

# Exchange Traded Funds (ETFs) Research Report

## Executive Summary

- 1) Bond ETFs have low annual costs, but they also have low long-term returns. After inflation, returns are lower and if held in a taxable account, returns are even lower. Over the long-term, instead of buying bond ETFs, investors will be better off in my low-risk stock portfolio, which has higher average annual returns with the same risk of losses (drawdowns) as intermediate bonds.
- 2) Stock ETFs have low annual costs, but they also have low long-term returns due to the problem with indexed funds explained below. Over the long-term, instead of buying stock ETFs, investors will be better off in my mod-risk stock portfolio, which has higher average annual returns with lower risk of losses (drawdowns).
- 3) Most ETFs are indexed vs. actively managed. Over the long-term, indexed fund do not have high returns. Why? 1) index funds buy stocks regardless of valuation; thus, index funds can overpay for stocks; 2) index funds are fully invested; thus, you get 100% of up and down markets; 3) index funds automatically re-balance their holdings quarterly, resulting in transaction fees when it buys and sells securities, which reduce returns.
- 4) When you include big down-market periods like 2000-2002 and 2007-2009 when the stock market lost >50% each time, most index fund's average annual returns are below 10%. Since we have not had a 50%+ down-market period since 2009 (15 years), recent 15-year returns are misleading investors into thinking index funds are good investments. Just look at the 20-year return column which includes the 2007-2009 bear market.
- 5) With ETFs, you will own companies you may not want to own due to their anti-American practices such as Google, Microsoft and Meta. Also, big fund companies like Blackrock and Vanguard have infiltrated corporate boards rooms and are forcing anti-American practices like DEI and ESG. Blackrock is also doing some nefarious things with American investor money that are not in the best interest of the US.

