

## STUDY FINDS SELF-DIRECTED INVESTORS ARE DEFINING THE ETF PRODUCT LANDSCAPE

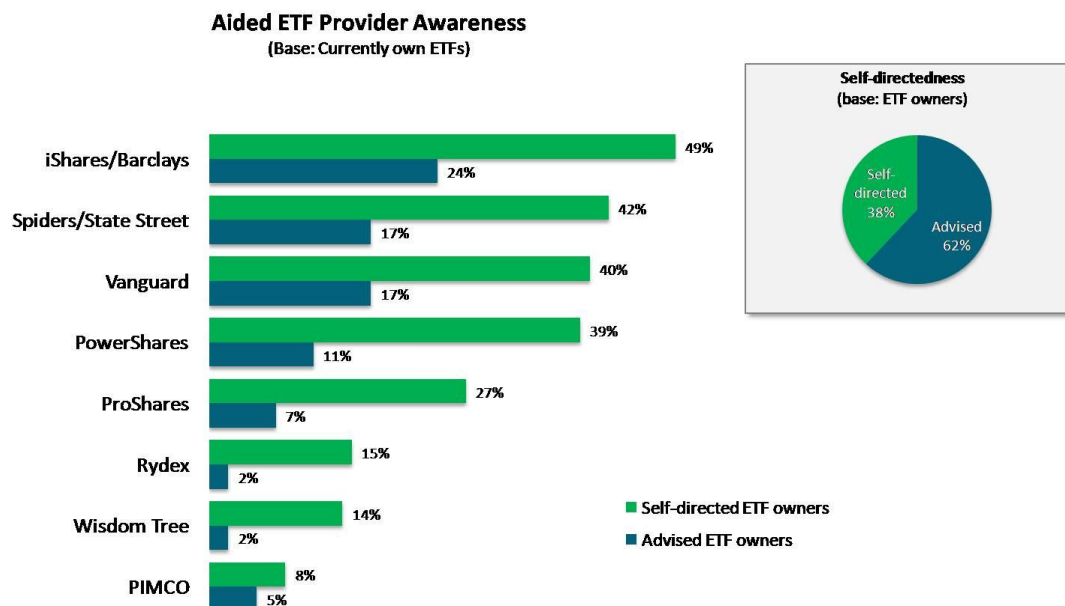
*Heightened awareness, deeper brand loyalty, and bigger allocations are the hallmarks of the self-directed ETF investor*

**CAMBRIDGE, MASS., (March 17, 2009)** – As the ETF industry ramps up for yet another year of significant growth, new data from Cogent Research underscores the importance of the role self-directed investors are playing in defining the ETF product landscape. According to a national study of 4,000 affluent Americans, interest, usage and commitment to ETFs is significantly higher among self-directed investors who manage their own portfolios. The new study, ETF Investor Brandscape™, looks at brand awareness, product usage, provider loyalty, and customer experience across major ETF providers.

“This is the first deep dive in the ETF category among the affluent and high-net investor population,” said John Meunier, Cogent Founder and Principal. “We think it sheds important light on this emerging product category, and dispels some entrenched beliefs about who is using these products.”

For example:

- Self-directed investors’ awareness of several top ETF providers is almost twice that of advised investors.



- While equal proportions of self-directed and advised investors use ETFs, self-directed investors allocate 20% more of their portfolio to ETFs (i.e., 17% average allocation to ETFs among self-directed vs. 14.1% average allocation to ETFs among advised).
- Among current ETF owners, self-directed investors are far more loyal to their primary ETF provider than are investors who purchase and own their investments through an advisor.
- Usage of ETFs is expected to increase significantly in 2009 among current owners and non-owners alike. On average, one out of every four (25%) current ETF owners plans to increase their ETF holdings. Among self-directed investors, the proportion of likely increased use rises to 35%, representing a 40% higher increased adoption rate.
- iShares and Vanguard are fighting for the number one spot in overall customer experience, which will payoff in loyalty and increased investments. Meanwhile, PowerShares, State Street Global Advisors, and ProShares must work harder to inspire existing clients to increase investments. Furthermore, challenger brands like WisdomTree and Rydex need to focus on the basics—increasing investor awareness of their offerings.

“Everything we see in the data suggests that there is real ‘home-grown’ passion among investors—both advised and self-directed—for ETFs,” says Christy White, Founder and Principal of Cogent Research. “At the end of the day” she adds, “providers that are committed to promoting and supporting a dual distribution strategy will prevail in this growing marketplace.”

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