ETF Starter Guide

The one-page version of rodoslay.com/personal-finance, Module 6 — data as of July 2026.

What an ETF is

An **exchange-traded fund** is a basket of securities — often hundreds or thousands of stocks — trading on an exchange under one ticker. One share of an S&P 500 ETF buys you a sliver of the 500 largest US companies at once. The big ones are **index funds**: no manager picks stocks, the fund just holds the published index. That's why they cost almost nothing to run — and why most active funds fail to beat them after fees.

The usual suspects (July 2026)

Ticker	Tracks	Fee / yr	Assets
VOO	S&P 500 — first ETF ever to pass $1 trillion	0.03%	~$1.0T
IVV	S&P 500	0.03%	~$830B
SPY	S&P 500 (the 1993 original; higher fee)	0.09%	~$780B
VTI	Entire US market (~3,500 stocks)	0.03%	~$650B
QQQ	Nasdaq-100 (tech-heavy)	0.18%	~$480B
VT	The whole world (~10,000 stocks)	0.06%	~$74B
VXUS	World, excluding the US	0.05%	~$149B
BND / AGG	US investment-grade bonds	0.03%	~$160B / $136B
NAFTRAC	S&P/BMV IPC — Mexican large caps	0.25%	~MXN 94B

Fees & assets: stockanalysis.com and issuer pages, July 14, 2026. A 0.03% fee = 30 pesos per year per $100,000 invested. A typical bank fund charging 1.75% takes 1,750 — every year.

Buying from Mexico — the SIC

All the tickers above trade **in pesos** on the Mexican exchanges through the SIC (Sistema Internacional de Cotizaciones), via any CNBV-regulated broker. Popular retail apps (2026): **GBM+**, **Kuspit**, **Bursanet** (Actinver), **Finamex**, **Flink by Webull**, **Hey** — accounts from $100 MXN or less, commissions roughly 0.10–0.25% per trade, several with fractional shares.

Taxes in outline (individuals, 2026): gains on shares/equity ETFs sold through the exchange pay a definitive **10% ISR** on the net gain (broker-reported; confirmed in your annual declaration). US dividends: 10% US withholding with a **W-8BEN** on file (30% without one) plus Mexico's own 10% on dividends, with the treaty amount creditable. Fixed-income earnings have a separate retention (0.90% on capital in 2026).

Know your risk-free alternative: CETES

Short-term government paper via **cetesdirecto.com** — from $100 MXN, no commissions. July 2026: roughly 6.3–7.1% gross (Banxico rate 6.50%, inflation ~3.4% → about 3% real). CETES are for the emergency fund and short-term goals. Equities are for 10+ year money: the long-run ~5% real return is payment for sitting through crashes without selling.

The five rules

1. Order of operations.	Emergency fund first, expensive debt dead first. Only then invest.
2. Buy the haystack.	A broad index (S&P; 500, total market, or all-world) — not stories, sectors, or single stocks.
3. Automate monthly.	Same amount, same day, every month (dollar-cost averaging). Remove your opinions from the loop.

4. Never interrupt compounding.	No panic selling, no waiting for dips. Time in the market beats timing the market.
5. Control what's controllable.	Your fees and your savings rate. Everything else is weather.
