

EXPANDING THE ACRONYMS, FYI (FOR YOUR INFORMATION)

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For Exchange-Traded Fund ([ETF](#)) users and general investors alike, there are an abundance of acronyms, used regularly to define everything from groups of countries and products, to financial and trading terminology. While these terms are crucial to one's daily understanding, it can often be difficult, confusing even, to keep track of their expanded meanings. Here's a list of the most frequently used acronyms, expanded and explained, to make your everyday *Wall Street Journal* reading easier.

ETF Landscape Terms:

- **AP: Authorized Participant** o An entity, usually an institutional investor, that submits orders to the ETF for the creation and redemption of ETF creation units.
- **CU: Creation Unit** o A specified number of shares issued by an exchange-traded fund (ETF) in large blocks, generally between 25,000 and 200,000 shares. The authorized participants that buy creation units either keep the ETF shares that make up the creation unit or sell all or part of them on a stock exchange.
- **IOPV: Indicative Optimized Portfolio Value** o The IOPV is designed to give investors a sense of the relationship between a basket of securities that are representative of those owned in the ETF and the share price of the ETF on an intraday basis. Also called Indicative Value (IV).
- **LMM: Lead Market Maker** o A broker-dealer firm that accepts the risk of holding a certain number of shares of a particular security in order to facilitate trading in that security.
- **NAV: Net Asset Value** o A mutual fund's price per share or an ETF's per-share value. *To learn more, visit the [ETF Education section](#) of our blog.*

For standardized performance and the most recent month-end performance click [here](#) NOTE, this material is intended for electronic use only. Individuals who intend to print and physically deliver to an investor must print the monthly performance report to accompany this blog.

For more investing insights, check out our [Economic & Market Outlook](#)

View the online version of this article [here](#).

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