



3 TSX ETFs to Buy for Big Dividends

Description

Dividend-paying exchange-traded funds (ETFs) are excellent investment options for passive investors. Apart from [instant diversification](#), would-be investors earn in two ways, through capital appreciation and regular income.

Allow me to present three awesome TSX ETFs you could buy in February 2022 for higher yields. Note that the dividend frequency is monthly.

Yield-weighted portfolio

The **Bank of Montreal's** Global Asset Management team designed the **BMO Canadian Dividend ETF** ([TSX:ZDV](#)) for investors looking for income and growth solutions. Prospective investors gain exposure to high-yield Canadian stocks. If you invest today, the share price is \$20.20 (+0.65% year-to-date), while the dividend yield is 3.84%.

Performance-wise, ZDV's total return in the last three years is 43.83% (12.85% CAGR). Currently, the net asset is worth \$800.38 million, with 51 stock holdings in the portfolio. This ETF carries a medium risk rating.

The asset manager utilizes a rules-based methodology to rebalance the portfolio every June. When investing in TSX stocks, it considers the three-year dividend growth rate, yield, and payout ratio. Likewise, the securities must pass the liquidity screen process.

[Financial stocks](#) comprise 40.38% of the total holdings, followed by energy (13.86%), and utilities (12.48%). The top four stocks (at least 5% of the total portfolio) are **RBC**, **BNS**, **TD**, and **BCE**.

Long-term foundational holding

BlackRock's iShares S&P/TSX Composite High Dividend Index ETF ([TSX:XEI](#)) seeks long-term capital growth by replicating the S&P/TSX Composite High Dividend Index's performance. Besides the

low cost, the asset manager says this ETF is a long-term foundational holding.

Currently, iShares is well-known in the ETF marketplace for more than 20 years. In three years, the fund's total return is 50.76% (14.64% CAGR). At \$25.92 per share, you can partake of XEI's 3.77% dividend. There are 76 holdings in the basket today, although BlackRock rebalances the portfolio every quarter.

On exposure breakdown, energy stocks account for 31.02% of the total portfolio, with the constituents from the financials (30.33%) and communication services (14.09%) sectors round out the top three. The top five holdings are **Canadian Natural Resources**, RBC, **TC Energy**, **Suncor Energy**, and **Enbridge**.

BlackRock, through iShares Canada, uses an investor-driven approach. The relentless focus on building innovative solutions should help investors reach their financial goals.

High-yield Canadian stocks

Vanguard Equity Index Group is the asset manager of **Vanguard FTSE Canadian High Dividend Yield Index ETF** ([TSX:VDY](#)). Like ZDV and XEI, this dividend ETF is a [steady performer](#). In the last three years, VDY's total return in 3.01 years is 57.24% (16.25% CAGR). As of January 25, 2022, the share price is \$44.59, while the dividend yield is 3.83%.

This ETF seeks to track the performance of a broad Canadian equity index. The index measures the investment return of common stocks of Canadian companies. Their common feature is the high dividend yield. Currently, it tracks the FTSE Canada High Dividend Yield Index. It invests primarily in common stocks of Canadian companies that pay dividends.

Vanguard is one of the world's largest asset managers and implements a passively managed, fully-replicated index strategy. Would-be investors can expect exposure to large-, mid-, and small-cap Canadian stocks across all industries. This above-average risk ETF with 39 holdings lean towards the financials (58.8%) and energy (21.9%) sectors.

Stay invested

Another advantage of investing in dividend ETFs is that you can ride out any price volatility and stay invested for the long term.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:XEI (iShares S&P/TSX Composite High Dividend Index ETF)
2. TSX:ZDV (BMO Canadian Dividend ETF)

PARTNER-FEEDS

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

PP NOTIFY USER

1. cliew
2. jguest

Category

1. Dividend Stocks
2. Investing

Date

2025/06/30

Date Created

2022/01/28

Author

cliew

default watermark

default watermark