

# **Download The Etf Book All You Need To Know About Exchange Traded Funds**

When the original edition of The ETF Book was first published in 2007, it immediately became the source for cutting-edge information on many exchange-traded products (ETPs)—mainly exchange-traded funds (ETFs). An exchange-traded fund (ETF) is an investment fund traded on stock exchanges, much like stocks. An ETF holds assets such as stocks, commodities, or bonds and generally operates with an arbitrage mechanism designed to keep it trading close to its net asset value, although deviations can occasionally occur. Exchange-traded funds, commonly called ETFs, are index funds (mutual funds that track various stock market indexes) that trade like stocks. As such, they have all of the benefits of plain old index funds with some added punch. I read an article recently about a formula to calculate the true cost of owning an ETF. The idea behind this formula was to capture all the costs of an ETF, not just the annual expense ratio or MER.