



## 3 Dividend-Paying ETFs Canadians Can Buy in 2022

### Description

The Canadian stock markets witnessed the worst selloff in more than two years last Friday due to a sharp decline in energy prices. The **S&P/TSX 60** index fell 6.6% last week, recording the largest drop since the pandemic-driven selloff in March 2020.

Oil prices plunged in recent days following the Fed's monumental rate hike. Also, concerns surrounding the potential 75-basis-point rate hike by the Bank of Canada have impacted equities, with money market experts predicting a 75% chance of approval.

While Canadian stocks have performed better than their counterparts south of the border, the markets continue to remain volatile. Though the Canadian equity market is not currently in bear market territory, analysts are predicting a market downside going forward, given fluctuating energy prices and aggressive rate hikes.

Dividend-paying ETFs, or [exchange-traded funds](#), can hedge the risk of such rampant fluctuations. Not only can you diversify your portfolio through ETFs, but you also generate passive income. Another benefit of such ETFs is the dividend tax credits.

## iShares Canadian Financial Monthly Income ETF

**iShares Canadian Financial Monthly Income ETF** ([TSX:FIE](#)) aims to maximize an investor's total returns as well as distribute stable dividend payouts on a monthly basis. The ETF primarily invests in Canadian financial services companies and related ETFs.

With more than \$870 million in net assets, FIE's total return over the past three years is 10.71% (as of May 31, 2022). As the name suggests, the ETF distributes dividends every month.

FIE's top holdings include shares of **Royal Bank of Canada**, **Toronto-Dominion Bank**, **iShares S&P/TSX Canadian Preferred Share Index ETF**, and **Power Corporation of Canada**. These holdings have a combined weightage of 43.58% in FIE.

FIE distributed \$0.04 per share on June 17, 2022, yielding 6.97% on the prevailing price.

## Vanguard Canadian High Dividend Yield ETF

With \$1.792 billion worth of assets under management (as of June 10), **Vanguard Canadian High Dividend Yield ETF** ([TSX:VDY](#)) is one of the most popular dividend ETFs in Canada. It is a passively managed ETF that seeks to replicate the performance of the benchmark FTSE Canada High Dividend Yield Index.

The ETF's stock price has risen 21.31% over the past year and 9.19% year to date. In fact, VDY gained 2.72% over the past month, outperforming the benchmark index's 2.66% returns.

The ETF has invested 54.1% of its total funds in the financial sector and 28.4% in the energy sector. It has substantial investments in **Royal Bank of Canada**, **Enbridge**, and **Canadian Natural Resources**.

The ETF distributes dividends monthly. It paid \$0.14 per share to investors on June 7, yielding 3.64%. In addition, VDY's 12-month trailing yield is 3.46%, as of May 31.

## iShares S&P/TSX Composite High Dividend Index ETF

**iShares S&P/TSX Composite High Dividend ETF** ([TSX:XEI](#)) is a low-cost passively managed index tracking the benchmark S&P/TSX Composite High Dividend Index to generate capital growth and pay monthly dividend income to shareholders. More than 30% of its investments are in the financials sector, followed by 28.20% in the energy sector, and 13.61% in the utilities sector.

It has 75 stocks in its portfolio (as of June 17, 2022), which are rebalanced quarterly. XEI's top holdings include **Barrick Gold**, **Suncor Energy**, and **Bank of Nova Scotia**. The ETF also has impressive sustainability characteristics, as evident from its MSCI ESG Fund Rating of AAA. The ETF's latest dividend payout was on June 17, 2022. It paid \$0.08 to shareholders, indicating a 3.94% distribution yield. XEI's 12-month trailing yield is 3.83%.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:FIE (iShares Canadian Financial Monthly Income ETF)
2. TSX:VDY (Vanguard FTSE Canadian High Dividend Yield Index ETF)
3. TSX:XEI (iShares S&P/TSX Composite High Dividend Index 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. araghunath
2. kduncombe

#### **Category**

1. Dividend Stocks
2. Investing

#### **Date**

2025/07/19

#### **Date Created**

2022/06/21

#### **Author**

araghunath

default watermark

default watermark