



2 Lesser-Known Dividend Stocks for Your Portfolio

Description

One method to ensure market-beating returns is to “fish where others are not.” In investing, we can take this to mean investing in companies that are not often discussed in financial conversations. Of course, this could lead to some difficulties, as some investors may interpret the phrase as investing in anything that people are not discussing. It is still important to choose excellent businesses, regardless of how popular the company may be.

In this article, I will provide two lesser-known dividend stocks for your portfolio.

One of the top value plays in Canada

This is a company that I have been watching for nearly a year for its outstanding valuation. **Equitable Group** ([TSX:EQB](#)) primarily provides residential and commercial real estate lending services. The company also provides personal banking services through its digital brand EQ Bank. The company currently ranks as the ninth-largest independent bank in Canada with over \$25 billion in assets under management.

As mentioned previously, EQ Bank is the company’s personal banking service. It is likely the most well-known segment of Equitable Group’s business among consumers. EQ Bank is notable in that it does not have any physical branches and operates completely online. It is well respected among the financially savvy for providing one of the [highest interest rates](#) among savings accounts in Canada.

Equitable Group is a Canadian Dividend Aristocrat and was included in my article highlighting a select group of stocks that would lay the foundation for an excellent [dividend-growth portfolio](#). The company has managed to raise its dividend for nine consecutive years. As of this writing, Equitable Group has a forward dividend yield of 1.94%. Amazingly its payout ratio only stands at 13.03%, indicating a significant amount of room for growth in the future.

Do you really know this company?

This second company was also mentioned in my older article as a top dividend stock. **Telus** ([TSX:T](#))([NYSE:TU](#)) is one of the leading telecommunications companies in Canada. Its products and services include internet access, voice, entertainment, and healthcare services. The latter is what I will be focusing on in this article, as I feel it does not get as much attention as it should.

TELUS Health is the company's healthcare branch. It offers solutions across many different healthcare industries. For instance, it provides electronic medical record solutions to clinics and physicians. This has been a focus of many up-and-coming health tech companies in Canada. Solutions of this nature will help facilitate patient care and optimize health outcomes.

Even more exciting is TELUS Health's partnership with Babylon Health. Babylon is a U.K.-based company that offers a proprietary telehealth app. Using this app, patients can connect to doctors and other healthcare professionals via text and video messaging. As of 2020, the Babylon and Telus partnership covers more than 4,000,000 users around the world.

Telus is also a Canadian Dividend Aristocrat. The company has successfully increased its dividend distribution for the past 16 years. In addition, it also has a very attractive forward dividend yield of 3.94%.

Foolish takeaway

In this article, I provided examples of two companies that are not well discussed among Canadian investors. Equitable Group is certainly a lesser-known Canadian bank and has a lot of upside. Admittedly, Telus is much more well known, but most investors are focusing on its telecommunications services. However, it is its health segment that investors should take note of. These two companies should make a welcome addition to any dividend portfolio.

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