

A BETTER WAY TO INVEST

# ETFs

EXCHANGE TRADED FUNDS

on the American Stock Exchange



**AMERICAN  
STOCK EXCHANGE®**  
Equities Options ETFs

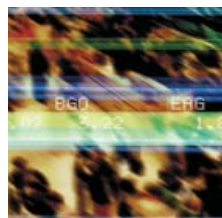
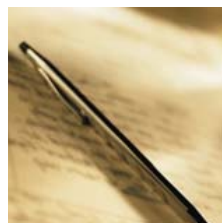
# EXCHANGE TRADED FUNDS

## HISTORY

The American Stock Exchange® (Amex®) pioneered the Exchange Traded Fund (ETF) investment category in 1993. Today, the ETF market has grown exponentially and now offers unparalleled access to stocks, bonds, commodities and currencies. At the Amex, new ETFs are continually being developed in order to meet the changing demands of the marketplace.



## INNOVATING MARKETS



## SMART

ETFs offer investors innovative tools to construct their portfolios. With a wide range of choices based on broad markets, segments and sectors, ETFs provide access to domestic and international equities, fixed income, currencies and commodities. ETFs give you the power of choice to craft an investment program tailored to meet your needs and goals.

Whether you want access to portfolios that have exposure to the entire market, or to specific industry sectors and segments, ETFs offer the tools you need.

## EXPANDING TO MEET YOUR EVERY NEED

### LOGICAL

ETFs borrow the best qualities from other forms of investing to offer an easy and more flexible way to invest. Each ETF is an individual security that represents an entire portfolio of securities. They are similar to a mutual fund, but can be bought and sold like shares of stock. This allows ETFs to be tax efficient and tradable while offering diversification and low expense ratios.

### PRACTICAL

ETFs are valuable to individual investors, advisors and institutions because they are convenient, efficient and affordable asset allocation tools. In addition, they can be used as a long-term investment, as a targeted investment or as a hedge. ETF investors can easily rebalance a portfolio under changing market conditions.

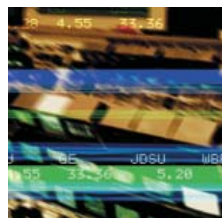
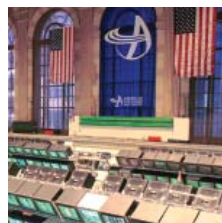
# ETF ADVANTAGES

## FLEXIBILITY

Because ETFs are traded on exchanges, shares can be bought and sold through brokerage accounts, similar to stocks. Investors may place market orders, limit orders and even make short sales in margin accounts. Options are also available on many ETFs.



## POWER OF CHOICE



## DIVERSIFICATION

ETFs provide a simple and effective way to invest in markets worldwide. The American Stock Exchange trades an extensive selection of ETFs that offer portfolios of stocks, bonds, commodities and currencies. ETFs provide broad exposure to a pool of securities that represent a particular asset category. This level of diversification would otherwise be difficult and costly to attain if you purchased individual securities. Investors can custom tailor their portfolios using combinations of ETFs to create diversification.

## TRANSPARENCY

ETFs are designed to correspond to an underlying index or benchmark. The components are disclosed daily to provide transparency for investors. Since ETF shares are listed on exchanges, trades can be executed instantly allowing you immediate access to pricing information.

## LOWER COSTS

The expense of a fund can have a significant impact on returns for a long-term investor. In general, ETFs have a lower expense ratio than other investment products. However, like a common stock, the purchase or sale of an ETF is subject to usual brokerage commissions.

# THE FLEXIBILITY, EASE AND LIQUIDITY OF STOCK TRADING

## CHOICE

With an ever increasing array of products, ETF categories are continually expanding to meet the needs of investors. For a list of Amex-traded ETFs currently available, please see the insert in the back of this brochure or visit [www.amex.com](http://www.amex.com).

## TAX EFFICIENCY

Index ETFs tend to offer greater tax benefits because they typically generate fewer capital gains due to lower portfolio turnover. The ETF structure further enhances tax efficiency because they are traded on exchanges. Investors who want to liquidate shares in an ETF simply sell them to other investors through exchange trading, thus not requiring the fund to sell securities and generate capital gains tax liability.

## EASE OF TRADING

ETFs are traded on exchanges and can be:

- ▶ Bought and sold at intraday market prices
- ▶ Purchased on margin
- ▶ Sold short
- ▶ Traded with "stop orders" and "limit orders"

## APPLICATIONS

ETFs are extremely versatile, giving investors access to several strategies such as:

- ▶ Asset allocation
- ▶ Core positions
- ▶ Cash equitization
- ▶ Tax loss harvesting
- ▶ Hedging positions
- ▶ Expense reduction
- ▶ Income generation with options

FOR MORE INFORMATION ON ETFs  
AND TO DOWNLOAD PROSPECTUSES,  
PLEASE CONTACT US AT:

