



5 Top Canadian ETFs to Buy in 2021!

Description

One of the best investment vehicles Canadian investors have at their disposal are [exchange-traded funds \(ETFs\)](#). Depending on what kind of fund you buy, ETFs offer several advantages.

You can invest in them passively, or you can actively choose which ETFs you want to buy. This is ideal, because you can decide which industries you want to invest in, without having to do all the research of looking up each company.

Plus, because they generally charge low fees, it's a great idea for retail investors. So, if ETFs sound like they could be beneficial for you, here are five of the top Canadian ETFs to buy today.

Index ETF

First off, some of the ETFs that almost every investor should own are index funds. For Canadians, that means buying stocks like the **iShares S&P/TSX 60 Index ETF** ([TSX:XIU](#)).

The XIU will give you exposure to 60 of the largest Canadian stocks, spread across every sector, in the convenience of one investment fund.

That's why it's such an ideal investment for the majority of investors. By holding a basket of stocks, it offers a solid mix of growth and income. Currently, the dividend yields roughly 3%.

So, if you're looking for a broad investment that can track the markets, the [XIU is a top choice](#).

S&P 500 ETF

If index investing seems like something you might be interested in, consider complementing the XIU with the **iShares S&P 500 Index ETF (CAD Hedged)** ([TSX:XSP](#)).

The one thing the XIU lacks is diversification outside Canada. By investing in the XSP, Canadians can continue to gain exposure to the broader market but also diversify away from Canada.

The S&P 500 is one of the most popular stock indices in the world, so owning XSP is already an attractive investment. But if you're considering the XIU, then you should definitely be looking at the XSP as well.

Canadian gold ETF

Index ETFs are great, but oftentimes investors may want an ETF that's more concentrated to a single sector. If that's what you're looking for, one of the top recommendations I would make right now is the **iShares S&P/TSX Global Gold Index ETF** ([TSX:XGD](#)).

The current market environment is ripe with a tonne of risk and uncertainty. At the same time, interest rates are low, and tonnes of stimulus has been added to economies all over the world. This makes gold an ideal asset to buy in this environment, which is why the XGD is one of the top Canadian ETFs to buy today.

The fund gives investors exposure to several high-quality gold miners. This both leverages your returns to the price of gold as well as eliminates single-stock risk.

Canadian energy ETF

Another industry ETF that would be a great choice right now is the **iShares S&P/TSX Capped Energy Index ETF** ([TSX:XEG](#)).

Energy is one of the most undervalued industries as a result of the pandemic. This makes the XEG one of the most attractive Canadian ETFs to buy today.

As the economy emerges from the pandemic and the energy sector rebounds, two things will happen. Investor sentiment will return, giving these energy companies higher valuations at the same time the companies start to perform better.

That gives investors of the XEG major potential, especially when you consider it's still trading down more than 30% where it was a year ago.

Bitcoin fund

Lastly, if you've ever considered investing in Bitcoin, you can do it these days through **The Bitcoin Fund** ([TSX:QBTC.U](#)).

The Bitcoin Fund allows investors to buy units of the fund to gain exposure to Bitcoin. Each unit gives investors roughly 0.0011 BTC. This is a much easier way of buying Bitcoin compared to traditional methods. Plus, you can hold it in an investment account like the TFSA, which has several benefits.

[Bitcoin](#) is still highly volatile and very risky, though. So, the fund should only be for investors who are sure they can stomach the volatility and are taking a long-term investing approach.

Bottom line

These days, there is a Canadian ETF for almost any investment sector or industry you can think of. These investment vehicles offer significant benefits. And if you think they may be for you, these five are some of the best you can buy today.

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TICKERS GLOBAL

1. TSX:QBTC (The Bitcoin Fund)
2. TSX:XEG (iShares S&P/TSX Capped Energy Index ETF)
3. TSX:XGD (iShares S&P/TSX Global Gold Index ETF)
4. TSX:XIU (iShares S&P/TSX 60 Index ETF)
5. TSX:XSP (iShares Core S&P 500 Index ETF (CAD-Hedged))

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