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ICI Adds to Educational Resources on Exchange-Traded Funds

By Mike McNamee

Exchange-traded funds (ETFs) have proven themselves one of the most important financial innovations of the last two decades. Their robust growth speaks to the numerous benefits that they bring retail and institutional investors, benefits such as low cost, versatility, and liquidity.

As the ETF market continues to expand, so does the need for good information on the product, particularly in times of market volatility. Investors at all levels need a clear sense of the mechanics of ETFs, the advantages they offer, and any potential risks. Likewise, regulators and the media need good information to fashion policy and inform the public.

To address these needs, we've recently added four FAQ documents to our online resource center for exchange-traded funds (ETFs). The FAQs provide clear, simple explanations on the following topics:

- ETF Basics and Structure
- ETFs and Retail Investors
- · How ETFs Compare with Other Investments
- The U.S. ETF Market

In addition to these FAQs, our ETF resource center highlights recent ICI comment letters to regulators, who continue to examine issues such as ETFs' role in the markets and the implications of different ETF structures globally. The page also features recent ETF stats from ICI and useful links to other ETF resources on the web.

We look forward to adding more information to our ETF resource page as ICI continues to promote understanding of this important tool for investors.

Mike McNamee is ICI's chief public communications officer.

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