



1 Tech ETF to Buy for Growth-Seeking Investors

Description

The first year of COVID-19 saw a rapid shift in broader economic trends. A substantial amount of investor capital flowed toward the tech sector due to the solutions tech companies provided in the changing global landscape. Canada's stock market would not have been as strong as it was during the initial stages of the pandemic if it wasn't for the strength displayed by tech stocks.

Unfortunately, 2021 saw the tech industry become the worst-performing sector on the **TSX**. Rising inflation rates, tightening monetary policies, supply chain issues, and a new war sent tech stocks reeling. Even some of the biggest names in the tech industry took a severe beating, much like energy stocks did in 2020 as a result of deflated oil demand in 2020.

Signs of a revival

The tech industry has recently started [gaining positive momentum](#) on the stock market. However, investing in tech stocks is still a risky proposition. Allocating your capital to the wrong tech company's shares could result in losses if it underperforms its peers.

Investors looking for exposure to the recovering tech sector without taking on too much risk can wait on the sidelines until the recovery looks more solid. However, that means running the risk of losing out on capturing a lot of value by jumping a little too late on the bandwagon.

Alternatively, you could consider investing in an [exchange-traded fund](#) (ETF) that can offer the exposure you're looking for while diversifying your capital to mitigate risk.

Let's look at a tech-focused ETF you could consider to capitalize on the industry's potential recovery while minimizing capital risk.

TD Global Technology Leaders Index ETF

Several high-quality tech stocks are trading for significant discounts after the downturn that began in

2021. Many of them have reentered positive territory after the recent-most surge in the tech sector.

However, the spike could be a temporary uptick that can be easily erased by the prevailing negative investor sentiment around tech stocks and growth stocks in general.

Not all tech stocks might deliver stellar shareholder returns in the coming weeks, and not all of them will underperform. But there is no concrete measure of which stock will outperform the rest and which will underperform.

TD Global Technology Innovators Index ETF (TSX:TECI) is a fund that seeks to provide you with exposure to a portfolio of internationally diversified tech stocks. But the fund does not just invest in the top tech firms. TECI ETF seeks to provide you with investment returns by tracking the performance of the **Solactive Global Technology Innovators Index**.

The index focuses on measuring the investment returns of technology companies considered leaders of innovation in their respective niches while excluding mega-cap technology stocks that dominate the industry. Investing in TECI ETF essentially offers you exposure to an internationally diversified basket of tech company stocks [primed to deliver stellar growth](#) in the coming years.

Foolish takeaway

TECI ETF invests in companies that are mostly innovators that exhibit more substantial annual growth rates, investment returns, and operating margins compared to peers. The fund's biggest holdings include Advanced Micro Devices Inc., Shopify Inc., and Snowflake Inc. stocks, accounting for 10.41%, 6.94%, and 5.57% of the fund's asset allocation, respectively.

The fund could be a viable investment for investors who want exposure to the tech industry while diversifying to reduce capital risk.

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