



## 1 Easy Investing Strategy That Works for Anyone

### Description

Investing can be as complicated as you make it out to be, but it doesn't have to be that way. Some people will have you believe that you must look for signals in the markets or teacups or other odd formations to show on charts before buying a stock. Others might have a list of criteria of what they invest in or a complex algorithm.

However, sometimes the simplest strategy can be the most effective and efficient. While a bank stock like **Toronto-Dominion Bank** ([TSX:TD](#)) ([NYSE:TD](#)) might seem like the conventional option when it comes to investing, it's not the only choice for investors. That's not to say that investing with a big bank like TD isn't a [good option](#), but it lacks diversification and could leave you exposed if we do see a slowdown in the markets.

If home sales decline and we see fewer mortgages, then that could also have a big impact on TD's stock. We've seen how banking stocks overall have not fared too well this year, as investors have been hesitant to invest in financial stocks. Fears of a recession are looming, and while those concerns might be a bit overblown, they certainly have the ability to keep returns down.

Rather than investing in just one stock or industry, the easy approach is just to invest in an exchange-traded fund (ETF) that holds many stocks, allowing investors to get a diversified portfolio all in one investment without having to buy every individual stock.

The **BMO Canadian Dividend ETF** ([TSX:ZDV](#)) is a great option for investors because as the name implies, you'll be able to take advantage of some [great dividend stocks](#). With a yield of around 5% over the past 12 months, it's also a fair bit higher of a payout than you'd earn if you were just investing in TD stock. TD offers a more modest dividend that's usually yielding lower than 4%. However, by investing in a more diverse group of stocks, investors can benefit from higher-yielding payouts as well.

The Canadian Dividend ETF gives investors a very broad spectrum of stocks to invest in. Although the portfolio is made up of more than a third of stocks coming from financial services, it also has communications, utilities and energy having good representation as well. Having such a mix of stocks will ensure that your returns will be comparable to the market and won't go on wild swings due to one

or two stocks having good or bad performances.

## Bottom line

A stock like TD is a great investment on its own, but for investors that want a bit more diversification and more dividends, the Canadian Dividend ETF is an example of how investing can be very simple. And if that one isn't to your liking, there are many other ETFs that you can choose from.

While it might be tempting to pick and choose your own stocks to invest in, an ETF is a very simple strategy that anyone can deploy and earn good returns from over the long term.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:TD (The Toronto-Dominion Bank)
3. TSX:ZDV (BMO Canadian Dividend ETF)

### PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

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### Date

2025/08/26

### Date Created

2019/06/07

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