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A simple way to beat home bias

BY JULIE CAZZIN ON APRIL 1, 2015

Consider the Vanguard FTSE All-World ex-Canada Index ETF

“Home bias” is a recognized global phenomenon that prevents domestic investors from being fully diversified across foreign markets. It’s especially prevalent in Canada, where investors still keep 65% of their assets in Canadian equities despite the fact that our stocks only make up 5% of the global market. But the Vanguard FTSE All-World ex-Canada Index ETF (VXC) is an easy way to fix this problem. It invests in mid- and large-cap stocks from everywhere but Canada, and has an MER of just 0.25%.

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CANADA



UNITED STATES



UNITED KINGDOM



AUSTRALIA

Domestic allocation

65%

72%

50%

74%

Domestic market as a % of the world market

5%

43%

8%

8%

Source: IMF's Coordinated Portfolio Investment Survey, Barclays Capital, Thomson Reuters Datastream