



3 Top Value Picks to Get the Most Bang for Your Buck

Description

Over the past month and a half, growth stocks have had a [rocky ride](#). For many investors, moving funds into value stocks has provided some much-needed stability. However, it's very difficult to know which stocks to build positions in. In this article, I will discuss three top value picks that will help you provide stability to your portfolio. As an bonus, all three of these stocks also have great growth outlooks moving forward.

Choose this top bank stock

The Canadian banking industry is the first place that investors should consider building positions. The Big Five are some of the most stable companies in the country and have a storied history of performance. Of that group, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) stands out as the best choice. The company has a large international presence in addition to its massive footprint in the Canadian banking industry. As its business outside Canada continues to grow, so will Bank of Nova Scotia and your investment.

The company is listed as a Canadian Dividend Aristocrat, which should make it even more appealing to investors. With a 4.6% forward dividend yield and a 67.7% payout ratio, this is one of the most attractive dividend stocks for your portfolio. Bank of Nova Scotia also trades at a forward P/E of 10, which puts it at a very nice discount at the moment. Finally, a year-to-date performance of 15.3% should be the cherry on top of a very tasty cake.

Looking for an alternative? Consider this financial company

Maybe the Canadian banks aren't something you're very interested in. That's fine. There's another great financial company you should consider that isn't actually a bank. Listed as an alternative financial company, **goeasy** ([TSX:GSY](#)) provides loans to subprime borrowers through its easyfinancial business segment and furniture and durable goods through easyhome. Trading around \$130, some investors may be asking how this could possibly be a good value pick.

Year to date, goeasy has gained an astonishing 34.5%. Yet, its forward P/E stands at 12.5. That's incredibly cheaper than many of the top growth stocks in the market. To make the argument even stronger, goeasy is also a top dividend stock. Another Canadian Dividend Aristocrat, goeasy has managed to raise its distributions more than six times for the past seven years. Today, its payout ratio stands at 20.5%, which suggests that this dividend could keep growing drastically in the future.

One of the best deals in the renewable energy industry

When it comes to recession-proof stocks, the utility sector is usually a safe place to go. Of the utility companies, my personal preference is to invest in renewable energy companies since they have been seeing massive momentum over the past few years. **Algonquin Power** ([TSX:AQN](#))([NYSE:AQN](#)) is one of the top picks in that industry, with a massive presence in North America. Operating a portfolio consisting of renewable wind, solar, hydro, and thermal power assets, this is one company that's well placed for the future.

Algonquin Power claims a cumulative [five-year total return of 141%](#) — very impressive numbers for a company in its industry. The stock has a trailing P/E of 15, which puts it at a much cheaper valuation than its peers. In addition to its excellent value, Algonquin Power is an outstanding dividend payer. With a forward yield of 3.78% and a payout ratio of 44.3%, this is one stock that should find a home in your portfolio.

CATEGORY

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5. TSX:GSY (goeasy Ltd.)

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