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ETF Landscape

Industry Review

End H1 2011

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This is our end of H1 2011 version of the ETF Landscape – Industry Review: BlackRock's comprehensive market commentary, which covers Exchange Traded Funds (ETFs) and other Exchange Traded Products (ETPs) across the globe. ETFs are typically open-end index funds[1] that provide daily portfolio transparency, are listed and traded on exchanges like stocks on a secondary basis as well as utilising a unique creation and redemption process for primary transactions. ETPs are products that have similarities to ETFs in the way they trade and settle but they do not use a mutual fund structure. The use of other structures including grantor trusts, partnerships, notes and commodity pools by ETPs can create different tax and regulatory implications for investors when compared to ETFs which are funds. This document includes rankings of ETF and ETP providers, ETFs, index providers and exchanges globally, in the United States, Europe, Japan, Asia, Latin America, the Middle East and Africa, as well as by country. This commentary should not be regarded as a research report[2].

Current ETF and ETP landscape, at the end of H1 2011

Global ETF/ETP industry statistics

- At the end of H1 2011, the global ETF industry had 2,825 ETFs with 6,229 listings and assets of US$1,442.7 Bn, from 146 providers on 49 exchanges around the world. This compares to 2,252 ETFs with 4,570 listings and assets of US$1,025.9 Bn from 130 providers on 42 exchanges at the end of H1 2010.
- We expect global AUM in ETFs and ETPs to increase by 20–30% annually over the next few years, taking the global ETF/ETP industry to approximately US$2 trillion in AUM by early 2012. Considering ETFs separately, AUM should reach US$2 trillion globally by the end of 2012, US$1 trillion in the United States in 2011 and US$500 Bn in Europe in 2013.
- Taking ETFs and ETPs together, United States AUM should reach US$2 trillion in 2013, with European AUM reaching US$500 Bn in 2012.
- 29 January 2011 marked the 18th anniversary of ETFs in the United States.
- 9 March 2011 marked the 21st anniversary of the first ETF globally, which listed in Canada in 1990.
- 11 April 2011 marked the 11th anniversary of ETFs in Europe.
- 27 August 2011 will mark the 10th anniversary of ETFs in Australia.
- ETF assets have decreased by 0.3% from US$1,446.6 Bn in May 2011 to US$1,442.7 Bn in June 2011, which is less than the 1.7% decrease in the MSCI World Index in US dollar terms.
- US$13.7 Bn of net new assets went into ETFs/ETPs in June 2011[3]. US$9.0 Bn net inflows went into equity ETFs/ETPs, of which US$5.8 Bn went into ETFs/ETPs providing exposure to developed market equities and US$3.2 Bn went into ETFs/ETPs providing exposure to emerging market indices.
- US$4.7 Bn net inflows went into fixed income ETFs/ETPs, of which US$2.3 Bn went into ETFs/ETPs providing government bond exposure, while high yield ETFs/ETPs experienced US$0.8 Bn net outflows.
- Commodity ETFs/ETPs experienced US$0.2 Bn net outflows, of which ETFs/ETPs providing broad commodity exposure experienced US$0.7 Bn net outflows while US$0.6 Bn net inflows went into ETFs/ETPs providing exposure to precious metals.
- US$2.1 Bn net inflows went into leveraged and inverse ETFs/ETPs in June 2011, of which US$1.4 Bn went into leveraged ETFs/ETPs, US$0.6 Bn net inflows went into inverse ETFs/ETPs and US$0.1 Bn net inflows went into leveraged inverse ETFs/ETPs.
- YTD through the end of H1 2011, ETF assets have increased by 10.0% from US$1,311.3 Bn to US$1,442.7 Bn, which is greater than the 4.0% increase in the MSCI World Index in US dollar terms. This compares to a 1.0% decrease in assets over the same period in 2010.
- In 2011 YTD, US$82.6 Bn of net new assets went into ETFs/ETPs[3]. US$52.8 Bn net inflows went into equity ETFs/ETPs, of which US$50.9 Bn net inflows went into ETFs/ETPs tracking developed market indices and US$1.9 Bn net inflows went into ETFs/ETPs tracking emerging market indices.
- US$19.6 Bn net inflows went into fixed income ETFs/ETPs, of which US$4.5 Bn went into corporate bond ETFs/ETPs, while money market ETFs/ETPs experienced US$0.7 Bn net outflows. US$6.2 Bn net inflows went into commodity ETFs/ETPs, of which ETFs/ETPs providing exposure to agricultural commodities saw US$4.6 Bn net inflows while ETFs/ETPs providing exposure to precious metals saw net outflows of US$1.0 Bn.
- US$6.1 Bn net inflows went into leveraged and inverse ETFs/ETPs, of which US$4.0 Bn went into leveraged inverse ETFs/ETPs and US$2.1 Bn went into inverse ETFs/ETPs.
- The top 100 ETFs, out of 2,825, account for 61.8% of global ETF AUM. 246 ETFs have greater than US$1.0 Bn in assets, while 1,800 ETFs have less than US$100.0 Mn in assets, 1,460 ETFs have less than US$50.0 Mn in assets and 549 ETFs have less than US$10.0 Mn in assets.
- In June 2011, the number of ETFs increased by 2.8% with 80 new ETFs launched, while one ETF merged. YTD through the end of H1 2011, the number of ETFs have increased by 14.8% with 393 new ETFs launched, while eight ETFs have delisted and 20 ETFs have merged. This compares to a 15.7% increase in the number of ETFs over the same period in 2010, when 327 new ETFs launched, while 25 ETFs delisted.
- The number of ETFs listed in Europe surpassed the United States in April 2009. At the end of H1 2011, Europe had 1,185 ETFs listed, compared to 1,039 ETFs listed in the United States. There are currently plans to launch 1,037 new ETFs compared to 957 at the end of H1 2010.

1. Most are index-based, but some are active.
2. Certain terms used in this publication may differ from those applied by other industry participants.
3. Global ETF/ETP flows are approximated by combining flows available for the United States, Europe, Canada and Latin America. Product level assets for ETPs listed in Israel are not currently available. An aggregate value has been included in the total assets. Latest data for Israel ETP assets sourced from Bank of Israel, May 2011. NNA – Net New Assets. Data as at end H1 2011.

Source: Various ETF providers, exchanges, BlackRock Investment Institute – ETF Research.

- In 2011 YTD, the number of exchanges with official listings increased from 46 to 49.
- In the first half of 2011, the ETF average daily trading volume in US dollars decreased by 12.7% to US$68.0 Bn in June 2011 versus an average daily trading volume of US$77.9 Bn in June 2010.
- MSCI ranks first in terms of AUM and number of products tracking its benchmarks with assets of US$366.9 Bn and 453 ETFs reflecting 25.4% market share, while Standard & Poor's (S&P) ranks second with US$325.6 Bn, 355 ETFs and 22.6% market share, followed by Barclays Capital with US$126.4 Bn, 100 ETFs and 8.8% market share.
- Globally, iShares is the largest ETF provider in terms of both number of products and assets, 474 ETFs and US$620.7 Bn respectively, reflecting 43.0% market share; State Street Global Advisors is second with 137 ETFs, assets of US$204.2 Bn, and 14.2% market share; followed by Vanguard with 69 ETFs, assets of US$175.5 Bn and 12.2% market share; at the end of H1 2011.
- The top three ETF providers, out of 146, account for 69.3% of global ETF AUM, while the remaining 143 providers each have less than 4.0% market share. This compares to 69.9% market share in the top three out of 130 providers, at the end of H1 2010. 12 new providers have entered the industry in 2011, launching their first ETFs, while 41 firms have indicated plans to launch their first ETF in the future.
- Globally, net sales of mutual funds (excluding ETFs) were positive US$116.1 Bn, while net sales of ETFs were positive US$62.8 Bn YTD to May 2011 according to Strategic Insight.
- Additionally, at the end of H1 2011, there were 1,162 other ETPs with 1,798 listings and assets of US$183.4 Bn from 57 providers on 23 exchanges. This compares to 823 ETPs with 1,161 listings and assets of US$132.6 Bn from 47 providers on 18 exchanges, at the end of H1 2010.
- Combined, there were 3,987 products with 8,027 listings, assets of US$1,626.1 Bn from 182 providers on 52 exchanges around the world. This compares to 3,075 products with 5,731 listings, assets of US$1,158.4 Bn from 156 providers on 44 exchanges, at the end of H1 2010.

