**ETFs use are evolving**

**Start with a question – Why are you investing? What are you looking to achieve?**

**Does this ETF meet your objective?**

Only as **liquid** as the underlying assets

**Benchmark**

Who is the index provider?

Understand the various benchmarks, R squared (tracking error)

Cap weighted, equal weighted, MSCI Emerging, FTSE Emerging etc.

**Cost**

Expense ratio, tax, regulation…

**Using ETFs in many different ways:**

Diversification, building blocks, capital appreciation, managing risk (hedging), generating income, have exposure to various asset classes (ie, gold, commodity, currency, MLPs, foreign countries….)

**What is the investment risk expectation**?

**Time Horizon**

**Creation/Redemption**

**NAV**

**Who are the users of ETFs?** Institutions, fund managers and individual investors

**Diversification does not mean you don’t lose money**

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