



## New Investors: 2 Low-Cost iShares ETFs to Buy and Hold Forever

### Description

For most investors, passive investing using [exchange-traded funds \(ETFs\)](#), especially those that track broad market [stock indexes](#), is the way to go. There is plenty of evidence out there that investors [holding a low-cost, globally diversified stock portfolio](#) will beat the majority of stock pickers.

The key here is to keep your investment portfolio low cost and diversified. While stock picking can be fun, it is also time-consuming, stressful, and prone to underperformance, especially during bear markets. For a long-term, buy-and-hold mentality, using ETFs is a savvy way to invest for retirement.

Today, I'll be reviewing two great, low-cost index ETFs from **iShares** that investors could use as the core of their portfolios.

### iShares S&P/TSX 60 Index ETF

A high-risk, high-reward index favored by many investors is the S&P TSX/60. This index is comprised of 60 large cap Canadian equities, and regarded as a benchmark for Canadian stock market performance by retail and institutional investors alike.

Investors bullish on the domestic stock market can buy the **iShares S&P/TSX 60 Index ETF** ([TSX:XIU](#)). XIU is the top Canadian ETF for tracking the S&P/TSX 60, with \$11 billion in assets under management (AUM) and a high volume traded daily. The ETF is relatively cheap, with a management expense ratio (MER) of 0.20%, or \$20 in annual fees for a \$10,000 investment.

Being comprised mostly of blue chip dividend-paying Canadian stocks, XIU also pays a decent distribution. Currently, the yield stands at 3.14%, and if you reinvest the dividends, you will compound gains faster. For retirees seeking income, XIU is a great blend of income and capital appreciation potential.

### iShares Core Equity ETF Portfolio

The S&P/TSX 60 is a great investment, but some international diversification is good. Holding the stocks of U.S., developed, and emerging markets can offset the chance of the Canadian stock market performing poorly for an extended period of time.

**iShares Core Equity ETF Portfolio** ([TSX:XEQT](#)) is possibly one of the best worldwide equity ETFs available to Canadian investors, granting instant exposure to over 9,593 stocks covering U.S., Canadian, developed, and emerging markets.

With XEQT, you never have to try and determine which stocks will do well, which market cap size will gain more, which sector will outperform, or which country will pull ahead. For an MER of 0.20%, you gain a complete stock portfolio and don't have to worry about rebalancing it.

## The Foolish takeaway

Both XIU and XEQT are fantastic choices for young investors with a high risk tolerance and aggressive growth objectives. Because both ETFs are 100% stocks, investors should only buy them if they can withstand high volatility and fluctuations in their portfolio value. These ETFs are appropriate for long-term investors who can consistently make contributions and stay the course.

### CATEGORY

1. Investing
2. Stocks for Beginners

### TICKERS GLOBAL

1. TSX:XEQT (iShares Core Equity ETF Portfolio)
2. TSX:XIU (iShares S&P/TSX 60 Index ETF)

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**Date**

2025/07/25

**Date Created**

2022/07/19

**Author**

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