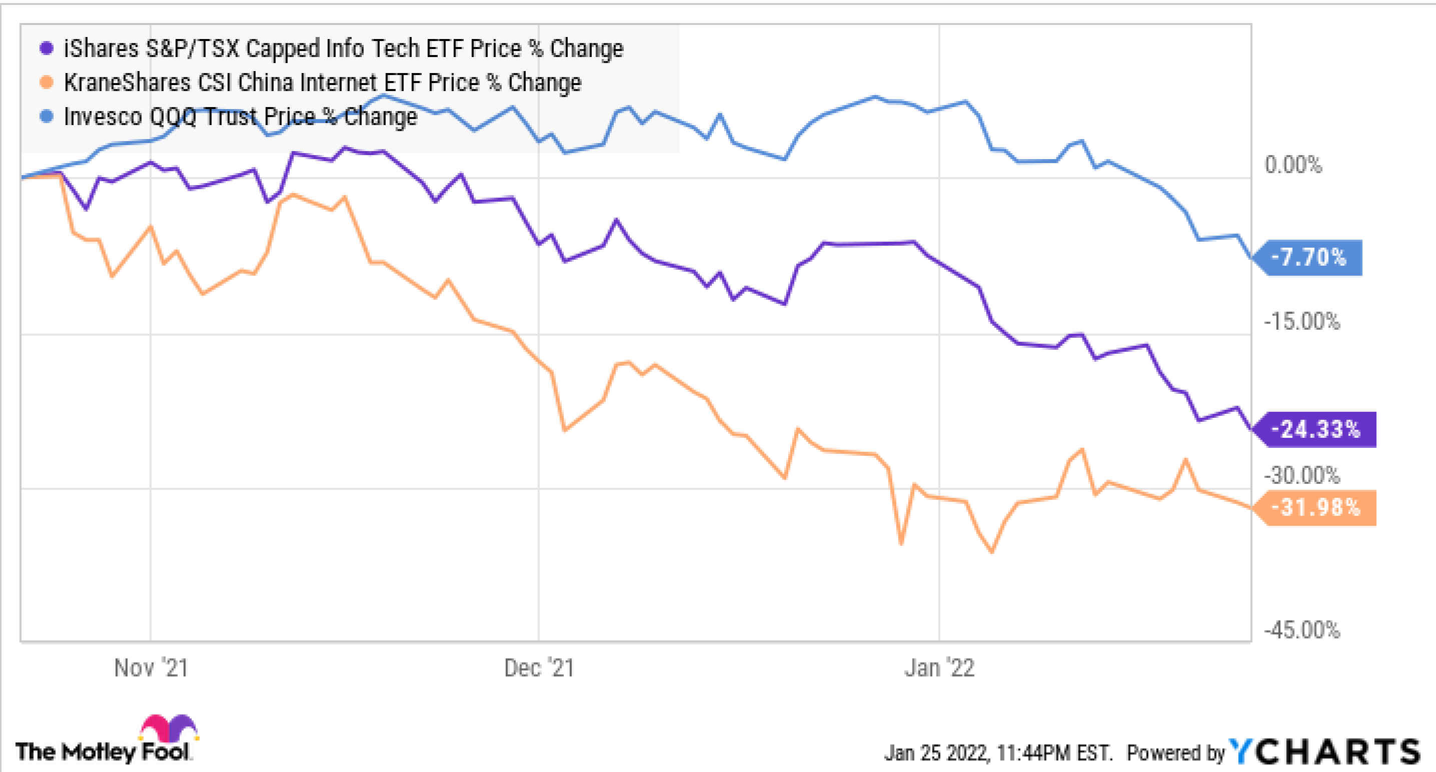
Tech Stock Crash: The 3 Best ETFs to Buy Today

Description

Many tech stocks have fallen substantially in the last few months. Larry Berman believes liquidity is coming out of the market as interest rates are rising. That is, capital is leaving the higher-risk stock market into lower-risk asset classes like fixed-income investments as rates rise. The selloff also makes it much less attractive for tech stocks to raise funds for growth from issuing new equity.

Nonetheless, there are still lots of tech stocks that are great businesses to invest for long-term growth. Since trading fees can add up quickly by buying a group of tech stocks, you may consider averaging into tech exchange-traded funds (ETFs). Here are three best tech ETFs that have been beaten down lately.



