

## AAII's Guide to the Top ETFs for 2017

This week's AAI **Weekly Digest** highlights these “must-read” AAI articles:



### Model Fund Portfolio: Two ETFs Replaced With Lower-Cost Equivalents

Following James Cloonan's quarterly review of the AAI Model Fund Portfolio, he replaced two ETFs. The new mid-cap and small-cap ETFs have both lower expense ratios and lower trading costs than the funds they are replacing.

### The Four Groups of ETFs



Charles Rotblut and Elisabeth Kashner, the director of ETF research for FactSet, discuss the misunderstood complexity and differences among seemingly similar-sounding exchange-traded funds, as well as what investors should consider when looking at a particular ETF.

## A Second Look at How Target Date Funds Change Their

### Allocations



Target date funds offer the premise of a one-stop solution for investors seeking professional allocation strategies. They are commonplace in 401(k) and other similar employer-sponsored retirement plans. However, there remains confusion about how to use target date funds. This article offers an overview of target date funds, the allocation strategies they use and how these strategies change over time and how investors can go about selecting target date funds.

## What Every Investor Should Know About Mutual Funds



In mutual fund investing there are no immutable laws to guide us, as we have in physics. But then again, it's not professional wrestling either. This blog post distills the collective experience of mutual fund investing; some of it has empirical evidence pointing its way. But most is simply common sense that investors often set aside or forget in the heat of making an investment decision.

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Our [Member Question](#) for this week is:

***On September 20, the Federal Open Market Committee will meet to decide whether the Federal Reserve should raise short-term interest rates. According to CME Group as of August 25, there is only a 1.4% probability that the Fed will raise interest rates. If the Fed were to raise rates, do you think that move would benefit or harm the economy?***

[Vote Now »](#)

**Vote to answer this week's Special Question: *What do you think are the ways in which the Federal Reserve helps and hurts the U.S. economy and, thus, the stock market?***

## Last Week's Results:

### How worried are you about the prospects of rising inflation?



*Poll results are as of 9 a.m. (Central) on Monday. 1,692 respondents.*



### [Weekly Survey: Readers' Attitudes Split Regarding Prospects of Rising Inflation](#)

While common measures of inflation, including the Core PCE Price Index and Consumer Price Index (CPI), indicate that price inflation is relatively tame, there are others segments of the economy where inflation is starting to heat up—namely the housing market. As we know, when prices rise for energy, food and other goods and services, the entire economy is affected. Last week's reader survey and special open-ended question asked our readers about their views on inflation: how worried they are about the prospects of rising inflation and what steps they are taking with their financial and investment plans in the face of potentially higher inflation. This blog post summarizes

the results and responses.



## [The Individual Investor's Guide to Exchange-Traded Funds 2017](#)

Investors added \$249.4 billion to exchange-traded funds (ETFs) during the first half of 2017, not far from the \$287.5 billion added during full-year 2016. As of the end of June, total assets under management (AUM) for U.S.-listed ETFs was only slightly under \$3 trillion, up 30% from 12 months ago. The latest update to AAI's annual ETF guide includes detailed return information and data on more than 2,000 exchange-traded products.

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