# **Front of video disclosures:**

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**What’s an ETF?**

An ETF is an exchange-traded fund.

WHAT

An ETF is a “basket” of investments that trades on an exchange, like a stock.

ETFs may provide exposure to a variety of assets, including stocks, bonds, and commodities.

There are two main types of ETFs:

* A passive ETF seeks to provide index-like returns. Some passive ETFs track the performance of U.S. stock market indexes.
* An active ETF targets a specific outcome, such as outperforming an index, and relies on one or more managers to choose investments.

Both passive and active ETFs charge management fees, which investors should take into account when calculating returns.

POTENTIAL BENEFITS

There are several potential benefits to investing with ETFs:

* Because ETFs typically hold hundreds or even thousands of investments, they can offer an easy way to add diversification to your portfolio.
* Due to the way ETFs generally handle capital gains, they can be more tax efficient than other types of investments.
* Most ETFs are passively managed and may charge lower fees than actively managed products.
* Because ETFs are bought and sold like stocks, they can be easy and convenient to trade.

As with all investments, it’s important to make sure that any ETF you are considering purchasing is a good fit for your risk tolerance and goals.

**Back of video disclosures:**

Investing involves market risk, including possible loss of principal, and there is no guarantee that investment objectives will be achieved.

Asset allocation/diversification does not guarantee a profit or protect against a loss.

**When investing in ETFs, investors should carefully consider the investment objectives and risks as well as charges and expenses of the fund before investing. To obtain a prospectus, visit the fund company’s website. The prospectus contains this and other information about the fund. Read the prospectus carefully before investing.**

The market prices of ETFs can fluctuate as a result of several factors, such as security-specific factors or general investor sentiment. Therefore, investors should be aware of the prospect of market fluctuations and the impact it may have on the market price.

In general, the bond market is volatile and bond prices rise when interest rates fall and vice versa.  Longer term securities are more prone to price fluctuation than shorter term securities.  Any fixed income security sold or redeemed prior to maturity may be subject to substantial gain or loss.  Dependable income is subject to the credit risk of the issuer of the bond.  If an issuer defaults no future income payments will be made.

The price of equity securities may rise or fall due to the changes in the broad market or changes in a company’s financial condition, sometimes rapidly or unpredictably.  Equity securities are subject to ‘stock market risk’ meaning that stock prices in general may decline over short or extended periods of time.

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