

XEQT QUICK START GUIDE

Everything you need to understand and invest in XEQT.

A practical 6-page guide for Canadian investors.
No jargon. No sponsored rankings. Real numbers.

0.20% All-in annual fee	8,400+ Global holdings	+20.45% 2025 return	\$14.9B Net assets
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What Is XEQT and How Does It Work?	01
The Fee Case: Why 0.20% Changes Everything	02
Which Account Should You Open First?	03
How to Buy XEQT on Wealthsimple	04
What to Do When Markets Drop	05
Your First Year: A 12-Month Action Plan	06

justbuyxeqt.ca -- Independent. No sponsored rankings. Not financial advice.

SECTION 01

What Is XEQT and How Does It Work?

XEQT is the iShares Core Equity ETF Portfolio, listed on the Toronto Stock Exchange. When you buy one unit of XEQT, you instantly own fractional stakes in over 8,400 companies spanning Canada, the United States, international developed markets, and emerging economies. Apple. Royal Bank. Toyota. Samsung. Thousands of others. One purchase.

It is managed by BlackRock Canada, the world's largest asset manager, and launched in August 2019. The annual fee is 0.20% -- \$20 per year on every \$10,000 invested. Compare that to the average Canadian bank mutual fund at 1.5 to 2.5% and you begin to understand why so many Canadians have moved toward XEQT.

Important: XEQT is for long-term investors.

XEQT holds no bonds. It is a 100% equity fund designed for investors with a time horizon of at least 10 years who can hold through a 20 to 30% market decline without selling. If you need this money in under 5 years, XEQT is not the right tool.

The Four Building Blocks

XEQT does not hold 8,400 stocks directly. It holds four underlying iShares ETFs, each covering a different region of the global economy. BlackRock rebalances these automatically. You pay one 0.20% fee that covers everything.

ETF	What It Covers	Weight
ITOT / XTOT	Total US stock market -- all 3,500+ US-listed companies	~45%
XIC	S&P;/TSX Composite -- Canadian stocks (banks, energy, resources)	~25%
XEF	International developed markets -- Europe, Japan, Australia	~25%
XEC	Emerging markets -- India, China, Brazil, South Korea, Taiwan	~5%

Weights are approximate and shift with market movements. BlackRock rebalances continuously.

Key Fund Facts

- Listed on the Toronto Stock Exchange (TSX) under the ticker XEQT
- Current price: approximately \$38 to \$40 CAD per unit
- Pays quarterly distributions (yield approximately 1.6 to 1.9%)
- Inception date: August 7, 2019
- 2025 total return: 20.45% -- annualised since inception: approximately 11%
- No currency hedging -- you hold global stocks in their local currencies
- DRIP (dividend reinvestment plan) available on Wealthsimple

SECTION 02

The Fee Case: Why 0.20% Changes Everything

The Management Expense Ratio (MER) is the annual cost of owning a fund, expressed as a percentage of your investment. It is deducted automatically from the fund's assets -- you never write a cheque, which is precisely why it is so easy to ignore. That invisibility is not an accident.

XEQT's MER is 0.20%. The average Canadian bank equity mutual fund charges between 1.5% and 2.5%. The difference sounds small. Over a working career, it is not.

\$574K	\$376K	\$198K	\$500/mo
XEQT at 0.20% -- 30 years	Bank fund at 2.50% -- 30 years	The gap (goes to your bank)	Monthly contribution, 7% gross

Head-to-Head: \$500/Month Over 30 Years

	Your Bank Fund	Low-Cost ETF	XEQT
Annual fee on \$50K	~\$1,050	~\$400	\$100
30-year fees paid	~\$155,000	~\$43,000	~\$11,000
Portfolio at 30yr	\$376,000	\$510,000	\$574,000
Commission to buy	Embedded	Varies	\$0 (Wealthsimple)
Automatic rebalance	Varies	Some	Always
Holdings	50-200 stocks	Varies	8,400+ global

\$500/month, 7% gross return, 30 years. For illustrative purposes only. Actual returns vary. Not a forecast or guarantee.

The compounding effect of fees.

The high-fee investor did not just lose \$198,000 in fees. They also lost all the compounded growth that money would have generated over 30 years. Each year's fee compounds into lost wealth for the rest of the investment horizon.

Why Active Funds Rarely Win

The logical response to fee drag is: "But what if my active fund outperforms the index?" The data is clear. Over any 15-year period, more than 80% of actively managed Canadian equity funds underperform their benchmark index after fees. The 20% that do outperform in one period are not reliably the same 20% in the

next. Consistent active outperformance, net of fees, over long periods, is extraordinarily rare and impossible to identify in advance.

XEQT does not try to beat the market. It buys the market at the lowest possible cost and keeps all of the return that the market delivers. For the vast majority of Canadian investors, this is the correct strategy.

SECTION 03

Which Account Should You Open First?

Where you hold XEQT matters almost as much as owning it. Three registered account types are available to Canadians, and each treats XEQT differently from a tax perspective. Choosing the right one -- or the right sequence -- can add tens of thousands of dollars to your wealth over a career.

