

# ETF Information Overload!

*How to screen so many products? Here are websites that can help.*

By MURRAY COLEMAN

As investors continue to flock to exchange-traded funds, many experts are warning that growth in the marketplace is creating a sort of "information overload" for ETF shoppers.

Some 178 new ETFs were launched in the U.S. last year alone, researcher Morningstar Inc. says. That pushed the total to 1,446 portfolios, covering a gamut of styles and themes.

The total number is a 70% increase since 2008, even after subtracting funds that didn't gain traction and were liquidated.

"A flood of new products is making screening for the best ETFs a bit overwhelming at times, even for more experienced investors," says Andrew Ahrens, a financial adviser in Lafayette, La.

Most ETFs are passively managed portfolios, and "at first glance, they might seem fairly simple to research," says Barry Glassman, an adviser in McLean, Va. But with more ETFs focused on very narrow slices of the market or tracing unique investment themes, "it's becoming a much more nuanced marketplace with increasingly exotic indexes," he says.

Here's a look at what advisers and investors say are useful online resources for ETF investors:

**Morningstar.com:** Free materials on this site include ETF spotlight articles, volatility and risk ratings for various ETFs, total returns for funds going back as far as 15 years and portfolio breakdowns by individual securities, as well as sectors. Things like detailed portfolio reviews and analysis require a premium membership, which costs \$195 a year.

"As a professional, I've decided it's worthwhile to pay up for some of Morningstar's extra features," says Brad Stratton, an adviser in Overland Park, Kan. "But a lot of novice investors probably won't see a need to dip into their wallets."

**ETFdb.com:** Free resources on this Chicago-based site include screening tools to sort through ETFs by asset class, region, expenses and other specific requirements. Also included are direct links to company sites to find specific information. The firm's analysts also frequently write about trends between different groups and types of ETFs.

Nathan Geraci, president of the ETF Store, an independent investment adviser in Kansas City, Mo., recommends the "Mutual Fund to ETF Converter" (on the Free Tools tab) that allows investors to type in a ticker symbol for a mutual fund and find comparable ETFs. For example, a recent search using the Pimco Total Return fund produced more than a dozen different names, including Pimco's like-named ETF.

## Best Websites for Screening ETFs – WSJ.com

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For an annual subscription of \$199, users can also get recommended model portfolios and additional analysis.

**IndexUniverse.com:** This San Francisco-based ETF researcher has had an Internet site featuring a mix of articles and data-screening tools for more than a decade. But in recent years it has been beefing up its analytics resources and developing a database that is designed to categorize ETF information in a more easily digestible fashion.

Such refinements are helping researchers at Beacon Trust in Morristown, N.J., cut their time devoted to selecting ETFs nearly in half, says analyst Julie Morris. "I can filter down our choices with such granularity," she says. For instance, from the universe of emerging-markets stock ETFs, she can quickly eliminate those that are regionally focused to home in on those that take a narrower view.

A premium service offering more detailed data costs about \$2,000 a year.

**XTF.com:** This site is a longtime favorite of many ETF-savvy investors, including Nicholas Colas, chief market strategist at ConvergeX Group in New York. Its performance charts and portfolio data can be combined with fund-flow analysis and liquidity screens to rate ETFs in a number of different ways. XTF also provides a more advanced set of tools for fees ranging from \$39 to \$99 a month.

"There are several robust sites around, but we like the flexibility XTF gives us in presenting data and uncovering relationships between different types of ETFs," Mr. Colas says.

**ETF-Company Sites:** When researching a single fund or a group of ETFs within the same family, investors should go right to the source, suggests Jerry Slusiewicz, an adviser in Laguna Hills, Calif. He points out that sites from fund companies such as Vanguard Group, BlackRock Inc.'s iShares unit and State Street Corp.'s State Street Global Advisors often provide the best-scrubbed summaries of basic portfolio data.

*Mr. Coleman is a Dow Jones Newswires funds columnist in San Francisco.*

*Email: [murray.coleman@dowjones.com](mailto:murray.coleman@dowjones.com)*

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