



1 Canadian Dividend Aristocrat ETF That TFSA Investors Need to Check Out!

Description

TFSA investors should embrace the recent bout of market [volatility](#). While the correction may extend or even evolve into a full-blown bear market, one must not wait for stocks that are already at prices they'd be willing to buy at. Indeed, there's no guarantee that you'll catch a market bottom. In fact, unless you can see the future, it's virtually impossible to get in at the absolute bottom.

Don't chase market bottoms: Prepare accordingly and be ready to pick up value as it arrives!

Any attempt to do so could lead you chasing stocks at much higher prices once a bounce occurs. Although it can feel foolish (that's a lower-case f) to see your recent buys down by 5%, 10% or even 20% after you've bought, long-term investors need not fret. Indeed, short-term fluctuations are less meaningful as far as the bigger picture is concerned. And when it comes to your TFSA, you should think many years down the road and view this recent market pullback as just a chance to top up the companies you've been itching to buy more of.

Remember, it's easy to say you wish you could get better prices, but when the better prices arrive alongside market-wide pain, it's tempting to postpone purchases and lower the bar further in an attempt to get even better prices! Indeed, the 2020 stock market crash showed us that sometimes you need to buy something, even if you just know that you'll regret it the next day or week. It doesn't really matter what the next couple of trading sessions will serve up if you're a true long-term investor. In this piece, we'll have a look at one Dividend Aristocrat ETF for TFSA investors who want to capitalize on the pain that's already in the rear-view mirror at this juncture.

The Dividend Aristocrat ETF was made for tough times like these!

Consider **iShares S&P/TSX Canadian Dividend Aristocrats Index ETF** ([TSX:CDZ](#)), or the CDZ for short. The ETF holds some of the highest-quality Canadian stocks and REITs that have a pretty long

track record of continuously raising the bar on [payouts](#). Indeed, Dividend Aristocrats are a rare breed, and the CDZ does a pretty decent job of capturing some of the better ones.

The one major drawback of the ETF is the hefty MER (management expense ratio), which sits at around 0.6%. That's high for an "index fund." Still, given the calibre of dividend payers you're getting out of one investment, I'd argue that the price of admission is worthwhile, especially if you're a TFSA investor who's accustomed to high-fee mutual funds in excess of 1-2%.

The bottom line for Foolish TFSA investors

The CDZ ETF has done a remarkable job of holding its own amid this selloff, thanks to its perfect mix of dividend studs. As shares fall closer towards a 5% decline, I'd look to top up on the name if you're a TFSA investor who wants to play it safe and straightforward.

Stay Foolish, my friends.

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1. TSX:CDZ (iShares S&P/TSX Canadian Dividend Aristocrats Index ETF)

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