5 Investments You Can't Go Wrong With

Description

There are few (if any) completely fail-safe investments. Even if you choose to invest in bonds, where you have virtually no way of losing money, you may still lose the *value* of your money through inflation and loss of opportunity. But there are safe bets in almost all investment categories, including stocks, and there are five stocks that you can't go wrong with.

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The energy giant

Enbridge (TSX:ENB) is by far the largest energy company in Canada and the largest energy transportation company in North America as well. Its oil and gas pipeline network is extensive and responsible for transporting a significant portion of the total energy needs of the region.

And since mid-stream energy companies do not see as much price fluctuation as upstream or downstream companies (when energy prices rise and fall), it's also a safe choice from a business model perspective, especially compared to most other energy stocks in Canada.

It's an amazing investment choice from a dividend perspective. If your goal for your savings/investment capital is to help you generate an income (active or passive), then it's difficult to go wrong with Enbridge. It's an established aristocrat with generous payouts and a substantial yield (6.65% right now).

A safe utility stock

If you ask a few Canadian retail investors to name five of the safest stocks in Canada, one of the most frequent choices would be **Fortis** (TSX:FTS), and there are at least two reasons why. The first is its position as a utility company and a diverse consumer base.

The company has 10 different utility operations and over 3.4 million electricity and gas consumers. 99% of its services are regulated, which offers it a high degree of financial stability.

This financial stability and a will to reward its investors have resulted in the second reason Fortis is on most Canadian investors' radar: dividend growth. The company is close to growing its payout every year for half a century, making it the second-oldest aristocrat in the country. And even though its capital appreciation is modest at best, the stock has mostly gone up in the last two decades.

A tech stock

A stock with consistent growth potential is rarer compared to a dividend equivalent, but **Constellation Software** (TSX:CSU) is an exception. It has been one of the most stable growers in the TSX for the past two decades and has risen over 1,600% in the last 20 years.

This 80%-a-year growth has not been uniformly consistent, and the stock *has* experienced sizeable dips, but the overall growth has been rock solid (so far).

Choosing a stock like Constellation can also complement the other two choices, as they lean more heavily toward dividends. Adding a stock like Constellation to the mix can help you achieve decent portfolio growth, as its fast pace can effectively help it *pull* the portfolio against slow growers like Fortis and even slower growers like Fortis.

A REIT

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Granite REIT (TSX:GRT.UN) is one of the handful of aristocrats among the Canadian real estate investment trusts (REITs), and it outshines even that select group of investments thanks to its capital-appreciation potential. And even though the stock hasn't been performing up to its pre-pandemic standards, it's an acceptable trend considering the market conditions.

One positive outcome is that you can buy the REIT at a relatively discounted price and lock in a much more attractive yield than the ones it offered in the pre-pandemic years. It's currently undervalued in addition to being discounted, and the "sound" financials are also reflected in a healthy payout ratio supporting its 4% yield.

A telecom giant

Another industry leader you can't go wrong with is **Telus** (TSX:T). There is relatively little competition in the Canadian telecom sector, since the three giants (one of which is Telus) have already muscled out or absorbed potential competitors. And even though Telus is not the top 5G player in Canada, it stands out from its peers for two reasons: operational diversification and a good mix of dividends and growth.

Apart from organic growth in the telecom sector, Telus is heavily investing in other business avenues as well, including digital healthcare and home security. This diversification can result in better financial opportunities and may cushion the company's fall when the telecom sector is buffeted by headwinds.

Foolish takeaway

The five options above, four of which can be classified as blue-chip stocks, offer an amazing combination of safety, dividends, and capital-appreciation potential. Most importantly, they are buy-andforget giants that can help you build wealth over time without you having to exert a lot of energy into investing.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:CSU (Constellation Software Inc.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:FTS (Fortis Inc.)
4. TSX:GRT.UN (Granite Real Estate Investment Trust)
5. TSX:T (TELUS)

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