The 3 Best ETFs for High Growth in Canada

Description

Unlike dividend-based, passive-income portfolios that you can set and forget, the growth side of your portfolio requires tweaking and updating. That's especially true for short-term growth or stocks/assets that offer occasional spikes or seasonal growth. If you don't rebalance and adjust your portfolio accordingly, you may not be able to capture most of the upside.

However, if you want [reliable growth] with minimal involvement, there are a few buy-and-forget kinds of ETFs that should be on your radar.

A Vanguard ETF

Vanguard US Dividend Appreciation Index ETF (TSX:VGG) follows an index that contains a basket of 267 securities from various industries. Most of the holdings are giants from their respective fields, like finance, healthcare, consumer staples, etc. One attractive feature of the ETF might be that it doesn't lean too heavily on the tech sector, like most other ETFs around S&P 500.

That's because of the index that this passively managed ETF follows: The S&P US Dividend Growers Index. And since few tech giants issue dividends, they are not part of the ETF's basket of securities.

The ETF has proven its mettle through its consistent growth for more than a decade. $5,000 invested in the ETF exactly 10 years ago would have grown to over $19,260 by now. That's almost four times growth in a decade.

A Blackrock ETF

iShares Core S&P US Total Market Index ETF (TSX:XUH) is another U.S.-facing ETF that's available to Canadian investors as well. It's not as old as the Vanguard ETF, but its performance already makes it quite attractive for investors interested in growth. The fund has returned about 109% to its investors in the last five years, and, at this pace, it could double your capital in a decade.

The fund is made up (mostly) of two other ETFs, both by Blackrock. And since it focuses on the broader U.S. market, the tech exposure is quite heavy, over a quarter of the portfolio. But it carries a medium risk rating and a very attractive MER of just 0.07%. If you dive down into ETFs it's made up of, this fund gives you exposure to about 3,673 U.S. companies. That's *as* diversified as a healthy ETF can be.

A First Asset ETF

The U.S. dividend-growth index offers powerful growth, mimicked by multiple ETFs, another of which is **CI WisdomTree U.S. Quality Dividend Growth Index ETF** (TSX:DGR). It's hedged in CAD and comes with a management fee of 0.35%. The ETF started out in 2016, and since then, it has grown about 83%. That's not as marvelous as the other ETFs on this list, but it's still about 14.5% growth every year — more than many growth stocks can offer.

And thanks to the underlying index and the well-diversified basket of securities, this growth is quite consistent. So, you can expect a decent nest egg if you stick with it for long enough. However, out of the two ETFs on this list following the same index, this one should get a second preference.

Foolish takeaway

The three high-growth ETFs have the potential to more than double your capital in a decade. So, if you start investing in them in your early 30s, you could have quite a nest egg built up by the time you retire. And thanks to their internal diversification, you will not be required to get actively involved in investment management with these ETFs.

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