

Nervous Investors: 1 Stock to Get You Started

Description

Here at the Motley Fool, we tend to cover a lot of <u>companies</u> that are trendy. Electric vehicles, cryptocurrency, cannabis — it's all anyone wants to talk about. But that doesn't mean we've forgotten about the new investors that want something safe.

If you're a new investor, or even just a bit of a nervous one, don't let your nerves hold you back. Instead, all you need to do is find the right index, fund, or equity that will help calm your worries. Today, I have just one to consider to get you started.

Choose the right mix

First, let's look at where my choice came from. There are so many choices on the **TSX** today, even when it comes to exchange-traded funds (ETFs). You can focus in on a commodity or sector, or you can get a wide range of investments. You can invest directly in a company through equities, or you can buy an equity that touches a lot of sectors, like railways.

If you're a new investor with a bit of nerves, then I would suggest investing in something simple. For me, that's going to be an ETF that mirrors the TSX. An ETF with the top 60 TSX companies is the perfect way to do this. Luckily, there are still options for Motley Fool investors, and each provides a reasonable share price to get you in the door.

Why the TSX top 60?

The top 60 stocks on the TSX offer Motley Fool investors access to it all. There are safe gold stocks on there but also cannabis companies. You'll have access to the tech industry, but also railways. You get it all. And if something drops, you don't have to worry. The ETF will take care of any changes, so you can rest easy.

There are several companies that offer a TSX 60 ETF. So, what it will really come down to are management fees. You want something that has very low fees, if not zero fees. And today, that really

only means one ETF. To me, it's also the best.

Horizons

I'd choose Horizons S&P/TSX 60 Index ETF (TSX:HXT) for two reasons. The first is because it offers a management fee of just \$0.04, which is absolutely unheard of. In fact, the company boasts the lowest management expense ratio among all listed funds in Canada. The next reason is, the company doesn't rely on fund managers to actually make its decisions. Instead, it focuses on one thing: data.

Horizons uses artificial intelligence and algorithms to make its decisions on what the top 60 TSX stocks are — no gut feelings; no buying based on fear or greed; just data. And it's done guite well. In the last year, shares of the ETF are up 21% as of writing. Even during the market crash, shares were back up to pre-pandemic levels by November 2020.

Foolish takeaway

While no stock is a guarantee, Horizons offers safety and security through both its management and data collection. You can rest easy knowing your shares are making strong gains, with access to the default watern latest industries and stocks. So, if you're a nervous investor or are just getting started, this is absolutely the one for you.

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- 1. Investing
- 2. Stocks for Beginners

TICKERS GLOBAL

1. TSX:HXT (Horizons S&p/tsx 60 Index ETF)

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