United States ETF/ETP industry statistics

- At the end of H1 2011, the ETF industry in the United States had 1,039 ETFs and assets of US$973.5 Bn, from 29 providers on two exchanges. This compares to 846 ETFs and assets of US$693.2 Bn, from 30 providers on two exchanges at the end of H1 2010.
- 29 January 2011 marked the 18th anniversary of ETFs in the United States.
- ETF assets have decreased by 1.1% from US$984.0 Bn in May 2011 to US$973.5 Bn in June 2011, which is less than the 1.9% decrease in the MSCI US Index in US dollar terms.
- United States listed ETFs/ETPs experienced US$8.3 Bn net outflows in H1 2011. US$4.3 Bn net inflows went into equity ETFs/ETPs, of which US$2.2 Bn net inflows went into ETFs/ETPs tracking United States equity indices and US$1.4 Bn net inflows went into ETFs/ETPs tracking emerging market equity indices. US$3.7 Bn net inflows went into fixed income ETFs/ETPs, of which US$1.6 Bn net inflows went into government bond ETFs/ETPs, while high yield ETFs/ETPs experienced US$0.9 Bn net outflows.
- ETFs/ETPs providing exposure to commodities experienced US$0.2 Bn net outflows, of which ETFs/ETPs providing exposure to industrial metals experienced US$0.4 Bn net outflows, while US$0.3 Bn net inflows went into ETFs/ETPs providing exposure to agricultural commodities. US$1.8 Bn net inflows went into leveraged and inverse ETFs/ETPs in June 2011, of which US0.8 Bn net inflows went into inverse ETFs/ETPs, US$0.6 Bn net inflows went into leveraged ETFs/ETPs and US$0.4 Bn net inflows went into leveraged inverse ETFs/ETPs.
- YTD through the end of H1 2011, ETF assets have increased by 9.3% from US$891.0 Bn to US$973.5 Bn, which is greater than the 5.2% increase in the MSCI US Index in US dollar terms. This compares to a 1.7% decrease in assets over the same period in 2010.
- US$58.9 Bn of net new assets went into United States listed ETFs/ETPs in 2011 YTD. US$32.8 Bn net inflows went into equity ETFs/ETPs, of which US$20.3 Bn net inflows went into ETFs/ETPs tracking United States equity indices, while ETFs/ETPs tracking emerging market indices saw net outflows of US$2.8 Bn. US$18.4 Bn net inflows went into fixed income ETFs/ETPs, of which US$4.5 Bn net inflows went into government bond ETFs/ETPs and US$3.7 Bn net inflows went into corporate bond ETFs/ETPs. US$3.7 Bn net inflows went into commodity ETFs/ETPs, of which US$4.3 Bn net inflows went into ETFs/ETPs providing exposure to agricultural commodities, while ETFs/ETPs providing exposure to precious metals saw US$2.1 Bn net outflows. US$5.7 Bn net inflows went into leveraged and inverse ETFs/ETPs in 2011 YTD, of which US$3.9 Bn net inflows went into leveraged inverse ETFs/ETPs and US$1.7 Bn net inflows went into inverse ETFs/ETPs.
- iShares is the largest ETF provider in terms of both number of products and assets, 221 ETFs and US$456.5 Bn respectively, reflecting 46.9% market share; State Street Global Advisors is second with 99 ETFs, assets of US$189.9 Bn and 19.5% market share; followed by Vanguard with 64 ETFs, assets of US$175.2 Bn and 18.0% market share at the end of H1 2011. Of the US$8.6 Bn of net new assets in United States listed ETFs in June 2011, State Street Global Advisors gathered the largest net inflows with US$5.2 Bn, followed by WisdomTree Investments with US$0.9 Bn net inflows, while PowerShares saw US$1.2 Bn net outflows.
- In 2011 YTD, of the US$56.1 Bn net new assets into United States listed ETFs, Vanguard gathered the largest net inflows with US$20.9 Bn, followed by iShares with US$12.9 Bn net inflows, while Bank of New York had the largest net outflows with US$2.0 Bn in 2011 YTD.
- The top 100 ETFs, out of 1,039, account for 81.1% of United States ETF AUM. 139 ETFs have greater than US$1.0 Bn in assets, while 564 ETFs have less than US$100.0 Mn in assets, 462 ETFs have less than US$50.0 Mn in assets and 202 ETFs have less than US$10.0 Mn in assets.

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

- In June 2011, the number of ETFs increased by 3.1% with 31 new ETFs launched. YTD through the end of H1 2011, the number of ETFs has increased by 16.0% with 143 new ETFs launched. This compares to a 9.6% increase in the number of ETFs over the same period in 2010, when 97 new ETFs launched while 23 ETFs delisted.
- In the first half of 2011, the ETF average daily trading volume in US dollars increased by 51.0% to US$62.0 Bn in June 2011. This compares to an average daily trading volume of US$73.3 Bn in June 2010.
- In June 2011, United States ETF turnover was 25.6% of all United States equity turnover, which is greater than the 21.6% reported in December 2010.
- The top three ETF providers, out of 29, account for 84.4% of United States ETF AUM, while the remaining 26 providers each have less than 5.0% market share. This compares to 85.0% market share in the top three out of 30 providers, at the end of H1 2010.
- The average Total Expense Ratio (TER) for equity ETFs in the United States is 32 bps versus 74 bps per annum for the average equity index tracking fund and 157 bps for the average active equity fund[1].
- Net sales of mutual funds (excluding ETFs) in the United States were positive US$40.5 Bn, while net sales of ETFs domiciled in the United States were positive US$42.8 Bn YTD to May 2011 according to Strategic Insight.
- In the United States over the last five years to year end 2010, the S&P 500 has outperformed 61.8% of actively managed large-cap United States equity funds; the S&P MidCap 400 has outperformed 78.2% of mid-cap funds and the S&P SmallCap 600 has outperformed 63.0% of small-cap funds according to S&P.
- The five-year results are similar for actively managed fixed income funds. With the exception of emerging markets debt, over 50% of active managers failed to beat benchmarks. While five-year asset-weighted average returns are lower for active funds in all but three categories, equal-weighted average returns over the same investment horizon lag behind in every category.[2]
- Additionally, at the end of H1 2011, there were 249 other ETPs with assets of US$127.2 Bn from 23 providers on one exchange. This compares to 150 ETPs with assets of US$97.5 Bn from 18 providers on one exchange, at the end of H1 2010.
- Combined, there were 1,288 products with assets of US$1,100.7 Bn, from 48 providers on two exchanges in the United States. This compares to 996 products with assets of US$790.7 Bn from 44 providers on two exchanges, at the end of H1 2010.

European ETF/ETP industry statistics

- At the end of H1 2011, the European ETF industry had 1,185 ETFs with 4,050 listings and assets of US$321.2 Bn, from 40 providers on 23 exchanges. This compares to 961 ETFs with 2,912 listings and assets of US$218.0 Bn from 35 providers on 18 exchanges at the end of H1 2010. 11 April 2011 marked the 11th anniversary of ETFs in Europe.
- ETF assets increased by 0.9% from US$318.2 Bn in May 2011 to US$321.2 Bn in June 2011, compared to the 2.0% decrease in the MSCI Europe Index in US dollar terms.
- US$4.2 Bn of net new assets went into European listed ETFs/ETPs in June 2011. US$3.8 Bn net inflows went into equity ETFs/ETPs, of which US$1.4 Bn net inflows went into ETFs/ETPs tracking emerging market equity indices and US$1.2 Bn net inflows went into ETFs/ETPs providing European equity exposure. US$0.6 Bn net inflows went into fixed income ETFs/ETPs, of which US$0.6 Bn net inflows went into government bond ETFs/ETPs, while money market ETFs/ETPs saw US$0.3 Bn net outflows.
- US$0.1 Bn net inflows went into commodity ETFs/ETPs, of which US$0.6 Bn net inflows went into ETFs/ETPs providing exposure to precious metals, while ETFs/ETPs providing broad commodity exposure experienced US$0.5 Bn net outlflows. US$0.3 Bn net inflows went into leveraged and inverse ETFs/ETPs in June 2011, of which US$0.6 Bn net inflows went into leveraged ETFs/ETPs, while inverse ETFs/ETPs experienced US$0.2 Bn net outflows and leveraged inverse ETFs/ETPs experienced US$0.1 Bn net outflows.
- YTD through the end of H1 2011, ETF assets have increased by 13.1% from US$284.0 Bn to US$321.2 Bn, which is greater than the 7.2% increase in the MSCI Europe Index in US dollar terms. This compares to a 3.9% decrease in assets over the same period in 2010.
- US$20.5 Bn of net new assets went into European listed ETFs/ETPs in 2011 YTD. US$17.4 Bn net inflows went into equity ETFs/ETPs, of which US$6.7 Bn net inflows went into ETFs/ETPs providing exposure to European equity indices and US$5.8 Bn net inflows went into ETFs/ETPs tracking North American equity indices. US$3.0 Bn net inflows went into commodity ETFs/ETPs, of which US$1.1 Bn net inflows went into ETFs/ETPs providing broad commodity exposure and US$1.1 Bn net inflows went into ETFs/ETPs providing exposure to precious metals. US$1.0 Bn net inflows went into leveraged and inverse ETFs/ETPs in 2011 YTD, of which US$0.4 Bn net inflows went into inverse ETFs/ETPs, US$0.3 Bn net inflows went into leveraged ETFs/ETPs and US$0.3 Bn net inflows went into leveraged inverse ETFs/ETPs.
- Of the US$3.8 Bn of net new assets in European listed ETFs in June 2011, iShares gathered the largest net inflows with US$1.6 Bn, followed by UBS Global Asset Management with US$1.0 Bn net inflows, while db x-trackers had the largest net outflows with US$0.4 Bn.
- The top 100 ETFs, out of 1,185, account for 62.9% of European ETF AUM. 76 ETFs have greater than US$1.0 Bn in assets, while 765 ETFs have less than US$100.0 Mn in assets, 597 ETFs have less than US$50.0 Mn in assets and 170 ETFs have less than US$10.0 Mn in assets.
- In June 2011, the number of ETFs increased by 2.7%, with 31 new ETFs launched. YTD through the end of H1 2011, the number of ETFs have increased by 10.5% with 139 new ETFs launched, while seven ETFs have delisted and 19 ETFs have merged. This compares to a 16.3% increase over the same period in 2010 when 135 new ETFs launched.
- In 2011 YTD, the number of exchanges with official listings has increased from 22 to 23.
- iShares is the largest ETF provider in terms of both number of products and assets, with 168 ETFs and US$116.3 Bn respectively, reflecting 36.2% market share; Lyxor Asset Management is second with 161 products, assets of US$53.5 Bn, and 16.7% market share; followed by db x-trackers with 172 ETFs, assets of US$51.0 Bn, and 15.9% market share at the end of H1 2011.

