



Xetra: The Leading Trading  
Platform for ETCs & ETNs in  
the Euro Zone

A simple investment  
in commodities,  
volatility or currencies

Commodities can be used to reduce the volatility of a portfolio or increase the ROI (return on investment). This is why commodities should be included in any diversified portfolio, something many investors have so far found hard to organize. It was equally difficult to invest in currencies and volatility.

But all that has changed with the asset classes Exchange Traded Commodities (ETCs) and Exchange Traded Notes (ETNs). Xetra<sup>®</sup> offers investors access to 210 ETCs and 83 ETNs. With this range on offer, Xetra is the largest trading platform for exchange-traded commodities, volatilities and currencies in the euro zone, today.

## Exchange Traded Commodities on Xetra

### ETCs: A simple investment in commodities

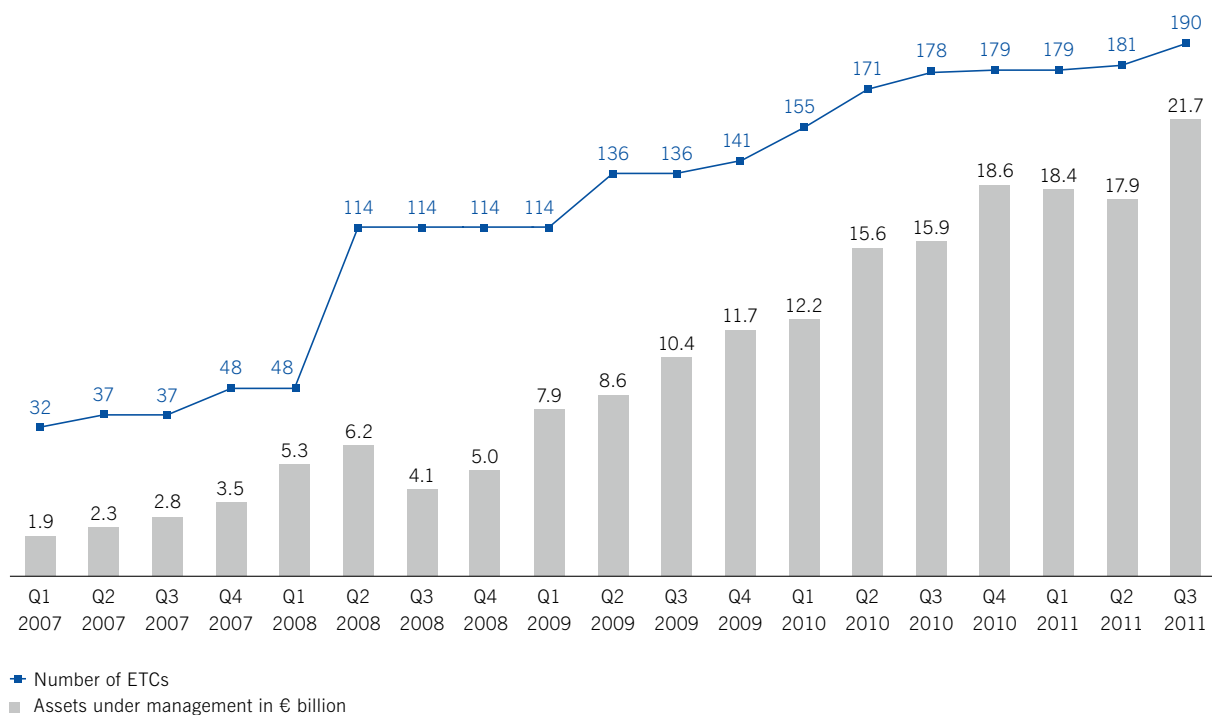
ETCs are undated debt securities that track the development of commodities and commodity indices. An increasing number of investors are availing themselves of the attractive opportunities ETCs offer for a portfolio – creating strong growth rates for this asset class. Moreover, they are just as fungible as equities, as ETCs are similar in structure to exchange-traded index funds (ETFs) – and they share many of their advantages: they are open in structure, cost-effective, offer investors great liquidity, and the price setting process is transparent. The only difference: legally speaking, ETCs do not consist of a separate pool of fund assets like ETFs.

