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## ETFs vs. ETNs

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## ETFs vs. ETNs

While ETFs are essentially market-traded products that are similar to mutual funds, ETNs are actually more like a variable rate fixed income product that is "guaranteed" by the issuer. This difference adds a significant element of counterparty risk. Further, most ETNs are treated like partnerships, which means that taxes on gains (and losses) are treated differently, with recognition required each year (Statement K-1) rather than simply at sale. [See a brief article here, USA Today.](#)

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