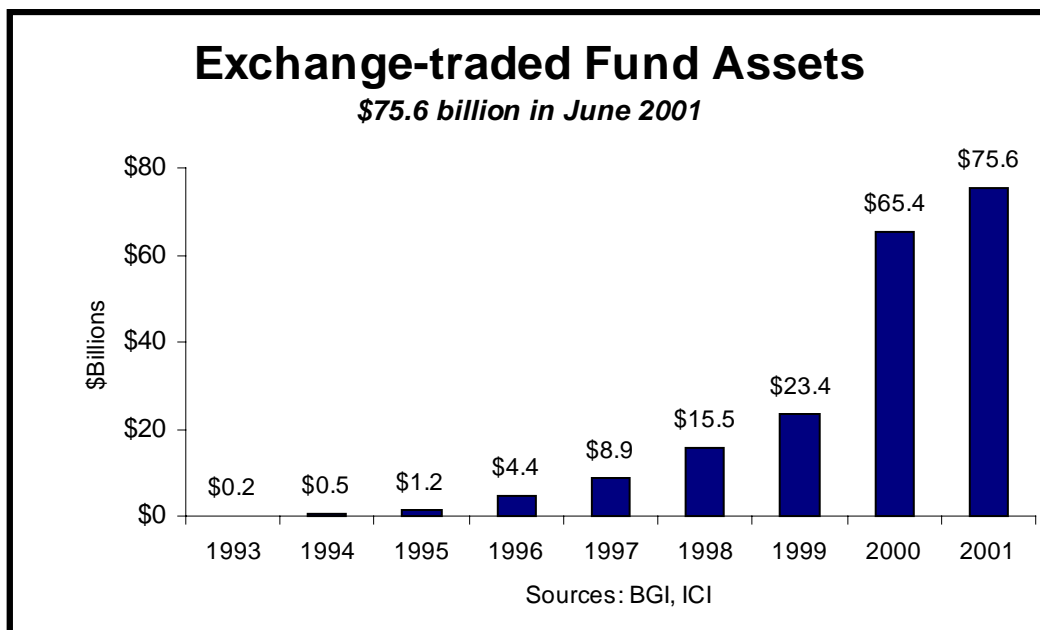


ETF Charts and Tables

Exchange-traded Fund Assets



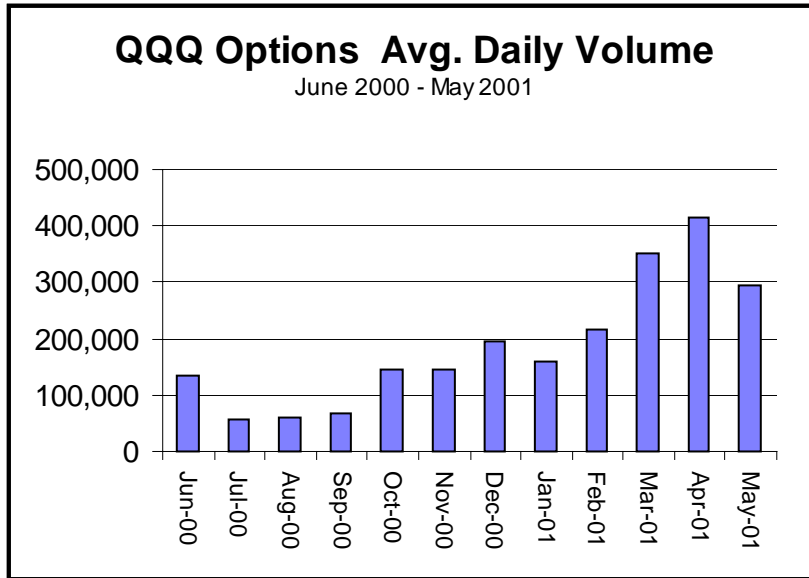
Comparison of Mutual Funds and ETFs

	<u>Traditional Mutual Funds</u>	<u>Exchange-traded Funds</u>
Approximate number of funds in 2001	8,000	More than 100
Assets in 2001	\$6.8 trillion	\$80 billion
Types of funds available	Actively managed and indexed equity, bond, hybrid, money market, etc.	Now primarily indexed domestic and global equity ETFs
Intraday trading	Purchase at net asset value (NAV), calculated at end of day	Intraday trading and monitoring of prices
Use of margin	Margining is difficult or not allowed	Can buy ETFs on margin
Short selling	Cannot short	Usually can sell short, even on downtick
Fees – expense fees and loads	Usually charge an expense fee. A low expense ratio for mutual funds is 18 basis points for the Vanguard Index 500. Some mutual funds charge more than 150 basis points. Some actively managed funds do charge a load, but most index-based funds do not charge a load.	Usually have an expense fee and no load. A low expense ratio for ETFs is 9 basis points for iShares S&P 500; some international ETFs have expense ratios higher than 80 basis points.
Fees - commissions	Can purchase no-load funds directly from a fund company, with no commission.	Usually pay commissions when using a broker-dealer
Transaction costs – bid-ask spread	There is no bid-ask spread; investors purchase at net asset value.	Can incur extra transaction costs if there is a bid-ask spread
Turnover	Index-based funds usually have low turnover, but actively managed funds often have higher turnover	Most are based on indexes with low turnover, often resulting in lower trading costs and tax burden

