



Worried About Stock Market Volatility? 1 Easy Way to Get Started Investing Today

Description

Investing in the stock market can be intimidating, especially during periods of heightened volatility. While some people can get lucky to start and see big gains, there are always the horror stories of investors losing their life savings.

Luckily, though, these scenarios rarely happen, and there are several ways to ensure your money is not only safe, but that it grows at an attractive pace.

These days investing is almost as simple as saving. While most investors will elect to spend some time building their portfolio and choosing their stocks, that's not necessary.

These days, investors have several tools at their disposal to take advantage of. This will make investing easier, safer, and less time-consuming.

One of the best ways to do this is by utilizing exchange-traded funds. There are various exchange-traded funds to choose from, but some of the very best for beginners are [index funds](#).

Worried about stock market volatility? Invest in index funds

One of the easiest ways for investors to get started investing in the stock market, regardless of the volatility, is by taking a position in a low-cost index fund.

One of the most popular ETFs for Canadian investors to gain exposure to the top stocks in Canada is through **iShares S&P/TSX 60 Index Fund** ([TSX:XIU](#)).

The TSX 60 Index consists of 60 of the largest [Canadian stocks](#). More importantly than just giving investors exposure to these 60 different stocks, which would be decent diversification, the XIU ETF also gives investors exposure to all 10 industries.

This is crucial, because it's one of the easiest and best investments you can make. Not only are you

minimizing risk by gaining exposure to all of these stocks, but because they are in different industries, your money is well protected. This is ideal, especially during periods of heightened stock market volatility.

If one industry lags the rest, the exposure you have from the rest of your stocks will help offset the underperforming businesses. This is similar to how energy stocks took longer to recover from the coronavirus pandemic than almost every other industry.

What's also so attractive about the XIU ETF is that the companies you gain exposure to are not just some of the biggest; they are also some of the top businesses. Iconic Canadian stocks such as **Enbridge** and **Shopify** are among the incredible stocks you can gain exposure to with the XIU.

Once you have gotten your feet wet with index funds, though, it's time to diversify your investments even further.

Diversify your investments with index funds

Diversifying among Canadian stocks is important. However, it's crucial investors also buy foreign stocks as well. Exposing yourself only to Canadian stocks leaves you exposed to stock market volatility in Canada.

That's why another highly popular ETF for Canadian investors is **iShares S&P 500 Index ETF (CAD-Hedged)** ([TSX:XSP](#)). The XSP gives investors exposure to some of the top companies from the S&P 500. Furthermore, because it's hedged for Canadian dollars, you don't need to worry about exchange rate risk.

This makes the XSP another great buy for investors looking to protect themselves from stock market volatility. The American stock market is much more broad and features massive companies with operations all over the world.

So, while owning Canadian stocks is important, you're going to want exposure to the highest-quality U.S. stocks as well.

Bottom line

Index funds are a handy tool for investors of all experience levels, but especially for beginners. They offer great diversification, which will help stabilize your portfolio and protect you from stock market volatility.

Plus, you can complement these index funds with high-potential investments as well, such as growth stocks. This way, the index funds can protect the bulk of your portfolio and ensure your hard-earned money is safe. At the same time, though, you have exposure to major growth potential.

CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

TICKERS GLOBAL

1. TSX:XIU (iShares S&P/TSX 60 Index ETF)
2. TSX:XSP (iShares Core S&P 500 Index ETF (CAD-Hedged))

PARTNER-FEEDS

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