

CFA® SAMPLE QUESTION - LEVEL I

Alternative Investments

Q: An important benefit of an exchange-traded fund's (ETF) creation and redemption process is that it:

- (a)** can provides diversification to shareholders
- (b)** provides capital gain tax relief to existing shareholders
- (c)** increases liquidity for investment company managers
- (d)** allows investment companies to operate outside of SFC regulations



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