

WHAT SHOULD ASSET MANAGERS CONSIDER IF THEY WANT TO LAUNCH AN ETF?

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If an asset manager is going to enter the ETF market, they really need to consider the uniqueness of an ETF versus traditional structures. A lot of that is focused around the primary market and the distribution. You need to make sure that you have a distribution infrastructure that can support ETFs and really the unique increase and access authorized participants, participant dealers, and market-makers need to create efficient liquidity in an ETF.

How can you do that? You can do that by establishing a framework to have capital market support around your products that are there to answer questions about liquidity, market access, where can you get the best execution, and also support for these authorized participants, these primary market liquidity makers, to really ease the access and the friction of dealing in that space.

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