

We are, however, wary of the risks attached to some of what we consider exotic ETFs in the marketplace. This would include products betting on or against volatility, as well as ETFs that offer two or three times the leverage on or against a specific index. In the case of the former, investors may be subject to sudden price swings, as we saw last week. In the case of the latter, the effect of compounding could lead to ETF performance that varies greatly from the performance of the underlying index.

As always, we encourage investors to speak with one of our financial advisors, who can help determine which investment vehicles are suited for you based upon your individual goals, objectives, risk tolerance and time horizon.

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¹ The index consists of the 30 largest publicly traded firms in the United States.

Investing in securities products involves risk, including possible loss of principal.

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Diversification is a technique to help reduce risk. There is no absolute guarantee that diversification will protect against a loss of income.

Asset allocation does not protect against a loss or guarantee that an investor's goal will be met.

Exchange-Traded Funds (ETFs) are subject to risks similar to those of stocks. Investment returns may 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 systems.

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