

ETF Monitor

Q1 2014
January – March



London
Stock Exchange Group

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ETFplus

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News from ETFplus market

- Etfexpress awarded Borsa Italiana ‘Best European Exchange for ETF listings’ during the fifth edition of the etfexpress Global Awards 2014
- 12 ETFs and 24 ETCs/ETNs listed on ETFplus market during Q1
- London Stock Exchange Group* was recognized as the leading exchange in Europe for ETF trading by number of trades at the exchangetradedfunds.com 10th Annual Global ETF Awards

Trades (Q1 2014)

- Borsa Italiana has confirmed its leadership in Europe for number of trades on electronic platform with a market share of 29.24%, the ranking has been lead since 2005
- Borsa Italiana became the second Exchange in Europe for turnover traded on electronic platform with a market share of 18.38%
- 824,998 trades (+5.95% vs Q1 2013) with a turnover of 19.82 € bn (+9.51% vs Q1 2013)

AUM/net inflow in Italy

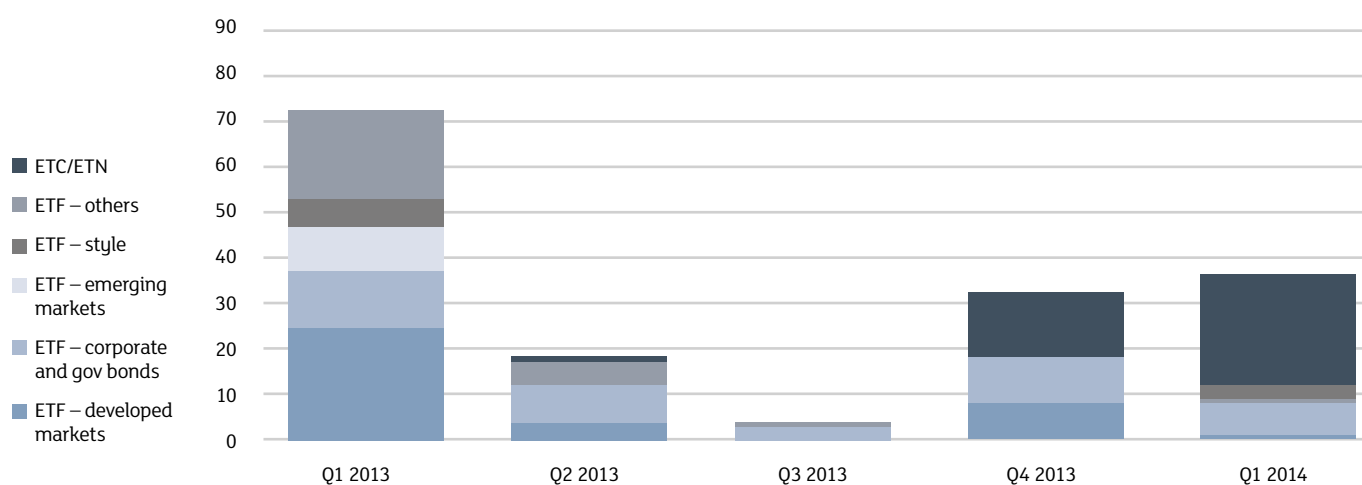
- At the end of March, ETF AUM deposited in Italy set a new historical record reaching 26.975 € bn, +34.18% vs end of March 2013
- During Q1, in Italy ETFs amassed +1.81 € bn of inflows

For the first time available on ETFplus market

- 18 ETNs on exchange rates without leverage
- 1 physical ETF on Chinese index CSI 300
- 4 long and short triple leveraged ETNs on Russell 1000 and Nasdaq 100
- 2 short double leveraged ETCs on gold and natural gas
- 1 ETF on Indonesia government bonds
- 1 interest rate hedged ETF on Eurozone high yield government bonds
- 2 ETFs on global fixed income market

* The combined ETF markets of Borsa Italiana and London Stock Exchange

New listings on Italian market



New listings - Q1 2014

ETF

| | |
|--------------------------|---|
| Equity style (developed) | 3 |
| Government bonds - Euro | 1 |
| Corporate bond | 6 |
| Equity North America | 1 |
| Equity emerging - Asia | 1 |

