These Are the Top 7 ETF Buys

As an investor, it doesn't pay to follow the crowd.

In this series, though, we highlight a possible exception -- the collective wisdom of our <u>Motley Fool CAPS community</u>. Read the next section if you're not familiar with our methodology. Skip it if you want to go straight to the results.

Why this crowd is different Jumping into a stock because your rich neighbor did, or because you heard about it from your friend's uncle who used to work on Wall Street, or because CNBC has been talking about it nonstop, is a recipe for disaster.

If there's one thing I've learned as a stock analyst, it's that any stock can be gussied up to sound like a world-beater. If there's a second thing I've learned, it's that being a smart person doesn't make you a good investor.

In the hands of a smart person with good communication skills, the never-were and never-will-be stocks sound like tickets to instant fortune. The ancient Greek philosophers made the distinction between rhetoric and knowledge. The former is convincing; the latter is true.

That's why we factor in track records in our Motley Fool <u>CAPS</u> <u>community</u>. We invite everyone to give stocks an outperform (i.e., a "buy") or underperform rating (i.e., a "sell") in CAPS. We then use those opinions to calculate a rating for each stock -- from one to five

stars (five being the best). But -- and this is a big distinction -- we give more weight to the opinions of folks whose picks have performed well in the past.

The top 7 ETF buys So, with that methodology as prelude, I present to you the top seven <u>ETF</u>s based on the number of CAPS members who have rated the stock an outperform. Only ETFs garnering four-or five-star ratings are included.

Company	Market Capitalization (in millions)	Outperform Picks	CAPS Rating (out of 5)
iShares MSCI Brazil Index Fund (NYSE: <u>EWZ</u>)	\$9,315	2,072	****
Vanguard Emerging Markets Stock Index Fund (NYSE: <u>VWO</u>)	\$29,421	1,455	****
iShares Silver Trust (NYSE: <u>SLV</u>)	\$5,316	1,389	****
PowerShares WilderHill Clean Energy (NYSE: PBW)	\$533	1,032	****
iShares MSCI Emerging Markets Index Fund (NYSE: <u>EEM</u>)	\$39,673	977	****
PowerShares Water Resources (NYSE: PHO)	\$1,020	810	****
PowerShares DB Agriculture Trust (NYSE: DBA)	\$1,973	751	****

Source: Motley Fool CAPS as of Aug. 12.

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