



Want Exposure to Emerging Markets? Buy These Top Canadian ETFs

Description

As Canadian investors, we have a wide variety of top stocks and ETFs that we can buy in Canada and, even with limited restrictions, even more stocks we can buy south of the border.

However, as important as it is to have [diversification](#) in Canada and the United States, for most investors, it might not be enough. It can be important to have global exposure as well, especially with all the potential of emerging markets.

At times, the North American economy could face headwinds, where other countries and regions of the world continue to perform well.

Although we can't easily buy stocks listed on foreign exchanges, luckily, there are several top [ETFs](#) we can buy that offer exceptional exposure. Not only do they allow you to invest in emerging markets, but they are also diversified themselves and managed by teams of professionals.

So, if you're looking to add exposure to emerging markets or even strong economies like Europe, here are two of the top ETFs for Canadians to buy now.

A top emerging markets ETF for Canadian investors to buy now

If you're looking to gain exposure to stocks in emerging markets, one of the best ETFs to buy now is **iShares Core MSCI Emerging Markets IMI Index ETF** ([TSX:XEC](#)). The XEC is one of the top ETFs to buy, as it has over \$1 billion in assets and offers Canadian investors exposure to more than 2,500 stocks.

The fund aims to replicate an [emerging markets](#) index, which follows stocks of all sizes across 25 emerging market countries. China, Taiwan, India, and South Korea are the largest and major countries it offers exposure to in that order. Together, they make up roughly 70% of the fund's assets.

Furthermore, in addition to being diversified by country, the fund is also diversified well by sector. And of each of the major sectors that it offers exposure to, [tech](#), financials, and consumer cyclicals make up

the top three.

At the moment, it's trading at the low-end of its 52-week range, and its yield over the last 12 months has been 2.8%. Plus, with the fund being rebalanced quarterly and only charging a management [expense ratio](#) of 0.3%, you know your capital is in good hands.

So, if you're looking to gain exposure to emerging markets, XEC is one of the top ETFs for Canadian investors to buy now.

An ETF offering exposure to more developed nations

Another excellent fund to consider if you're looking for exposure outside of North America is **iShares MSCI EAFE Index ETF (CAD-Hedged)** ([TSX:XIN](#)). The XIN is one of the top ETFs for Canadian investors to buy, because it seeks to replicate the performance of the MSCI EAFE Index, which tracks the performance of [large](#)— and mid-cap securities across 21 developed markets.

The fund has \$1.3 billion in assets offering exposure to 830 stocks in Japan, Australia, and much of Europe. In addition, it's also diversified by sector, and diversified well. The top sectors it offers exposure to are financials, industrials, and healthcare. However, six sectors account for at least 10% of the fund.

It has a current [price-to-earnings ratio](#) of 16.5 times, and its [yield](#) over the last 12 months has been roughly 2.7%. Furthermore, while its management fee is slightly higher than the XEC at 0.5%, it's rebalanced each month, which is quite a bit more often.

So, if you're looking to gain exposure outside North America, there's no question the XIN is one of the top ETFs that Canadian investors can buy now.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. TSX:XEC (iShares Core MSCI Emerging Markets IMI Index ETF)
2. TSX:XIN (iShares MSCI EAFE Index ETF (CAD-Hedged))

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