ETC/ETN

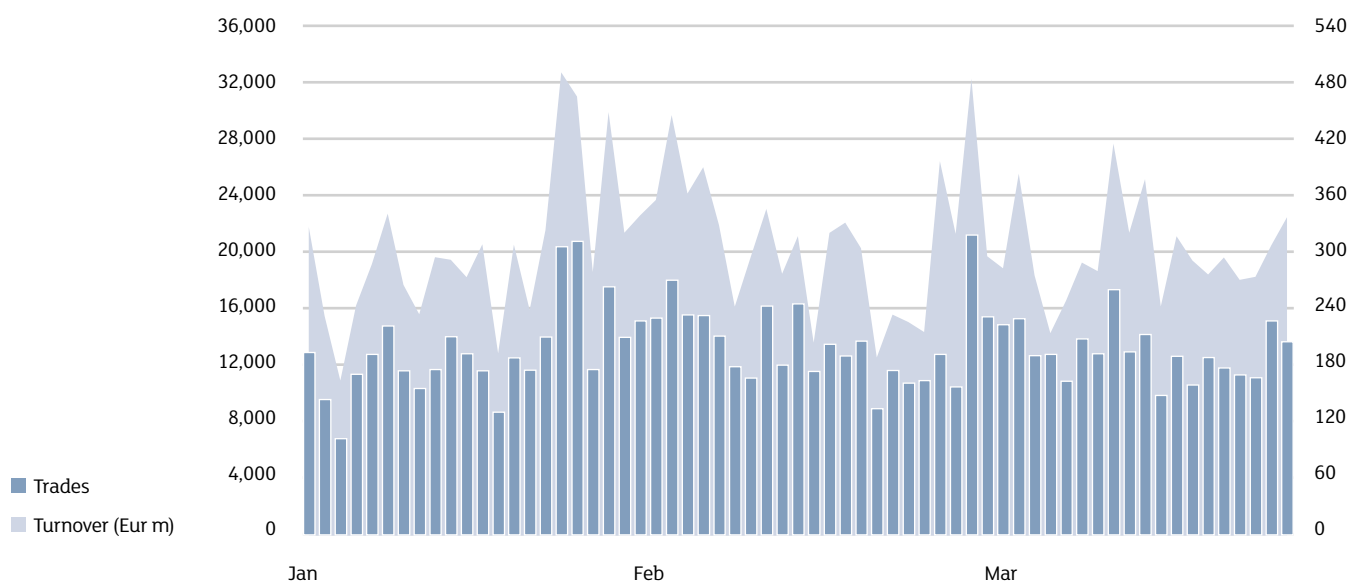
| | |
|--------------------------|----|
| Leveraged Long 3X | 2 |
| Strategies on currencies | 18 |
| Leveraged Short 3X | 2 |
| ETC Leveraged Short | 2 |

| | |
|----------------------|-----------|
| Total Q1 2014 | 36 |
|----------------------|-----------|

| | |
|--------------------------|------------|
| Listed 31.03.2014 | 838 |
|--------------------------|------------|

Source: LSEG – Markets Analysis

Trades



| Daily average | Q1 2014 | Var. % Q1 2013 |
|---------------|---------|-------------------|
|---------------|---------|-------------------|

ETF

| | | |
|------------------|-------|-------|
| Trades | 9,910 | -5.7% |
| Turnover (Eur m) | 281.2 | 5.8% |

ETC/ETN

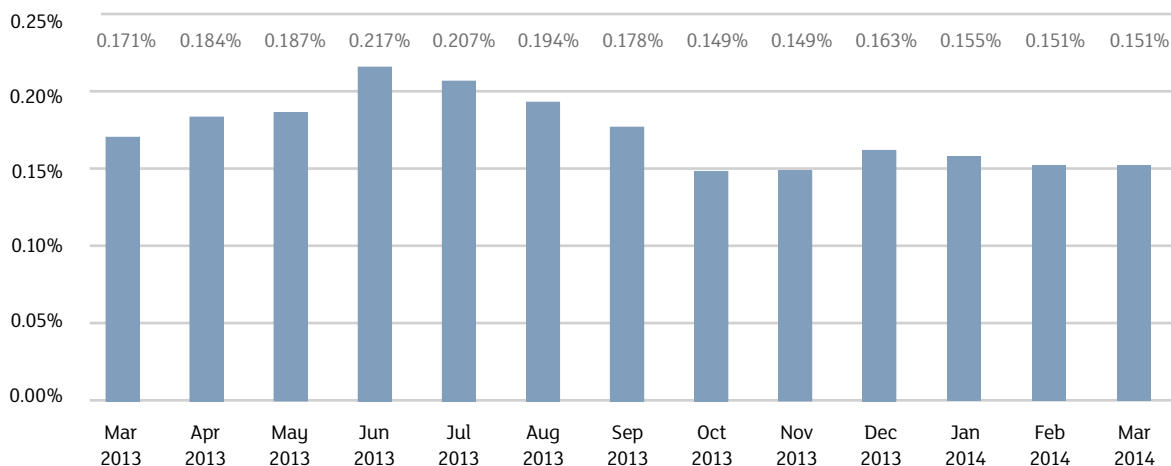
| | | |
|------------------|-------|-------|
| Trades | 3,185 | 55.6% |
| Turnover (Eur m) | 33.5 | 27.4% |

