



The 3 Best ETFs for High Growth in Canada

Description

According to **National Bank of Canada**, the \$53 billion total inflows into the [exchange-traded fund \(ETF\)](#) market in 2021 shattered previous records. The figure was 28% higher than in 2020.

Among the top ETFs with inflows of more than \$1.17 billion are **BMO S&P/TSX Capped Composite Index ETF (TSX:ZCN)**, **Vanguard Growth ETF Portfolio (TSX:VGRO)**, and **TD Global Technology Leaders Index ETF (TSX:TEC)**.

ETFs are exciting options for hands-off investors or those seeking instant diversification. Moreover, investing in ETFs doesn't require in-depth research like buying [individual stocks](#). This asset class trades like stocks, although you won't own the underlying assets inside the fund provider's basket of assets.

Growth solutions

BMO S&P/TSX Capped Composite Index ETF, or ZCN, replicates, to the extent possible, the performance of the S&P/TSX Capped Composite Index (minus expenses). If you look at investments in the fund, the proportion of the Constituent Securities of the Index are the same as the Index itself.

Over 200 top-ranked Canadian stocks are inside the basket, representing approximately 95% of Canada's equity market. All constituent securities must pass the minimum float-adjusted and liquidity screens before qualifying and maintaining membership in the Index.

According to BMO Global Asset Management, the ETF's manager, ZCN is for investors looking for [growth solutions](#). Besides exposure to diversified Canadian equities, the holdings consist mainly of liquid and traded TSX stocks. The current net assets are worth \$6.51 billion. ZCN trades at \$28.30 per share and pays a decent 2.81% dividend if you invest today.

All-in-one ETF portfolio

Vanguard Growth ETF Portfolio, or VGRO, is one of Canada's most popular modern-day ETFs. The growth-centric all-in-one ETF portfolio boasts a wide array of securities across different sectors of the economy. The fund has \$2.71 billion in assets as of January 7, 2022. At \$32.23 per share, investors can partake of the decent 1.75% dividend.

In the full year 2021, the \$1.65 billion inflow into VGRO was 49% higher than the previous year. The mix is 80% equities and 20% fixed income regarding asset allocation. Although the exposure is predominantly Canadian stocks, there are around 13,000 stocks in the fund. The top 10 holdings are blue-chip Canadian and American stocks.

Traditional tech and disruptive technologies

TD Global Technology Leaders Index ETF, or TEC, tracks, to the extent reasonably possible, the performance of the Solactive Global Technology Leaders Index. The said index tracks the price movements of a portfolio of companies that consists of traditional technology firms and those with disruptive technologies.

The holdings are global companies engaged in technology-related businesses like cybersecurity, the Internet of Things (IoT), and e-commerce. Other companies are into artificial intelligence, robotics & automation, autonomous vehicles, and the cloud, or Big Data. The market caps of the tech firms are from medium to large.

In 2021, the total inflow into TEC was \$1.17 billion, or a 203% increase from 2020. Also, the total gain for the year was 27.4%. The share price is \$29.15, while the dividend yield is a modest 0.22% if you invest today.

No constant monitoring

ETF investing minimizes or removes the hassle of constant monitoring. Furthermore, the diversified holdings somehow make it a low-risk investment. However, it's not right for you if you want control of your stock portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:VGRO (Vanguard Growth ETF Portfolio)
2. TSX:ZCN (BMO S&P/TSX Capped Composite Index ETF)

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