



Canadians: Here Are 3 Top ETFs for Growth Investors

Description

[ETFs](#) are some of the best tools investors have in today's markets. Whether you're buying Canadian dividend stocks, value stocks or growth stocks, using ETFs can help you achieve proper diversification and balance in your portfolio.

Investing is all about finding the right balance. You need to balance risk vs. reward, growth vs. defence, and even factors like the geographic locations of your investments, all to make sure you have adequate diversification in your portfolio.

That balance you find will all depend on your risk tolerance and other personal preferences you have regarding investing.

ETFs are ideal, because they can balance a lot of your portfolio for you. For example, say you want to buy a growth ETF. All of the stocks will be growth stocks, sure, but you can diversify the businesses and industries and even the countries in which those companies are located.

This is why ETFs can be so useful, especially since they are low-cost investment vehicles and give you exposure to so many businesses with little or no commission costs.

So, if you're a growth investor looking for a high-potential ETF to buy today, here are three to consider.

A top Canadian tech ETF

There's no question that tech companies are some of the best growth stocks you can buy. So, if you're looking for a Canadian ETF that can offer you significant growth potential, you may want to consider **iShares S&P/TSX Capped Information Technology Index ETF** ([TSX:XIT](#)).

This tech ETF is ideal for growth investors, since it offers exposure to some of the top Canadian tech stocks, such as **Constellation Software** and **Shopify**.

These stocks offer immense growth potential. However, because they trade with significant premiums,

they tend to have more volatility.

By investing in this top Canadian growth ETF, though, you can mitigate some of that company-specific risk as you gain exposure to 19 of Canada's top tech stocks. That diversification doesn't necessarily impact performance, though. Over the past five years, investors have seen a more than 300% return from the Canadian growth ETF.

And with a management expense ratio of just 0.6%, it's a cost-effective way to gain exposure to all these high-quality stocks.

A top Canadian dividend-growth ETF

In addition to owning Canadian tech stocks, you may also want to consider a top dividend-growth ETF. Dividend Aristocrats are some of the best stocks you can buy, so an ETF like **iShares S&P/TSX Canadian Dividend Aristocrats Index ETF** ([TSX:CDZ](#)) is a great choice today.

With the dividend-growth ETF, investors can gain exposure to a variety of the best Canadian growth stocks. These will range from highly defensive businesses that offer consistent growth and attractive yields to stocks that pay only small dividends but have grown their operations rapidly in recent years.

Owning a portfolio of Dividend Aristocrats is the perfect long-term investment. Plus, the fund is well diversified by industry.

So, if you're looking for a top Canadian ETF to buy, investing in dividend-growth stocks is never a bad idea.

A high-potential gold ETF

Lastly, if you're looking for an ETF with significant capital gains potential, you may want to take a position in **iShares S&P/TSX Global Gold Index ETF** ([TSX:XGD](#)).

In the current market environment, [gold](#) is one of the cheapest assets you can buy. So, if you're a Canadian growth investor, you may want to take advantage and buy this top ETF, which is leveraged to the price of gold.

Not only can the precious metal play a role in your portfolio as a long-term investment, but there might not be a better time to invest than today.

The XGD is currently trading more than 30% off its 52-week high. And, as I'd mentioned before, when gold starts to rally, the ETF has significant growth potential. During gold's rally in 2020, the yellow metal gained roughly 35% from mid-March to the beginning of August. In comparison, the XGD rallied by more than 85%.

So, if you think your portfolio could use some gold and you want to take advantage of these ultra-cheap prices, a top Canadian ETF like the XGD could offer significant growth potential over the coming months.

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2. TSX:XGD (iShares S&P/TSX Global Gold Index ETF)
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Author

danieldacosta

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