Source: LSEG – Markets Analysis

Liquidity – Spread

| | ETF Developed market | ETF Corporate government bond | ETF Emerging markets | ETF Style | ETF Others |
|----------|----------------------|-------------------------------|----------------------|-----------|------------|
| Mar 2013 | 0.130% | 0.130% | 0.252% | 0.281% | 0.327% |
| Apr 2013 | 0.142% | 0.152% | 0.257% | 0.288% | 0.337% |
| May 2013 | 0.151% | 0.143% | 0.269% | 0.267% | 0.355% |
| Jun 2013 | 0.160% | 0.202% | 0.335% | 0.311% | 0.354% |
| Jul 2013 | 0.147% | 0.197% | 0.337% | 0.288% | 0.356% |
| Aug 2013 | 0.136% | 0.178% | 0.324% | 0.273% | 0.348% |
| Sep 2013 | 0.133% | 0.145% | 0.295% | 0.273% | 0.349% |
| Oct 2013 | 0.113% | 0.106% | 0.275% | 0.238% | 0.313% |
| Nov 2013 | 0.116% | 0.109% | 0.266% | 0.249% | 0.318% |
| Dec 2013 | 0.125% | 0.125% | 0.283% | 0.274% | 0.348% |
| Jan 2014 | 0.129% | 0.106% | 0.289% | 0.279% | 0.336% |
| Feb 2014 | 0.123% | 0.105% | 0.290% | 0.277% | 0.342% |
| Mar 2014 | 0.119% | 0.115% | 0.285% | 0.274% | 0.334% |

