THE 2021 GLOBE AND MAIL ETF BUYER'S GUIDE, VOL. 3 – U.S. EQUITY FUNDS

Fund	Ticker (TSX)	Assets ($ mil.)	MER (%)	TER (%)	MARKET DATA AS OF MARCH 5: Price ($)	MARKET DATA AS OF MARCH 5: Dividend yield (%)	Distribution frequency	No. of holdings	Top sector weightings (%)	ANNUALIZED TOTAL RETURNS TO FEB. 28 (%): 1-year	ANNUALIZED TOTAL RETURNS TO FEB. 28 (%): 3-year	ANNUALIZED TOTAL RETURNS TO FEB. 28 (%): 5-year	3-year beta	Launch date (mm-dd-yyyy)
BMO Low Volatility U.S. Equity ETF	ZLU	1,556	0.33	0	38.34	4.7	Quarterly	101	Utilities 23 Cons. staples 18 Financials 14	2.2	9	7.6	0.76	03-19-2013
BMO MSCI USA High Quality Index ETF	ZUQ	412	0.33	0	49.30	1.2	Quarterly	126	Tech 43 Health care 20 Cons. staples 12	24.3	16.2	16.7	0.92	11-05-2014
BMO S&P 500 Index ETF	ZSP	8,471	0.09	0	53.48	1.4	Quarterly	507	Tech 28 Health care 14 Cons. discr. 13	24.1	13.4	14.9	1.05	11-14-2012
Horizons S&P 500 Index ETF	HXS	2,159	0.10	0.30	95.57	n/a	None	n/a	Tech 27 Health care 13 Financials 11	24	13.4	14.9	1.05	11-30-2010
Invesco QQQ Index ETF – CAD Hedged	QQC.F	355	0.25	0	104.57	0.5	Quarterly	102	Tech 48 Telecom 20 Cons. discr. 18	50.1	22.3	24.5	1.31	06-16-2011
iShares Core S&P 500 Index ETF	XUS	3,204	0.10	0	60.33	1.7	Semi-annual	505	Tech 27 Health care 13 Cons. discr. 12	23.3	13.2	14.8	0.98	04-10-2013
iShares Core S&P U.S. Total Market Index ETF	XUU	1,700	0.07	0	37.41	1.3	Quarterly	3,591	Tech 25 Health care 13 Cons. discr. 12	26	13.5	15	1.02	02-10-2015
iShares MSCI Min Vol USA Index ETF	XMU	312	0.33	0.01	57.03	1.6	Quarterly	185	Tech 23 Health care 19 Cons. staples 11	2.2	9.2	9.8	0.75	07-24-2012
Vanguard S&P 500 Index ETF	VFV	3,800	0.09	0	86.54	1.3	Quarterly	509	Tech 28 Health care 14 Cons. discr. 13	25	13.5	15	1.05	11-02-2012
Vanguard U.S. Total Market Index ETF	VUN	3,200	0.16	0	69.05	1.2	Quarterly	3,640	Tech 27 Cons. discr. 17 Health care 14	28.8	14.3	15.6	1.11	08-02-2013

Rob Carrick's comments: *Low-vol ETFs hit a brick wall in the stock market surge of 2020, but this ETF was previously a strong and popular contender for investors seeking a somewhat more conservative way to get into U.S. stocks. The hedged version of this fund is ZLH.*

ZUQ: Holds stocks screened for a high return on equity, stable earnings growth and low debt, but don't take the 'high quality' label too literally. The hefty tech weighting and S&P 500-beating returns suggest this fund isn't a calmer, less volatile spin on the U.S. market.

ZSP: Humongous in size by Canadian ETF standards, and why not? It's a no-brainer addition to your short list of ways to drop U.S. stock market heavyweights into your portfolio for minimal cost. The less popular hedged version is ZUE.

HXS: One to consider for your TFSA thanks to a total-return structure, where changes in share price reflect a total return based on moves in the underlying index and dividends. Dividends from U.S. stocks are subject to a withholding tax in a TFSA. With HXS, there are no dividends to be taxed. The high total cost – MER plus TER – results from the use of derivatives to produce S&P 500 returns. Individual stocks are not held.

QQC.F: Investors seeking a tech-forward approach to their U.S. equity exposure should be aware that this ETF is notably cheaper than competing products from BMO and iShares.

XUS: BMO's ZSP is a slightly cheaper option for S&P 500 exposure, but what about XUU (below)? XUU is worth a thought for the investor who likes having exposure to a broader spectrum of stocks than the S&P 500. XUS's far larger hedged version is XSP.

XUU: Bargain alert. The entire U.S. stock market – large-, mid-, small-, and micro-capitalization stocks – for an aggressively low fee. XUH is the hedged version.

XMU: A thought for investors worried about an overheated stock market, but who want to maintain exposure to stocks: Consider a low-vol ETF like XMU. Skunked in 2020, these ETFs could offer a slightly smoother ride if stock market conditions turn choppy.

VFV: Hugely popular, this fund has pulled in a lot of new money over the past year in a crowded field of competitors. Note that the MER as reported on the Vanguard website is a tick higher this year – 0.09 per cent versus 0.08 per cent a year ago. To get hedging, look at VSP.

VUN: The blazing hot stock market conditions of 2020 offered a lesson on the benefit of including small and medium-size companies instead of just the behemoths found in a basic S&P 500 fund. Something to consider: Will VUN's exposure to smaller stocks nullify its recent performance advantage in the next stock market downturn? The hedged version of VUN is VUS.

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