### ETCs on Xetra: Largest product range in the euro zone

Deutsche Börse's ETC segment on Xetra® offers the largest selection of ETCs (210) in the euro zone. Xetra is one of the fastest and most efficient trading systems in the world. Buy and sell orders from

traders are matched in the central and fully electronic order book and are executed immediately. Over 245 participants in 19 countries and more than 4,500 authorized traders are connected to Xetra. Participants can access the Xetra trading system irrespective of their location. Indeed, Xetra sets the standards in securities trading and provides strong liquidity and transparency in ETC trading, not to mention its speed and flexibility. Trading in ETCs is just as easy and comfortable as it is in exchange-traded funds (ETFs). Designated Sponsors have committed to sell shares to investors or to buy them back, thus guaranteeing liquidity. Ongoing pricing at high quotation volumes ensures price commitments, while tight trading guarantees price quality. Flexibility is enhanced by the use of different order types (e.g. limit and stop orders) and minimum denominations for ETC shares – throughout Xetra trading hours, on exchange trading days from 9 a.m. to 5.30 p.m.

Development of the ETC segment



### The right product for each investment strategy

ETCs are available in four different product categories (precious metals, industrial metals, energy, agricultural products) and for different investment strategies (short and leveraged). Within individual classes, investors can choose from a broad variety of products. Metals are subdivided into industrial metals (aluminum, copper, nickel, zinc) and precious metals (gold, silver, platinum and palladium). The latter are also available as physically secured ETCs or as a basket in one ETC.

In the energy category, investors can opt for ETCs on crude oil, heating oil, gasoline and natural gas. In agricultural products there is also a great spectrum of ETCs, ranging from wheat, sugar, corn, soybeans and coffee, not to forget cotton and soybean oil – and there are even ETCs on live cattle and lean hogs. Investors wanting to diversify risk may wish to buy into ETCs for entire commodity baskets; for example covering several metals or different energy sources, types of grains or livestock. The broadest investment is provided by ETCs on a basket of all commodities.

Moreover, there are now ETCs which are currency hedged. Investors can participate in the performance of single commodities like gold, oil or industrial metals while eliminating currency risks. With Xetra-Gold® Deutsche Börse is offering a bearer bond that grants the investor the right to demand the delivery of one gram of gold from the issuer. Xetra-Gold tracks the price of gold on a virtually 1:1 basis. It is traded in euros per gram.

A list of all tradable ETCs is available at [www.boerse-frankfurt.com](http://www.boerse-frankfurt.com).

#### Overview of all tradable commodities on Xetra

	Single Commodities				Commodity Baskets			Total
	Long	Short	Leveraged long	Leveraged short	Long	Short	Leveraged long	
Agriculture	15	10	10	–	19	4	4	62
All Commodities	–	–	–	–	13	3	2	18
Energy	22	10	9	2	8	2	2	55
Industrial Metals	9	6	6	–	7	1	1	30
Precious Metals	22	8	7	2	4	1	1	45
<b>Total</b>	<b>68</b>	<b>34</b>	<b>32</b>	<b>4</b>	<b>51</b>	<b>11</b>	<b>10</b>	<b>210</b>

### More options with short and leveraged ETCs

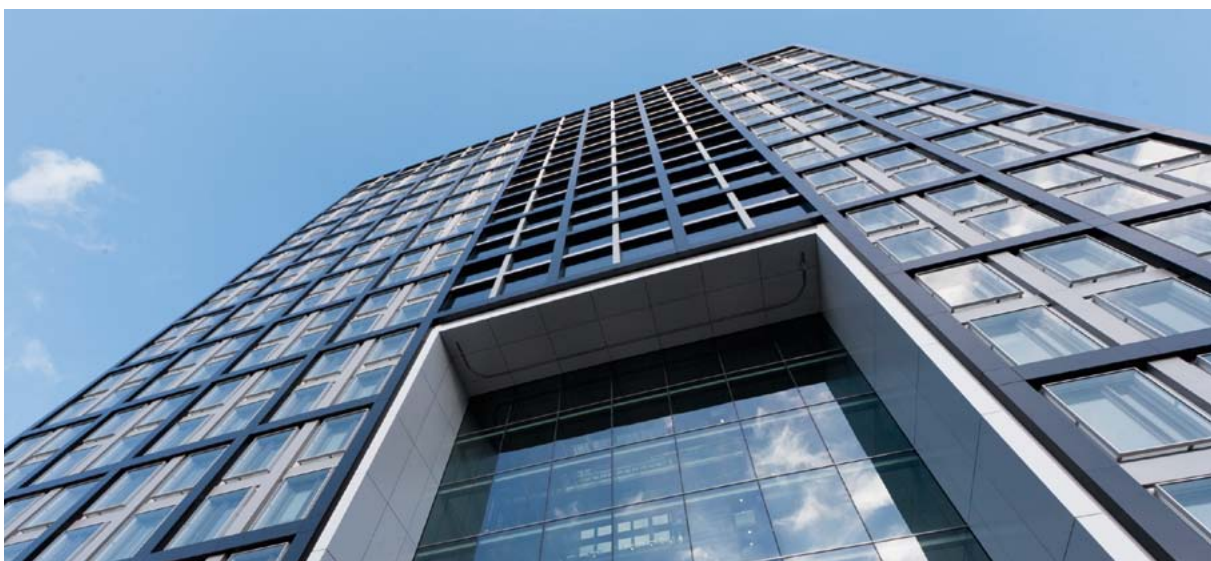
Deutsche Börse's ETC segment now offers 45 short and 46 leveraged products. To date, investors have not found it easy to profit from falling commodity prices. In order to go "short", they had to borrow securities for later sale in the market – with the new short ETCs this is no longer necessary. Short and leveraged ETCs provide investors with a leverage factor of two-four, enabling them to book a multiple profit when prices rise or fall, with the maximum loss limited to the original investment.