## Top Selling Bond Exchange Traded Funds (ETFs)

B	C	F	H	J	K	V	W	X	Y	Z	AD
Ticker	Name	Morningstar Category	Index Fund	Fund Size	Cost	Return (1Y)	Return (3Y)	Return (5Y)	Return (10Y)	Return (15Y)	Worst Loss %
BND	Vanguard Total Bond Market ETF	Intermediate Core Bond	Yes	345,654,539,319	0.03	1.55	(2.32)	(0.32)	1.36	2.32	(17.32)
AGG	iShares Core US Aggregate Bond ETF	Intermediate Core Bond	Yes	120,563,205,732	0.03	1.43	(2.33)	(0.37)	1.31	2.29	(17.19)
BNDX	Vanguard International Bond ETF	Global Bond-USD Hedged	Yes	100,597,193,866	0.07	3.61	(0.56)	0.10	1.91		(14.81)
BSV	Vanguard Short-Term Bond ETF	Short-Term Bond	Yes	58,231,254,050	0.04	3.75	0.94	1.27	1.61	1.75	(7.82)
VTIP	Vanguard Short-Term Inflation-Protected ETF	Inflation-Protected Bond	Yes	54,335,974,742	0.04	4.69	2.06	3.30	2.54		(4.44)
TLT	iShares 20+ Year Treasury Bond ETF	Long Government	Yes	53,627,571,853	0.15	(7.56)	(13.18)	(6.13)	(1.06)	2.63	(47.61)
VCIT	Vanguard Inter-Term Corp Bd ETF	Corporate Bond	Yes	50,767,062,300	0.04	3.40	(1.08)	0.79	2.72	4.10	(18.87)
BIV	Vanguard Inter-Term Bond ETF	Intermediate Core Bond	Yes	42,608,381,456	0.04	1.70	(2.20)	0.01	1.77	3.15	(17.56)
VCBS	Vanguard Short-Term Corp Bond ETF	Short-Term Bond	Yes	41,532,963,990	0.04	4.91	1.67	1.89	2.34	2.68	(8.57)
VGIT	Vanguard Intermediate-Term Trs ETF	Intermediate Government	Yes	38,840,224,380	0.04	1.42	(1.86)	(0.19)	1.09	2.05	(15.01)
MBB	iShares MBS ETF	Intermediate Government	Yes	35,867,970,600	0.04	1.40	(2.03)	(0.74)	0.81	1.69	(16.83)
BIL	SPDR® Bloomberg 1-3 Mth T-Bill ETF	Ultrashort Bond	Yes	34,923,157,655	0.14	5.17	3.82	2.34	1.61	1.05	(0.14)
LQD	iShares iBoxx Investment Grade Corp ETF	Corporate Bond	Yes	32,839,489,922	0.14	1.11	(3.22)	(0.31)	2.29	3.85	(23.29)
IEF	iShares 7-10 Year Treasury Bond ETF	Long Government	Yes	31,999,988,325	0.15	(0.45)	(4.38)	(1.49)	0.67	2.40	(23.18)
IUSB	iShares Core Total Bond Market ETF	Intermediate Core Bond	Yes	31,741,790,649	0.06	2.17	(1.90)	0.02	1.71		(16.79)
GOVT	iShares US Treasury Bond ETF	Intermediate Government	Yes	29,582,530,661	0.05	0.69	(2.83)	(0.76)	0.75		(18.45)
VGSH	Vanguard Short-Term Treasury ETF	Short Government	Yes	23,704,252,721	0.04	3.95	1.39	1.33	1.33	1.20	(5.31)
SHY	iShares 1-3 Year Treasury Bond ETF	Short Government	Yes	22,454,524,526	0.15	3.85	1.31	1.24	1.25	1.14	(5.35)
IGSB	iShares 1-5 Yr Investment Grade Corp Bd ETF	Short-Term Bond	Yes	20,963,532,214	0.04	4.97	1.75	1.99	2.20	2.08	(8.66)
VMBS	Vanguard Mortgage-Backed Secs ETF	Intermediate Government	Yes	20,108,930,590	0.04	1.76	(1.86)	(0.66)	0.89	1.76	(16.45)
SHV	iShares Short Treasury Bond ETF	Ultrashort Bond	Yes	18,497,337,654	0.15	5.11	3.68	2.34	1.68	1.13	(0.34)
USFR	WisdomTree Floating Rate Treas ETF	Ultrashort Bond	Yes	16,912,171,451	0.15	5.40	4.16	2.59	1.87		(0.14)
FBND	Fidelity Total Bond ETF	Intermediate Core Bond	No	16,880,760,042	0.36	2.28	(1.49)	0.80	2.22		(15.93)
VLCT	Vanguard Long-Term Corp Bd ETF	Long-Term Bond	Yes	16,092,739,028	0.04	(1.50)	(6.66)	(2.03)	2.11	4.59	(31.67)
VGLT	Vanguard Long-Term Treasury ETF	Long Government	Yes	16,026,105,651	0.04	(5.95)	(11.77)	(5.32)	(0.64)	2.67	(45.40)
Bond ETF Averages					0.08	1.96	(1.56)	0.07	1.45	2.34	(15.88)
Low Risk Stock Portfolio						7.51	1.67	4.65	7.26	9.58	(19.27)