1. Source: Strategic Insight Simfund MF, BlackRock Investment Institute – ETF Research, data as at end January 2011.
2. Source: Standard & Poor's Indices Versus Active Funds (SPIVA) Scorecard, year end 2010.

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

- In the first half of 2011, the ETF average daily trading volume in US dollars increased by 13.4% to US$3.6 Bn in June 2011. This compares to an average daily trading volume of US$2.6 Bn in June 2010. Most ETF trades are not required to be reported in Europe as ETFs are not covered by the European Union directive on markets in financial instruments (MiFID).
- In June 2011, reported European ETF turnover was 4.5% of all European equity turnover, which was less than the 5.1% in December 2010.
- The top three ETF providers, out of 40, account for 68.8% of European ETF AUM, while the remaining 37 providers each have less than 6.0% market share. This compares to 71.3% market share in the top three out of 35 providers at the end of H1 2010.
- The average TER for equity ETFs in Europe is 41 bps versus 96 bps per annum for the average equity index tracking fund and 187 bps for the average active equity fund[1].
- In Europe, net sales of mutual funds (excluding ETFs) were positive US$104.1 Bn while net sales of ETFs domiciled in Europe were positive US$17.0 Bn, YTD to May 2011 according to Lipper FMI.
- Additionally, at the end of H1 2011, there were 552 other ETPs with 1,111 listings, and assets of US$34.0 Bn, from 10 providers on eight exchanges. This compares to 359 ETPs with 644 listings and assets of US$18.8 Bn, from nine providers on five exchanges at the end of H1 2010.
- Combined, there were 1,737 products with 5,161 listings and assets of US$355.3 Bn, from 46 providers on 24 exchanges in Europe. This compares to 1,320 products with 3,556 listings and assets of US$236.8 Bn from 39 providers on 18 exchanges at the end of H1 2010.

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

2010 was noted for:

The industry grew on all major dimensions in 2010 and we expect this to continue during 2011. With products and assets both growing by 26.6%, the global ETF industry had 2,460 ETFs with 5,555 listings and assets of US$1,311.3 Bn, from 136 providers on 46 exchanges around the world, at year end 2010. This was up significantly on 2009's year end of 1,943 ETFs with 3,827 listings and assets of US$1,036.1 Bn, from 108 providers on 41 exchanges.

Demand for ETFs globally has surged as professional and retail investors alike have discovered their unique combination of benefits, such as versatility, transparency and significant cost advantages. The availability of cost effective, flexible, liquid, and diversified investment products that enable rapid implementation of a comprehensive range of investment strategies has struck a chord with investors – during both bull and bear markets.

Factors driving expanding use of the vehicle include the number and types of equity, fixed income, commodity and other indices covered, more fund platforms embracing ETFs, more active marketing of ETFs by online brokers, greater involvement by fee based advisors, the growing number of exchanges planning to launch new ETF trading segments, and regulatory changes in the United States, Europe and many emerging markets that allow funds to make larger allocations to ETFs.

Capital flows in 2010 within ETFs demonstrated that the products are becoming key indicators for shifts in investor sentiment between asset classes. During 2010, developed and emerging equity ETFs enjoyed heavy inflows, whilst fixed income and commodity ETFs/ETPs received smaller net new asset flows than in 2009 since some investors adjusted their risk profiles.

The five and ten year CAGRs of global ETF AUM at the end of 2010 were 26.1% and 33.2% respectively. Compared to the United States five and ten year ETF AUM CAGRs of 24.4% and 29.8% respectively, while Europe's ETF AUM was growing at faster rates of 38.9% (five year CAGR) and 83.0% (ten year CAGR).

Trillion dollar milestones

The global ETF industry broke through the US$1 trillion milestone at the start of 2010, starting the year with US$1 trillion (US$1,032 Bn); 45.2% above US$710.9 Bn at the beginning of 2009, while the US ETF/ETP industry broke through the US$1 trillion milestone at the end of 2010, reaching US$1.003 trillion for the first time on 16 December 2010.

The first modern open-end mutual fund was the Massachusetts Investors' Trust which launched in 1924. Assets in United States mutual funds reached US$1 trillion in January 1990.

This means that it took the United States mutual fund industry approximately 66 years to reach US$1 trillion in assets, compared to the United States ETF industry which was only conceived in 1993 and reached US$1 trillion in 2010, taking just 18 years to reach the US$1 trillion milestone.

Anniversaries

In 2010, we celebrated the 20th anniversary since the launch of the very first ETF globally. On 9 March 1990, the first ETF was listed in Canada on the Toronto Stock Exchange (TSX): the Toronto 35 Index Participation Fund (TIPs) tracking the TSX 35 Index.

It was followed by the Hundred Index Participation Fund (HIPs) tracking the TSX 100 Index on 26 September 1995. On 7 March 2000, the TIPs and HIPs ETFs were merged into the iUnits S&P/TSE Index Participation Fund (XIU CN): an ETF that was originally listed on 4 October 1999. This ETF has since been renamed iShares CDN S&P/TSX 60 Index Fund (XIU CN).

April 2010 marked the 10th anniversary of the first ETFs to be launched in Europe. The iShares DJ STOXX 50 (EUN1 GY) and iShares DJ Euro STOXX 50 (EUN2 GY) were listed on 11 April 2000 on the Deutsche Boerse, followed by the iShares FTSE 100 (ISF LN) on the London Stock Exchange (LSE) extraMARK segment, on 28 April 2000. The first two ETFs were originally branded as 'LDRS', sponsored by Merrill Lynch International and later acquired by iShares in September 2003.

Education

The need for education amongst both institutional and retail investors was highlighted in the findings from a number of surveys during 2010, whereby investors cited that they were not familiar enough with ETFs to use them. Findings also demonstrated a need for more education with regards to how ETFs really work, their impact on investors and markets, and their size relative to the mutual fund industry.

1. Source: Strategic Insight Simfund Global, BlackRock Investment Institute – ETF Research, data as at end January 2011.

Growth in the utilisation of ETFs and ETPs, as well as the expanding diversity of the product set, is leading to a greater urgency of market wide educational needs. Investors should understand that under the overall ETF/ETP umbrella, many different product structures, underlying investments (securities, futures, physical commodities, etc.), regulatory regimes and tax treatments are represented.

Within the 'gold' category for example, an investor can find funds and notes based on physical gold, gold futures or gold mining stocks – each with quite different performance, regulatory and tax implications. As market growth and product innovation proceeds, it will become more essential for all kinds of investors to thoroughly understand the full range of ETF and ETP structures, benchmarks, and underlying features and applications, if they are to effectively realise all the many potential benefits of the ETF/ETP approach.

The risk of confusion, disappointment and disillusionment among investors would be very negative for the ETF industry. We are at an important crossroads in the ETF industry since we are seeing funds calling themselves ETFs which: 1) do not provide transparency on their underlying portfolios; 2) do not offer in-kind creation/ redemption; and 3) do not have real-time indicative Net Asset Values (NAVs). There are also products that are not even funds which are being called ETFs.

Now that the industry accounts for over US$1 trillion, product developers are working hard to find ways to put structured products, hedge funds and active funds into an ETF wrapper without maintaining the above basic features of an ETF.

As mentioned above, if this pattern is allowed to continue, this could be very negative for the ETF industry. Greater transparency around product structure, mechanics, tax and regulatory implications, index replication methodology and pricing would prove vital to helping investors make informed investment decisions when considering ETFs. ETFs are one of the greatest financial innovations of the last decade in Europe and we expect a bright future but the industry is at a critical crossroads. Agreeing definitions for the various product structures is one of the pressing needs of the industry in 2011.

Regulation

Regulators and exchanges are taking steps to improve transparency on the structures by creating special segments for ETPs. In Hong Kong, they required any ETF using synthetic replication to have a "*" after the product's name with a footnote in all marketing documents. The United Kingdom Retail Distribution Review (RDR) proposals outline the changes the FSA plans to make to enable the retail investment market to establish a new level of consumer trust and confidence by distinguishing between independent advice and sales advice to create better clarity for consumers.

Funds registered under the Investment Company Act of 1940 and structured for tax purposes as Regulated Investment Companies (RICs) under the United States Tax Code were previously allowed a package of United States tax benefits to non-United States shareholders (generally called 'flow-through' benefits) as a result of the 2004 American Jobs Creation Act. These flow-through benefits generally expired as of 31 December 2009.

Product development

Development and growth of investment styles that employ products like ETFs will be used as building blocks for delivering low cost beta. Product ranges are beginning to emerge in more specialised areas to cater for the growing number of professional and retail investors who want the advantages of ETFs but in a managed investment solution such as a funds of ETFs solution. ETF providers have continued to expand their product ranges in more specialised areas to cater for the growing number of professional and retail investors using ETFs as advanced portfolio construction tools. The increasing availability of these highly-specialised ETFs across the full spectrum of equities, fixed income and alternative investments now ensures that investors can use ETFs to instantly reallocate capital to take advantage of new investment opportunities.

A preference for traditional ETFs which are open-end index funds under UCITS has emerged. These are simple products that track indices, provide transparency on costs, underlying basket of securities, real time liquidity on stock exchanges via most brokerage firms/banks like any other equity security plus the benefit of the unique creation/ redemption process. This means ETFs are as liquid as their underlying portfolio and do not tend to trade at significant discounts or premiums.