**American Stock Exchange LLC**

86 Trinity Place

New York, NY 10006

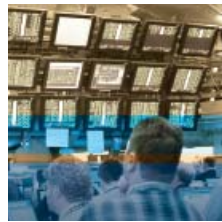
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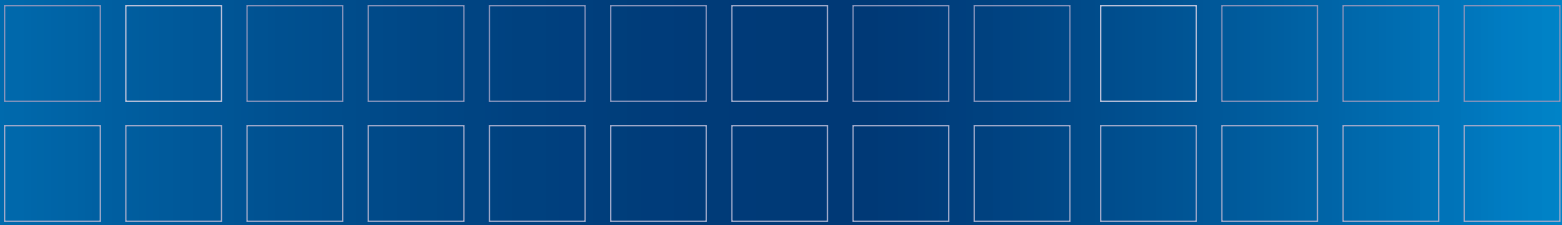
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**DISCLAIMERS**

*It is important that you request a prospectus for any and all exchange traded funds in which you are interested. You should consider a fund's investment objective, potential risks, charges, expenses and other important information, which are all contained in a prospectus, before investing. For complete information on ETFs, please visit the American Stock Exchange's website ([www.amex.com](http://www.amex.com)) or the fund issuer's website to obtain a prospectus. Please read a prospectus carefully before you invest.*

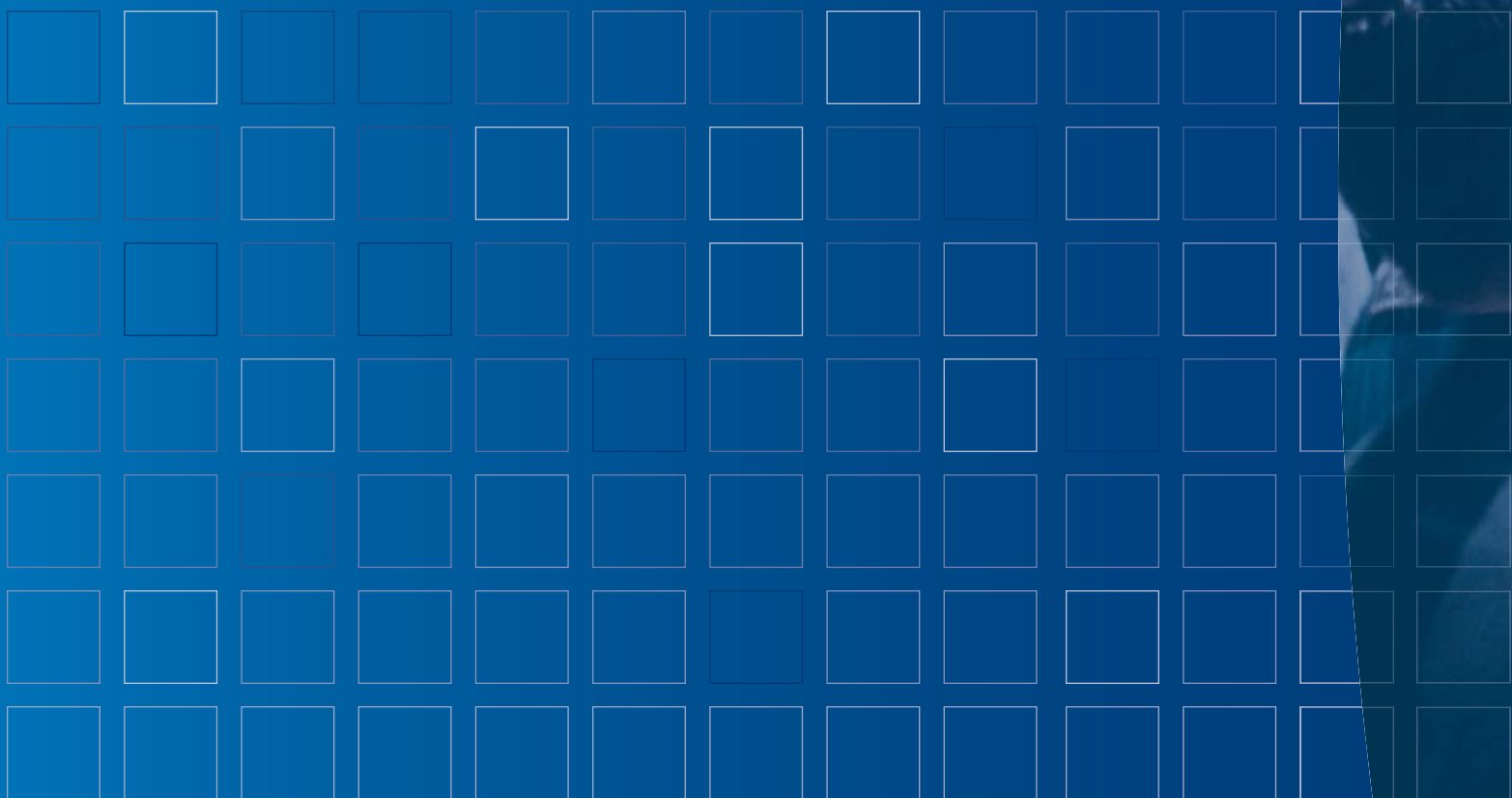
*There are risks involved with investing, including possible loss of principal. ETFs are subject to risks similar to those of stocks. Certain ETFs will incur unique and greater risks depending on the markets they are designed to represent. Past performance is no guarantee of future results.*



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