2 ETFs That Grew Over 98% in the Last 5 Years

Description

Unlike individual stocks that represent a market unit, ETFs usually represent a market segment. If they follow sector-specific indexes, they usually offer a healthy representation of that sector. Broad-market ETFs resonate with the market, and their performance mimics how the market is doing.

This makes ETFs relatively more predictable than individual stocks, which may rise and fall irrespective of the broad market or even the sector/industry they are in. There are more variables in the equation and less influence from macro factors. The ETFs, on the other hand, follow more recognizable patterns and future performance is relatively easier to predict and plan for, based on past performance.

So if you take the past five-year performance of a couple of ETFs that *can* reasonably be classified as high-growth ETFs, you may expect a similar pattern going forward.

A tech ETF by Harvest

While it's hedged in Canadian dollars, the **Harvest Tech Achievers Growth & Income ETF Class A** (TSX:HTA) is U.S.-oriented. The fund follows a limited number of U.S. tech sector securities (23), including **Facebook** and **AMD**. And since U.S. tech giants tend to grow even more rapidly than most Canadian counterparts, the ETF has performed quite admirably in the last five years.

An interesting feature of this ETF is the medium risk rating, which doesn't correspond with the relatively volatile nature of the tech sector. One thing that goes against this ETF and affects its attractiveness is the high MER of 0.99%.

However, when you consider the last five-year performance, the high fees don't seem like much of a burden. The growth can easily make up for the fees you pay for the fund's management. The ETF grew over 98% in the last five years.

A BMO index ETF

The **BMO MSCI USA High-Quality Index ETF** (TSX:ZUQ), as the name suggests, follows the MSCI USA high-quality index as closely as possible. And through that index, the fund gets exposure to 126 U.S. holdings. Among the top 10 holdings that pick up a decent portion of the total fund's weight are some of the tech giants in the country.

Even with more diversification and a much larger basket of securities, the performance of this ETF in the last five years has outshone that of Harvest's tech ETF. The BMO ETF grew by over 105% in the last half-decade, and that's after taking the recent massive 13.7% slump into account. This ETF also carries a much lighter MER at 0.33%.

Foolish takeaway

The two powerful growth ETFs offer you a healthy exposure to some of the most coveted U.S. securities, and even if you take the pandemic and post-pandemic growth phase into account, the ETFs may have the potential to grow your investment capital threefold in a decade. Both ETFs have their own strengths; however, the first ETF is tied to one sector and doesn't offer healthy diversification.

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