Many investors are still expressing concerns over counterparty risk, transparency and liquidity when using structured products, swaps, certificates, and notes which has highlighted a preference for ETFs where the structure is a fund, and often, more specifically for ETFs which invest exclusively in physical securities. This preference is evidenced by the fact that there are more ETFs in Europe which use synthetic replication methods such as swaps than those that use physical replication. However, the physical based ETFs have the greater share of assets in Europe. At the end of Q1 2011, there were 714 synthetic based ETFs with US$138.0 Bn in AUM, compared to 405 physical based ETFs with US$169.1 Bn in AUM.

Continued preference for core-beta

Preference for core beta ETFs will continue despite growth in the use of ETFs covering alternative asset class exposures. Investors' preference will continue to be for ETFs based on broad-market indices which serve as core holdings. This is essential, especially in today's environment of increased market volatility, since no single sector, style, or stock consistently outperforms its peers. Having core holdings invested in broad-market indices not only helps reduce volatility but can also achieve competitive returns for the overall portfolio.

Why are investors using ETFs?

The motivations for using ETFs have expanded, including the ever-relevant cost advantage and broad market access, as well as themes that have emerged over the past year. Examples of strategies being implemented include managing asset allocation, taking tactical positions, and increasing diversification. Investors are also using ETFs to take negative positions in asset classes, either to remove existing unwanted exposure or to express a negative view.

This expansion has been fuelled by the increase in the range of asset classes accessible through ETFs. Moreover, the introduction of ETFs covering emerging markets, commodities and property has allowed investors to access some of the best performing asset classes of the past few years.

On top of greater asset breadth, the range of instruments has also grown. This expansion in usage, breadth and product flexibility has driven steady growth in the use of ETFs over the past decade. We expect ETFs to continue to be one of the preferred investment vehicles for low cost beta exposure. Factors that are driving this growth include:

- Increase in the number of institutional and retail investors who use ETFs and view them as useful tools.
- Moves to fee based advisory by financial advisors which in some cases are based on requirements under regulatory changes.
- On-line brokers developing enhanced capabilities to assist retail investors and RIAs to foster education on ETFs/ETPs facilitate the evaluation and comparison of specific products and execute trades.
- In addition, many on-line brokers are running no commission marketing campaigns for ETFs in an effort to win new accounts and cross-sell other products.
- Fund platforms embracing ETFs which is often driven by current clients asking for ETFs to be included.
- Regulatory changes in the United States and Europe and many emerging markets that allow funds to make larger allocations to ETFs.
- The number and types of equity, fixed income, commodity and other indices covered.
- Development and growth of investment styles that employ products like ETFs that deliver low cost beta.
- The growing number of exchanges, which plan to launch new ETF trading segments.
- The expectation that there will be a number of new issuers/providers of ETFs.

Figure 1: Summary of compound annual growth rates, as at year end 2010

	Global			United States			Europe		
	1 year	5 year	10 year	1 year	5 year	10 year	1 year	5 year	10 year
ETF AUM	26.6%	26.1%	33.2%	26.3%	24.4%	29.8%	25.2%	38.9%	83.0%
ETP assets	42.6%	60.7%	42.2%	36.4%	52.8%	37.4%	99.5%	95.3%	N/A
Total assets	**28.2%**	**28.2%**	**34.0%**	**27.4%**	**26.4%**	**30.5%**	**30.0%**	**41.3%**	**84.9%**
#ETFs	26.6%	39.8%	38.9%	16.1%	34.8%	27.2%	29.5%	45.4%	67.9%
#ETPs	43.2%	74.8%	53.9%	30.3%	56.0%	29.5%	87.4%	204.2%	N/A
#ETFs/ETPs	**31.1%**	**46.2%**	**41.9%**	**18.3%**	**37.4%**	**27.5%**	**44.1%**	**57.0%**	**74.7%**
ETF providers	25.9%	29.7%	32.8%	-3.4%	28.5%	25.0%	14.7%	15.5%	34.6%
ETP providers	42.1%	43.1%	39.0%	17.6%	82.1%	34.9%	125.0%	35.1%	N/A
Total providers	**27.3%**	**26.4%**	**32.6%**	**4.8%**	**37.4%**	**27.1%**	**25.7%**	**15.9%**	**36.2%**

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

The challenging market conditions of 2008 and 2009 caused a significant shift in investors' risk appetite and in their desire for liquidity. During 2010, many investors found that ETFs met their need for greater transparency regarding cost, holdings, price, liquidity, product structure, and risk and return related to investment alternatives.

ETFs are index-based[1] open-ended funds that can be bought and sold as quickly and easily as ordinary shares on a stock exchange – they have become popular and widely used investment vehicles to achieve many investment strategies:

- To gain diversified exposure to a market.
- For core/satellite investing.
- For buy and hold investing.
- For active traders who wish to take advantage of market movements.
- For investors wishing to hedge the market.
- As an alternative to futures and other institutional investment tools.

All financial investments involve an element of risk. Therefore, the value of an investment in ETFs and the income from it will vary and the initial investment amount cannot be guaranteed. In a world where investment products come and go with the blink of an eye, ETFs might be considered one of the most innovative financial products in the last two decades. They have fundamentally changed how both institutional and retail investors construct their investment portfolios.

ETF providers have continued to expand their product ranges in more specialised areas to cater for the growing number of professional and retail investors using ETFs as advanced portfolio construction tools. The increasing availability of these highly-specialised ETFs across the full spectrum of equities, fixed income and alternative investments now ensures that investors can use ETFs to instantly reallocate capital to take advantage of new investment opportunities.

Over the past decade, through to year end 2010, the compound annual growth rate for ETF assets was 33.2% globally, 29.8% in the United States, 25.3% in Canada and 83.0% in Europe. There are no signs that investor interest in ETFs is fading since investors are finding that they are products which can work well in every market environment.

1. Most are index-based, but some are active.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Capital flows in 2010 within ETFs demonstrated that the products are becoming key indicators for shifts in investor sentiment between asset classes.

During 2010, developed and emerging equity ETFs enjoyed heavy inflows. On the other hand, fixed income and commodity ETFs/ETPs received smaller net new asset flows than in 2009 as some investors adjusted their risk profiles. The use of ETFs is often driven by macro trends and volatility. The changes in investor sentiment are illustrated in the net new asset data into ETFs tracking fixed income indices, equity indices, emerging market indices and commodities.

At year end 2010, just 100 ETFs out of 2,460 accounted for US$828.1 Bn or 63.1% of the US$1,311.3 Bn total. ETFs providing exposure to key portfolio building blocks accounted for approximately a quarter of assets. There were 1,516 ETFs with assets below US$100.0 Mn, 1,222 ETFs with assets below US$50.0 Mn and 418 ETFs with less than US$10.0 Mn in assets, while the top three providers out of 136 account for 70.0% of assets: iShares with 44.1%, SSgA with 14.5% and Vanguard with 11.3% market share. Additionally, there were 1,083 other ETPs with assets of US$171.3 Bn from 56 providers on 22 exchanges. Combined, there were 3,543 products with 7,351 listings, assets of US$1,482.7 Bn from 170 providers on 50 exchanges around the world, as at year end 2010.

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Institutional demand for ETFs continues to climb

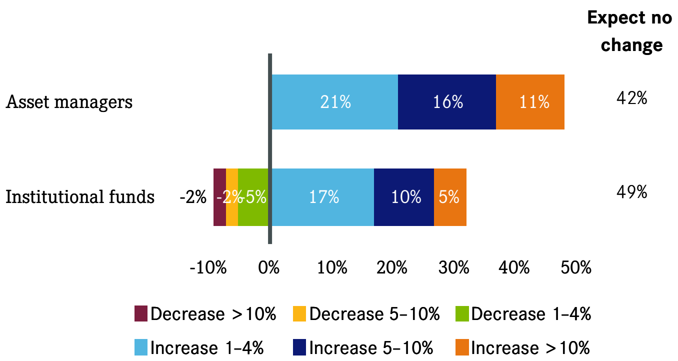
A new Greenwich Associates study reveals that institutional investors in the United States are increasingly bullish on using ETFs in their portfolios. Nearly half of the asset management firms and a third of the institutional funds taking part in the study of current institutional ETF users plan to increase the share of portfolio assets they invest in ETFs over the next two years.

Institutional use of ETFs has increased steadily over the past several years. The results of the study indicate a continuation of that trend. 48% of asset management firms interviewed for the study expect to increase portfolio allocations to ETFs between now and 2013. Of those, slightly more than half expect to increase ETF allocations by 5% or more. Perhaps more telling, not a single asset manager reported plans to cut ETF allocations in the coming two years.

Among institutional funds, approximately one-third of study participants expect to increase ETF allocations by 2013. Those institutional funds were about evenly divided with roughly half planning to increase allocations by 1-4% and half planning increases by 5% or more. Less than one in 10 institutional funds that currently use ETFs plan to reduce allocations to these funds over the next two years.

These institutional funds tend to use ETFs during manager transitions and expect greater stability of managers in their portfolio moving forward. Though the percentage of total fund assets allocated to ETFs is small, the amount of money invested is not small and is growing. Respondents report ETF investments ranging from US$10 Mn to US$200 Mn. In a separate study conducted in late 2010, Greenwich Associates research indicated that 15% of large institutional funds in the United States currently used ETFs in their portfolios.

