



## Worried About Rising Inflation? Check Out This Top ETF

### Description

Inflation concerns are real right now. In Canada and around the world, inflation levels not seen in three or four decades are now taking hold. For long-term investors looking for capital preservation, stocks can be a great way of protecting one's savings from the "inflation tax" that's underway.

However, most interest rate-sensitive stocks are likely to underperform in this environment. For ETFs paying out significant yields, this goes double.

However, among the ETFs I'm looking at to combat inflation, **VanEck Vectors Gold Miners ETF** ([TSXV:GDX](#))(NYSE:GDX) is one I think is worth considering. This portfolio of gold miners is one I think has incredible upside, particularly for those concerned about inflation.

Let's dive into why this ETF may be a top investment for those worried about inflation heating up further.

### Gold miners still represent a great inflation hedge

Gold, as an inflation hedge, remains one of the top picks for many long-term equity holders. Should the U.S. dollar depreciate in value as a result of this inflation, gold should get a pickup. Yes, rising interest rates are broadly bearish for gold. However, overall inflation is likely to outpace interest rates for the time being — a bullish catalyst for the yellow metal.

Perhaps the most vital metric that investors should consider with VanEck Vectors Gold Miners ETF, or any gold miner, is the relative comparison of gold bullion and gold mining equities over time. Right now, this valuation gap is near multi-decade highs.

I think that gold miners represent excellent leverage to the price of gold at reasonable valuations. For investors looking at this space, this ETF is a great option. That's because this exchange-traded fund is well diversified.

From mega-cap to small-cap, the VanEck Vectors Gold Miners ETF offers an array of gold miners

across the spectrum. This ETF covers all my favourite gold miners and a few top-quality silver producers. Accordingly, investors looking for top-notch capital-appreciation upside alongside best-in-class diversification can't go wrong owning this name.

## Bottom line

Launched in 2006 by Van Eck, the VanEck Vectors Gold Miners ETF has net assets worth approximately \$12 billion. This makes it one of the biggest and most broadly traded gold miner ETFs.

The portfolio of this exchange-traded fund comprises 57 holdings. Of these, many are among the planet's biggest gold producers. Those looking for size and scale get it with this ETF.

Personally, I think rising inflation is a bigger risk to the markets than many are making it out to be. Accordingly, this ETF is one I have my eye on right now. For long-term investors looking to battle inflation, I'd certainly recommend giving this ETF a look.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSEMKT:GDX (VanEck Vectors ETF Trust - VanEck Vectors Gold Miners ETF)
2. TSXV:GDX (Goldex Resources Corporation)

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