

1 Top ETF to Consider Buying Right Now

### **Description**

ETFs (exchange-traded funds) have come quite a long way since SPDRs launched way back in 1993. ETFs have emerged from their early beginnings as equity-index trackers to encompass a massive range of investment choices. However, potential investors must note that all these funds are not equal in quality. Indeed, finding a top ETF for one's portfolio sounds simple but is more difficult in practice.

For investors, purchasing ETFs can be a low-cost and smart strategy to create a diversified portfolio at a relatively low cost. However, there are numerous ETFs out there, which may make it overwhelming for individuals to choose the one that matches their goals and strategy.

Having said that, I believe **Vanguard Global Value Factor ETF** (<u>TSX:VVL</u>) is worth a grab at this moment.

Let's dive into why.

# Diversification the key for this top ETF

The Vanguard Global Value Factor ETF offers exposure to a widely diversified collection of global equities. These companies are ones that have attractive valuations — hence this ETF's name.

Using various factors, the VLL ETF is aimed at value investors. Some of the key metrics used are price-to-cash flow, price-to-book, and price-to-earnings ratios.

Last year, this ETF surpassed its benchmark world equity index by more than 10%. That's not surprising, seeing the rotation out of growth into value. However, for those who believe value stocks have more room to run, this ETF is an excellent choice right now.

## An overview of the exchange-traded fund

Vanguard Global Value Factor exchange-traded fund aims at capturing potential excess return to offer

long-term capital appreciation. Accordingly, this ETF focuses on developed market securities.

Additionally, this ETF takes an actively managed approach. Using a proprietary quantitative model, active managers look across large-, mid- and small-cap equities to provide investors with a broadly diversified portfolio of value stocks. Most of these stocks held come from the Russell 3000 Index as well as the FTSE Developed All Cap Index.

This rules-based approach is one many conservative long-term investors may like. Indeed, for those seeking a "sleep-at-night" strategy, the VVL ETF is one to consider.

### **Bottom line**

As far as total market index ETFs go, this Vanguard ETF is one of the ones I like the most. This ETF claims a number of large Canadian institutional investors as its clients. The ability for retail investors to get this kind of actively managed exposure is worthwhile.

Thus, for those looking for a passive-investing option, this is an ETF worth diving into.

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