Figure 2: Expected change in ETF allocations

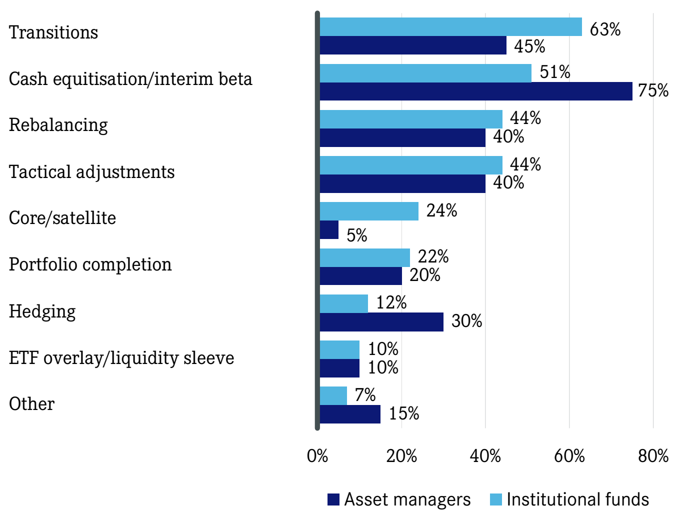


Base: 41 institutional funds, 19 asset managers. "Uncertain" responses not shown.
Source: 2011 US Exchange-Traded Funds Study, Greenwich Associates: Institutional Demand for Exchange-Traded Funds Continues to Climb, May 2011.

Institutional priorities: products and providers

Liquidity is the most important factor for both asset managers and institutional funds when it comes to selecting an ETF provider. After liquidity, institutional funds focus on providers' expense ratios and tracking error, followed by the strength and reputation of the fund company behind the funds, as well as the track record of the fund itself. Asset managers focus on many of the same factors when picking an ETF provider. However, asset managers place less of an emphasis on the track record of the specific fund and pay more attention to the benchmarks used by competing providers in their funds. Institutional investors apply similar criteria when selecting specific ETF products.

Figure 3: ETF applications in institutional portfolios



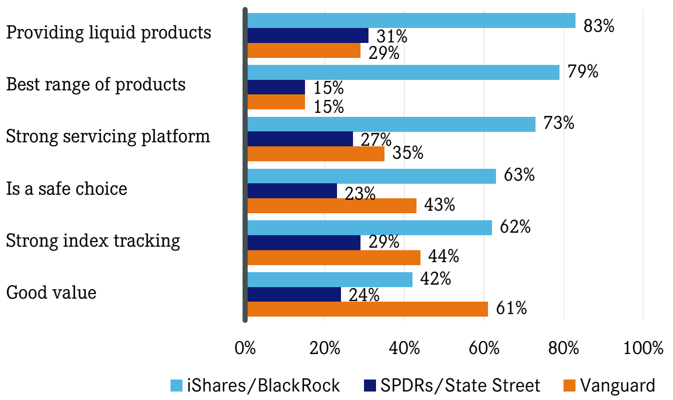
Base: 41 Institutional funds, 20 asset managers.
Source: 2011 US Exchange-Traded Funds Study, Greenwich Associates: Institutional Demand for Exchange-Traded Funds Continues to Climb, May 2011.

1. Greenwich Associates surveyed United States pension funds, endowments, foundations, and asset managers that identified themselves as ETF users. 70 institutions participated in the survey, including 45 institutional funds and 25 asset managers. The survey was conducted between February and April 2011.

Top ETF providers to United States institutional investors

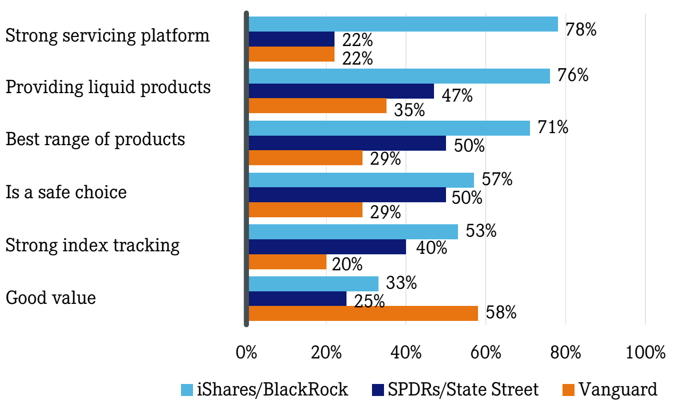
Given the importance of scale and trading volume in the ETF business, a few very large providers dominate the institutional market. Chief of them is iShares/BlackRock, with 85% of participating asset managers and 78% of participating institutional funds obtaining ETFs from the firm. Among asset managers, 55% of participants use SPDRs/State Street, 45% use Vanguard, and 35% use BLDRs/Powershares/INVESCO. Among institutional funds, 44% use SPDRs/State Street, 29% use Vanguard, and 7% use BLDRs/Powershares/INVESCO.

Figure 4: ETF leaders: institutional funds



Base: 41 asset managers.
Note: While the "safety" of ETF providers was a factor that was evaluated by the study participants, ETFs are not guaranteed investments. Investments in ETFs are subject to market risk.
Source: 2011 US Exchange-Traded Funds Study, Greenwich Associates: Institutional Demand for Exchange-Traded Funds Continues to Climb, May 2011.

Figure 5: ETF leaders: asset managers



Base: 19 asset managers.
Note: While the "safety" of ETF providers was a factor that was evaluated by the study participants, ETFs are not guaranteed investments. Investments in ETFs are subject to market risk.
Source: 2011 US Exchange-Traded Funds Study, Greenwich Associates: Institutional Demand for Exchange-Traded Funds Continues to Climb, May 2011.

Although all of the leading providers are well regarded in certain aspects of their business, iShares/BlackRock is most frequently cited for providing liquid products, a wide range of products, precise index tracking, a strong service platform, and overall safety as a choice for an ETF provider. Vanguard and SPDRs/State Street are also well regarded for index tracking and overall good value for the management fees.

Conclusion

ETFs are clearly no longer simply a retail product. They have slowly, but steadily, gained acceptance as an important multi-purpose tool in institutional portfolios. Institutional investors are using ETFs for both strategic and tactical purposes, as well as for gaining passive and active exposures.

As this research makes clear, institutional investors with experience using ETFs in their portfolios are planning to do more of it in the next few years, a trend that all institutional investors should note.

Source: Greenwich Associates: Institutional Demand for Exchange-Traded Funds Continues to Climb, May 2011.

Asian institutions build out investment capabilities

Asian institutions[1] appetite for using external asset managers is growing slowly with the recovery in global markets.

Although a recent flurry of Request for Proposals (RFPs) marked a resumption in manager hiring after a near dead-stop during the market crisis, institutional investors in Asia continue to build out their own investment management capabilities with an eye towards internalising assets for specific investment strategies.

In addition, Asian institutions are not planning to limit their internal management to passive strategies; many are looking to go toe to toe with external managers in active strategies with the goal of generating alpha.

These conclusions are drawn from the results of Greenwich Associates' 2010 Asian Investment Management Study[1], in which 84 of the largest institutional investors in Hong Kong, Macau, China, Taiwan, South Korea, Singapore and other Asian countries were interviewed.

These institutions together manage some US$5 trillion in assets, a sum that was roughly unchanged from 2009 to 2010.

About one third of Asian institutions use ETFs as part of their investment strategies.

ETFs are most widely employed due to their relatively high levels of liquidity and flexibility, and for their ability to provide institutions with a means of accessing specific investment strategies or exposures.

Source: Greenwich Associates: Asian Institutions Build Out Internal Investment Capabilities, Asian Investment Management June 2010.

1. Greenwich Associates conducted interviews with 84 of the largest institutions in Brunei, China, Hong Kong/Macau, India, Indonesia, Malaysia, the Philippines, Singapore, South Korea, Taiwan and Thailand. Interview topics included asset allocation, product fees paid and compensation.

We expect ETF assets to grow by 20–30%

The landscape will continue to evolve during 2011 and beyond as we see more products from traditional active asset managers and alternative asset class exposures becoming available to 'mainstream' retail and institutional investors through standardised and regulated fund structures such as UCITS in Europe.

Hedge funds have historically been difficult for many investors to access with the high minimum subscription levels and maximum investor limits, but hedge funds are now noticing the growth and appeal of ETFs which are easy to access, but have powerful distribution networks. So we expect to see more hedge funds looking to create ETFs, with their own funds as the underlying exposure, in an effort to broaden their distribution capabilities.

This will, on one hand, give more investors access to the asset class and the ability to do so in small sizes, with daily liquidity, but also make it challenging for them to understand what they are investing in compared to the historical daily transparency of the underlying portfolio in low-cost index based exposures which ETFs have become known for.

It will be important in the coming years to ensure that as new generations of ETFs come to market, investors are educated on their structures and mechanics when they deviate from the traditional definition of ETFs as exchange listed, open-ended, liquid with secondary and primary in-kind creation and redemption (with support from market-makers and other liquidity providers), with real time indicative NAV, and transparent where the underlying portfolio is disclosed on a daily basis.

One of the reasons larger institutions are embracing ETFs is due to the fact that many have indicated in various surveys that one of their focuses for product development is multi-asset class investing, and given this focus, many firms are embracing the fact that the ability to deliver alpha across all segments of all asset classes (equities, fixed income, commodities) is not achieved by most firms.

It has become hard for participants in the financial markets to ignore a product category which broke through the US$1 trillion AUM milestone for the first time at the end of December 2009. Today there is a growing fan club that cites ETFs as one of the greatest financial innovations in the past two decades.

Challenges

ETFs have been embraced because we are in a 'back to basic' environment where they provide transparency on the portfolio's holdings, offer daily creation/redemption, have multiple market-makers, and have real-time indicative NAVs, etc. We risk moving away from this product and description that has been increasingly embraced by retail and institutional investors and find ourselves at an important crossroads.

This new and growing awareness of ETFs is causing more people in various types of firms and regulators to look at ETFs. Many firms are hoping to find a way to make money from the growing ETF industry such as fund ratings firms, consultants, websites, fund platforms, fund research firms to name a few. These new participants and potential tax and regulatory changes are the new forces impacting the traditional ETF ecosystem in 2011.

