



## TFSA Investors: 2 Top ETFs to Buy in 2022

### Description

The contribution limit for your Tax-Free Savings Account, or TFSA, in 2022 stands at \$6,000, taking the cumulative contribution room to \$81,500. A registered account, the TFSA allows you to benefit from tax-free withdrawals, making it an ideal account to hold high-risk instruments such as equities.

Investors with a high-risk appetite and a long-term horizon should focus on building a robust equity portfolio. It can be done by purchasing [exchange-traded funds](#), or ETFs, that hold a basket of growth stocks.

Investing in ETFs will allow you to benefit from portfolio diversification that, in turn, depends on your risk tolerance and other preferences. Let's see two top-quality ETFs investors can buy today.

### iShares S&P/TSX Capped Information Technology ETF

One of the top-performing ETFs in Canada is **iShares S&P/TSX Capped Information Technology ETF (TSX:XIT)**, which has returned 700% in the last 10 years compared to the **S&P 500 ETF**, which is up "just" 337% since January 2012. The ETF provides you with targeted exposure to Canada-based information technology companies.

The ETF allows you to gain access to 24 of the largest tech companies in Canada with a management fee of 0.55% and a management expense ratio of 0.61%. The top holdings of the fund include **Constellation Software**, **Shopify**, **CGI**, **Open Text**, and **Descartes Systems Group**, which account for a cumulative 76.6% of the fund.

In the past decade, tech stocks have crushed broader market returns, creating significant investor wealth in the process. This trend is likely to continue going forward, given these companies will benefit from multiple secular tailwinds in 2022 and beyond.

A report from Research and Markets forecast the global information technology market to expand at an annual rate of 9% through 2025 to touch almost US\$12 trillion.

Despite its stellar returns, the XIT ETF is down 22% from all-time highs, allowing you to buy the dip. Investors are worried about the steep valuations surrounding growth stocks, in addition to the threat of rising interest rates and the emergence of the Omicron variant.

## Grizzle Growth ETF

An ETF that is flying under the radar, **Grizzle Growth ETF** (NYSE:GRZZ) [aims to seek](#) long-term capital appreciation by purchasing shares of companies focused on growth and innovation. It primarily looks to identify future leaders in verticals such as cloud computing, digitization, energy transition, and others. Right now, the Grizzle Growth ETF provides investors exposure in 12 subsectors.

The ETF ended 2021 with 58 holdings with a beta of 1.12. The average forward price-to-sales multiple of these companies is reasonable at 3.4 times, while the forward EV/EBITDA multiple is also attractive at 20.1 times.

The top 10 holdings of the ETF include the following:

- **Mastercard:** 6.63%
- **Alphabet:** 5.76%
- **Meta:** 5.65%
- **Visa:** 5.45%
- **Royal Dutch Shell:** 4.66%
- **Airbnb:** 4.6%
- **BHP Group:** 3.6%
- **MongoDB:** 2.71%
- **CVS Health:** 2.61%
- **Netflix:** 2.61%

The Grizzle Growth ETF charges a management fee of 0.75% and is a recently launched fund.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. TSX:XIT (iShares S&P/TSX Capped Information Technology Index ETF)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News

8. Yahoo CA

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