

## ETFS Leveraged Cocoa

### Investment objective

ETFS Leveraged Cocoa (LCOC) is designed to provide investors with a total return equivalent (before fees and expenses) to 200% of the daily percentage change in the DJ-UBS Cocoa Sub-Index<sup>SM</sup> (the "Sub- Index"), which is an index tracking the futures price of cocoa plus a collateral yield.

### About the security

LCOC is an exchange traded commodity ("ETC") structured as a secured, undated limited recourse debt security which can be created and redeemed on demand (by market makers). It trades on exchanges just like an equity and its pricing and tracking operate similarly to an Exchange Traded Fund.

The ETC is backed by matching Commodity Contracts (fully funded swaps) with Commodity Contract Counterparties whose payment obligations are backed by collateral which is marked to market daily to reflect the value of the Commodity Contracts. Collateral is held in pledge accounts at Bank of New York Mellon.

### Benefits of Leveraged ETCs

#### Offers similar features to traditional ETCs:

- Simple to trade on a major stock exchange
- Settled and held in ordinary brokerage accounts
- Transparent and clear pricing formula
- Backed by collateral held by a collateral manager
- Multiple market makers provide liquidity and continuous pricing
- Commodities provide additional portfolio diversification

#### Specific features of Leveraged ETCs:

- Provides double exposure with a reduced capital outlay
- A Leveraged ETC will increase in value by twice the daily increase and will decrease in value by twice the daily decrease in the underlying index, excluding fees and adjustments
- No margin account or loan approvals required
- Cost efficient way of obtaining leveraged exposure
- Maximum loss is an investor's initial investment

### Specific Risks of Leveraged ETCs

- Twice the daily movements of the index and therefore any falls in the index are magnified
- If the index falls by 50% or more in one day, an investment in a Leveraged ETC will lose all of its value
- ETCs are volatile and volatility is doubled for Leveraged ETCs
- Returns measured over periods longer than one day may differ from twice the index's return over that period
- Leveraged ETCs are only suitable for professional investors who understand leverage and are willing to magnify potential losses
- Please see the Prospectus for a more detailed explanation and a more complete list of risk

### Trading data and listings

<b>Primary listing</b>	London Stock Exchange (LSE)
<b>Trading</b>	Normal Exchange hours
<b>NAV</b>	Daily NAV at <a href="http://www.etfsecurities.com">www.etfsecurities.com</a>
<b>Base currency</b>	USD (no hedge)
<b>Minimum investment</b>	1 security
<b>Security codes</b>	
<b>Listing</b>	London
<b>Exchange code</b>	LCOC
<b>Currency</b>	USD
<b>Bloomberg</b>	LCOC LN <Eq>
<b>Reuters</b>	LCOC.L
<b>Sedol</b>	B2NFBV80
<b>ISIN</b>	JE00B2NFBV803

### Security features

<b>Exposure</b>	<b>200%</b> of the daily percentage change of the DJ-UBS Cocoa Sub-Index <sup>SM</sup>
<b>Underlying exposure</b>	Fully funded Swap with Commodity Contract Counterparties
<b>Product manager</b>	ETFS Management Company (Jersey) Limited
<b>Issuer</b>	ETFS Commodity Securities Ltd
<b>Commodity Contract Counterparties</b>	UBS AG and Bank of America Merrill Lynch (acting through Merrill Lynch Commodities Inc.)
<b>Registrar</b>	Computershare
<b>Management fee</b>	0.98% p.a.
<b>Entry/Exit fees</b>	None when traded on Exchange
<b>Legal Form</b>	Secured, undated, debt security
<b>Open-ended</b>	Yes
<b>UCITS III</b>	Eligible investments
<b>ISA/SIPP/CTF (UK)</b>	Yes, eligible
<b>Domicile</b>	Jersey
<b>Home regulator (prospectus)</b>	UK Financial Services Authority
<b>EU Passport</b>	Austria, Denmark, Finland, France, Germany, Italy, Netherlands, Portugal, Spain, Sweden
<b>UK Reporting Fund Status</b>	Yes, with effect from 1 Jan 2009

### Simulated Historical returns

DJ-UBS Cocoa Index and ETFS Leveraged Cocoa DJ-UBSCI historical performance

Period considered: December 2004 to December 2010



Simulated historical performance for the Sub-Index exists back to 1991 however the Sub-Index performance shown was first published by DJ-UBS in April 2006. Please refer to the Historical Performance Disclaimer on the following page. The returns shown here are not intended to represent actual performance and does not take into account management fees, transaction costs or expenses.

## Symbols for additional information

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*Underlying:*

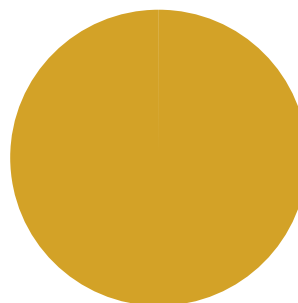
Bloomberg  
Reuters

DJUBSCC  
.DJUBSCC

*Additional information on Bloomberg:* DJGI and DJUB

## Index Allocation

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Cocoa 100%

## For more information

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*About ETF Securities*

Web: [www.etfsecurities.com](http://www.etfsecurities.com)  
Email: [info@etfsecurities.com](mailto:info@etfsecurities.com)  
Tel: +44 20 7448 4330

*Other sources of information*

[www.londonstockexchange.com/etcs](http://www.londonstockexchange.com/etcs)  
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