Investors need to be aware of the various biases that are inherent in many of these new services. Many are focused on the United States listed ETFs, others require the ETF manager/provider to pay to have their ETFs represented/rated, some will require the ETF to be over a specific size and/or be at least a certain age. These biases miss factoring in basic requirements for investors such as ETF structure, domicile, registration and tax reporting to name a few important criteria.

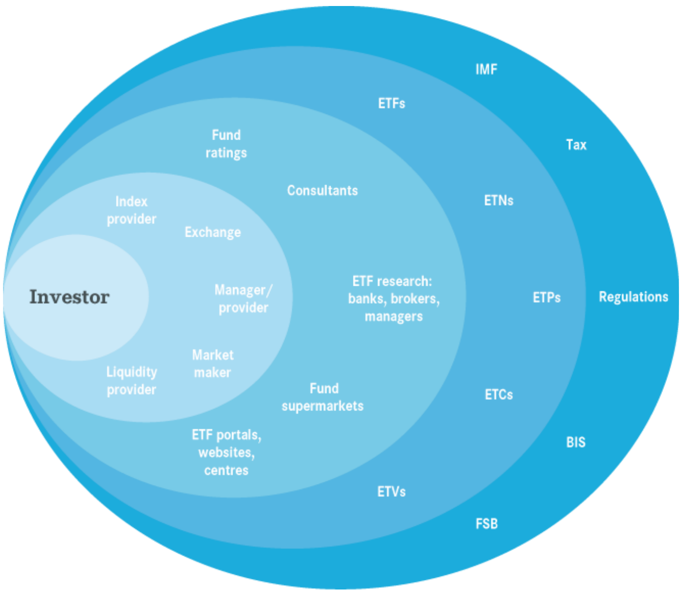
The impact of regulatory and tax changes such as the European Union's MiFID II, UCITS IV, the RDR, the Alternative Investment Fund Manager Directive (AIFMD), Qualified Interest Income (QII), Packaged Retail Investment Products (PRIPs), the Foreign Account Tax Compliance Act (FATCA), the Key Information Document (KID) etc is an area of considerable uncertainty at this time.

Many regulators around the world are looking at rules regarding short selling, the use of derivatives, the use of commodity futures, and transparency of fees to name a few. Many of these documents are in the consultation phase and/or the specific guidelines for implementation have not yet been defined.

We are at an important crossroads in the ETF industry. We are seeing funds which 1) do not provide transparency on their underlying portfolios, 2) do not offer in-kind creation/redemption and 3) do not have real time indicative NAVs calling themselves ETFs. Products which are not even funds are being called ETFs.

Now that the industry accounts for over US$1 trillion in AUM, product developers are working hard to find ways to put structured products, hedge funds and active funds into ETFs. Agreeing definitions for ETFs, ETNs, ETCs, ETVs, ETPs, etc. is one of the growing needs in the industry.

Figure 6: 2011 ETF ecosystem



Source: BlackRock Investment Institute – ETF Research.

Financial Stability Board's (FSB's) note on ETFs

The FSB published a note on potential financial stability issues arising from recent trends in ETFs. The note highlighted developments in the ETF market, which experienced strong growth and rapid innovation.

Although most of the ETF market remained plain-vanilla, there has been an increase in product variety and, in some cases, complexity. The notes aim was to improve understanding of the possible emerging issues for financial stability, and encouraging the financial industry, early in the product cycle, to adapt risk management practices, disclosure and transparency to the pace of innovation in this market.

The FSB has been established to coordinate at the international level the work of national financial authorities and international standard setting bodies and to develop and promote the implementation of effective regulatory, supervisory and other financial sector policies.

It brings together national authorities responsible for financial stability in significant international financial centres, international financial institutions, sector-specific international groupings of regulators and supervisors, and committees of central bank experts.

Source: Press release, Financial Stability Board publishes a note on financial stability issues from exchange-traded funds (ETFs), 12-April-2011, Financial Stability Board.

International Monetary Fund's (IMF's) note on ETFs

In April 2011, the IMF issued their bi-annual Global Financial Stability Report and included a section on the mechanics and risks of ETFs. The report notes that ETFs have become increasingly popular over the past few years. They give investors increased access to emerging market assets while also offering flexibility and leverage to specialised investors.

Traditionally, ETFs have physically held underlying assets, but a new breed of ETFs have emerged in Europe that use synthetic replication techniques and derivatives to reduce costs and thereby boost returns. A small percentage of these funds also use leverage to cater to the hedging needs and speculative positions of their nonretail client base.

While these enhancements have reduced costs, they add a layer of complexity and increase counterparty and liquidity risks. The disproportionately large size of some ETFs compared with the market capitalization of the underlying reference indices poses a risk of disruptions in some markets from heavy ETF trading.

The report surveys the growth and mechanics of ETFs and highlights some of the key risks pertaining to synthetic replication and the use of leverage and derivatives in ETFs.

The IMF oversees the international monetary system and monitors the financial and economic policies of its members. It keeps track of economic developments on a national, regional, and global basis, consulting regularly with member countries and providing them with macroeconomic and financial policy advice.

Source: Global Financial Stability Report, Durable Financial Stability, Getting There from Here, April 2011, International Monetary Fund.

Bank for International Settlements note on ETFs

The Bank for International Settlements (BIS) issued a paper on the market structures and system risks of ETFs in April 2011. This noted that crisis experience has shown that as the financial intermediation chain lengthens, it becomes complicated to assess the risks of financial products due to a lack of transparency as to how risks are managed at different levels of the intermediation chain.

ETFs, which have become popular among investors seeking exposure to a diversified portfolio of assets, share this characteristic, especially when their returns are replicated using derivative products. As the volume of such products grows, such replication strategies can lead to a build-up of systemic risks in the financial system. The article examines the operational frameworks of exchange-traded funds and identifies potential channels through which risks to financial stability can materialise.

The Bank for International Settlements (BIS) is an international organisation which fosters international monetary and financial cooperation and serves as a bank for central banks. The economic, monetary, financial and legal research of the BIS supports its meetings and the activities of the Basel-based committees. The BIS is also a hub for sharing statistical information amongst central banks, and for publishing statistics on global banking, securities, foreign exchange and derivatives markets.

Source: BIS Working Papers, No 343, Market structures and systemic risks of exchange-traded funds, April 2011, Bank for International Settlements.

Response to the FSB's report on ETFs

Recent efforts by the FSB, the BIS and the IMF have sought to increase the understanding of the ETFs and ETPs (notes, partnerships, grantor trusts, commodity pools and other non-fund structures).

The original ETF structure in the United States and what followed originally in London was very simple for investors to understand. The first generation ETFs were funds that held an underlying basket of securities designed to track the benchmark of the fund. They offered daily transparency of the list of securities and their weights, cost efficient, liquidity was supported by multiple market makers and brokers who are authorised to do creation/redemptions brokers allowing all investors access to a diverse tool box of useful exposures.

After UCITS III introduced greater flexibility in the ability to use derivatives in the way funds and ETFs are managed, many ETF providers along with mutual funds in Europe embraced the use of listed and OTC derivatives as the way they run the funds.

The move to synthetic ETFs (generation two ETFs) has created many different models of ETFs being offered by various providers. This has changed the level of transparency of the underlying holdings, understanding of the costs and transparency on costs of synthetic ETFs.

A greater area of concern is the practice of many to call products that are not funds ETFs. This is true even in the United States where the SEC provides a definition of ETFs as open-end companies or Unit Investment Trusts. There is a growing array of notes, partnerships, grantor trusts, and commodity pools (ETNs, ETCs, ETVs, and ETPs) that are often confused with ETFs. These products often carry very different, counterparty, regulatory and tax implications for investors. Consistency in definitions, clarity and transparency on these products is also vitally important for regulators and investors.

Greater transparency of ETF trades is also needed. Today, under the Markets in Financial Instruments Directive, ETF trade reporting is not required for most trades. MiFID II should require all ETF trades to be reported and provide for a consolidated tape. This will provide a greater level of price discovery, tighter spreads and give all investors better transparency into the real secondary liquidity in ETFs.

Given the significant success of ETFs and ETPs over the past few years and the expectation that this growth will continue it is important that the regulators and investors understand and consider the risks.

The Financial Stability report focused on:

- Risks posed by financial innovation.
- The inherent conflicts in swap based ETFs entering derivative contracts with their promoters' investment banking arm.
- Securities lending.
- The distinction between fund and note structures.

This report is the successor to a number of papers that have raised concerns around the types of exposures available through ETPs and fears around systemic risk. While echoing the calls for transparency and disclosure it goes further and calls for promoters to make publically available detailed information around product composition, risk characteristics and the collateral and supporting frameworks for synthetic ETFs and securities lending programmes.

Holding out the prospect that this may come through regulation it is interesting to note that one provider has already seen the writing on the wall and announced its intention to publish its collateral holdings going forward.

The report perhaps missed a trick in not focusing in more depth on the risks posed by ETNs and certificates. Certainly, it was the realisation that investors had 100% counterparty exposure to AIG that focused many minds in 2008 and while an ETN might trade and settle like an ETF, it did not have the same type of risks as the latter structure. While many available ETNs are now collateralised, and the arguments about disclosure of collateral apply equally to them, it remains the case that neither the investment exposures they offer nor the robustness – or not – of the delivery structure are anything other than very lightly regulated.

There is then rightly, as the report identifed, a debate to be had about the type of exposures that a retail investor can access through an ETF. However, it is important that any reform captures also ETNs both in terms of investment exposure but also regulation of the delivery vehicle.

