Buy These 6 Great Dividend Aristocrats for Stock Portfolio Safety

Description

The **TSX Dividend Aristocrats Index** holds some true gems. Dividend growth is key to a long-term income portfolio. But today, let's focus on the strongest performers during the public health crisis. From utilities to consumer staples, here are six of the very best Canadian stocks for reliable passive income.

Precious metals stocks are solid portfolio strengtheners

There's no silver bullet when it comes to investing. However, there are definitely safer asset types than others. All investments carry a certain amount of risk of one kind or another. One way to reduce that risk, especially capital risk, is to shuffle along the risk spectrum towards safe-haven assets. At the extreme end of that spectrum is gold, a classic play for safety.

There are several ways to invest in gold. Buying actual chunks of the stuff is still popular, though such investments are limited by physical space requirements, among other hamstrings. Investors can alternatively invest in streamers, a play that further reduces risk by cutting back on production liabilities. **Osisko Gold Royalties** is an intermediate royalty company that fits the bill and pays a 1.5% dividend yield.

Then there are the miners themselves. **Franco-Nevada** comes with powerful momentum built in and a solid outlook. A 0.77% dividend yield might not be at the high end of the scale. However, those payments are reliable and have a strong pedigree. This name comes with a high likelihood of surviving whatever the market throws at it, while maintaining regular installments of passive income.

Consumer staples stocks are classically defensive

Layering consumer staples stocks is another surefire way to leaven the risk in a portfolio. **Alimentation Couche-Tard** is a good place to start if you're looking for diversified grocery retailer stocks. This one comes with upside potential and a no-nonsense dividend, currently returning a 0.66% yield. An impressive international presence gives Alimentation scope for expansion and deeper market penetration.

Loblaw is a similar play to Alimentation, though its economic moat in Canada is arguably wider. Operating a range of familiar names from No Frills to President's Choice to Joe Fresh, Loblaw is powerfully diversified. With a history of payment hikes, Loblaw's dividend currently yields 1.9%. A 41% payout ratio leaves plenty of room for additional growth down the years.

Then you have the production arm of the consumer staples play. **Maple Leaf Foods** and **Saputo** (TSX:SAP) both offer key consumer staples exposure to specific industries with some reliable passive income. Wide moats are key when it comes to consumer stocks, and market leaders such as Maple Leaf and Saputo satisfy this criterion.

It's all about the track record when it comes to dividend aristocracy. For instance, Saputo's +20-year history of payment growth indicates an exemplary Dividend Aristocrat. Maple Leaf is a strong buy for investors seeking exposure to meat production, while Saputo is a play for access to dairy markets. The former stock is the slightly richer-yielding name, with a 2.2% dividend. Saputo is hot on its heels, though, with a 2.1% yield.

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