



TFSA Investors: The 3 Top ETFs to Buy Today for Income and Stability

Description

Exchange-traded funds (ETFs) have exploded in popularity over the last decade, as investors have called for lower fees on passive investments, and the utility of ETFs has increased dramatically.

Nowadays, it seems like there is an ETF for everything, which gives investors ample choices and allows you to gain exposure to many investments and assets that may have otherwise been unavailable previously.

One company that offers investors a number of top choices for ETFs is **Bank of Montreal**.

BMO has a number of high-quality ETFs, and some of the best choices for investors in Canada. From utility and REIT sector ETFs to corporate and government bond ETFs, it seems as though BMO has an ETF for all aspects of the market, and any strategy you can think to employ.

The first ETF to highlight today is **BMO Canadian Dividend ETF** ([TSX:ZDV](#)).

BMO Canadian Dividend ETF

BMO's Canadian dividend ETF is a great way for [passive-income](#) seekers to gain exposure to some of the strongest dividend-paying companies in Canada.

It's ideal because you can gain the exposure while minimizing company-specific risk, or you can do it with just a small amount of capital, that you wouldn't have otherwise been able to diversify adequately.

Some of the top holdings in the fund are **Enbridge**, **Sun Life**, and **National Bank**. It's interesting to note that the top 10 holdings only make up roughly 30% of the fund's assets, meaning it's highly diversified.

Since its low in 2018, it's up more than 20%, and its dividend, which yields roughly 4.4%, is paid out monthly.

It's a top recommendation for any passive-income seeker, especially those who want or need the diversification that it offers.

Another of the top BMO ETFs to buy today is **BMO Low Volatility Canadian Equity ETF** ([TSX:ZLB](#)).

BMO Low Volatility Canadian Equity ETF

The ZLB is an ideal ETF for investors seeking to lower their portfolio's overall volatility, especially since uncertainty in the markets has been heating up lately.

The company holds a number of stable and low-risk stocks such as **Emera**, **Hydro One**, and **Intact Financial**. Like the dividend ETF, its top 10 holdings account for only 30% of its assets, which is to be expected, especially from a low-volatility ETF that's designed to create stability for your portfolio.

During last year's market selloff toward the end of the year, the S&P/TSX Composite Index fell roughly 15%, while the ETF only lost a little less than 10% of its value. This is a clear indication of the protection it offers to the downside and risk it minimizes for investors.

Due to its purpose and how well it is managed and put together, ZLB is probably the most ideal ETF to buy right now, as volatility continues to be at risk of heating up.

The last ETF to consider buying today is **BMO Equal Weight REITs Index ETF** ([TSX:ZRE](#)).

BMO Equal Weight REITs Index ETF

ZRE is a great investment for those looking to gain exposure to the hot Canadian real estate sector.

It has exposure to all the main real estate sub-sectors and is ideal for those who want to minimize their risk but want exposure to the entire sector as a whole, which has performed extremely well the last decade.

Since its inception in 2010, the fund is up over 60% while also providing steady monthly dividends. Today, the dividend yields roughly 4.1%, which is pretty attractive to find in the real estate industry.

On top of an attractive 4.1% dividend, you know that it's more stable than any single company, so it's almost a risk-free way to earn that 4%, by funding real estate companies and projects across Canada.

The fund, due to it being only real estate, has fewer total stocks, but besides the heavy exposure to real estate, it's well diversified as an equal-weight ETF.

Bottom line

Investing in ETFs is a great way to gain exposure to a certain asset or industry while providing solid diversification for yourself and minimizing your risk.

BMO has a lot more ETFs to consider as well; these are just some of the top ones to think about buying today.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:ZDV (BMO Canadian Dividend ETF)
2. TSX:ZLB (Bmo Low Volatility Canadian Equity ETF)
3. TSX:ZRE (BMO Equal Weight REITs Index ETF)

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