

Title: ETF Basics

Content:

Exchange Traded Funds (ETFs) are investment funds that trade on stock exchanges, similar to stocks. An ETF holds a collection of assets such as stocks, bonds, or commodities.

ETFs are designed to track the performance of an index like the S&P 500 or Nasdaq 100. Instead of trying to beat the market, ETFs aim to follow the market.

Key features of ETFs:

- They are traded on stock exchanges
- They offer diversification
- They usually have low costs
- They are transparent

Benefits of ETFs:

- Easy to buy and sell
- Lower expense ratios compared to active funds
- Suitable for long-term investing

Risks of ETFs:

- Market risk
- Price fluctuations
- Sector concentration risk (for some ETFs)

ETFs are commonly used by long-term investors worldwide.