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ICI President's Opening Remarks, 2026 ETF Conference

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Good morning! On behalf of the Investment Company Institute, thank you for joining us here in Nashville! Not only am I glad to see our members, but I love the fact the entire ETF community is here in force. Whether you're a member of ICI or not, we are proud to represent you in Washington, DC, and around the world.

This is our second annual ETF Conference. We're here to give ETFs their due. They're one of the most exciting and innovative parts of our industry.

When I arrived at ICI in 2020, we were known primarily for mutual funds. Our annual conference in Palm Desert, California – our oldest and most popular conference -- was still called the Mutual Fund and Investment Management Conference. It reflected our original focus on mutual funds, going back to the passage of the '40 Act. But after 80-plus years, mutual funds are now just one of the many important vehicles for long-term investing. So in my first year as President, I pushed to broaden ICI's focus and demonstrate our commitment to everyone involved in the investing landscape.

And by everyone, I mean everyone. Not just types of fund sponsors, but also service providers, exchanges, market makers, and all the people and companies that make long-term investing possible. And I made ETFs a priority, which I am proud to say includes the establishment of this conference. It has already become one of the most important ETF events here in the United States and around the world.

When we held the first one last fall, demand was higher than we expected—more than double our original projections. So, this year, we made the conference even bigger. But

history has repeated itself, and we sold out the hotel in record time. This is a good problem to have, and it reflects the energy and excitement behind ETFs themselves. And mark your calendar because we are already set on year three—this conference will return June 7-9 in New Orleans next year!

ETF sponsors and the many firms supporting this marketplace have a home here. We want you engaged here. We want you leading here. And when important policy debates emerge in Washington or around the world, we want you to know that ICI will be your partner and your advocate. ETFs are central to investing—and at ICI, we intend to reflect that reality in everything we do.

In the same way that the ETF community is flocking to this conference, investors across the world are flocking to ETFs. In the United States alone, the net assets held in ETFs rose from $2.1 trillion in 2015 to $13.4 trillion at the end of last year. That's a more than 500% increase in a single decade, and, if anything, the growth of ETFs is only accelerating. Net share issuance hit a new record of $1.5 trillion at the end of last year. This is nothing short of a revolution.

Yet while the numbers are powerful, the story behind them is even more impactful. ETFs have become a mainstay for the middle class. Two decades ago, barely a million people held them in their portfolio. Now, about 17 million do, which is well over 1 in 10 American households. Crucially, about 50% of ETF owners have household income under $150,000. They are relying on these vehicles to help them achieve their American Dream.

But ETFs aren't only a US phenomenon. Their international growth has been remarkable, as well. Outside of the United States, the Americas saw net assets grow from $86 billion to $600 billion between 2016 and 2025. In Europe, ETFs have risen from $526 billion to $3.1 trillion over the past decade, and Asia has climbed from $263 billion to $2.1 trillion. It's abundantly clear that wherever ETFs go, investors follow. They recognize the unprecedented flexibility and the rapid innovation that ETFs offer. Their intraday trading ability, their transparency, their tax efficiency—ETFs are a game changer across the globe.

I also want to acknowledge your nonstop efforts to improve affordability and accessibility. Thanks to you, the average expense ratio for equity ETFs has dropped by 43% in the past two decades. And for 30-plus years, you've pushed the boundaries with innovation and new product offerings. A case in point is the Active ETF. The first one came to market in 2008, and, since 2019, they've been one of the fastest growing segments of the ETF market. In that timeframe, they've gone from a 1% market share to a 10% market share in the United States.

But the growth of Active ETFs also illustrates the role that ICI plays in fostering progress. They've surged in popularity because of a key change in federal policy—namely, the ETF Rule in 2019. It leveled the playing field and removed regulatory barriers to entry. ICI worked with the Securities and Exchange Commission to make it happen, and Active ETFs have taken off since then.

And in the past few years, ICI has redoubled our advocacy on your behalf. ETF innovation was central to the campaign we launched early last year. We called it "Reimagining the 40 Act," and while it was filled with dozens of actionable ideas across the investing landscape, one of the most important proposals was calling on the SEC to green light ETFs as a share class.

We advocated for this reform because we believed that permitting multiple fund sponsors to offer an ETF share class would deliver meaningful benefits for investors. We took that case directly to the SEC—and it's a testament to the value of ICI's more than 80-year relationship with the agency that they listened carefully and engaged thoughtfully on the issue.

