



Protect Your Portfolio With This Key Trend

Description

Exchange traded funds (ETFs) are all the rage these days. This is for good reason. The days of paying an overpriced money manager of fee of 2% of 4% to do the job an ETF can do for often less than 0.1% are over.

ETFs are the wave of the future, for passive and active investors alike. Even if you are the stock picking type, adding an ETF overlay as a diversification tool could be helpful in improving risk adjusted returns over time.

For risk loving investors

For those who feel the need to jump out of an airplane to get the blood pumping and feel alive, there's an ETF for you. Adrenaline junkie investors can have their pick of a swath of growth-oriented momentum-based ETFs which may be suitable for the needs of those with a large risk appetite.

My preferential pick in the high risk, high reward space is the **Evolve Cyber Security Index ETF** ([TSX:CYBR](#)). This ETF tracks a broadly diversified portfolio of companies focused on providing cyber security technologies and services.

This niche sector is highly sensitive to volatility. However, it has generally been viewed by many as a great long-term growth pick for those with a long enough investment time horizon.

For cautious investors

For those with a risk profile that falls more in the middle of the spectrum, a great ETF to consider is the **iShares S&P TSX Composite Index ETF** ([TSX:XIC](#)). This ETF offers the return of the TSX market, holding the entire portfolio of all Canadian listed stocks in Toronto.

This is a great option for those unwilling to pick individualized stocks. This ETF is also a great option for those who want to take on additional risk related to higher growth equity concentrated portfolios.

Also, this ETF offers a rock bottom management expense ratio of 0.1%. Further, [this ETF provides a level of diversification](#) that would simply be too onerous and costly to replicate otherwise.

For risk-averse investors

A good option for more risk-averse investors is the **VanEck Vectors Gold Miners ETF** (TSX:GDX). This ETF tracks the broad group of gold miners. This ETF is thus a great option for investors looking for a hedge or a way to benefit from economic turmoil.

This ETF is preferable, in my view, to owning other ETF's which own physical gold bullion or gold futures. That's because this ETF provides greater leverage to rising gold prices. Gold producers use leverage to generate outsized returns relative to those reflected in spot gold prices.

As the price of gold rises, the profitability of gold mining companies tends to increase by an order of magnitude. This increase occurs as the profitability of mining companies increases exponentially.

I am bullish on gold over the medium term. I believe this ETF is one of the best way ways risk-averse investors can increase equity exposure to maximize returns should volatility pick up again in the near future.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

POST TAG

1. coronavirus
2. Covid
3. ETF
4. value

TICKERS GLOBAL

1. TSX:CYBR (Evolve Cyber Security Index Fund)
2. TSX:XIC (iShares Core S&P/TSX Capped Composite Index ETF)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
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Date

2025/06/29

Date Created

2020/08/20

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