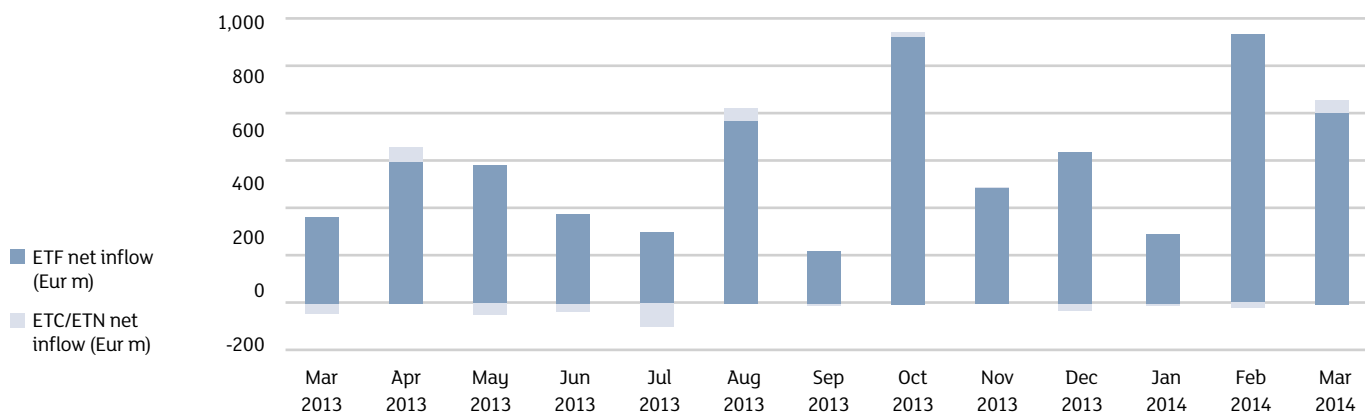
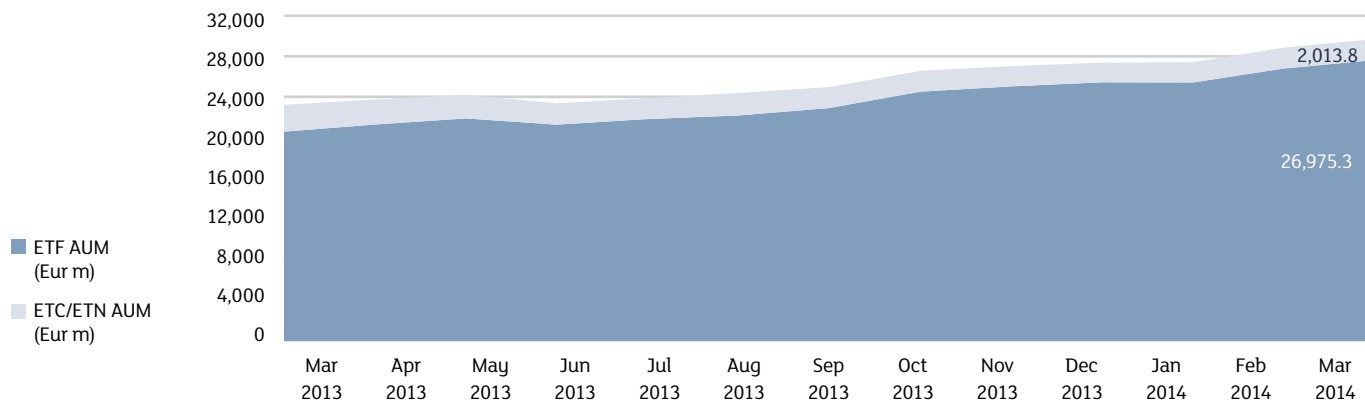
Market spread



Source: LSEG – Markets Analysis

SPREAD: It is the implicit cost that an investor incurs when buying and selling at the same moment a financial instrument at best bid and ask prices (it is calculated as the difference between best bid and ask prices divided by the mid quote).

AUM in Italy and Net Inflow



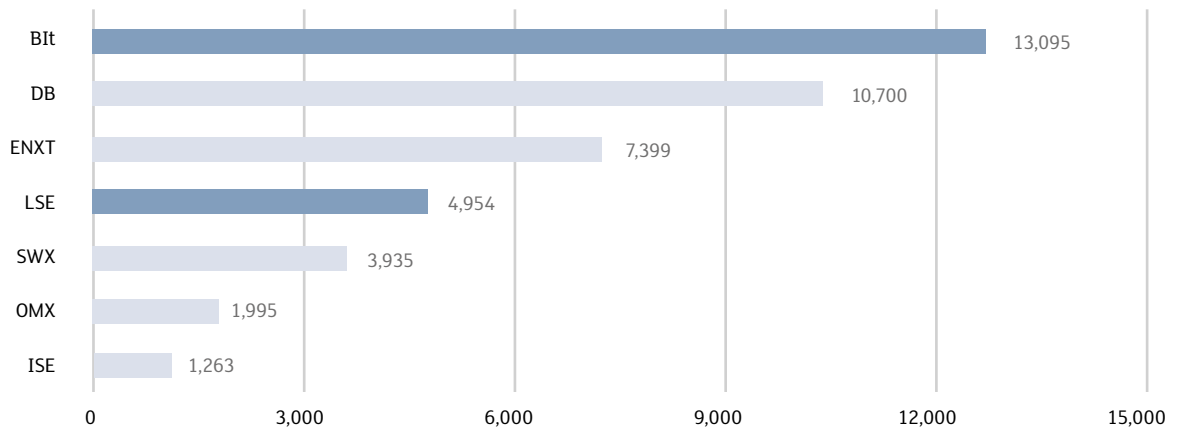
| | AUM Mar 2014 (Eur m) | Var. % Mar 2013 |
|---------|-------------------------|--------------------|
| ETF | 26,975.3 | 34.2% |
| ETC/ETN | 2,013.8 | -22.0% |
| Total | 28,989.1 | 27.8% |

| | Net inflow Q1 2014 (Eur m) | Net inflow Q4 2013 (Eur m) | Net inflow YtD (Eur m) |
|---------|-------------------------------|-------------------------------|---------------------------|
| ETF | 1,810.4 | 1,844.3 | 1,810.4 |
| ETC/ETN | 22.4 | -5.5 | 22.4 |
| Total | 1,832.8 | 1,838.8 | 1,832.8 |

