

Title:
ETFs Unplugged

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Summary:
Is your financial advisor missing a critical piece to the ETF?

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Article Body:
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Diversification

Unfortunately, many investors and advisors are building portfolios of ETFs without looking into the index fund community's preoccupation with market cap weighting may have a strong theoretical basis. Most investors would agree that just because a company is bigger doesn't mean that it is a better investment. Unequal Weighting, Unequal Returns

This is why I have been advising clients to invest in the Rydex S&P 500 equal-weight ETF (RSP). In my book, "The New Global Advisor", I ask readers a provocative question. If you wanted exposure to the new and innovative Powershares family of ETFs essentially creates its own indexes based on
Two I Like

The first is the biotech Powershare (PBE) that contains 30 biotech companies. If its holdings are too high, the biotech Powershare is an aggressive position so don't get carried away. I think it is a smart investment. The other Powershare that I like is the International Dividend Achievers Powershare (PID) that
A Better Way to Get Global Diversification

One problem with the most widely used international index, the MSCI Europe, Asia & Far East Index is that
Getting the right blend of ETFs takes some time and effort. Remember that all ETFs are not equal.

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