investors be encouraged by Great-West's recent earnings?

Readers can expect to see Great-West's fourth-quarter and full-year fiscal 2022 earnings in the first half of February 2023. The company released its third-quarter fiscal 2022 results on November 2.

Great-West reported total earnings of \$688 million, or \$0.74 earnings per share, compared to \$870 million, or \$0.93 per share, in the third quarter of fiscal 2021. Canadian, United States, and European segments all faced similar struggles in the quarter. Meanwhile, the company's earnings were negatively impacted by the Hurricane Ian provision as well as higher restructuring and transaction costs that were related to acquisitions in its U.S. segment.

On the business front, Great-West reported consolidated assets of \$673 billion and assets under administration (AUA) stood at \$2.4 trillion — up 7% and 4%, respectively, compared to the same time as at December 31, 2021. The company's Canadian segment delivered solid sales in the face of an unfriendly market. Meanwhile, recent acquisitions in its U.S. segment led to integrations that should position this segment for strong growth going forward. Moreover, Europe delivered better-than-expected Wealth and Investment Management sales.

## Why I'm buying this under-the-radar dividend stock right now

Shares of this under-the-radar dividend stock possess a favourable price-to-earnings ratio of 10. Meanwhile, Great-West offers a quarterly dividend of \$0.49 per share. That represents a very strong 5.6% yield. I'm looking to jump on Great-West, as it has started nicely in the new year.

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