

the top 5 ETFs to start investing while living abroad

an abroaden level up 🎮📈



why ETFs are the best tool wealth-building tool for people living abroad 🏆

We at abroad love **ETFs for investing while living abroad**. Once you understand them, it's easy to see why. What keeps us coming back to them are three excellent features.

ETFs are:

- **low-cost investments**, way cheaper than many financial products
- **transparent** meaning you know exactly what's in them and all of the fees
- **easy to take across borders** when you move

The problem is that ETFs are so popular that providers are issuing new ones all the time.

With so much choice, it's all too easy to get lost in the noise. (Especially when there's not a lot of high-quality advice out there for people living abroad).

Our bundle on the Top 5 ETFs to start investing while living abroad helps you do just that!

With these curated funds, you can quickly start building an investment portfolio that not only grows your wealth but goes with you whenever and wherever you do.



how to use this guide and our methodology 🕶️

This guide is to help give people living abroad like you some guidance on ETFs.

We think these will make a robust base for a well-diversified portfolio.

That said, **the info here shouldn't be taken as investment advice**. If you have your doubts, we recommend speaking to a pro or using a regulated platform to help you out.

Remember that these ETFs are only a (fantastic) start. The best way to reduce your risk while growing your wealth is to diversification!

Here are the criteria we used when selecting the ETFs:

- Its risk profile and comparison to similar funds
- How relevant they are for expats, remote workers, and digital nomads
- Cost
- How many countries the fund can travel to (called "passporting" in industry-speak)
- Ratings on Morningstar
- Our internal analysis tools
- Accumulating capitalization so that the fund reinvests profits



some ETF lingo you should probably know

ETF

ETF stands for "Exchange Traded Fund," which means that it's a fund that trades on a stock exchange. In turn, it makes investing in one as easy as buying a stock.

Index

An index is a collection of different investment assets like stocks or bonds that tracks their performance. ETFs buy some or all of the assets in an index and try to match (or even beat) its return.

UCITS

UCITS is short for "undertakings for the collective investment in transferable securities." It's a term created by the European Union to describe the rules around pooled investments like funds (ETFs included). You'll see this term a lot when researching ETFs.

Collective Investment

A collective investment is where a bunch of random people put their money together to make bigger purchases.

TER

Stands for "total expense ratio," which is the fee the fund manager charges each year. The fund sells a little bit of the investment to cover their costs.

Accumulating

Accumulating means that the fund reinvests its profits (so dividend or loan repayments) directly into the fund. Accumulating funds make your wealth grow faster, thanks to compound interest.

Distributing

Distributing means that the fund pays out the profits to investors who are free to do with it as they please.

KIID

KIID means "key investor information document," which gives investors all the information they need about a fund in "easy to understand" terms. (We're skeptical of that, but each investment fund you dive into should have one).



our top 5 ETFs for
people living abroad



the “quick and dirty” all-world fund

Name

iShares Core MSCI World UCITS ETF

by BlackRock iShares

Fees

0.20% Annually (TER)

The fund currency

US Dollars

The index and target

The MSCI World Index tracks 1,558 medium and big-sized companies in the developed world (i.e., the US, Canada, Western Europe, Japan, and Australia).

What it invests in

This fund buys the stocks of most of the companies in the index. Because it covers the entire world, it doesn't purchase the whole index but rather a significant sample of it.

What risk profile investor is the fund great for

iShares rates this as a higher-risk fund, making it an attractive fit for adventurous investors. The spread-out geography, focus on stocks, and currency risks drive the performance and are more suitable for long-term investing.

What we like about this fund

Its low-cost and global reach make it a fantastic foundation for riskier portfolios. While other ETFs are tracking the same index, we think it is the best for people living abroad since Blackrock registered it in 22 different countries across 4 continents.

What could be better

Investing in only one fund that targets much of the world makes building a more personalized strategy challenging. Furthermore, the fund operates in US dollars, and American stocks make up 68% (!!!) of the holdings. That means a lot of exposure to the greenback, which isn't ideal for non-American investors.



the “lower-risk, Europe-focused stock” fund

Name

iShares Edge MSCI Europe Minimum Volatility UCITS ETF -
by BlackRock iShares

Fees

0.25% Annually (TER)

The fund currency

Euros

The index and target

This ETF tracks the **MSCI Europe Minimum Volatility Index**, which tracks less-risky companies in Europe, including the EU, UK, and Switzerland.

What it invests in

This ETF focuses on sectors and companies that tend to do relatively well during economic downturns. These include healthcare, consumer goods, and communications, which limits losses. On the flip side, it avoids industries that do really well when the economy is cooking.

What risk profile investor is the fund great for

This minimum volatility ETF fits well with European investors who want to invest in stocks but aren't huge gamblers. It sits nicely between low-risk bonds (loans to companies and governments) and more aggressive stock funds.

What we like about this fund

This ETF gets solid returns for the risk its investors take (it even outperforms some ETFs focused on Europe with regular volatility!). It focuses on Europe, which reduces some (but not all) of the currency risk for people who want euros or pounds when they reach their goal. Blackrock registered it across the continent and beyond, making it easy to move whenever you do.

What could be better

The fund only covers Europe, which has never been a top performer for investors. It's more expensive than other ETFs that take more risk (even if it's still cheap). If your end goal doesn't involve having a lot of euros or pounds, it's not a great fit.



the “let’s invest in America” fund(s)

America: the country so big that we had to include two ETFs: one for investors wanting more euros, and the other for US dollars.

Names

SPDR® S&P® 500 EUR Hedged UCITS ETF (Acc)

by State Street

S&P 500 UCITS ETF (USD) Accumulating

by Vanguard

Fees

0.12% and 0.07% Annually (TER), respectively.