At our Investment Management conference last March, then-Acting Chairman Mark Uyeda signaled that relief was on the way. In September, at our inaugural ETF Conference, the Assistant Director of the Division of Investment Management said the proposal was, in her words, "at the one-yard line." And then, in November, it finally happened: the SEC approved exemptive relief for a new generation of ETF share classes.

Every step of the way, ICI played a pivotal role. We worked closely with SEC staff to secure both the exemptive relief and the no-action relief necessary to facilitate trading of ETF share classes. Our success is a sign of how ICI can help this industry work with regulators and policymakers serve individual investors. And equally importantly, it shows how your companies are meeting this moment with action and innovation.

Please know that ICI is here to help you navigate the road ahead. More than 1,100 people participated in a November webinar about how the industry is preparing for the dual share class structure following the release of our industry-leading white paper outlining the operational, regulatory, and technological considerations for asset managers preparing to launch ETF share classes within existing mutual fund portfolios. As this innovation continues to develop, ICI will continue to be at the forefront of helping you meet investors' needs.

The same is true for the ETF landscape more broadly. We are ready to help as ETFs expand into additional asset classes, including private markets, and we look forward to innovative products that provide investors with access to more choice and diversification within their portfolios.

We're also committed to protecting ETF tax treatment. The current system works exceptionally well, ensuring that ETF investing is more efficient, accessible, and affordable for millions of Americans.

And let me be clear: the principal legal provision that ETFs rely on for much of their routine investment activity, known as Section 852(b)(6), is not a loophole. It is a long-standing provision that promotes fairness, efficiency, and long-term investing.

Policymakers should also remember that ETFs are overwhelmingly used by middle-class savers as tools to build financial security. About 20 million US households own ETFs, and the median income of those households is roughly $150,000.

More broadly, tax return data show that fund investors reporting capital gain distributions are not limited to ultra-high-income households. In fact, 73% of tax returns reporting these distributions had adjusted gross income below $200,000, representing almost half of total gains.

Attacks on ETF tax treatment would therefore affect a product used by millions of middle-class investors, not some niche benefit for a small corner of Wall Street. And when people talk about ETF tax treatment, they are talking about a feature that helps millions of American families invest more efficiently and keep more of their money working for the future.

Section 852(b)(6) doesn't eliminate tax; it defers it until investors sell their ETF shares. Without this protection, long-term shareholders could be forced to pay taxes triggered by another investor's decision to leave the fund. That is not fair. Investors should not get a tax bill because someone else decided to sell.

This provision makes the tax treatment of fund investing closer to the tax treatment of direct stock ownership. You pay tax when you sell shares. It rewards responsible, long-term, buy-and-hold investing. And it helps keep ETFs efficient, accessible, and affordable for the millions of Americans using them to build long-term financial security.

And we know for a fact that the next generation relies on ETFs to a historic degree. Millennials already account for a third of ETF owners, and Gen Z is turning to these products en masse. This is worth celebrating—and defending. If we want young people to achieve financial security in their lifetimes, we need to keep investing accessible and affordable. We're grateful that the current presidential administration and SEC share this goal. They have a decidedly pro-investor agenda, and we're glad to work with them to make investing even easier for the American people.

ETFs are key to this vision, and at the Investment Company Institute, we applaud your impact across the United States and the world. We are fighting for you—because you are delivering for investors of all ages and incomes. Thank you again for doing so much for so many people—and thank you again for joining us this week.

Now I have the pleasure of discussing the state of ETFs with one of the most knowledgeable experts there is. Jan van Eck has been CEO of Van Eck Associates since 2010. He's been with the firm since 1991, and the firm itself has been in business since 1955. It's a family business in the truest sense—Jan's father, John, was the original founder.

It makes sense that Jan would follow in his father's footsteps, but it's also true that he took a circuitous route to get there. Before he came home, Jan interned at the Washington Post. He also worked at a think tank before deciding academia wasn't for him. He even spent time in Silicon Valley, where his eyes were opened to the world of innovation.

Jan brought that innovative spirit to bear when he ultimately came to work at Van Eck. While the firm was built on gold, Jan was one of the first people on Wall Street to realize that ETFs could be a 21st Century gold rush. He founded Van Eck's ETF business in 2006—making it one of the first firms in America to enter this market. Since then, he has spearheaded the launch of numerous innovative products, and today, Van Eck's ETF business is one of the largest in the world.

Given his decades of experience and global perspective, Jan is uniquely suited to discuss where ETFs have been, where they are today, and where they're headed. I look forward to his insights, and I'm grateful for his leadership role in helping so many people benefit from the ETF revolution. Please join me in welcoming Jan van Eck.

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