Source: www.morningstar.com 12.31.24

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Ticker	Name	Morningstar Category	Index Fund	Fund Size	Cost	Return (1Y)	Return (3Y)	Return (5Y)	Return (10Y)	Return (15Y)	Return (20Y)	Worst Loss %
VTI	Vanguard Total Stock Market ETF	Large Blend	Yes	1,835,720,667,995	0.03	24.24	7.91	13.96	12.43	13.51	10.29	(50.84)
VOO	Vanguard S&P 500 ETF	Large Blend	Yes	1,373,797,311,236	0.03	25.48	8.95	14.65	13.00			(50.97)
SPY	SPDR® S&P 500® ETF Trust	Large Blend	Yes	656,117,964,086	0.09	25.34	8.89	14.61	12.94	13.73	10.28	(50.89)
IVV	iShares Core S&P 500 ETF	Large Blend	Yes	549,778,908,753	0.03	25.42	8.96	14.65	13.00	13.79	10.32	(50.89)
VXUS	Vanguard Total International Stock ETF	Foreign Large Blend	Yes	442,793,546,259	0.08	5.21	0.71	4.38	5.07			(58.50)
QQQ	Invesco QQQ Trust	Large Growth	Yes	331,793,872,909	0.20	26.66	9.53	20.20	18.26	18.51	14.51	(49.77)
VUG	Vanguard Growth ETF	Large Growth	Yes	281,727,336,414	0.04	33.90	9.36	18.65	15.76	15.83	12.18	(47.11)
VEA	Vanguard FTSE Developed Markets ETF	Foreign Large Blend	Yes	198,081,170,699	0.06	3.14	0.96	4.87	5.42	5.34		(57.01)
VTW	Vanguard Value ETF	Large Value	Yes	195,019,615,704	0.04	15.70	7.41	9.95	9.85	11.55	8.63	(54.79)
VO	Vanguard Mid-Cap ETF	Mid-Cap Blend	Yes	189,759,907,906	0.04	15.32	2.81	9.97	9.47	11.91	9.52	(54.07)
VB	Vanguard Small-Cap ETF	Small Blend	Yes	167,260,780,742	0.05	14.08	3.56	9.33	8.99	11.53	9.10	(53.84)
VXF	Vanguard Extended Market ETF	Mid-Cap Blend	Yes	120,284,321,077	0.06	17.02	2.48	9.98	9.39	11.75	9.35	(52.78)
IEFA	iShares Core MSCI EAFE ETF	Foreign Large Blend	Yes	118,752,059,853	0.07	3.35	1.10	4.63	5.39			
VWO	Vanguard FTSE Emerging Markets ETF	Emerging Market	Yes	110,765,122,757	0.08	10.76	(0.34)	3.03	4.00	3.32		(62.65)
IWF	iShares Russell 1000 Growth ETF	Large Growth	Yes	109,487,906,908	0.19	34.32	10.45	19.03	16.57	16.24	12.41	(48.03)
VIG	Vanguard Dividend Appreciation ETF	Large Blend	Yes	106,010,994,136	0.06	16.97	6.54	11.54	11.27	12.18		
IJH	iShares Core S&P Mid-Cap ETF	Mid-Cap Blend	Yes	97,486,069,162	0.05	13.68	4.81	10.27	9.49	11.73	9.58	(49.60)
IJR	iShares Core S&P Small-Cap ETF	Small Blend	Yes	90,902,238,575	0.06	8.41	1.75	8.30	8.82	11.49	8.91	(52.15)
IEMG	iShares Core MSCI Emerging Markets ETF	Emerging Market	Yes	79,295,369,445	0.09	6.69	(1.70)	2.28	3.81			
IWM	iShares Russell 2000 ETF	Small Blend	Yes	78,909,795,178	0.19	11.25	1.04	7.31	7.68	10.21	7.77	(52.69)
VYM	Vanguard High Dividend Yield ETF	Large Value	Yes	76,484,643,078	0.06	17.34	7.62	9.77	9.62	11.72		
RSP	Invesco S&P 500® Equal Weight ETF	Large Blend	Yes	73,625,096,509	0.20	12.58	4.19	10.62	9.88	12.16	9.49	(55.53)
ITOT	iShares Core S&P Total US Stock Mkt ETF	Large Blend	Yes	65,910,879,570	0.03	24.21	7.95	13.93	12.45	13.45	10.11	(50.85)
SCHD	Schwab US Dividend Equity ETF™	Large Value	Yes	65,328,759,014	0.06	11.30	4.09	11.03	10.89			
VBR	Vanguard Small-Cap Value ETF	Small Value	Yes	62,994,579,628	0.07	12.07	5.66	9.88	8.54	11.11	8.55	(56.02)

Stock ETF Averages	0.08	16.58	4.99	10.67	10.08	12.05	10.06	(52.95)
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Source: [www.morningstar.com](http://www.morningstar.com) 12.31.24

Mod Risk Stock Portfolio		16.96	9.27	14.86	14.92	17.37	18.70	(23.90)
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