Source: LSEG – Markets Analysis

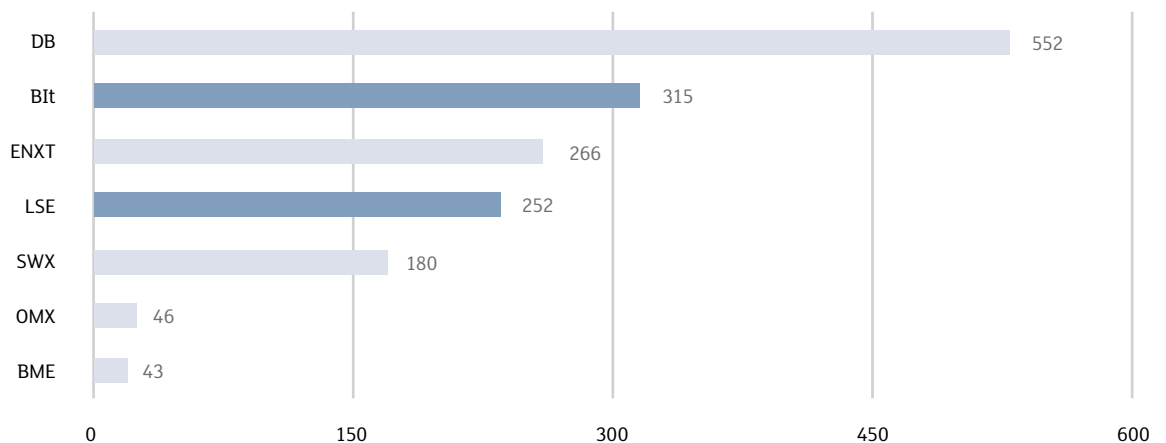
European Comparison

Trades, daily average, Jan – Mar 2014



During Q1 2014 Borsa Italiana has confirmed its leadership in Europe for number of trades on electronic platform, the ranking has been lead since 2005.

Turnover (Eur m), daily average, Jan – Mar 2014



In Q1 2014 Borsa Italiana became the second Exchange in Europe for turnover traded on electronic platform.

Bit: Borsa Italiana
 DB: Deutsche Börse
 ENXT: Euronext
 ISE: Istanbul Stock Exchange
 LSE: London Stock Exchange
 OMX : NASDAQ OMX Nordic
 STUT: Boerse Stuttgart
 SWX: SIX Swiss Exchange
 BME: BME (Spanish Exchanges)

