

# How to Put the World of Exchange Traded Funds to Work for You

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# Agenda

1. ETF overview and landscape
2. Top 5 ETFs by assets
3. Top 5 ETFs for income
4. Top 5 ETFs for growth
5. How to trade for free
6. Best practices when trading ETFs

# ETF Facts

(As of April 2016)

Source: Investment Company Institute

1. Total assets: \$2.191 trillion
2. Number of ETFs: 1630
  - Equity (including commodities) – 722
  - Global/Intl Equity – 611
  - Hybrid – 19
  - Bond – 278
3. Number of ETFs with AUM > \$100mln: 797
4. ETF trading as a % of total NYSE volume: 27% (Source: Blackrock as of 6.15.2016)

# ETP Flows YTD



Legend: US Equity DM ex-US Equity EM Equity Fixed Income Commodity Alts / Currency

Source: Blackrock as of 6.10.16

# Top 5 ETFs By Asset

TICKER	NAME	ASSETS	YTD%	EXP RATIO	Vol (90D)
SPY	S&P 500 SPDRs	182,120.72	1.62	0.09	90,442,080
IVV	iShares S&P 500 Index	72,687.20	1.65	0.07	3,319,845
VTI	Vanguard Total Stock Market ETF	61,437.91	1.13	0.05	2,407,967
EFA	iShares MSCI EAFE Index Fund	56,811.57	-5.42	0.33	22,912,770
VOO	VANGUARD S&P 500 ETF	45,509.79	1.66	0.05	1,885,901

Source: Bloomberg as of 6.16.2016

# Income / Total Return ETFs



# iShares Mortgage Real Estate (REM)

(Source: Bloomberg as of 6/15/16)

- Type of ETF
  - REIT Equity
- Number of Holdings
  - 39
- Expense Ratio
  - 0.48%
- Avg Trading Vol (30D)
  - 2,600,000
- Assets Under Mgmt
  - \$1.07B
- Top Holdings
  - Annaly Capital Mgmt 18.26%
  - American Capital Agcy 11.58%
  - Starwood Prpty Trust 8.88%
  - Two Harbors 5.46%
  - New Residential Invst 4.97%
- Yield (12M)
  - 10.92%

# iShares Mortgage Real Estate (REM)





# O'Shares FTSE US Quality Div (OUSA)

(Source: Bloomberg as of 6/15/16)

- Type of ETF
  - Dividend Equity
- Number of Holdings
  - 140
- Expense Ratio
  - 0.48%
- Avg Trading Vol (30D)
  - 81,500
- Assets Under Mgmt
  - \$190.85M
- Top Holdings
  - Exxon Mobil 5.28%
  - Johnson & Johnson 5.28%
  - Verizon Communications 4.24%
  - AT&T 4.11%
  - Procter & Gamble 3.48%
- Yield (IND)
  - 4.44%

# O'Shares FTSE US Quality Div (OUSA)



# VanEck Fallen Angels High Yield (ANGL)

(Source: Bloomberg as of 6/15/16)

- Type of ETF
  - High Yield Bond
- Number of Holdings
  - 249
- Expense Ratio
  - 0.40%
- Avg Trading Vol (30D)
  - 88,100
- Assets Under Mgmt
  - \$194.3M
- Top Industry Allocation
  - Mining 14.53%
  - Oil & Gas 14.39%
  - Telecom 12.23%
  - Banks 9.70%
  - Pipelines 8.59%
- Yield (12M)
  - 5.50%

# VanEck Fallen Angels High Yield (ANGL)



# SDPR S&P EM Dividend (EDIV)

(Source: Bloomberg as of 6/15/16)

- Type of ETF
  - Emerging Market Equity
- Number of Holdings
  - 121
- Expense Ratio
  - 0.49%
- Avg Trading Vol (30D)
  - 45,000
- Assets Under Mgmt
  - \$257.58M
- Top Geographic Allocation
  - Taiwan 28.21%
  - South Africa 15.59%
  - Brazil 13.76%
  - China 8.93%
  - Turkey 8.11%
- Yield (12M)
  - 4.91%

# SDPR S&P EM Dividend (EDIV)



# Powershares DWA Tactical Inc (DWIN)

(Source: Bloomberg as of 6/15/16)

- Type of ETF
  - Multi-Asset
- Number of Holdings
  - 5
- Expense Ratio
  - 0.25%
- Avg Trading Vol (30D)
  - 67,800
- Assets Under Mgmt
  - \$72.24M
- Top Holdings
  - Alerian MLP (AMLPL) 22.44%
  - REITs (KBWY) 20.44%
  - Preferreds (PGX) 20.22%
  - Global Short Term HY (PGHY) 18.55%
  - EM Sov Debt (PCY) 18.28%
- Yield (IND)
  - 4.99%

