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Bond ETFs Vs Bond Mutual Funds.

One of the most common questions we get at ETF.com is, what's the difference between an ETF and a mutual fund?

Usually, our answer is some combination of "[better tradability + more transparency + lower costs.](#)" ETFs trade intraday on exchanges like stocks, they regularly disclose their holdings, and they rely on [authorized participants](#) (APs) to [create and redeem shares](#) and keep prices in line. That last characteristic helps to lower fund expenses and reduce ETFs' tax burden, and as such, attracts the lion's share of attention from investors.

However, it's easy to overlook how much tradability can matter—especially in the [fixed income space](#), where ETFs have had a profound impact on the way people invest. Bond ETFs have created, quite literally, a fairer and more liquid underlying market—something that benefits everybody, regardless of their preferred investment vehicle.

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