



Top 5 most popular Exchange Traded Funds in 2016 on Shareview

Tom Sieber



Tom Sieber from Shares Magazine has offered up the following list of ETFs for 2017 to give you a head start on choosing what ETFs you'll be investing in this year. With so many to choose from sometimes it helps to have the choices narrowed down.

See which ones suit your goals for investment, take some time to do your own research on them and get started on putting investing at the top of your to do list for 2017!

Tom Sieber is the deputy editor at Shares Magazine and has more than eight years' experience working in investment journalism.

What is an Exchange Trade Fund (ETF)?

You might be happy picking your own investments such as shares in large brands, or you might want to get rid of the need to choose lots of individual investments and select an Exchange Traded Fund (ETF) instead.

ETFs are big collections of shares which are pooled together into one easy to

manage basket. They can track a stock market index, such as the FTSE 100, and are an easy, inexpensive way to gain access to varied range of large brands in the UK or overseas in one 'share'.

So buying a FTSE 100 ETF, for example, will give you exposure to the biggest 100 companies listed on the UK's stock

market with just one click, and helps to easily spread some of the risk whilst keeping costs low potentially giving you a better return.

There are different types of ETFs even amongst those that track the same index, so be sure to understand what those are before buying.

Top 5 most popular ETFs in 2016 on Shareview*

FTSE
100

iShares Core FTSE 100 (ISF)

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The first ETF to launch in the UK back in 2000 and still the most popular, this product offers low-cost exposure to the FTSE 100 index.

This encompasses the 100 largest listed UK companies. Constituents of the index are reviewed each quarter, with a maximum of 10 companies being relegated from the list or promoted to it. The ETF has an ultra-low total expense ratio of 0.07%.

FTSE
350

iShares UK Dividend (IUKD)

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This product offers diversified exposure to a universe of the 50 highest yielding stocks on the FTSE 350 index.

The fund distributes income on a quarterly basis and has a yield of 4.8% at the time of writing. It has a total expense ratio of 0.4%. Among the top holdings are insurer Aviva, oil company BP and banking giant HSBC.

FTSE
250

iShares FTSE 250 (MIDD)

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This is a good product if you are looking to add mid-cap exposure to your portfolio.

There is not a single accepted definition of what makes a mid-cap but the FTSE 250 – which constitutes the stocks ranked 101 to 350 by market capitalisation on the FTSE 350 index – is probably the best pointer for UK stocks. The ETF has a total expense ratio of 0.4%

S&P
500

iShares S&P 500 (IUSA)

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US stocks hit new record highs in 2016 and a simple and cheap way of gaining exposure to the American stock market is provided by this exchange-traded fund.

Along with the Dow Jones Industrial Average, the S&P 500 is the most heavily followed US index. It includes 500 of the largest companies on NASDAQ and the New York Stock Exchange.



iShares MSCI
Emerging Markets (IEEM)

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Emerging markets are very difficult for individual investors to access directly due to constraints on liquidity and restrictions on foreign ownership of shares.

A low-cost product such as this ETF is a sensible way to gain diversified exposure to these markets. Some of the top holdings include South Korea's Samsung Electronics and Chinese e-commerce company Alibaba.

*based on number of trades

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