



## 2 of the Best Canadian ETFs to Buy to Protect Your Capital

### Description

As we've seen over the last few months, owning investments that can both protect and grow your capital is crucial. Many of the high-growth investments that have been top performers in recent years are now underperforming. So, therefore, some of the best Canadian ETFs to buy now will offer exposure to highly resilient Canadian companies.

[ETFs](#) already offer investors several advantages, with instant diversification being one of the most significant. So if you're worried about the current market environment or are just looking to add more defence to your portfolio, here are two of the best Canadian ETFs to buy now.

### An ETF made up of the best Canadian dividend stocks to buy

Some of the best stocks to own when risk and uncertainty in markets are rising are high-quality dividend stock, as evidenced by their performances lately.

That's why one of the best Canadian ETFs to buy in this environment is the **iShares S&P/TSX Canadian Dividend Aristocrats Index ETF** ([TSX:CDZ](#)).

Canadian dividend aristocrats, as most investors know, are dividend stocks that are not just consistent and reliable, but they are stocks that constantly increase their dividends each year.

Because they are so reliable, and because they offer the potential for investors to earn money even if there's a recession or bear market, they perform well during times of uncertainty. And because they are less volatile than the market, even if they don't gain in value, they will offer better protection for your capital.

The ETF is currently made up of stocks from every Canadian sector except for health care, with financials, real estate and energy being the three with the heaviest weightings.

And with the fund holding plenty of high-quality and well-known stocks, such as the \$100 billion energy giant **Enbridge**, you know you're gaining exposure to some of the most resilient and best dividend

stocks in Canada.

After slightly gaining some value over the last month, the ETF now offers investors a current [yield](#) of 3.1%. And considering that it will help to protect your capital, and each of these stocks will be aiming to grow their dividends each year, that's an attractive yield that should only continue to increase.

So if you're looking to buy safe and reliable Canadian ETFs, there's no question that the CDZ is one of the best to buy now.

## A low volatility ETF

In addition to an ETF full of high-quality dividend stocks, some of the best Canadian ETFs to buy now will be made up of low-volatility stocks. In general, a lot of these companies will be similar businesses and operate in similar industries.

As I noted above, high-quality dividend stocks are some of the safest businesses you can own. And because the demand for these stocks increases when risk and uncertainty pick up, they tend to be a lot less volatile than higher-risk stocks that can quickly fall out of favour.

So if you're looking for some of the top Canadian ETFs now, the **BMO Low Volatility Canadian Equity ETF** ([TSX:ZLB](#)) is one of the best to consider.

It, too, has unsurprisingly gained in value over the last month as the demand for safer investments grows. And just like the Canadian dividend aristocrat ETF, the heaviest sector weighting is to financials. However, the second and third largest sectors the ETF offers exposure to are consumer staples and utilities, two of the safest sectors you can invest in.

Therefore, it offers even more defence, and with a current yield of 2.45%, slightly less passive income.

So if you're looking to ultimately protect your capital and buy high-quality stocks that will slowly gain in value and return you passive income, the ZLB is one of the best Canadian ETFs to buy now.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

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

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