

## **BORSA ITALIANA's ETF Plus: TWELVE MONTHS OF GROWTH, WITH 36 BILLION EUROS TRADED**

ETFplus, Borsa Italiana's dedicated Exchange Traded Funds (ETF) and Exchange Traded Commodities (ETC) market, turns one.

Launched in April 2007, ETFplus continues to grow, meeting with great success among investors.

At its launch, there were 108 ETFs and six issuers on ETF Plus: EasyETF, Lyxor, Deutsche Bank, iShares, Crédit Agricole and Nasdaq. The ETC segment was created in the second half of April 2007 and then, in May, the first structured ETFs were listed.

Today there are 289 instruments listed on ETFplus, including 226 ETFs, 16 structured ETFs and 47 ETCs. Strong interest in the Italian market has attracted new international players and in the last year four new issuers have joined the market: PowerShares (which acquired Nasdaq's ETF), JP Morgan, SPA ETF and SGAM.

### **Trading activity**

Trading activity in ETFs has grown strongly since launch. Trades have grown from 54,000 in 2003 to 1,337,000 in 2007, an increase of 172% on 2006.

The total value traded increased from Euro 1.5 billion in 2003 to Euro 31.8 billion in 2007, an increase of 182% on 2006.

The total value traded between April 2, 2007 and April 2, 2008 reached Euro 36 billion, exceeding 1,380,000 trades.

During this period, the most frequently traded ETF, in terms of value, was the Lyxor ETF Dj Euro Stoxx 50, with 4.1 billion trades, followed by the iShares ETF on same index, Lyxor's German DAX, Lyxor's S&P/MIB and, in fifth position, the first government bonds ETF, Lyxor's ETF Euro Cash.

In 2007, according to FESE (the Federation of European Securities Exchanges), Borsa Italiana was the leading European exchange for electronic trading in ETFs, followed by Euronext and Deutsche Borse.

The ETF market in Italy is characterised by strong levels of participation by retail investors and the average size of ETF trades on Borsa Italiana from February 2007 to February 2008 was Euro 24,950 compared with Euro 200,000 on Deutsche Borse and Euro 102,166 on Euronext.

### **Asset Under Management**

At the end of 2003 there were €530 million of Assets Under Management (AUM) in Italy. By the end of 2006 this figure had reached €7,5 billion and at the end of March 2008 there were more than €10,7 billion of AUM, with a net flow of collection of €1 billion in the same month.

## **Records**

In March 2008 the ETFplus market set a new record for daily average turnover of 199.4 million Euros (the previous record was 192 million Euros, set in January 2008)

During March 2008 the average daily number of trades was 6.228, up on the average for 2007 (5.305).

The record for the average daily number of trades was set in October 2007, when 8,247 trades were completed.

The all time record for a single day was set on 21 January 2008 with 403 million Euros of turnover and 15,796 trades.

The ETC segment set a new record during March with 974 daily average trades with a daily average turnover of 8.5 million Euros.

**Pietro Poletto**, Head of Borsa Italiana's ETFplus market, said:

"With this market Borsa Italiana has created the ideal environment for ETFs, Structured ETFs and ETCs and has increased the possibilities of investment for both retail and institutional investors offering new instruments with different risk profiles.

The positive reaction we have seen from both investors and issuers attests to the validity of Borsa Italiana's plans to enhance and grow our market".

Milan, 10 April 2008

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**MOST TRADED ETFs FOR TURNOVER (2 APRIL 2007 – 2 APRIL 2008)**

ETF	TURNOVER (Euro Billion)
LYXOR ETF DJ EURO STOXX 50	4146,4
ISHARES DJ EURO STOXX 50	3372,4
LYXOR ETF DAX	2488,4
LYXOR ETF S&P / MIB	2026,9
LYXOR ETF EURO CASH	1847,0
LYXOR ETF CHINA	1428,3
ISHARES FTSE/XINHUA CHINA 25	1233,4
LYXOR ETF MSCI INDIA (QUOTE A)	1140,0
ISHARES S&P 500	1072,2
ISHARES MSCI JAPAN	933,1

**PERFORMANCES: THE BEST 10 ETFs (2 APRIL 2007 - 2 APRIL 2008 dividends excluded)**

ETF	PERFORMANCE
ISHARES MSCI BRAZIL	41,3%
ISHARES FTSE/XINHUA CHINA 25	14,8%
LYXOR ETF MSCI INDIA (QUOTE A)	10,3%
LYXOR ETF DJ STOXX 600 BASIC RESOURCES	9,6%
LYXOR ETF CHINA	9,5%
LYXOR ETF COMMODITIES CRB	6,9%
ISHARES MSCI EMERGING MARKETS	6,3%
LYXOR ETF DJ STOXX 600 CHEMICAL	5,7%
LYXOR ETF EUROMTS INFLATION LINKED	5,0%
ISHARES EURO INFLATION LINKED BOND	4,9%

**EVOLUTION OF TRADING ON ETFplus**