The report also omits to draw out the distinction between funds using a basket swap construction and those that utilise fully funded swaps.

This is important in as much as the latter requires an over collateralisation of securities which, if properly structured, will be held in the name of the fund under a tripartite arrangement allowing for immediate sell-down if required. The basket model means that the fund holds securities at the direction of the investment bank but without any over collateralisation or requirement that the securities meet minimum collateral requirements as to quality.

This does not, as the report suggests, present liquidity issues as in the correctly structured framework the investment bank has to buy back these securities to meet redemptions, however the fund holding less liquid securities should the counterparty default might lead to liquidity concerns.

Overall the thrust of this report and those issued by the BIS and IMF point to a significant concern around systemic risk posed especially by synthetic ETFs of the "in house" model and to a lesser extent securities lending.

As ever the solution to these fears is full disclosure and transparency to eliminate any conflicts of interest or perceived conflict of interest. Clarity, consistency, transparency of product structures, domiciles, underlying holdings, costs, swap counterparties and authorised participants are essential for the future success.

United Kingdom RDR

In the United Kingdom, as is the trend globally, all types of institutional and retail investors including advisers are increasingly embracing ETFs as a tool which should be considered and used when implementing asset allocation. An added impetus encouraging advisers in the United Kingdom to embrace ETFs was the FSA's RDR regulatory proposals outlined on 25 November 2008.

The proposals outlined the changes the FSA plans to make for the retail investment market to establish a new level of consumer trust and confidence by distinguishing between independent advice and sales advice to create better clarity for consumers. Financial firms will need to implement changes prior to the 31 December 2012 deadline for industry compliance.

ETFs have been cited by the FSA as one of the packaged products that advisers, which consider themselves as independent, should become educated on which will enable them to consider ETFs in their reviews prior to recommending products to their clients. ETFs are noted as an investment tool which can be suitable for retail investment products as they can be a cost efficient and transparent way to access the market.

The structure of ETFs does not support commission remuneration, which is one of the reasons for slow adoption to date among advisers in the United Kingdom.

In the United States, fee-based advisers (paid by the consumer) have embraced the use of ETFs to a greater degree than commission-based advisers (paid by the product provider).

In the United Kingdom, the use of ETFs among advisers is very limited as they are typically multi-tied and tied (meaning that they can only advise on products from one or a limited range of product providers). ETFs are not currently included in the tied or multi-tied product sets.

ETFs are RDR ready and fit into the new adviser charging model proposed by the FSA. As such, we have seen an increasing number of requests for information on ETFs which are both listed and registered for sale in the United Kingdom as well as having United Kingdom tax status which can make them more efficient for United Kingdom domiciled investors[1]. The good news is that the LSE was one of the first exchanges to list ETFs in Europe over ten years ago.

ETFs can be eligible investments for Individual Savings Accounts (ISAs), Self Invested Personal Pensions (SIPPs), Child Trust Funds (CTFs) and offshore bonds.

The use of ETFs within assembled products such as Fund of Funds/ Fund of ETFs is growing as product providers see value in using ETFs as low cost beta building blocks to deliver asset allocation. A popular approach has been to create a series of fund of funds with ranging risk/return objectives, i.e. conservative, balanced, growth and dynamic portfolios by strategically allocating among asset classes allowing their clients to switch between products as their broad market views and attitudes to risk change.

Creating portfolios built around an asset allocation framework without specific active investment decisions (security selection and/or market timing) has been a topic of some debate for many years.

Most notably, the study published in 1986 entitled "Determinants of Portfolio Performance" by Brinson, Hood and Beebower concluded that asset allocation is the primary determinant of a portfolio's return variability, with security selection and market-timing playing minor roles.

The majority of ETFs registered for sale in the United Kingdom are regulated collective investment schemes and as such fall under the definition of packaged investment products.

The United Kingdom has a very large and diverse tool box available with 239 different ETFs on the LSE providing exposure to equity, fixed income and commodity indices at the end of Q1 2010. Of this, 183 had United Kingdom Distributor Status (UKDS). In total there were 363 ETF listings on the LSE as the multi-currency platform on the LSE allows a single ETF to be listed in multiple currencies.

The use of ETFs is likely to increase significantly by Independent Financial Advisors (IFAs) in the United Kingdom based on the regulatory proposals outlined in RDR feedback statement by the United Kingdom's FSA.

In January 2011, the FSA published its feedback statement and the final rules on professional standards (Policy Statement 11/1) relating to the professional standards of investment advisers. This paper completes the rules on RDR along with those on advisor charging and the labelling of services, which were finalised in March 2010. The new framework will come into effect at the end of 2012.

The four key aims of this FSA policy are to:

- Improve the clarity with which firms describe their services to consumers.
- Make sure the cost of advisor services is agreed between adviser and client, rather than determined by product providers.
- Increase the professional standards of investment advisors.
- Ensure personal investment firms have adequate capital resources for complaint redress.

The RDR is designed to provide a clean and sustainable market for the future. It will ensure that customers get good quality advice, products and services suited to their needs, from advisors displaying higher standards of professionalism and expertise. The regime needs to change and this change will be supported by the FSA's intensive supervisory approach which will include a greater focus on individuals.

Source: Policy Statement 11/1, Distribution of retail investments: Delivering the RDR – professionalism – feedback to CP10/14 and CP10/22 and final rules, Financial Services Authority, BlackRock.

Clarity of advice services

On 26 March 2010, the FSA published its feedback statement (Policy Statement 10/6) to its Consultation Paper of June 2009 (CP09/18) relating to proposals to improve the clarity with which advisor firms describe their services to consumers.

The FSA proposals required that firms describe their advice services as either 'independent' or 'restricted'. Firms offering independent advice would need to demonstrate that their recommendations were based on a comprehensive and unbiased analysis of the market and that any products selected were made in the interests of clients.

If a firm elected to limit its product range to certain investments or strategies, it needed to describe the services it offered as 'restricted' and this fact must needed to be clearly disclosed to the consumer.

The FSA also noted that it may be possible for certain advisors servicing specialist client groups to retain the independence 'label' even where certain products were excluded from the scope of their advice, although the firm would have to demonstrate that the product or strategy was not appropriate for their clients.

In addition, the FSA observed that this exception was unlikely to be of benefit to most firms since most retail investment products were likely to be appropriate for the vast majority of retail investors.

Separately, the FSA noted it was clear from responses received that it was not widely understood that ETFs already fell within the current definition of packaged products and for the avoidance of doubt, it made clear that any products which might achieve similar outcomes as more traditional retail investment products were potentially caught by the new rules.

Remuneration

The aforementioned feedback statement also relates to the introduction of a system of 'adviser-charging' to remove the potential commission-bias through the influence of product providers. The FSA stated they would modernise the way that advice was paid for by requiring advisers to agree the cost of financial advice with customers up-front, removing the possibility of commission bias and ensuring the cost of all advice was clear to consumers whenever it was given.

The FSA also noted that it wanted adviser firms to have charging structures that were product neutral in that the charges reflected the services provided to the client, not the particular product provider or type of product.

1. BlackRock does not and cannot provide tax advice. Tax treatment of ETFs including rates and reliefs may change and will depend upon an investor's own tax circumstances. BlackRock recommends that all clients seek specialist tax advice from their own tax advisers.

The Policy Statement contained final rules in relation to 'adviser-charging' and 'service-labelling' and the FSA stated that they would proceed with the proposals set out in the consultation. As a result of this, it was expected that with effect from 1 January 2013, advisers would be prevented from receiving commissions paid by product providers.

Product providers are no longer required to monitor 'appropriate adviser-charging' (with reference to so-called 'decency limits') though there remains a requirement to obtain and validate instructions from the client if the charge is deducted (by the provider) from the client's investment.

This creates a significant challenge for providers as due to a result of increasing disintermediation, in part due to the growth of platforms, the end-consumer will not be a direct client of the firm. The FSA accepts that bespoke share classes to provide for a full range of possible adviser charges (when taken from funds) is impractical and recognises the value of cash accounts provided by platforms or other third-parties to collect adviser charges.

These changes would be significant as many IFAs were 'tied' and 'multi-tied', which respectively described those selling only the products of one provider, such as in a bank, and those selling products from a limited range of providers.

This is a particularly important development for factory-gate priced products such as most ETFs, however, it is uncertain whether the current practice of rebating a proportion of the annual management charge (if this is used to fund the consumer cash account) will be acceptable and the FSA states that it intends to consult further on whether any rebates should be prohibited. In addition, the FSA will proceed with proposals for advisers to describe the advice provided as either independent or 'restricted'.

Source: Policy Statement 10/6, Distribution of retail investments: Delivering the RDR – feedback to CP09/18 and final rules, Financial Services Authority, BlackRock.

Professional standards of advisers

The scope of the changes set out in the final rules (Policy Statement 11/1) cover all investment advisers, whether they will offer independent or restricted advice, covering advisers within all types of firms (e.g. banks, product providers, and Independent Financial Advisers or wealth managers).

The FSA confirmed that, after extensive consultation, retail investment advisers will need to hold a Statement of Professional Standing (SPS) if they want to give independent or restricted advice after January 2013. The statement will provide customers with evidence that the adviser subscribes to a code of ethics, is qualified, and has kept their knowledge up to date.

When the RDR comes into force in January 2013, the FSA will start collecting information about individual advisers, such as the qualifications they hold and which accredited body they use. However, in preparation for 2013, the first of the Professionalism rules will come into force in July 2011, and from this point firms will be obliged to notify the FSA if any adviser falls below the required standard of competence or ethical behaviour.

