



ETFs & Mutual Funds

MODULE 10: LESSON GUIDE

This module aims to explain what ETFs and Mutual funds are and the difference between the two. We will discuss how they each function and the benefits of investing in each. We will also take a look at the negative side of both investments. In addition to this we will talk about the tax implications of both. We will also touch on how a company IPOs and how investment banks are involved in the process.

Time Required: 60-90 minutes

SUPPLIES:

Notebooks
Computers, Phones or Tablets
Internet Access
Projector
Rapunzl App
Activity Sheets (Optional)

ACTIVITIES & ARTICLES

ACTIVITIES

- Commercial Versus Investment Banks
- The Basics Of Building ETFs

ARTICLES

- Learn About Financial Intermediaries
- The Benefits Of Mutual Funds For Long-Term Investors
- Thinking About A Financial Advisor?
- Two Sides Of A Transaction
- Why Analysts Are Useful (And When They Aren't)

GUIDING QUESTIONS

- What are ETFs and Mutual Funds?
- How can ETFs and Mutual Funds help build a more diversified portfolio with exposure to hundreds of companies?
- Are there any special tax treatments for ETFs or Mutual Funds which we should appreciate before investing?
- What are Capital Markets and Why are they important?
- How do investment banks help launch an ETF or Mutual Fund?
- What Is An IPO?

ENDURING UNDERSTANDINGS

- ETFs & Mutual Funds provide a way for investors to invest in a basket of stocks or other assets at a much lower cost than purchasing all of the assets independently.
- ETFs provide investors with the opportunity to own shares in an asset whose performance is designed to mirror a stock index or industry.
- Mutual funds are more actively managed than ETFs, so they may cause investors to incur a greater tax liability.
- Mutual funds make distributions to investors which may provide an additional source of income for some investors.

STANDARDS ALIGNMENT

Saving:

8.3c, 8.6a, 12.2b, 12.4b, 12.5a

Investing:

8.1a-b, 8.2a-c, 8.4a-b, 8.5b, 12.3a, 12.3c, 12.4a-b, 12.7a-c, 12.13a-c, 12.14a-c