3 Safe, Steady Dividend Beauties for Your Portfolio

Description

Today's stock market seems to be anything but safe and steady. Equity markets have crashed, but traditional safe haven assets, such as gold and bonds, continue to get bid up to all-time highs. This creates an environment where many investors rightly have no idea where to put their money to work.

If you want to stay invested, but don't want to take unnecessary risk, I'd suggest these three dividend options.

Brookfield Property Partners

One of my favourite subsidiaries of **Brookfield Asset Management**, **Brookfield Property Partners** is a very reasonable choice for risk-averse investors. There are a few reasons for this. First, the company invests in a diversified portfolio of real estate. In some ways, BPY acts in a similar fashion to a real estate investment trust (REIT). The company, however, has a more active strategic and long-term focus. It also has a corporate structure, of course, rather than a trust structure.

Brookfield Property Partner's 7% dividend yield is nothing shy of amazing for income-oriented investors in the low-yield era we are in, especially with BPY's risk profile.

Pembina Pipeline

Pembina Pipeline (TSX:PPL) is one of the steadiest companies an investor can own in this environment, because it has an extremely stable and diverse income stream. Pembina has some of the best operating metrics of its peers. This is a diversified energy infrastructure play, with impressive cash flow generation, relatively low volatility, and long-term cash flows.

The reason for this impressive array of features is that a high percentage of the company's business is in the nature of contracts with various producers. This creates a level of certainty for its revenue that provides investors with unusual certainty regarding its dividends.

Capital investments will extend Pembina's current capacity, paving the way for dividend increases over time. Pembina's 4.7% dividend yield is attractive in this environment, particularly for long-term investors who are looking for undervalued but safe dividend plays.

Canadian Tire

The retail landscape in Canada, and around the world for that matter, has continued its evolution away from bricks-and-mortar retailers toward online retail. In Canada, specific examples of this tectonic shift could be **Canadian Tire Corporation** (TSX:CTC.A), for the bricks-and-mortar, and e-commerce giant **Shopify Inc.**, for the online model.

The paradigm shift in how the country shops is not slowing down. Given this background, it may come as a surprise to some that Canadian Tire is my suggestion to investors as a safe income option. I would argue that Canadian Tire's 3% dividend yield is safe. It has also been growing at a very impressive clip over the past decade.

There are a few reasons why I think Canadian Tire is a reliable source of dividends. One is the company's product mix. Items such as barbecues, hockey equipment, and lawn furniture are difficult to sell online and expensive to ship. Second is the company's positioning across the country, which it has built up over its many years in business. It would be both difficult and expensive for a competitor to replicate Canadian Tire's footprint today.

Stay Foolish, my friends.

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TICKERS GLOBAL

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2. TSX:CTC.A (Canadian Tire Corporation, Limited)
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Date
2025/07/02
Date Created
2020/03/20
Author
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