



TFSA Investors: 3 ETFs That Could Set You up for Life!

Description

Being financially comfortable doesn't mean you just have to put money aside for saving; you also need to invest it. That's why many Canadians have become investors in Tax-Free Savings Accounts (TFSAs). By investing in Canadian stocks in a TFSA, you get access to tax-free income to build your wealth.

But finding the right investments can be a challenge. In fact, it could actually damage your financial goals if you choose riskier options. That's why choosing exchange-traded funds (ETFs) is such a great option. You can invest in your long-term goals and just have to invest on a consistent basis.

So, here are three options that could set you up for life.

A growth ETF

Just because you're investing safely doesn't mean you have to get rid of growth. **Vanguard Growth ETF Portfolio** ([TSX:VGRO](#)) targets growth stocks specifically. While it might get a bit more hit than other ETFs when there are downturns, the company invests in Canadian stocks that, over time, will see immense growth.

If you're young, this is one of the best stocks to set you up for life. You can manage a bit of risk, since you won't need cash from your TFSA for years to come, most likely. So, if you have decades to invest, the risk is [minimal](#). And even still, looking at this ETF and its performance in the last three years should have you convinced. Even during a pandemic and economic downturn, the stock has seen share growth of 30% in the last three years.

A top TSX ETF

Now if you want access to the **TSX** but don't have the funds, that's where an ETF like **Horizons SP/TSX60 Index ETF** ([TSX:HXT](#)) comes into play. The company simply invests in the top 60 stocks on the TSX Composite. How does it choose, you ask? That's where the [real benefit](#) comes in for your

TFSA.

Whereas other companies use ETF managers to make their selections, Horizons uses artificial intelligence to choose its top stocks. That leaves the gut choice out and focuses solely on data. It also has the added benefit of reducing management fees to a fraction of its competitors. And it seems to be working! Shares in this ETF are up 33% in the last year alone and 102% in the last decade!

A dividend ETF

Now that you've got solid growth, the perfect TFSA portfolio should also include dividends. Some of the best ETFs out there come from Canadian banks, and that's why I would look at **BMO Canadian Dividend ETF** ([TSX:ZDV](#)). The company currently offers a dividend yield of 4.33% after it was recently boosted.

But it's not like you won't get share growth from Canadian stocks like this. This ETF has seen shares grow 44% in the last year alone! So, you're paying for not just share growth but dividends to reinvest as well. And again, holding Canadian stocks like this for the long term means you have even more opportunity to collect wealth — all while keeping your cash in secure options.

CATEGORY

1. Investing
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TICKERS GLOBAL

1. TSX:HXT (Horizons S&p/tsx 60 Index ETF)
2. TSX:VGRO (Vanguard Growth ETF Portfolio)
3. TSX:ZDV (BMO Canadian Dividend ETF)

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