



No Time to Invest? Buy Any of These 3 BlackRock ETF Portfolios to Be Set for Life

Description

Active stock picking can be time consuming, stressful, and prone to variable results. For the average investor, there is ample evidence that [passive investing](#) using a variety of [exchange-traded funds \(ETFs\)](#) following major stock market indexes is great way to go. This approach requires little time, knowledge, or effort.

Thankfully, Canadian investors have access to a variety of asset-allocation ETFs to use as a one-stop shop for their investment portfolios. These ETFs provide a set of all-in-one investment portfolios that anyone can buy with just a single ticker. Let's take a look at my top picks from **BlackRock**!

The 100% stock option

Young investors with a high risk tolerance and long time horizon can consider investing in a 100% stock portfolio, especially given how bonds are expected to suffer in a rising interest rate environment. If this sounds like you, the best ETF to buy might be **iShares Core Equity ETF Portfolio** ([TSX:XEQT](#)).

XEQT grants instant exposure to over 9,593 stocks, covering the entire world's investable market. The stocks in the ETF are divided roughly 45% in the U.S., 25% in Canada, 25% in international developed markets, and 5% in international emerging markets. Buying XEQT will ensure you match the market's average return over time.

Currently, XEQT also pays an annual dividend yield of 1.40% and has assets under management (AUM) of \$1.78 billion. The fund costs a management expense ratio (MER) of 0.20% to hold, which is extremely affordable for an all-in-one ETF portfolio that re-balances itself.

The 80/20% stock/bond option

Investors with a medium risk tolerance and time horizon (such as those in their 40s) should consider a portfolio with a heavier allocation to fixed income. To achieve this, you could buy **iShares Core Growth ETF Portfolio**

[\(TSX:XGRO\)](#).

XGRO holds the same stocks as XEQT, but also includes a 20% allocation to investment-grade government and corporate bonds from around the world. The addition of a bond ETF will help lower volatility and reduce draw downs. Holding XGRO will also cost you an MER of 0.20%, or \$20 per \$10,000 invested.

The 60/40% stock/bond option

Finally, investors with a lower risk tolerance and a shorter time horizon (such as those in their 50s) should consider adopting a more balanced portfolio with a higher fixed-income allocation. **iShares Core Balanced ETF Portfolio** [\(TSX:XBAL\)](#) fits that role well.

XBAL holds the exact same stocks and bonds as XGRO, but with a more balanced allocation of 60/40 stocks/bonds. The 60/40 portfolio is regarded as the optimal blend of risk and return, making it highly suitable for a long-term holding in your retirement account. Like XEQT and XGRO, XBAL costs an MER of 0.24%.

The Foolish takeaway

For new investors, it's very hard to beat BlackRock's asset allocation ETFs. There's no research required and no second-guessing. You are literally investing in the world stock market, which is as safe as it gets. Without these ETFs, it would be impossible for the average investor to buy and manage a portfolio of 9,000+ stocks and bonds.

For an MER less than a quarter of what typical mutual funds charge, you get instant diversification via thousands of global stocks and bonds, with no rebalancing required. Buying XEQT, XGRO, or XBAL consistently and reinvesting the dividends will allow you to match the market in the long run and beat most retail investors!

CATEGORY

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TICKERS GLOBAL

1. TSX:XBAL (iShares Core Balanced ETF Portfolio)
2. TSX:XEQT (iShares Core Equity ETF Portfolio)
3. TSX:XGRO (iShares Core Growth ETF Portfolio)

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