

What You Need to Know About Investing in **ETFs**

What are ETFs?

ETFs or Exchange Traded Funds are investment funds traded and listed on a stock exchange. They track the performance of an index and give investors access to a range of markets and asset classes like **Equities**, **Bonds** and **Commodities**.



ETFs are a great investment option as it gives investors the opportunity to have a diversified portfolio with a relatively small capital outlay.

Common Types of Exchange Traded Funds



Equities

These track the performance of stock indices like the Straits Times Index (STI) and FTSE China 50.



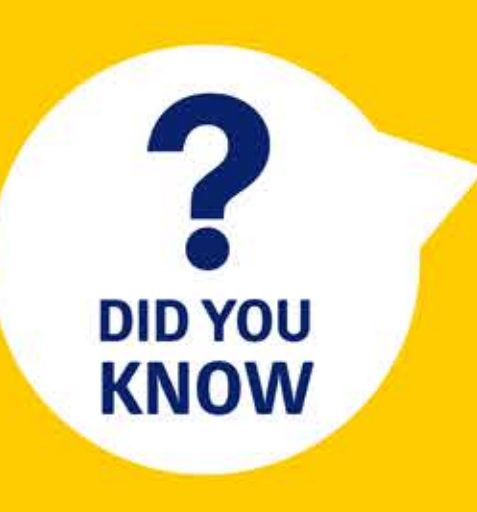
Bonds

These track a specific bond index and give you exposure to fixed incomes like the ABF Singapore Bond Fund Index.



Commodities

These track commodity indices and give you exposure to commodities like Gold.



The STI ETF

The Straits Times Index (STI) is the benchmark index for the Singapore stock market and is represented by the 30 largest blue chip companies listed on SGX. What this means is that by investing in just one ETF (the STI ETF), you get exposure to 30 companies instead of having to make 30 individual investments.

Reasons For Investing in ETFs on SGX



1 Diversification

Expand your portfolio more affordably

Trading in the STI ETF lets you invest in 30 blue chip stocks on SGX with just one investment.



2 Cost Effectiveness

Lower cost of investment with similar returns

ETFs generally cost less than actively managed funds like Unit Trust but still offer similar returns.



3 Accessibility

Get access to different markets, sectors and assets

ETFs offer exposure to indices from different countries and markets with different growth cycles.



4 Transparency

Get real-time information on ETFs all the time

Because ETFs are traded publicly, you can see prices, fund information and index information anytime.



5 Flexibility

Buy and sell whenever you want

Investors can buy and sell ETFs anytime during trading hours.

Learn more about **ETFs** and other investment products for your portfolio »

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