



## 1 Top ETF for Canadian Millennials!

### Description

Canadian millennials are speaking with their investment dollars. They want to see change, and they're willing to put their money where their beliefs are! Indeed, ESG (which stands for environment, social, and governance) is no longer just a buzzword in the investment community or some sort of trend in [socially responsible investing](#). It's become a vital attribute that may lead to better results over the long haul.

Could it be that an ESG-friendly firm is worth more than it would be had it not taken action to address the wide range of ESG issues? I'd argue that, yes, such a firm is worth more and not just through the eyes of young millennial investors! Personally, I think ESG will become even more important as time goes on. Firms that meet their climate, social, and governance goals? Their stock prices will likely prosper. And those that miss or downright don't put up the effort to meet such goals? Expect their shares to be punished accordingly.

Indeed, it's an exciting time to be an investor. And as the millennial generation becomes more influential with the amount of wealth they possess and where they choose to allocate it, I think that an ESG-friendly strategy is brilliant.

## How do investors really know how ESG friendly a company is?

There are ratings out there, such as the "CDP score," now readily available to investors via a simple search. Further, there are a growing number of passive investment options as well. It's these passive options that I believe are the perfect one-stop shop to own the broader basket of firms that are putting in the effort to improve the future for humanity.

Indeed, ESG ETFs are intriguing, but you must look underneath the hood to see if the businesses have strong fundamentals. While you don't need to value each individual name, it would help if you looked at the top 10 holdings within a fund or ETF to get a gauge of the type of securities you'll own through a passive investment instrument.

## ESGA: Finally, an index ETF that's perfect for millennials!

In Canada, **BMO MSCI Canada ESG Leaders Index ETF** ([TSX:ESGA](#)) stands out to me as one of the better ETFs for millennials seeking to build wealth while knowing that their investment dollars are helping make a difference in the world.

The ETF is not only a great selection of ESG-friendly Canadian companies, but it's also one that I believe gives investors greater diversification relative to the vanilla TSX Index, which is alarmingly light on consumer staples and technology. Further, the ESGA fund is incredibly low cost, with an MER of just 0.17%. It's an index fund, but it holds some intriguing names, ranging from the big banks to **Shopify**.

Indeed, millennials may wish to view the ESGA as an [alternative](#) to the TSX. I believe it's a superior alternative. Still, investors must factor in how the ETF will sit in their portfolios, given it may not give one the perfect sector exposure. As a core holding, I believe the ESGA is a steady pillar that should be given a second look after the latest 8% correction.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:ESGA (BMO MSCI Canada ESG Leaders Index ETF)

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