

State of the ETF Industry and ETF's Role in the Investment Industry

BNY Mellon ETF Symposium, Bloomberg Advantage Interview

Steve Cook, Chief Operating Officer of Global ETF Services at BNY Mellon

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Kathleen Hayes: The Bloomberg Advantage live at the BNY Mellon 2014 ETF Symposium: A Laser View of a Global Marketplace. Very happy, now, to sit down with Steve Cook. He is Managing Director at BNY Mellon. We're going to talk about this global ETF marketplace, which is now some \$2 trillion and seems to get bigger by the year. Steve, welcome.

Steve Cook: Thank you for having me. It's great to be here.

Kathleen: So first, how did you get into the ETF world? It started, what, back in the late 80s, early 90s? It's been around, but suddenly, the curve has just gone almost hyperbolic. When did you step on?

Steve: You know, I had the benefit of kind of stepping in accidentally. I graduated college, came right out of school. A friend of mine was working in the UIT space at the time, interestingly enough. And the first ETFs were actually structured as Unit Investment Trusts, and they were trading vehicles that were put out.

So, I kind of stepped into it and backed my way into it from an operational perspective 15 years ago right out of school, and my career's kind of grown along with the industry, thankfully.

Kathleen: So, where is the industry now? How would you describe it? Here's this little niche, started out as a Unit Investment Trust. And what is it now? What role is it playing in the investment industry?

Steve: You know it's had a lot of powerful growth over the last few years. Again, initially it was a trading vehicle and then it morphed into an investment vehicle for individuals in the early 2000s, and then it kind of became both an institutional investment opportunity and a great vehicle for investors to get exposure to a lot of different areas of the market.

Kathleen: Proliferation of ETF funds. What is going on here?

Steve: You know, it's interesting. Every year, we kind of close out the year and think, you know, all the good ideas are taken. Now, it's going to be more of a wait-and-see approach to try and drive new investors. And every year the product sponsors come up with something new and different to continue to try to draw assets into the market.

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