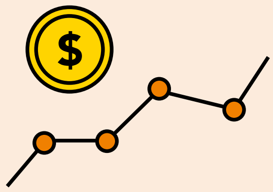
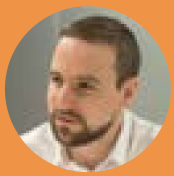
EQ Shareview



Tom's Top 5 Exchange Traded Funds to watch for in 2017

EQ 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.

Tom’s Top 5 ETFs to watch for in 2017

iShares Edge MSCI World Momentum Factor (IWMO)

CLICK TO INVEST & SEE PERFORMANCE

If you think the strong worldwide rally in stock markets around the turn of the year can continue then this ETF could be of interest.

It invests in a sub-set of global MSCI stocks which have been experiencing an upward price trend. Stocks currently being tracked by this ETF include Amazon, British American Tobacco, BP, Facebook, HSBC, Johnson & Johnson and Microsoft.

SPDR Russell 2000 US Small Cap (R2US)

CLICK TO INVEST & SEE PERFORMANCE

Stocks on the Russell 2000 are arguably the greatest beneficiaries of US President Donald Trump’s promised billions of dollars worth of infrastructure spend and pledge to cut corporation tax due to their domestic focus.

A handful of UK exchange-traded funds (ETFs) offer direct exposure to the Russell 2000 and this is the cheapest with a total expense ratio of 0.3%.

iShares MSCI Japan (SJPA)

CLICK TO INVEST & SEE PERFORMANCE

Renewed attention on the merits of the Japanese market after a quiet 2016 could be played through this ETF which has an ultra-low total expense ratio of 0.2%.

The Japanese market includes household names like Toyota, Hondo and Mitsubishi alongside robotics firms such as Fanuc and the technology giant Softbank.

Source Morningstar US Energy Infrastructure MLP ETF (MLPD)

CLICK TO INVEST & SEE PERFORMANCE

As activity in the US oil and gas sector picks up, buoyed by a more energy-friendly administration and higher oil prices, demand for energy infrastructure is likely to increase too.

This ETF offers exposure to this theme with 38 constituents which are 90% weighted to oil storage and transportation activities. Dividends are paid quarterly and the management fee is a competitive 0.5%.

db X-trackers MSCI World Information Technology (XDWT)

CLICK TO INVEST & SEE PERFORMANCE

The technology sector should continue to be buoyed by big breakthroughs in 2017 and should therefore perform well whatever the economic and wider market backdrop.

This ETF provides exposure to global IT companies in developed markets for a total expense ratio of 0.45%. More than 80% of the fund is invested in the US, reflecting the country’s dominance of this sector.