Account	Tax on contributions	Tax on growth	Tax on withdrawal	2026 room
TFSA	After-tax (no deduction)	Zero	Zero	\$7,000 new \$102,000 cumulative
RRSP	Deductible (saves tax now)	Tax-deferred	Taxed as income	18% of prior year earned income
FHSA	Deductible (saves tax now)	Zero (if used for home)	Zero (qualifying purchase)	\$8,000/yr \$40,000 lifetime

The Decision Framework

- No TFSA room used yet? Open a TFSA first. Tax-free growth with no withdrawal restrictions is the most flexible wealth-building tool in Canadian personal finance.
- Buying your first home? Open an FHSA immediately. The \$8,000 annual deduction plus tax-free withdrawal is a once-in-a-lifetime benefit. The 15-year clock starts from the day you open it, not from when you contribute.
- TFSA maxed and high income? RRSP contributions reduce your taxable income today. At a 40% marginal rate, a \$10,000 RRSP contribution generates a \$4,000 tax refund.
- Have all three? Fill in this order: FHSA (if buying a home), TFSA (if not maxed), RRSP (for additional sheltering).
- Non-registered accounts: perfectly valid once registered room is used up. XEQT is highly tax-efficient here due to the eligible dividend treatment and low annual distributions.

Your exact TFSA contribution room is in CRA My Account at canada.ca. Log in before making large contributions to avoid over-contribution penalties (1% per month on excess).

SECTION 04

How to Buy XEQT on Wealthsimple

Wealthsimple is Canada's largest online brokerage by account holders and the recommended platform for most XEQT investors. There are zero commissions on Canadian ETFs -- every buy and sell is free. Account opening takes approximately 5 minutes.

1 Open a Wealthsimple account

Go to wealthsimple.com or download the Wealthsimple app. Create an account with your email. Identity verification is fully digital -- a photo of your government ID and a selfie, completed in minutes.

2 Choose your account type

Select TFSA, RRSP, or FHSA. For most first-time investors, start with a TFSA. You can add other account types later without closing the first.

3 Fund your account

Link your Canadian bank account and transfer funds. Most Wealthsimple deposits clear within 1 to 3 business days. There is no minimum deposit.

4 Search for XEQT and buy

In the app, search "XEQT". Confirm the ticker shows TSX and Canadian dollars. Enter your dollar amount, review the order, and confirm. Your XEQT units appear in your account immediately during market hours.

5 Set up automatic recurring investments

In Wealthsimple, set up an automatic bi-weekly transfer from your bank on payday, paired with an automatic XEQT purchase. This is the single highest-impact action you can take to build long-term wealth.

Use the justbuyxeqt.ca referral link when opening Wealthsimple to get \$25 added to your account on your first deposit of \$200 or more. Visit justbuyxeqt.ca/go/wealthsimple/

SECTION 05

What to Do When Markets Drop

XEQT will drop. Significantly and repeatedly over your investing lifetime. March 2020: XEQT fell 30% in four weeks. 2022: XEQT fell approximately 15%. Both times it recovered and went on to new highs. Here is the complete action list for when it happens again.

- Do nothing. Close the app. A market decline is not a financial emergency unless you sell.
- If you have cash, consider buying more. A 20% decline means every dollar buys 25% more units than it did four weeks ago.

- Never try to time the bottom. The investors who sold in March 2020 and waited for "clarity" missed the fastest 6-month recovery in market history.
- Check your time horizon, not your balance. If retirement is 20+ years away, a 30% decline is noise. If retirement is 2 years away, you should have been transitioning to a more conservative allocation before the drop.
- The only valid reason to sell XEQT during a decline: you genuinely need the money now. Not "I am nervous." Need.

The best XEQT strategy is boring.

The investors who did best with XEQT since 2019 did the least. They set up automatic contributions, stopped checking prices, and let compounding do its work. Inaction is a strategy. It is often the best one.

SECTION 06

Your First Year: A 12-Month Action Plan

Getting started is the most important thing. Here is a practical, month-by-month framework for your first year investing in XEQT. After month three, the system runs itself.

Month	Action	Why it matters
1	Open Wealthsimple TFSA Buy your first XEQT units with whatever you can afford.	Starting today beats starting perfectly tomorrow.
1	Set up automatic bi-weekly contributions Link your payday to automatic XEQT purchases.	Removes every future decision. Dollar-cost averaging without effort.
2	Check your TFSA room in CRA My Account Confirm exactly how much you can contribute this year.	Avoids over-contribution penalties. Takes 5 minutes.
3	Enable DRIP on Wealthsimple Turn on automatic distribution reinvestment.	Distributions buy more XEQT automatically. True compounding.
6	Review only once Check whether your contribution amount still fits your budget. Adjust if needed.	One review in six months. No more.
12	Increase contributions if possible Even \$50/month more compounds significantly over decades.	\$50/month extra at 7% over 25 years: approximately \$40,000 additional wealth.
12	Consider an FHSA if buying a home If homeownership is in your future, open one now. The 15-year clock starts on opening.	Tax deductible in, tax-free out. Best new account in Canadian personal finance.

The One Rule That Covers Everything

The complete XEQT strategy in one paragraph.

Buy XEQT every time you get paid. Never sell because markets are down. Increase your contributions when your income grows. Hold for decades. That is the entire strategy. Everything else is noise.

Ready to start?

Open a commission-free Wealthsimple account in 5 minutes and get \$25 on your first deposit. The earlier you start, the more compounding does for you.

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