

## Forgotten By Some, Inflation Is Far From Gone

In an **article** for InvestmentNews, Rusty Vanneman reminds investors to be mindful of inflation. The reason being is that, although inflation has been a non-issue for the last several years, there are some signs that inflation may be starting to return. The Core Consumer Price Index (Core CPI) is nearing 2% year-over-year growth, ignoring food and energy prices. Rising home prices and wage growth are further indications of coming inflation.

Vanneman points out that *successful* investors must generate long-term returns that outpace inflation. He also offers examples of investment vehicles that, typically, perform better during inflationary periods. They include:

- Mutual funds or ETFs that focus on “real assets,” such as commodities, natural resources stocks and real estate.
- Emerging market stocks
- Short maturity, high yield or inflation-linked bonds

For more information of those areas that, historically, have done better during inflationary periods, here are some articles from the AAI archives:

- **Frontier Markets Offer Growth From a Very Diverse Set of Economies**
- **TIPS and the Nature of Inflation Protection**
- **How to Make Money From Bonds**

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