



2 Top ETFs to Buy for a Globally Diversified Portfolio

Description

Starting your career as a stock market investor is not easy. It can become overwhelming when you consider all the possible ways you can invest your money. You will read about a tonne of [different approaches](#) by various financial experts on how to invest, and each of them appears to be adamant that their methodology is the best.

If you're new to the stock market and you're not sure where to begin, you might want to consider going for a safer bet. Instead of focusing your capital allocation on a narrow portfolio, you could consider investing in broad market [exchange-traded funds \(ETFs\)](#) that offer you exposure to a broad range of securities aligning with various investment goals.

The list of ETFs you can consider is extensive, but you can start with a simple approach and pick up shares of funds that track entire market indices. Today, I will discuss two such ETFs that you could consider adding to your portfolio this month.

Invest in the U.S. stock market

Vanguard S&P 500 Index ETF ([TSX:VFV](#)) could be the perfect ETF to own if you want to gain exposure to the U.S. stock market. VFV ETF seeks to provide you with investment returns by replicating the performance of the **S&P 500 Index**, the benchmark index that constitutes 500 of the top publicly traded companies listed in the U.S.

Vanguard VFV ETF is a passively managed fund that simply rebalances its holdings to keep it in line with the securities as they are held in the underlying index. The passive-management approach means that it comes at an incredibly low cost for investors. VFV ETF has a management expense ratio (MER) of just 0.08%. At writing, Vanguard VFV ETF is up by almost 24% year over year, and it could go higher, as the economic recovery continues.

Invest in emerging markets

Vanguard FTSE Emerging Markets All Cap Index ETF ([TSX:VEE](#)) could be an ideal fund to own if you're looking for exposure to an internationally diversified basket of securities. The fund seeks to provide you with investment returns by tracking the performance of the FTSE Emerging Markets All Cap Index. The underlying index holds assets that are based in emerging markets, including China, India, and Brazil.

Vanguard VEE ETF is a slightly costlier fund than Vanguard VFV. The fund boasts an MER of 0.24%. At writing, VFV ETF is down by 4.11% year over year. However, it could present you with significant long-term upside when the markets in emerging markets countries start to recover from the effects of the pandemic.

Foolish takeaway

Owning an entire market index is an excellent choice, because you have to do little to nothing to manage your investments. It offers you a low-cost opportunity to gain exposure to the performance of hundreds of securities as they are held within an index without making several individual trades to own all of them.

You can begin investing with a decent degree of diversification through index ETFs like Vanguard S&P 500 Index ETF and Vanguard FTSE Emerging Markets All Cap Index ETF to enjoy consistent long-term growth and diversification. You can also start [investing in individual stocks](#) later as you become more familiar with how the stock markets work.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:VEEV (Veeva Systems Inc.)
2. TSX:VFV (Vanguard S&P 500 Index ETF)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
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