



Exchange Traded Funds

In this workshop, participants will learn the brief history, dynamic future, and specialized uses of one of the newest and most actively traded financial instruments around: Exchange Traded Funds (ETFs). The first ETF traded in Toronto in 1989, and today nearly 200 different ETFs in the U.S. alone present a viable alternative investment option to traditional open-ended mutual funds, especially open-ended index funds. There are many available ETFs that attempt to track all kind of indexes (such as large-cap, mid-cap, small-cap, etc), specialties (such as value and growth), industries, countries, and even commodities (while commodity funds like Gold Shares are technically not ETFs, they trade like ETFs). More are always being developed. There are discussions of ETFs for other indices and commodities, as well as actively managed ETFs. ETFs are attractive to investors because they offer the diversification of mutual funds with the features of a stock and also offer investors and institutions unique opportunities as a hedging instrument.

The original ETFs were set up as competitors to open-ended index funds, and subsequent ETFs have usually followed in their footsteps: they typically have very low expense ratios compared to actively managed mutual funds. They also have a lower turnover ratio, which tends to be more tax-favorable.

Targeted Audience

Anyone who is interested in mutual funds, trading equities, and trading strategies.

Special Offer

Clients who register for this course will receive a complimentary 3 month subscription to the Financial Times and FT.com. The Financial Times is the world's most respected financial newspaper, providing a broad assessment on finance, business and the industrial sector. Subscriptions will start within 6-8 weeks of the application process and are limited to one per client. For questions about your subscription, call 800-628-8088 or email uscirculation@ft.com. U.S. enrollees only. (All non-U.S. enrollees will receive a subscription to FT.com only.) Lunch included for all students taking day classes.

Advance Preparation

No advance preparation required.

Prerequisites

A basic knowledge of the nature of an equity (stock) mutual fund.

Learning Objectives

Students will be able to:

- . Demonstrate a practical understanding structure and uses of Exchange Traded Funds, especially how they favorably compare to mutual funds for the savvy investor.
- . Develop a knowledge of the variety of ETFs available, where they trade, and which ETFs are most popular.
- . Build and understand hedging models using ETFs.
- . Discuss the tax-advantages of ETFs.

Follow-Up Courses

Global Trader Simulation - 4 Day

Level: Basic

CPE Credits: 7.0

Instructional Method: Group-Live

Detailed Outline

Topics Covered

History of ETFs

Definitions: What is an ETF and why we should care

Structure of ETFs

- . Where traded
- . Comparison with mutual funds

Tax advantages

How investors and institutions can use ETFs to leverage short-term trading strategies

How investors and institutions can use ETFs to hedge against larger portfolio downturns

The future: new and exotic ETFs

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