



*ETF Exchange Participants act as distribution partners, authorised participants and swap providers on the platform.

ETFX DAX 2x Long Fund

Investment Objective

The ETFX DAX[®] 2x Long Fund is designed to track the performance of the LevDAX[®] x2 Index. The ETFX DAX 2x Long Fund seeks to deliver a leveraged return to shareholders which corresponds to **twice the daily percentage change** in the level of the DAX[®] Index.

About Exchange Traded Funds (ETFs)

ETFs combine the advantages of stocks (tradability and liquidity) and index funds into one product. With ETFs it is possible to achieve exposure to an Index in one simple transaction in the same way as trading any security listed on the stock exchange. ETFs can be created or redeemed on demand (through market-makers).

About the Index

The LevDAX[®] x2 Index is a leveraged index which aims to provide **twice the daily percentage change** in the level of the DAX[®] Index less the cost of financing.

The DAX[®] Index is a market-capitalisation weighted index, which represents the performance of the 30 largest and most actively traded companies that are listed at the FWB[®] Frankfurter Wertpapierbörse (the Frankfurt Stock Exchange).

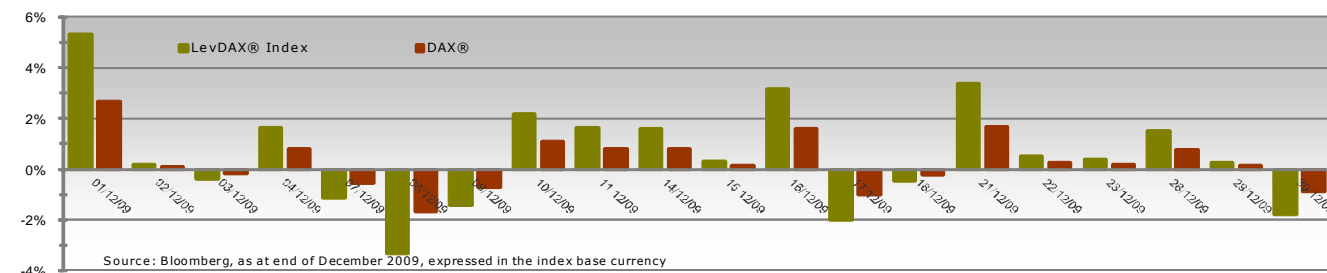
Benefits of ETFs tracking 2x leveraged indices

- Provides double exposure with reduced capital outlay
- Multiple market makers provide liquidity and continuous pricing
- Tracks a double leveraged index that increases in value by twice the daily % increase and decreases in value by twice the daily % decrease in the underlying index, excluding fees and other costs
- No margin account or loan approvals required
- Cost efficient way of obtaining leveraged exposure
- Maximum loss is limited to investor's initial investment

Risks of ETFs tracking 2x leveraged indices

- **Due to the compounding of daily returns, returns measured over periods longer than one day may differ from twice the DAX[®] Index return over that longer period**
- Twice the daily % movements of the DAX[®] Index and therefore any falls in the index are magnified.
- Equity ETFs can be volatile and volatility is doubled for ETFs tracking 2x leveraged indices
- If the index falls by 25% or more in one day, the leverage factor will be adjusted intraday
- ETFs tracking double leveraged indices are only suitable for sophisticated investors who understand leverage, compounded daily returns and are willing to magnify potential losses
- **Please see the Prospectus for a more detailed explanation and a more complete list of risks, available at www.etfsecurities.com**

Index Daily Returns – last 20 trading days



Fund Facts

Trading	Normal Exchange hours	
Base currency	EUR	
Trading currency	EUR	GBP
Minimum investment	1 unit	
Security codes		
Listing	London Stock Exchange	
Currency	EUR	GBP
Exchange Code	DEL2	DL2P
ISIN	IE00B4QNH68	IE00B4QNH68
SEDOL	B4QNH6	B54TDV9
Commencement date	22/06/2009	
Reuters	Bloomberg	
LSE £	DL2P.L	DL2P LN
LSE C	DEL2.L	DEL2 LN