The funds' currencies

Euros and USD

The index and target

Both ETFs track the classic **S&P 500 index**, which follows the 500 largest (public) companies in the United States. The 'hedged' version follows an **index that adjusts for exchange rate differences** between the euro and the US dollar.

What they invest in

These ETFs invest in some of the biggest companies globally and in the US, including Apple, Alphabet (Google), Amazon, Tesla, and more. It touches all industries from tech to healthcare, to financial services and beyond.

What risk profile investor are these fund great for

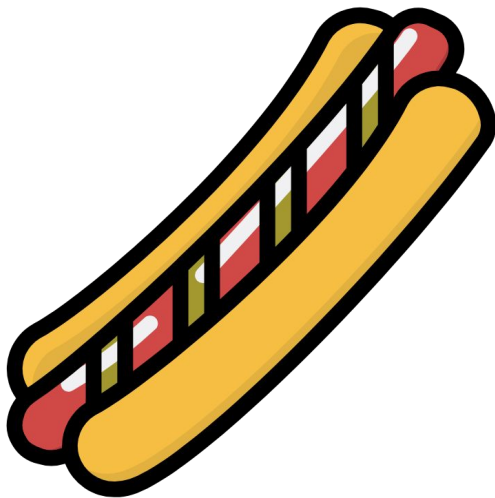
Using these ETFs as a core is almost a no-brainer for moderately adventurous investors who have goals way off in the future (10-plus years from now). The currency-hedged version is less risky for European investors as it removes the unpredictable currency markets from the equation.

what is currency hedging?

Hedging is a risk-management technique that tries to eliminate extra uncertainty and volatility. Currency hedging eliminates exchange rate risks by 'locking in' the exchange rate. For an ETF, that means the fund constantly 'swaps out' the currency gain or loss between the EUR and the USD, eliminating the impact of the exchange rate on the fund.



the “let’s invest in America” fund(s)



What we like about these funds

The S&P 500 is the world's most famous stock index and helped kick off the ETF revolution with SPY. The index has a track record of solid returns over decades (even if that tells us nothing concrete about the future). Many funds invest in this market anyway. By using these ETFs as a core, you can build the perfect portfolio specifically for you.

What could be better

The hedged version can leave some gains on the table depending on the currency markets (although it also protects your return). If your goal is to be in the US when you finish investing, you can't bring these with you due to American laws. (long story. Hit us on Instagram or LinkedIn, and we'll explain).



the “I love the Eurozone no matter what” fund

Name

Lyxor Core MSCI EMU (DR) UCITS ETF - Acc

by Lyxor

Fees

0.12% Annually (TER)

The fund currency

Euros

The index and target

The **MSCI EMU EUR Index** tracks the performances of the largest companies in the Eurozone (EMU stands for "European Monetary Union," if you were wondering).

What it invests in

This ETF invests in the stocks of 235 large and mid-sized companies across 10 countries in the Eurozone. LVMH, Daimler, Airbus, and AB Inbev are some of its more well-known members.

What risk profile investor is the fund great for

This ETF can be a comfortable fit for long-term investors willing to invest in stocks but want the euro as their portfolio core.

What we like about this fund

In terms of euro-only ETFs, this fund is hard to beat, as it's low-cost and covers the most advanced economies in the EMU. The fund is available to investors across Europe, meaning expats and remote workers can invest in it without headaches.

What could be better

This fund focuses on large European companies which generally don't perform as well as their American counterparts. Recently, Lyxor merged with its French counterpart Amundi, and this acquisition could mean the ETF gets combined with another fund. In that case, the costs and ability to transport it across borders (crucial for people living abroad!) might change.



the "I'm not a big fan of risk, but I still want to invest" fund 🙌

Name

EUR Corporate Bond UCITS ETF 1C

by Xtrackers DWS

Fees

0.12% Annually (TER)

The fund currency

Euros

The index and target

The **Bloomberg Euro Corporate Bond Index** tracks loans taken in EUR by companies that have solid financials.

What it invests in

This fund purchases bonds, which are loans companies make to borrow money. This ETF focuses on companies that are not in financial distress and borrow in euros.

What risk profile investor is the fund great for

We like this fund for people who aren't comfortable making stocks their core investment. While bonds can be risky, these are relatively stable ones, especially compared to stocks.

What we like about this fund

This low-cost ETF keeps buying bonds from companies known to pay back their debt. It's a good mix of risk-return for people not wanting to risk a lot. DWS passported this fund to 15 different countries, meaning it crosses borders when you move around the continent.

What could be better

The share price is high compared to other funds (although it's still reasonable). This fund focuses only on the euro, making it a poor fit for people needing dollars or pounds. Bond prices are low right now (although that can change in the future). That means it's probably better to pair it with some stock ETFs (the low volatility fund above is a good starting point).



make **ETF investing** while **living abroad** even easier

We all know investing is important, but when you're living abroad, life gets in the way of your financial dreams.

abroaden is the first wealth-building platform specifically made for expats, remote workers, and digital nomads.

We help you find, make, and manage a pack of ETFs tailor made to your needs, and ready to move around the world when you do.

Sign up for early-access today and start building your brighter financial tomorrow.

Special offer for all the awesome people who read this far! 🕶️

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your first 4 months free.

start investing now



about abroaden

abroaden is the wealth-building platform made for people living abroad.

Born in Barcelona, abroaden is on a mission to help the millions of expats, remote workers, and digital nomads have a better financial future, regardless of where they call home.

Our platform makes finding advice, management investments, and making better money decisions easy, transparent and affordable.



abroaden

how people living abroad invest



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