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New Websites Tighten Focus on ETFs

By **MIKE HOGAN**

Lots of Websites are eschewing stocks and mutual funds to fill out investors' knowledge of hugely popular ETFs.

EXCHANGE-TRADED FUNDS ARE all the rage these days, but investors should realize they come with their own baggage. As a result, a new generation of electronic tools on Websites like XTF, ETF Database and ETF Trends have sprung up to help them cope with the problems.

One advantage ETFs have over mutual funds is transparency: Changes to an ETF's holdings and many of its metrics are available intraday, instead of every three to four months. That's the theory, anyway. But ETFs hold shares in many companies that report at different times, and newer or smaller ETFs are usually followed by fewer analysts. So investors can encounter gaps in data even on sponsor Websites, especially when comparing multiple funds.

That isn't the case with rigorous data collectors like XTF (www.xtf.com), which refreshes a big pile of multifaceted ETF data as often as every 15 minutes. That's quite a chore, but equally challenging is reporting it in a way users can understand. XTF accomplishes that with a combination of Web 2.0 database and display technologies that make it easy to find and compare a handful of ETFs with a similar investment theme.

For example, typing in the tag for **Vanguard Real Estate Investment Trust** Index (ticker: VNQ) yields a profile including obscure metrics like tracking error, average bid/ask ratio and Sharpe Ratio, as well as easier-to-find measures like expense ratio and yield. There also are gauges proprietary to XTF's quantitative-rating model, such as efficiency, market impact and momentum.

Dozens of factors are used to create XTF's rankings of the 1,100 most popular ETFs listed on the world's largest exchanges. All can be seen at a glance for up to six ETFs at a time. An investor looking for, say, REIT exposure, can click on the "Compare ETFs" button and see the highest-rated options fitting that theme. XTF delves even into new or thinly traded issues, returning a half-dozen alternatives for nuclear energy as well as for new markets like Poland.

Much of XTF's content, including rankings and data for popular exchange-traded funds, is free. But access to its proprietary calculations requires a \$39 or \$99 monthly subscriptions. Depending on the subscription, that might include different types of research reports and color-coded heat maps that highlight sector activity. Subscribers can export XTF's comparison table to Excel for additional manipulation, charting and analysis.

ETF Database (www.ETFdb.com) is another site capable of returning a wealth of information—even for lesser ETFs—but in a different way. The site has an easy-to-use free screener with which to fashion a short list. The Boolean search tool lets you gradually tighten the net around more than 1,000 ETFs traded on U.S. exchanges using the most basic ETF characteristics like expense ratio and market cap. But clicking on any of the resulting ETFs takes you to a very complete profile, many of whose details, such as technical metrics, are not easily found.

A \$199 annual subscription adds exports to Excel spreadsheets, access to in-depth ETF category reports and a redesigned monthly newsletter. It spotlights unique funds and other investment ideas and two all-ETF model portfolios run by ETF Database analysts.

ETF Trends (www.ETFtrends.com) also has undergone a redesign and now has a powerful new screener, ETF Analyzer. Most of the five-year-old site's content is still free, but a new Premium subscription of \$15 a month is required for access to ETF Analyzer's premium features and some of the site's 20 model ETF portfolios for different investing styles. A \$30 monthly Ultra membership buys unlimited access to these as well as e-mail alerts for trading triggers of the subscriber's choosing.

ETF Analyzer is a highly graphical screener, including more than 30 data filters, with some of them, like trendline crossovers, unique to ETF Trends. Clicking on an ETF's link takes you to a very comprehensive resume of that ETF, and subscribers can save screens and portfolios of their own design.

What about the downside? What goes up will go down; and ETF Expert (www.ETFexpert.com) specializes in assessments of that likelihood. Its ETF Risk Alert weighs 10 different kinds of risk to which the 400 most commonly traded exchange-traded funds on U.S. exchanges are exposed. Funds are grouped into five broad categories, such as bond or U.S. stock funds. Then, the downside of each is calculated using fundamental and technical metrics yielding one of five color-coded risk levels, ranging from green to red. Many parts of the ETF Expert site are free, but access to the risk model requires a \$39 quarterly subscription.

No one site covers all the bases; each contributes something different. And it never hurts to get different perspectives.

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