INCOME INVESTING

2 Dividend Picks for Income as Interest Rates Fall Post-Brexit

By Amey Stone
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With interest rates around the world falling ever lower after the United Kingdom's Brexit vote — including in the United States– **John Petrides, portfolio manager at Point View Wealth Management,** says dividend stocks are more attractive than ever. He tells *Barron's*:

Brexit has fortified a continued low interest rate environment…So, for investors looking to high dividend paying stocks as a form of income, this the best environment: valuations have been reset, dividend yields are higher, interest rates will remain lower for much longer than anticipated, and with the EU, UK, Japan, all potentially entering a negative rate environment, investors will be forced to buy stocks, because they can't earn any income on bonds and cash.

Petrides has two dividend payers he particularly likes now. Here they are, plus his analysis:

Vodafone (VOD): VOD is more than just a telecom operator. It is based in the UK, but its reach is global. Also, post the sale of Verizon Wireless back to **Verizon** (VZ) in 2014, the company has been diversifying is business model away from being a pure wireless operator and acquiring cable/broadband companies and looking to acquire media companies as well. VOD offers income investors a 5.5% dividend yield at current prices.

Nestle (NSRGY) – NSRGY is one of the largest snack food companies in the world with very strong brands. The stock offers investors a 3% dividend yield, one which has grown 10% annually for the past decade. This Swiss-based company gets 42% of its sales from North America and is the world's largest food and beverage company. Today's rumored acquisition of **The Hershey Company** (HSY) by **Mondelez International** (MDLZ) will help the sentiment of the sector.