Source: LSEG – Markets Analysis

Annex 1 – New listings on Italian market: details about ETF

| AREA | ISSUER | INSTRUMENT | ISIN | TRADING CODE | UNDERLYING |
|--------------------------|-------------------------|---|--------------|--------------|--|
| CORPORATE BOND | ISHARES IV | ISHARES EURO ULTRASHORT BOND UCITS ETF | IE00BCRY6557 | ERNE | MARKIT IBOXX EUR LIQUID INVEST GRADE ULTRASHORT TR |
| CORPORATE BOND | ISHARES IV | ISHARES \$ SHT DUR HIGH YLD COR UCITS ETF | IE00BCRY6003 | SDHY | MARKIT IBOXX USD LIQUID HIGH YIELD CAPPED TR |
| CORPORATE BOND | ISHARES V | ISHARES EU CORPOR INT RATE HED UCITS ETF | IE00B6X2VY59 | IRCP | BARCLAYS EUR CORPORATE INTEREST RATE HEDGED TR |
| CORPORATE BOND | SSGA SPDR ETFS EUROPE I | SPDR BARCL 0-3 Y US CORP BOND UCITS ETF | IE00BC7GZX26 | SUSC | BARCLAYS 0-3 YEAR US CORPORATE BOND TR |
| CORPORATE BOND | SSGA SPDR ETFS EUROPE I | SPDR BARCL 0-5Y US HI YLD BOND UCITS ETF | IE00B99FL386 | SJNK | BARCLAYS US HIGH YIELD 0-5 YEAR (EX 144A) TR |
| CORPORATE BOND | SSGA SPDR ETFS EUROPE I | SPDR BARCL 0-3 Y EUR CORP BOND UCITS ETF | IE00BC7GZW19 | SEUC | BARCLAYS 0-3 EURO CORPORATE BOND TR |
| EQUITY EMERGING - ASIA | DB-X-TRACKERS | DB X-TRACKERS HARV CSI300 UCITS ETF (DR) | LU0875160326 | RQFI | CSI 300 |
| EQUITY NORTH AMERICA | SSGA SPDR ETFS EUROPE I | SPDR S&P 400 US MID CAP UCITS ETF | IE00B4YBJ215 | SPY4 | S&P MIDCAP 400 TRN |
| EQUITY STYLE (DEVELOPED) | SSGA SPDR ETFS EUROPE I | SPDR S&P UK DIVID ARISTOCRATS UCITS ETF | IE00B6S2Z822 | UKDV | S&P UK HIGH YIELD DIVIDEND ARISTOCRATS TR |
| EQUITY STYLE (DEVELOPED) | SSGA SPDR ETFS EUROPE I | SPDR S&P PAN ASIA DIV ARISTOCR UCITS ETF | IE00B9KNR336 | PADV | S&P PAN ASIA DIVIDEND ARISTOCRATS TRN |
| EQUITY STYLE (DEVELOPED) | SSGA SPDR ETFS EUROPE I | SPDR S&P GLOB DIV ARISTOCRATS UCITS ETF | IE00B9CQXS71 | GLDV | S&P GLOBAL DIVIDEND ARISTOCRATS TRN |
| GOVERNMENT BONDS - EURO | UBS ETF | UBS IBOXX EUR SOVER 1-5 UCITS ETF A-DIS | LU0969639128 | SS1EUA | IBOXX SOVEREIGNS EUROZONE 1-5 TR |

