



2 Canadian ETFs to Buy and Hold Forever

Description

Setting your savings aside and holding them as cash in a high-interest savings account might seem like a wise decision for many Canadians who are becoming better at managing their expenses. However, letting your money sit idly in an account that offers returns that cannot keep pace with rising inflation rates could be an opportunity cost.

A better way to use your savings would be to invest it in assets that can [grow in value](#) over time and grow your wealth at a rate that potentially beats inflationary environments. Investing in the Canadian stock market is a good place to start, because you can enjoy returns with reduced currency risks and minimize foreign withholding taxes eating into your returns.

Creating and maintaining a portfolio of several stocks can be challenging, time-consuming, and it could become expensive with a lot of trading fees involved for individual trades. Fortunately, the TSX offers [exchange-traded funds](#) (ETFs) designed to provide you with exposure to the Canadian stock market's performance at a lower cost and greater convenience than maintaining a self-directed portfolio.

Today, I will discuss two Canadian ETFs you could consider if you're new to investing and want to gain exposure to the Canadian stock market.

iShares Core S&P/TSX Capped Composite Index ETF

iShares Core S&P/TSX Capped Composite Index ETF ([TSX:XIC](#)) is a fund that seeks to provide you with long-term capital growth by replicating the performance of the **S&P/TSX Composite Index** before fees and expenses. It is effectively a low-cost way to gain exposure to the performance of the entire Canadian stock market.

Investing in iShares XIC ETF means holding all the equity securities trading on the TSX, weighted to their market capitalizations within the underlying index. It could be a strong long-term investment that lets you enjoy investment returns based on the entire Canadian stock market's performance. The low-cost fund comes with a management expense ratio (MER) of 0.06%, making it one of the lowest-cost funds you can consider for your portfolio.

Vanguard FTSE Canada All Cap Index ETF

Vanguard FTSE Canada All Cap Index ETF ([TSX:VCN](#)) is another fund you could consider if you want to invest in the entire Canadian stock market through a single investment product. The fund seeks to provide you with investment returns by replicating the performance of the **FTSE Canada All Cap Index** before fees and expenses. The underlying index invests primarily in large-, mid-, and small-market capitalization Canadian stocks.

The fund manager uses efficient and cost-effective index management techniques to minimize expenses, allowing you to enjoy more of your returns on investments in Vanguard VCN ETF. The low-cost fund boasts an MER of 0.05%, making it even more affordable than iShares XIC ETF.

Foolish takeaway

Gaining exposure to the entire stock market through a single investment product can offer you a convenient and hassle-free way to make better use of your investment capital than letting it sit idly in a bank account.

You could start with ETF investing with XIC ETF and VCN ETF and keep holding the funds in your portfolio if you choose to dabble with [creating a self-directed portfolio](#) of individual stocks if you have the time to invest in understanding how markets work.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:VCN (Vanguard FTSE Canada All Cap Index ETF)
2. TSX:XIC (iShares Core S&P/TSX Capped Composite Index ETF)

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