XIT, KWEB, and QQQ data by YCharts

Canadian technology index ETF

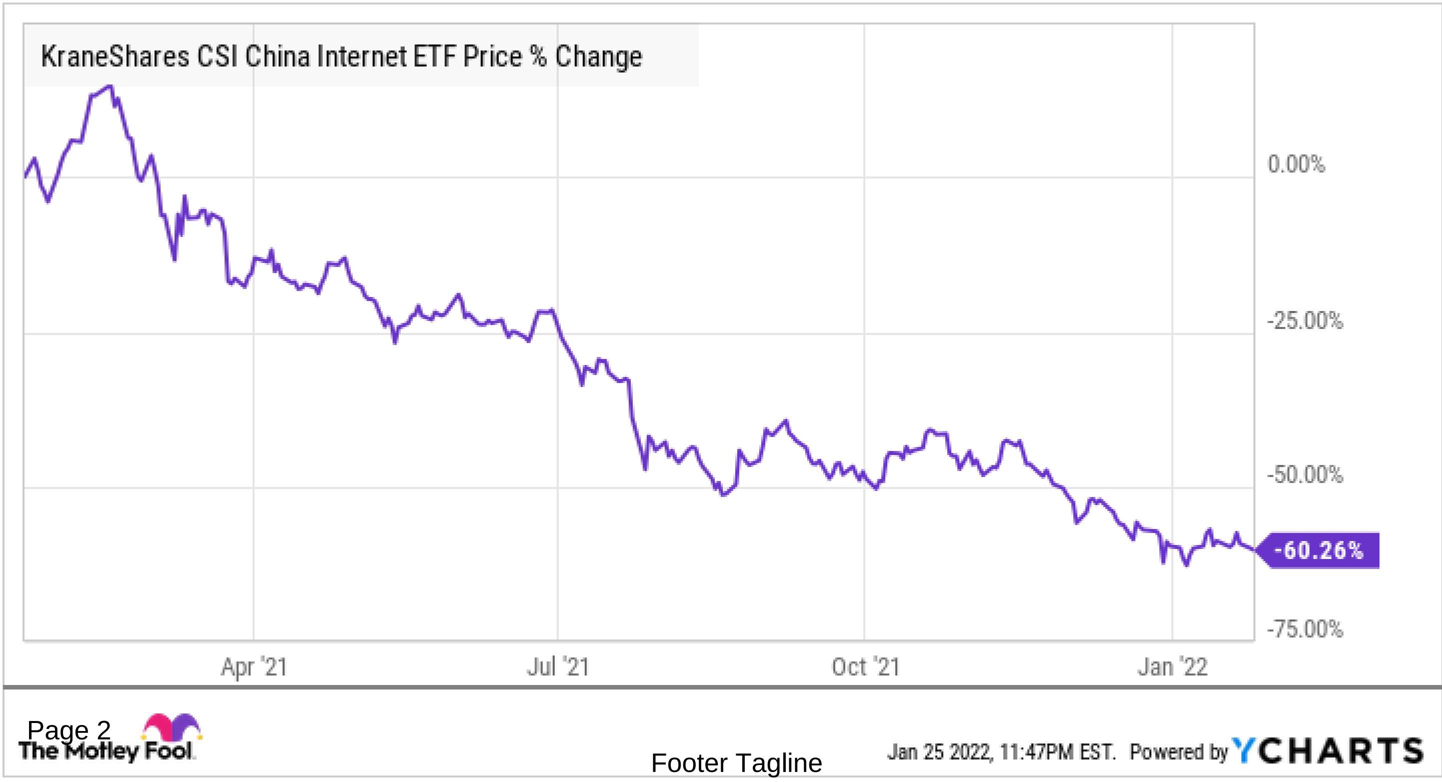
iShares S&P/TSX Capped Information Technology Index ETF (TSX:XIT) aims to replicate the performance of the **S&P/TSX Capped Information Technology Index**, net of expenses. So, it's likely to provide long-term capital appreciation. The ETF has net assets of about $478.1 million and a management expense ratio (MER) of 0.61%. It has 24 holdings. Its top eight holdings are probably familiar names to you:

- **Constellation Software** (27.6% of the tech ETF)
- **Shopify** (18.5%)
- **CGI** (15.5%)
- **Open Text** (10.8%)
- **Descartes Systems** (5.0%)
- **Blackberry** (3.6%)
- **Lightspeed Commerce** (3.4%)
- **Nuvei** (3.2%)

Its top four holdings make up approximately 72% of the fund. So, the Canadian tech fund is quite concentrated. Make sure you like the ETF's top holdings if you're planning to invest in XIT ETF.

China Internet ETF

On the other side of the world, many stocks in the **KraneShares CSI China Internet ETF** (NYSE:KWEB) were hit hard primarily by Chinese regulations. Essentially, listed tech-enabled companies were growing like a weed for about a decade. Finally, regulations are catching up with the Chinese government stepping in. The near-term outlook of these growth stocks is highly uncertain. However, the substantial correction of 60% over the last 12 months could be a decent entry point looking back five years from now.



KWEB data by YCharts

Through the KWEB ETF, investors can gain exposure to Chinese internet companies listed in the U.S. and Hong Kong that provide similar services as Google, Facebook, **Twitter**, and **Amazon**. These businesses are anticipated to benefit from a growing middle class in China. KWEB ETF’s top five holdings are **Tencent**, **Meituan**, **Alibaba**, **Baidu**, and **JD.com**. The ETF has net assets of about US$6.3 billion and a MER of 0.70%.

U.S. tech ETF

It’s understandable if some investors are uncomfortable investing in Chinese stocks or ETFs. If so, look to the **Invesco QQQ Trust** (NASDAQ:QQQ) to gain exposure to tech giants listed on the NASDAQ. QQQ’s top holdings include these companies:

- **Apple** (11% of the tech ETF)
- **Microsoft** (10%)
- Amazon (7.8%)
- **Tesla** (4.5%)
- **Alphabet** (4%)

Specifically, QQQ “delivers exposure to companies that are at the forefront of transformative, long-term themes such as augmented reality, cloud computing, big data, mobile payments, streaming services, electric vehicles, and more,” as explained on its website. The ETF is primarily in the information technology sector (48% of the fund), followed by communication services (19%), consumer discretionary (17%), and health care (6.6%).

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NASDAQ:QQQ (PowerShares QQQ Trust, Series 1)
2. TSX:XIT (iShares S&P/TSX Capped Information Technology Index ETF)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News

8. Yahoo CA

PP NOTIFY USER

1. kayng
2. kduncombe

Category

1. Investing
2. Tech Stocks

Tags

1. Editor's Choice

Date
2025/07/21
Date Created
2022/01/26
Author
kayng