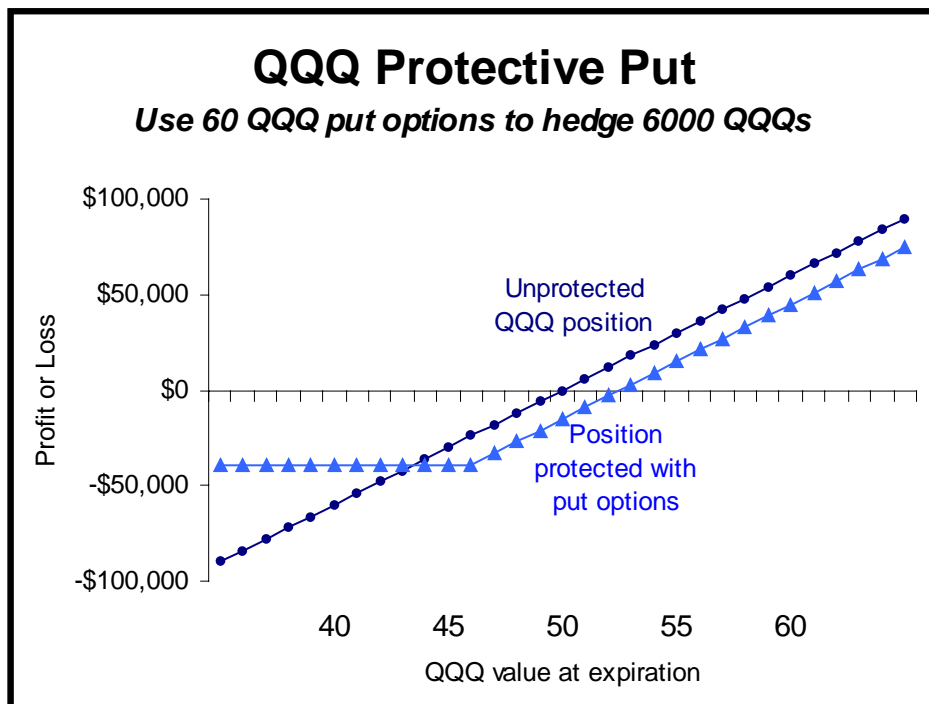
Comparing Structures of Indexed Mutual Funds and ETFs

	<u>Traditional Indexed Mutual Funds</u>	<u>Exchange-traded Funds</u>		
		Unit Investment Trust	Managed Investment Company	Grantor Trust
Example of Fund or Trust	Vanguard Index 500; Fidelity Spartan US Equity Index	SPDR, DIA, QQQ	iShares, Sector SPDRs	HOLDRs
Registered Investment Company under 1940 Act?	Yes	Yes	Yes	No
Are investors allowed to trade intraday?	No	Yes	Yes	Yes
Is fund allowed to use derivatives and stock sampling?	Yes, many funds' prospectuses mention use of derivatives	No	Yes	No
Do investors have voting rights in the underlying common stocks?	No	No	No	Yes
Dividend payment and reinvestment policies	Can provide for automatic reinvestment of dividends	Invest in short-term interest-bearing securities, generally until the end of month or quarter	iShares reinvest dividends in the fund when they are paid	Distribute cash dividends after payment
Are options available on product?	No	Yes, on QQQ	Yes, on certain iShares	Yes

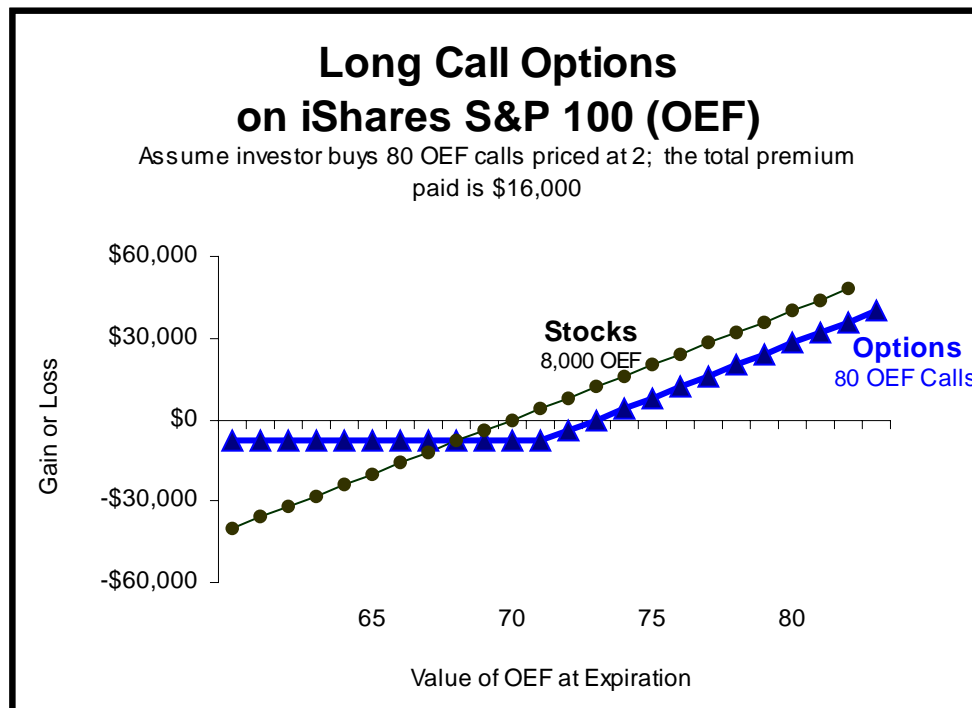
QQQ Options Volume



Profit-and-loss Diagram for QQQ Protective Puts



Profit-or-loss Diagram for Long Calls on iShares S&P 100



For more information on the QQQ options, please visit <http://www.cboe.com/qqq>

For more information on the OEF options, please visit <http://www.cboe.com/oef>

For more examples of options strategies, please visit <http://www.cboe.com/strategies/>

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