# Powershares DWA Tactical Inc (DWIN)





# Growth ETFs



# VanEck Merk Gold Trust (OUNZ)

(Source: Bloomberg as of 6/15/16)

- Type of ETF
  - Commodity
- Number of Holdings
  - 1
- Expense Ratio
  - 0.40%
- Avg Trading Vol (30D)
  - 128,700
- Assets Under Mgmt
  - \$146.08M
- Key Points
  - Investor can take physical delivery
  - Gold coins/bars
  - Min Fee \$2,500
- Yield (12M)
  - 0%

# VanEck Merk Gold Trust (OUNZ)

**OUNZ** Van Eck Merk Gold Trust AMEX

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16-Jun-2016 2:18pm

**Open** 13.00 **High** 13.04 **Low** 12.73 **Last** 12.73 **Volume** 451.0K **Chg** -0.11 (-0.86%) ▼



# VanEck Vectors Gold Miners (GDX)

(Source: Bloomberg as of 6/15/16)

- Type of ETF
  - Gold Miner Equity
- Number of Holdings
  - 45
- Expense Ratio
  - 0.53%
- Avg Trading Vol (30D)
  - 85,500,000
- Assets Under Mgmt
  - \$8.84B
- Top Holdings
  - Barrick Gold Corp 9.817%
  - Newmont Mining 7.89%
  - Goldcorp 6.21%
  - Agnico Eagle Mines 5.48%
  - Newcrest Mining 5.18%
- Yield (12M)
  - 0.45%

# VanEck Vectors Gold Miners (GDX)



# SPDR S&P Aerospace & Def (XAR)

(Source: Bloomberg as of 6/15/16)

- Type of ETF
  - Equal Weight Sector Equity
- Number of Holdings
  - 32
- Expense Ratio
  - 0.35%
- Avg Trading Vol (30D)
  - 13,500
- Assets Under Mgmt
  - \$176.09M
- Sample Holdings
  - Northrop Grumman
  - Raytheon
  - Lockheed Martin
  - TASER Intl
  - L-3 Communications
- Yield (IND)
  - 0.82%

# SPDR S&P Aerospace & Def (XAR)



# iShares US Medical Devices ETF (IHI)

(Source: Bloomberg as of 6/15/16)

- Type of ETF
  - Sector Equity
- Number of Holdings
  - 48
- Expense Ratio
  - 0.43%
- Avg Trading Vol (30D)
  - 139,900
- Assets Under Mgmt
  - \$1.17B
- Top Holdings
  - Medtronic 14.88%
  - Thermo Fisher Sci 8.45%
  - Abbott Labs 7.90%
  - Stryker Corp 5.88%
  - Becton Dickison 5.87%
- Yield (12M)
  - 0.58%



# iShares US Medical Devices ETF (IHI)



# iShares India 50 ETF (INDY)

(Source: Bloomberg as of 6/15/16)

- Type of ETF
  - Indian Equity
- Number of Holdings
  - 54
- Expense Ratio
  - 0.93%
- Avg Trading Vol (30D)
  - 196,600
- Assets Under Mgmt
  - \$712.34M
- Industry Allocation
  - Banks 22.95%
  - Computers 14.47%
  - Oil&Gas 8.04%
  - Auto Manf 7.77%
  - Pharma 7.53%
- Yield (12M)
  - 0.56%

# iShares India 50 ETF (INDY)



# Recap

## Growth

- OUNZ– VanEck Merk Gold Trust
- GDV – VanEck Vectors Gold Miners
- XAR – SPDR S&P Aerospace & Defense
- IHI – iShares US Medical Devices ETF
- INDY – iShares India 50 ETF

## Income

- REM – iShares Mortgage Real Estate ETF
- OUSA – O'Shares FTSE US Quality Dividend ETF
- ANGL – VanEck Fallen Angels High Yield Bond ETF
- EDIV – SPDR S&P EM Dividend ETF
- DWIN – PowerShares DWA Tactical Multi-Asset Income

# How to Trade for Free



# Brokerage Platform Free ETFs

- Fidelity Investments
  - 85
  - 2 providers
- TD Ameritrade
  - 101
  - 7 providers
- Schwab
  - 200
  - 16 providers
- E\*Trade
  - 118
  - 3 providers

# How to Trade ETFs



# “Rules the Road”

- Avoid the first hour of trading
- Trade in ETFs with suitable volume and assets
- Determine risk tolerance before purchase
- Look before you buy
- Use limits orders for purchases
- Beware of stop loss orders



# Conclusion

1. Top 5 ETFs by assets
2. Top 5 ETFs for income
3. Top 5 ETFs for growth
4. How to trade for free
5. Best practices when trading ETFs

# Thank you AAI!

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