Annex 2 – New listings on Italian market: details about ETC/ETN

| AREA | ISSUER | INSTRUMENT | ISIN | TRADING CODE | UNDERLYING |
|--------------------------|-------------------------------|--------------------------------------|--------------|--------------|---|
| ETC LEVERAGED SHORT | BOOST ISSUER PLC | BOOST NATURAL GAS 2X SHORT DAILY | IE00B94QL251 | 2NGS | NASDAQ COMMODITY NATURAL GAS ER |
| ETC LEVERAGED SHORT | BOOST ISSUER PLC | BOOST SILVER 2X SHORT DAILY | IE00B94QL921 | 2SIS | NASDAQ COMMODITY SILVER ER |
| LEVERAGED LONG 3X | BOOST ISSUER PLC | BOOST NASDAQ 100 3X LEVERAGE DAILY | IE00B8W5C578 | QQQ3 | NASDAQ-100 3X LEVERAGED NNR |
| LEVERAGED LONG 3X | BOOST ISSUER PLC | BOOST US LARGE CAP 3X LEVERAGE DAILY | IE00B7Y34M31 | 3USL | RUSSELL 1000 NET 30% USD TR |
| LEVERAGED SHORT 3X | BOOST ISSUER PLC | BOOST US LARGE CAP 3X SHORT DAILY | IE00B8K7KM88 | 3USS | RUSSELL 1000 TR INDEX |
| LEVERAGED SHORT 3X | BOOST ISSUER PLC | BOOST NASDAQ 100 3X SHORT DAILY | IE00B8VZVH32 | QQQS | NASDAQ-100 3X INVERSE TR |
| STRATEGIES ON CURRENCIES | ETFS FOREIGN EXCHANGE LIMITED | ETFS SHORT CHF LONG EUR | JE00B3L54023 | CHEU | MSFX SHORT SWISS FRANC/EURO INDEX (TR) |
| STRATEGIES ON CURRENCIES | ETFS FOREIGN EXCHANGE LIMITED | ETFS LONG CAD SHORT EUR | JE00B3SX2K59 | ECAD | MSFX LONG CANADIAN DOLLAR/EURO INDEX (TR) |
| STRATEGIES ON CURRENCIES | ETFS FOREIGN EXCHANGE LIMITED | ETFS SHORT NZD LONG EUR | JE00B3XFPZ25 | NZEU | MSFX SHORT NEW ZEALAND DOLLAR/EURO INDEX (TR) |
| STRATEGIES ON CURRENCIES | ETFS FOREIGN EXCHANGE LIMITED | ETFS SHORT GBP LONG EUR | JE00B3MVPQ29 | GBEU | MSFX SHORT BRITISH POUND/EURO INDEX (TR) |
| STRATEGIES ON CURRENCIES | ETFS FOREIGN EXCHANGE LIMITED | ETFS SHORT JPY LONG EUR | JE00B3KNMS14 | JPEU | MSFX SHORT JAPANESE YEN/EURO INDEX (TR) |
| STRATEGIES ON CURRENCIES | ETFS FOREIGN EXCHANGE LIMITED | ETFS LONG GBP SHORT EUR | JE00B3LXVB68 | EUGB | MSFX LONG BRITISH POUND/EURO INDEX (TR) |
| STRATEGIES ON CURRENCIES | ETFS FOREIGN EXCHANGE LIMITED | ETFS LONG SEK SHORT EUR | JE00B3MQG751 | EUSE | MSFX LONG SWEDISH KRONA/EURO INDEX (TR) |
| STRATEGIES ON CURRENCIES | ETFS FOREIGN EXCHANGE LIMITED | ETFS LONG JPY SHORT EUR | JE00B3MWC642 | EUJP | MSFX LONG JAPANESE YEN/EURO INDEX (TR) |
| STRATEGIES ON CURRENCIES | ETFS FOREIGN EXCHANGE LIMITED | ETFS SHORT USD LONG EUR | JE00B3SBYQ91 | USEU | MSFX SHORT US DOLLAR/EURO INDEX (TR) |
| STRATEGIES ON CURRENCIES | ETFS FOREIGN EXCHANGE LIMITED | ETFS LONG AUD SHORT EUR | JE00B3XGSP64 | EUAU | MSFX LONG AUSTRALIAN DOLLAR/EURO INDEX (TR) |
| STRATEGIES ON CURRENCIES | ETFS FOREIGN EXCHANGE LIMITED | ETFS SHORT NOK LONG EUR | JE00B3LGGQ51 | NOEU | MSFX SHORT NORWEGIAN KRONE/EURO INDEX (TR) |
| STRATEGIES ON CURRENCIES | ETFS FOREIGN EXCHANGE LIMITED | ETFS LONG CHF SHORT EUR | JE00B3MR2Q90 | EUCH | MSFX LONG SWISS FRANC/EURO INDEX (TR) |
| STRATEGIES ON CURRENCIES | ETFS FOREIGN EXCHANGE LIMITED | ETFS LONG USD SHORT EUR | JE00B3RNTN80 | EUUS | MSFX LONG US DOLLAR/EURO INDEX (TR) |
| STRATEGIES ON CURRENCIES | ETFS FOREIGN EXCHANGE LIMITED | ETFS LONG NZD SHORT EUR | JE00B3YQ2Z39 | EUNZ | MSFX LONG NEW ZEALAND DOLLAR/EURO INDEX (TR) |
| STRATEGIES ON CURRENCIES | ETFS FOREIGN EXCHANGE LIMITED | ETFS SHORT AUD LONG EUR | JE00B3QSB726 | AUEU | MSFX SHORT AUSTRALIAN DOLLAR/EURO INDEX (TR) |
| STRATEGIES ON CURRENCIES | ETFS FOREIGN EXCHANGE LIMITED | ETFS SHORT SEK LONG EUR | JE00B3NXB475 | SEEU | MSFX SHORT SWEDISH KRONA/EURO INDEX (TR) |
| STRATEGIES ON CURRENCIES | ETFS FOREIGN EXCHANGE LIMITED | ETFS SHORT CAD LONG EUR | JE00B3WRF594 | CADE | MSFX SHORT CANADIAN DOLLAR/EURO INDEX (TR) |
| STRATEGIES ON CURRENCIES | ETFS FOREIGN EXCHANGE LIMITED | ETFS LONG NOK SHORT EUR | JE00B3MRDD32 | EUNO | MSFX LONG NORWEGIAN KRONE/EURO INDEX (TR) |

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Borsa Italiana S.p.A. – Piazza degli Affari, 6 – 20123 Milano (Italia)

Contacts

Media Relations
Telephone +39 02 72426 360
media.relations@borsaitaliana.it
www.borsaitaliana.it