



Beginners: This 1 Blue-Chip ETF Is All You'll Need

Description

[Beginner investors](#) should still look to put money to work, even after a shocking start to 2022. While it's hard to tell if more turbulence will be ahead with the Ukraine-Russia crisis and Fed rate hikes, I do think that beginners should focus on maximizing their time within markets, rather than looking to get in at exact bottoms with the intention of getting out at peaks. There's no question that long-term investment can be tricky for market newcomers. That said, it's not as complicated as it has to be.

You see, many beginner investors are inclined to trade, not invest, over the long term. Indeed, trading can be fun, and it can make you a lot of money if you can get the timing right. With options and all the sort, the price of admission into a trade can be quite low.

That said, there are risks involved. Undoubtedly, trading may be marketed to many beginners that simply are not ready. Heck, even seasoned traders have taken big hits straight to the chin in this market environment. Trading is not easy. In fact, it can be very painful. It's not right for everybody, but that's why long-term investment is the way to go for investors looking to build real wealth in a risk-averse way over the period of years, rather than days or weeks.

Beginners: Keep it simple, keep fees low. Stay invested. And tune out the noise!

There are many legendary billionaire investors that strive to keep it simple. Warren Buffett is one of them. He's not trading options or Bitcoin on the day-to-day. In fact, his biggest edge may come from his ability to block out the noise!

As a new investor, it's vital to think long term and to block out noise that's more relevant to near-term traders. As an investor, you should hope for shares to depreciate over the near term. It's an opportunity for you to get more shares of a great business at a better price! The sooner beginners start thinking this way, the sooner they can start making real wealth on an inflation-adjusted basis. It's not easy, but it can be oh so simple.

In this piece, we'll check out two intriguing bets for beginners to get started. Without further ado, consider shares of the **iShares S&P/TSX 60 Index ETF** ([TSX:XIU](#)).

The XIU: A One-stop-shop blue-chip ETF for beginner investors

The XIU is a run-of-the-mill TSX Index fund that's absolutely perfect for beginners. It provides exposure to the broader TSX 60 and is in a spot to breakout, while the U.S. indexes fall into a deeper correction. Indeed, it's as simple as it gets. Owning the broader basket of Canadian stocks could be one of few investments for beginners to stash at the core of their TFSAs.

What separates the XIU from other TSX ETFs? While the MER is slightly higher than some of the TSX Composite peers at just north of 0.15% (that's already very low!), it does provide investors with more exposure to the bluest of blue chips atop the TSX. It's more top-heavy than other TSX indexes, with mega-caps comprising a greater slice of the pie.

Indeed, the XIU is a big bet on Canada's Big Six banks and many other [behemoths](#). When times get tough, investors should prefer larger companies with bigger balance sheets and more resilience. The XIU is very liquid and is a great pick for any value-conscious beginner.

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