



2 Top ETFs to Buy in 2022

Description

[Exchange-traded funds \(ETFs\)](#) have risen in popularity in recent years. These funds offer you the opportunity to invest in a basket of securities instead of making individual trades to create an extensive portfolio yourself.

The hands-off approach through ETF investing offers you the convenience of lower-cost investing, substantial diversification, and the ability to align your investment capital to your goals without manually monitoring and rebalancing your portfolio all the time.

After everything that has been happening in the stock market in the last few months, investors might feel like they should [practice more caution](#) in how they deploy their investment capital. Investing in individual stock poses the risk of significant losses if the underlying company's performance falters on the **TSX**.

Suppose that you have cash that you want to invest and you want to diversify the money into baskets of securities to enjoy the convenience that comes with ETF investing. In that case, I will discuss two of the top ETFs you can consider buying in 2022.

Betting on the battered tech sector

iShares S&P/TSX Capped Information Technology Index ETF ([TSX:XIT](#)) is a fund that seeks to provide you with investment returns by tracking the performance of the **S&P/TSX Capped Information Technology Index**, before fees and expenses. The fund invests in and holds securities in the proportion with which they are held by the underlying index.

iShares XIT ETF offers you targeted exposure to the Canadian tech industry and it can be used to express a sector view. Its top holdings include **Constellation Software**, **Shopify Inc.**, and **CGI Inc.**, making it an ideal pick for investors seeking exposure to the broader tech sector in the form of a single investment product.

A low-risk bet for the more cautious investors

BMO Low Volatility Canadian Equity ETF ([TSX:ZLB](#)) is a fund that seeks to provide you with investment returns by offering you exposure to a low beta-weighted portfolio of Canadian stocks. The beta measures the underlying securities' sensitivity to market movements, allowing the fund manager to rebalance its portfolios to focus on low-volatility assets.

BMO ZLB ETF primarily owns highly defensive businesses, like consumer staples and utility businesses. The fund might not offer you much in terms of capital growth during bull markets. However, it offers you returns through shareholder dividends. At writing, BMO ZLB ETF boasts an annualized distribution yield of 2.45%. The fund could be an ideal investment for risk-averse investors.

Foolish takeaway

One of the best things about ETF investing is that you can almost always find an investment product that aligns with your investment goals on the TSX. Whether you're looking for [specific industry-focused exposure](#) or you want to add geographical diversification to your portfolio, there may be an ETF to meet your needs.

iShares XIT ETF could be an excellent investment to consider if you are bullish on the long-term performance of the broader tech sector but don't want to make individual picks. BMO ZLB ETF could provide you with a degree of relative stability to offset the risk that comes with investing in the tech sector.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:XIT (iShares S&P/TSX Capped Information Technology Index ETF)
2. TSX:ZLB (Bmo Low Volatility Canadian Equity ETF)

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