

Transparency and Access (to Valuable Information)

Published 23 September 2015

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The biggest winner coming out of the financial crisis was "transparency". After all the scandals and devastating losses that occurred during this time, investors became disenchanted with the lack of transparency in their investments. In some investment structures (which still exist today), investors may not know how their money is being allocated for months, sometimes even quarters. And even then, investors sometimes don't know exactly what they are invested in. Transparency as it relates to exchange-traded funds (ETFs) does not only mean transparency of portfolio holdings. It also applies to transparency of information.

Now that the final quarter of the year is approaching, many investors are starting to take a serious look at 2016, putting the year so far and the recent period of heightened volatility into perspective. Do I rebalance back to my target weights? Do I change my asset allocation model? As investors spend the last quarter of the year deciding how to approach 2016, it is important to remember all the benefits which ETFs offer beyond liquidity, transparency, tax efficiency, lower fees, which will help guide investors towards making better decisions. Investors of all sizes have access to the same valuable information to help them with the due diligence and decision-making process.

Here are a few benefits to consider:

- **Volume Statistics:** It is always helpful to see volume numbers in ETFs. They allow investors to more accurately monitor ETFs and see potential trends emerging. Investors can see if large block trades were executed and if shares outstanding increase or decrease in subsequent days. This valuable information helps investors of all sizes in the due diligence process.
- **Fund Flow Information:** Fund flow information is made available to the public on a daily basis. WisdomTree posts fund flow information on our website for anyone to see. Also, large data companies such as Bloomberg publish fund flows as well as shares outstanding information—all of which can be incredibly helpful as it can be used to identify trends in specific markets. Monitoring funds, trends and shares outstanding information can be highly valuable when making investment decisions. Often investors make decisions in a vacuum without utilizing all the valuable information that the ETF market provides.

Portfolio Holdings: Daily portfolio holdings can be extremely valuable for investors preparing to make portfolio decisions for the following year. It is important to recognize when funds are rebalancing; WisdomTree equity ETFs will attempt to rebalance back to some form of relative value. Monitoring the portfolio

holdings is crucial to understanding the exposures an ETF provides to investors. This is public information and should be used by all ETF investors to help them understand the exposures across their portfolios.

All the information mentioned above is public information available to all investors. The old model of finance was that access to specific information was given only to large institutional investors. ETFs have leveled the playing field. It would be wise to make the most of all the valuable information that is made public every day in the ETF marketplace. *All data is sourced from WisdomTree Europe and Bloomberg, unless otherwise stated.*

[1] Ordinary brokerage commissions apply.

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