

# **The fundamental analysis of the capital investment in exchange-traded fund**

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## **Abstract**

The popularity increase of ETFs requires the deepening of some specific aspects, in order to make a good investment. In this paper I present the concept of ETF's performance and the most important factors that influence it. I have built three studies in Eviews and analyzed their results to see what aspects should be taken into consideration when an investor decides to buy ETF's shares.

**Keywords:** Tracking error, passive strategy, liquidity, market capitalization, volume, risk.

**JEL Classification:** G11, G23

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