



Want to Protect Your Capital? 3 Low-Volatility ETFs to Buy Now

Description

Lately, there has been a tonne of [volatility](#). Many stocks have been selling off, and trading days have been wild, as investors rebalance their portfolios. So, if you're a risk-averse investor, it's crucial to find the best ETFs to buy now.

Some of the most impacted stocks have been higher-risk [growth stocks](#). In contrast, high-quality [large caps](#) with established businesses have fared much better.

Low-volatility stocks are excellent investments for several reasons. First off, these companies are some of the highest quality and most established businesses. That means you can have confidence owning them for years and won't have to worry about selling them.

They should earn strong cash flow for years, and most will pay excellent dividends. Because of all these qualities, few investors want to sell them, especially when markets are [correcting](#). And because few investors are selling these stocks, they don't fall in price with the rest of the market, which, consequently, makes more investors want to own these stocks.

So, if you're looking to add low-volatility investments to your portfolio, here are three of the best ETFs to buy.

One of the best ETFs to buy now

If you're concerned about the recent volatility in markets and want to protect your capital, one of the best ETFs to buy now is **BMO Low Volatility Canadian Equity ETF** ([TSX:ZLB](#)).

The ZLB is low cost, offers a distribution [yield](#) of 2.5% and has \$3 billion in assets, making it a highly liquid investment. The fund offers exposure to well-known Canadian stocks in the financial services, utilities, and consumer staples sectors, specifically.

This allows it to offer an exceptionally safe distribution and keeps the fund from seeing much volatility, even when the market is selling off. So, if you're a risk-averse investor that's concerned with the

volatility lately, the ZLB is one of the best ETFs to buy now.

Similarly, if you're an investor that likes to have exposure to the American markets, a very similar [ETF](#) but one that holds American companies is **BMO Low Volatility US Equity ETF (CAD)** ([TSX:ZLU](#)). As you can imagine, the ZLU is quite similar to the ZLB. However, one noticeable difference is that its current yield is just 1.8%.

However, much like the ZLB, it's still an excellent way to invest in the stock market while buying the highest-quality companies that can protect your capital.

A top Canadian Dividend Aristocrats ETF

Another option investors could consider is an ETF that offers exposure to the highest-quality companies in Canada, such as **iShares S&P/TSX Canadian Dividend Aristocrats Index ETF** ([TSX:CDZ](#)).

Canadian Dividend Aristocrats are high-quality companies with established operations that are not just consistently paying out their dividends, but they are consistently increasing them each year, too.

So, on top of the fact that these are excellent stocks to own for years, you know they are highly reliable and safe businesses if they can continue to pay out more cash to investors each year.

Plus, like the ZLB, in addition to being a low-volatility investment, it also offers an attractive yield of more than 3.1%. So, if you're looking to protect your capital, the CDZ is certainly one of the best ETFs to buy now.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. TSX:CDZ (iShares S&P/TSX Canadian Dividend Aristocrats Index ETF)
2. TSX:ZLB (Bmo Low Volatility Canadian Equity ETF)
3. TSX:ZLU (Bmo Low Volatility Us Equity ETF)

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