Security Features

Index	LevDAX [®] x2 Index
Promoter	ETF Securities Ltd
Manager	ETFS Fund Management Company Ltd
TER	0.40%
Entry/Exit fees	None when traded on exchange
Legal Form	UCITS, Exchange Traded Fund
UCITS III	Yes
ISA/SIPP/CTF (UK)	Yes
Domicile	Ireland
EU Passport	Ireland, UK, Netherlands, Germany

Index Information

Exposure	Germany Equities
Number of components	30
Currency	EUR
Bloomberg	LEV DAX
Reuters	.LEV DAX
Index provider	Deutsche Boerse Group
Website	www.deutsche-boerse.com

Index Historical Performance

Base currency (EUR)	2009	2008	2007	2006
LevDAX@ Index	40.5%	-70.4%	40.5%	41.3%
DAX@	23.8%	-40.4%	22.3%	22.0%

Source: Bloomberg, as at end of December 2009, expressed in the index base currency

The table and the graph below show the performance of the underlying index and not the fund. The ETFX fund tracks the performance of the above index subject to management fees and other costs. Past Performance is not a reliable indicator of future results.

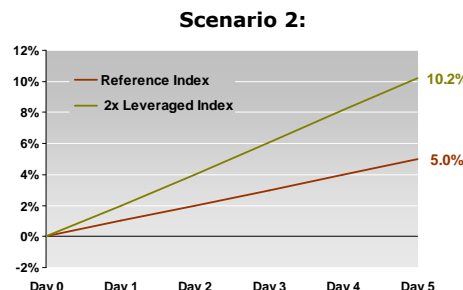
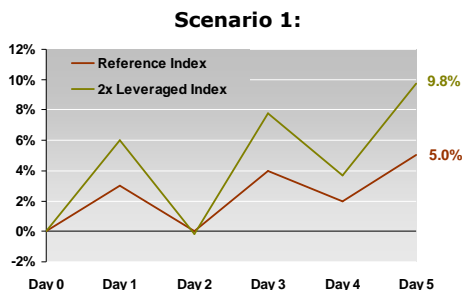


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How can daily rebalancing affect the performance of 2x leveraged equity indices?

2x leveraged equity indices are designed to provide twice the daily percentage change in the level of their reference index (i.e. the 1x index) and due to the compounding of daily returns, returns measured over periods longer than one day may differ from twice the reference index return over that longer period.

To demonstrate this we take the example of a reference index rising 5% over a 5-day period. In Scenario 1 the reference index achieves the 5% return through various up and down days. In Scenario 2 the index is up 5% over the period following 5 consecutive up days. (For simplification purposes, these 2 scenarios exclude fees and other financing adjustments).



- In Scenario 1, despite the 2x leveraged index delivering 2x the reference index return each day, the overall compound return at the end of the 5-day period is not equal to twice the 5-day return of the reference index (9.8% vs. 10%).
- In Scenario 2, the volatility is lower and the reference index is trending upwards, the overall compound return at the end of the 5-day period has exceeded 2x the reference index return (10.2% vs. 10%).

This shows that the daily rebalancing of the leveraged index leads to performance differences over periods longer than one day and also that volatility in the reference index tend to magnify gains and losses in the 2x leveraged index.

For more information about long term performance of ETF Securities ETFs tracking 2x leveraged indices please see the description of risks in the prospectus available at www.etfsecurities.com

About ETF Exchange (ETFX)

ETF Exchange is the world’s first 3rd Generation ETF Platform offering investors access to low cost swap backed ETFs with credit diversification across a number of participants rather than reliance on a single bank. As the banks, APs and market makers compete for business, true liquidity and competition is created.

Third generation ETFs meet investor demands for increased levels of transparency, liquidity and counterparty risk management. Third Generation ETFs provide diversified index replication across a consortium of the strongest financial players and concentrate liquidity within a single platform.

ETF Securities pioneered the development of ETCs, with the world's first listing of an ETC, Gold Bullion Securities in Australia and London in 2003 and then the world's first entire ETC platform which was listed on the London Stock Exchange in September 2006. ETF Securities now offers more than 170 ETPs with over \$17 billion in assets as at December 2009. The Exchange Traded Products (ETPs) provide investors with a wide variety of investment strategies, with ETPs offering resource equities, physical, long, forward, leveraged and short exposure to all commodity sectors and now G10 Currencies.



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