

# CONFIDENCE IS KEY

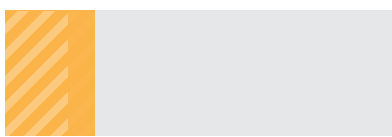
charles  
SCHWAB



**16%**

of ETF investors are 'extremely confident'  
in their ability to choose ETFs

## WHO ARE THESE HIGHLY CONFIDENT ETF INVESTORS?...



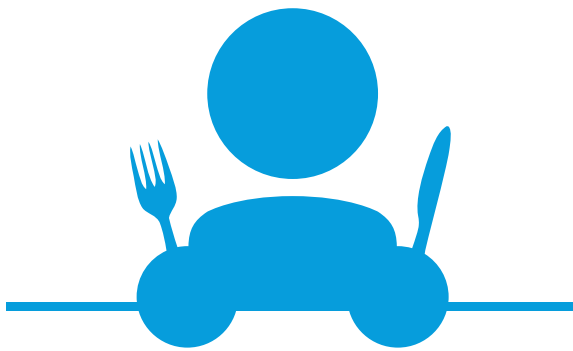
On average, they allocate  
23% of their portfolios to ETFs  
(compared to 18% of all investors)



63% expect to increase  
their ETF investments in the  
next year  
(compared to 46% of all investors)



61% say they know more  
about ETFs today than they  
did last year  
(compared to 40% of all investors)



### WHEN ASKED TO COMPARE ETFs TO PARTS OF A DINNER MENU,

38% see ETFs as the "main entrée"  
compared to 13% of all investors



Half (49%) say they are  
experienced investors, and one  
in four considers themselves  
'highly experienced'

**42%** say they are ETF experts  
compared to 9% of all investors

**64%** invest without a financial  
advisor or a broker

## THEY WANT TO KNOW HOW TO USE ETFs OPTIMALLY



Tax implications of ETFs (33%)



How to use more sophisticated  
products such as smart beta funds  
(29%)



**#1 REASON THEY DON'T INVEST MORE WITH ETFs:**  
Market volatility (14%)



**#1 FACTOR THAT WOULD PROMPT THEM TO USE  
USE ETFs MORE:**  
Lower expenses (20%)

### ABOUT THE 2014 ETF INVESTOR STUDY BY CHARLES SCHWAB

The 2014 ETF Investor Study by Charles Schwab is the fourth installment of an annual online survey of more than 1,000 individual investors between the ages of 25-75 with at least \$25,000 in investable assets who have purchased ETFs in the past two years or are considering doing so in the near term.

Conducted by Koski Research from May 8 – 14, 2014, the study has approximately a 3% margin of error. Survey respondents were not asked to indicate whether they had accounts with Charles Schwab. All data is self-reported by study participants and is not verified or validated.

**INVESTORS SHOULD CONSIDER CAREFULLY INFORMATION CONTAINED IN THE PROSPECTUS, INCLUDING INVESTMENT OBJECTIVES, RISKS, CHARGES, AND EXPENSES. YOU CAN REQUEST A PROSPECTUS BY CALLING SCHWAB AT 800-435-4000. PLEASE READ THE PROSPECTUS CAREFULLY BEFORE INVESTING.**

Investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Unlike mutual funds, shares of ETFs are not individually redeemable directly with the ETF. Shares are bought and sold at market price, which may be higher or lower than the net asset value (NAV).