



3 Top Dividend Stocks With a Growth Twist

Description

Dividend stocks are known for having less volatility than growth stocks. As such, they are often used to bring stability to otherwise volatile portfolios. However, many investors tend to shy away from dividend stocks in fears of sacrificing gains. What's important to consider is that "beating the market" requires you to prevent losses during a downturn just as much as it requires you to earn returns during a bull run. There are also dividend stocks that provide outstanding capital appreciation. I will discuss three such companies in this article.

This company has a long history of compounding returns

Investors interested in earning a dividend and adding stability to their portfolio while not sacrificing gains should consider **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)). It is an alternative asset management company that focuses on real assets. As such, Brookfield Asset Management has exposure to the real estate, infrastructure, and utility industries. The company is known for its CEO, Bruce Flatt, who has often been referred to as Canada's Warren Buffett.

Brookfield Asset Management has a modest forward dividend yield of 0.98%. However, it is recognized as a Canadian Dividend Aristocrat, after having increased its dividend distribution in each of the past nine years. Coupled with a low dividend payout ratio (57.7%), investors could expect more dividend increases in the future.

In terms of growth, Brookfield Asset Management has been very impressive. Since August 1995, the stock has gained an average annual return of 15.6%. This compares to an average annual return of 5.9% by the **TSX**. To further drive home the point, a \$10,000 investment in Brookfield Asset Management on August 1, 1995, would be worth more than \$433,000 today. With the [announcement of new developments](#) like its project with **Tesla**, expect Brookfield Asset Management to continue growing.

The future of the world's energy

The world is rapidly moving towards renewable energy. This was highlighted in Joe Biden's recent presidential campaign, when he presented his plans to invest \$400 billion into clean energy over the next 10 years. With that in mind, a top dividend stock investors should consider adding to their portfolio is **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)). If that name sounds familiar, then you probably guessed right. This company is owned in large part by Brookfield Asset Management, which provides it with a lot of capital and leadership.

Brookfield Renewable is a global leader in the renewable utility industry. It operates a diverse portfolio of assets capable of producing 21,000 MW of power. Despite its size, Brookfield Renewable remains dedicated to increasing its reach. The company has already committed to the future construction or investment of projects in North America, Europe, and Asia.

Since its inception, Brookfield Renewable has managed a 19% annualized return. Over the past five years, that return skyrockets to an annual gain of 27%. The stock also pays a nice dividend, with a forward yield of 3.19%. Over the past decade, Brookfield Renewable has also managed to increase its distribution at a CAGR of 6%.

This stock is a hidden gem

A stock that [doesn't get enough attention](#), **goeasy** ([TSX:GSY](#)) should be considered by anyone interested in adding growth or dividends to their portfolio. The company operates two distinct business segments. The first, easyfinancial, provides high-interest loans to subprime borrowers. Its second business segment, easyhome, sells furniture and other home goods on a rent-to-own basis. Throughout the pandemic, goeasy saw a dramatic boost in its business. This resulted in the company reporting record revenues quarter after quarter.

Over the past year, goeasy stock has skyrocketed gaining more than 200%. Yet the company is still only valued at a mere \$2.8 billion. In addition to its growth, goeasy offers a forward dividend yield of 1.54%. Even more impressive is the fact its dividend has grown 776% over the past seven years. With a payout ratio of only 13.9%, there's a good chance the company could continue increasing its distributions in the future.

CATEGORY

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TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:BN (Brookfield Corporation)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:BN (Brookfield)
5. TSX:GSY (goeasy Ltd.)

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