### Various investment strategies with ETCs

Given their cost-effective structure, ETCs are ideal for short- and long-term investments alike. A growing number of institutional investors have already committed to ETCs, exploiting cost advantages and the opportunity to implement their strategy effectively. For example, investors can use ETCs to lock in short into the markets as part of a short-term investment strategy. ETCs on commodity baskets are recommended for long-term investment strategies and can be carefully rounded out by individual securities depending on the investor's risk profile.

### ETCs on Xetra: The advantages at a glance

- Trading as simple as in equities
- High and guaranteed liquidity through prime liquidity source (Designated Sponsors)
- Price commitment through continuous pricing and minimum quotation volumes
- Continuous pan-European trading from 9 a.m. to 5.30 p.m.
- Use of different order types possible
- Largest product range in the euro zone
- Additional portfolio diversification through commodities
- Low management fees
- Investors can pursue a large variety of trading strategies



## Exchange Traded Notes on Xetra

Since December 2009, Xetra has been offering ETNs (Exchange Traded Notes). ETNs are on-exchange bonds, just like ETCs. However, they track the development of non-commodity indices. Thus, volatility or the development of currencies becomes tradable.

ETNs and ETCs alike are traded on Xetra from 9.00 a.m. to 5.30 p.m. The same order types may be used. At least one Designated Sponsor is responsible for providing liquidity.

With ETNs, Deutsche Börse is expanding its product range on Xetra and enables investors to further diversify their portfolios.

At the moment, 83 ETNs are on offer for trading. Among others, they track the following asset classes:

- The performance of the S&P 500 Volatility Index Short- and Mid-Term, as well as the EURO STOXX 50 Volatility Index Short- and Mid-Term
- The exchange rate development of the Euro against Australian Dollar, Canadian Dollar, New Zealand Dollar, U.S. Dollar, Swiss Franc, British Pound, Norwegian Krone, Swedish Krona and Yen
- The exchange rate development of the U.S. Dollar against Chinese Renminbi Yuan and Indian Rupee
- The CECE Composite Index in EUR, which comprises leading Polish, Hungarian and Czech companies
- The performance of the DAX performance index with an outperformance of 0.20 percent

A product overview is available at [www.boerse-frankfurt.com](http://www.boerse-frankfurt.com)



## Issuers in the ETC & ETN segment

**COMMERZBANK** 

[www.commerzbank.com](http://www.commerzbank.com)

**db ETC**

**Deutsche Bank** 

[www.etc.db.com](http://www.etc.db.com)

 **DEUTSCHE BÖRSE  
COMMODITIES**

[www.xetra-gold.com](http://www.xetra-gold.com)



[www.etfsecurities.com](http://www.etfsecurities.com)

 **iPath**

[www.barclays.co.uk](http://www.barclays.co.uk)

 **RBS**  
*The Royal Bank of Scotland*

[www.rbs.de/markets](http://www.rbs.de/markets)

**source** 

[www.source.info](http://www.source.info)

 **WestLB**

[www.westlb.de](http://www.westlb.de)

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