Initial and ongoing knowledge

Advisers that were deemed competent on or before 30 June 2009 need to attain an appropriate qualification by the end of 2012. Advisers who are assessed as competent after that date must attain an appropriate qualification within 30 months of starting.

Advisers holding certain appropriate qualifications do not need to take further exams to meet RDR standards, but are likely to need to carry out qualifications gap-fill using relevant structured Continuing Professional Development (CPD). CPD activity carried out in the past can be used towards this gap filling, where it meets a learning outcome set out in the gap fill template. Advisers will need to have this qualification gap fill verified by an accredited body.

SPS

From 1 January 2013, advisers will be required to have obtained an annual SPS from an accredited body. The statement will provide customers with evidence that the adviser has subscribed to a code of ethics, is qualified, and has kept their knowledge up-to-date.

The FSA has not introduced a rule requiring firms or advisers to present the adviser's SPS to consumers, but expects that some advisers will choose to do this to help raise consumers' awareness of the profession.

Source: Retail Distribution Review Newsletter, February 2011, Financial Services Authority. Policy Statement 11/1, Distribution of retail investments: Delivering the RDR – professionalism, Feedback to CP10/14 and CP10/22 and final rules, Financial Services Authority, BlackRock.

RDR timetable

2011 publications

- Consultation Paper – RDR-related changes to complaints reporting.
- Consultation Paper – product disclosure changes to reflect adviser charging.
- Policy Statement – platforms.
- Consultation Paper – capital requirements: how to apply a consistent approach to the Expenditure Based Requirements (EBR).

Actions for firms, advisers and providers

- End 2011 – Personal Investment Firms (PIFs) should hold a minimum of one-month EBR (minimum £15,000).
- End 2012 – advisers should hold an appropriate qualification including gap-filling, where required.
- End 2012 – all advisers and product providers must be ready to operate adviser charging and consultancy charging and meet the associated requirements.
- End 2012 – all advisers should describe their services as either independent or restricted.
- End 2013 – PIFs should hold a minimum of three-months EBR (minimum £20,000).

Source: Retail Distribution Review Newsletter, February 2011, Financial Services Authority.

In the United States, fee-based advisers (paid by the consumer) have embraced the use of ETFs to a greater degree than commission-based advisers (paid by the product provider).

In the United Kingdom the use of ETFs among IFAs is very limited as they are typically tied and multi-tied.

ETFs are not currently included in the tied or multi-tied product sets. Investors who are expressing concerns over counterparty risk, transparency and liquidity when using structured products, swaps, certificates, and notes are showing a preference for ETFs where the structure is a fund, and often, more specifically for ETFs which invest exclusively in physical securities.

The role of platforms in a RDR world

In November 2010, the FSA published a Consultation Paper (CP10/29) on the importance of the platforms market. Some of the points raised by the FSA's during this paper are:

- Prevent product providers from making payments that advisers could use to disguise the charge the customer is paying for advice, which could influence advisers in recommending one product over another. Allowing such payments could undermine what the FSA has set out to achieve for consumers by removing commission bias and could leave product charges at an artificially high level.
- Ensure platforms and other nominee services allow their customers to transfer their investments elsewhere without having to cash them in first (re-registration).
- Require platforms to be upfront about the income they receive from fund managers or product providers. This will make it easier for advisers and consumers to compare different types of platform and the services provided.
- Make sure that customers who invest in funds through platforms and other nominee services are provided with information about the fund from their fund managers, and maintain their voting rights.

The consultation period closed on 17 February 2011 and the FSA plans to issue a Policy Statement later this year.

Source: Retail Distribution Review Newsletter, February 2011, Financial Services Authority.

FINRA Regulatory Notice 09-31

The Financial Industry Regulatory Authority (FINRA) which regulates all securities firms doing business in the United States issued a regulatory notice in June 2009 to provide guidance on leveraged and inverse ETFs. The notice stated that "...inverse and leveraged ETFs that are reset daily typically are unsuitable for retail investors who plan to hold them for longer than one trading session, particularly in volatile markets...".

The following paragraphs are also taken from the notice:

"Exchange-traded funds (ETFs) that offer leverage or that are designed to perform inversely to the index or benchmark they track – or both – are growing in number and popularity. While such products may be useful in some sophisticated trading strategies, they are highly complex financial instruments that are typically designed to achieve their stated objectives on a daily basis. Due to the effects of compounding, their performance over longer periods of time can differ significantly from their stated daily objective.

Therefore, inverse and leveraged ETFs that are reset daily, typically, are unsuitable for retail investors who plan to hold them for longer than one trading session, particularly in volatile markets.

This notice reminds firms of their sales practice obligations in connection with leveraged and inverse ETFs. In particular, recommendations to customers must be suitable and based on a full understanding of the terms and features of the product recommended; sales materials related to leveraged and inverse ETFs must be fair and accurate; and firms must have adequate supervisory procedures in place to ensure that these obligations are met.

Most leveraged and inverse ETFs 'reset' daily, meaning that they are designed to achieve their stated objectives on a daily basis. Due to the effect of compounding, their performance over longer periods of time can differ significantly from the performance (or inverse of the performance) of their underlying index or benchmark during the same period of time. For example, between 1 December 2008 and 30 April 2009:

- The Dow Jones U.S. Oil & Gas Index gained 2%, while an ETF seeking to deliver twice the index's daily return fell 6% and the related ETF seeking to deliver twice the inverse of the index's daily return fell 26%.
- An ETF seeking to deliver three times the daily return of the Russell 1000 Financial Services Index fell 53% while the index actually gained around 8%. The related ETF seeking to deliver three times the inverse of the index's daily return declined by 90% over the same period.

This effect can be magnified in volatile markets. Using a two-day example, if the index goes from 100 to close at 101 on the first day and back down to close at 100 on the next day, the two-day return of an inverse ETF will be different than if the index had moved up to close at 110 the first day but then back down to close at 100 on the next day. In the first case with low volatility, the inverse ETF loses 0.02%; but in the more volatile scenario the inverse ETF loses 1.82%. The effects of mathematical compounding can grow significantly over time, leading to scenarios such as those noted above."

Source: Regulatory Notice 09-31, June 2009, Financial Industry Regulatory Authority.

SEC-FINRA investor alert on leveraged and inverse ETFs

The Securities and Exchange Commission (SEC) and the FINRA issued an investor alert on Tuesday 18 August 2009 entitled 'Leveraged and Inverse ETFs: Specialized Products with Extra Risks for Buy-and-Hold Investors':

"The SEC staff and FINRA are issuing this Alert because we believe individual investors may be confused about the performance objectives of leveraged and inverse ETFs. Leveraged and inverse ETFs typically are designed to achieve their stated performance objectives on a daily basis.

Some investors might invest in these ETFs with the expectation that the ETFs may meet their stated daily performance objectives over the long term as well. Investors should be aware that performance of these ETFs over a period longer than one day can differ significantly from their stated daily performance objectives."

Source: Leveraged and Inverse ETFs: Specialized Products with Extra Risks for Buy-and-Hold Investors, Financial Industry Regulatory Authority.

United States Commodity Futures Trading Commission (CFTC) hearings on energy position limits and hedge exemptions

The CFTC held hearings regarding Energy Position Limits and Hedge Exemptions on 28 July 2009, 29 July 2009 and 5 August 2009, discussing whether federal position limits should be set on the energy markets. The hearings provided critical input from a wide range of industry participants and academics to the CFTC's efforts to examine different approaches to regulate energy markets.

The Commodity Exchange Act states that the CFTC shall impose limits on trading and positions as necessary to eliminate, diminish or prevent the undue burdens on interstate commerce that may result from excessive speculation.

The CFTC's hearings examined the role of position limits in energy markets in fulfilling the CFTC's mission to ensure the fair, open and efficient functioning of futures markets. Goldman Sachs, JPMorgan Chase and other leading banks are exempt from most commodity-trading limits in order to manage risks as they serve as market makers. The CFTC is looking into whether those exemptions should stand, as it considers blanket limits on a variety of commodity markets. As a result of this, a number of ETPs/ETFs providing exposure to commodities issued notices stating that they suspended their creation process.

Source: Hearings on Energy Position Limits and Hedge Exemptions, U.S. Commodity Futures Trading Commission, 28 July 2009, 29 July 2009 and 5 August 2009.

SEC evaluating the use of derivatives by funds

The following paragraphs are taken from the SEC's press release that was released on 25 March 2010:

"The SEC staff is conducting a review to evaluate the use of derivatives by mutual funds, ETFs and other investment companies. The review will examine whether and what additional protections are necessary for those funds under the Investment Company Act of 1940.

Pending the review's completion, the SEC has determined to defer consideration of exemptive requests under the Investment Company Act to permit ETFs that would make significant investments in derivatives. The staff's decision will affect new and pending exemptive requests from certain actively-managed and leveraged ETFs that particularly rely on swaps and other derivative instruments to achieve their investment objectives. The deferral does not affect any existing ETFs or other types of fund applications.

"It's appropriate to engage in a more thorough review of the use of derivatives by ETFs and mutual funds given the questions surrounding the risks associated with the derivative instruments underlying many funds," said SEC Chairman Mary Schapiro."

Source: Press Release: SEC Staff Evaluating the Use of Derivatives by Funds, 2010-45, U.S. Securities and Exchange Commission.

SEC approves rules expanding stock-by-stock circuit breakers and clarifying process for breaking erroneous trades

On 10 September 2010, the SEC approved new rules submitted by the national securities exchanges and FINRA to expand a recently-adopted circuit breaker program to include all stocks in the Russell 1000 Index and certain exchange-traded funds. The SEC also approved new exchange and FINRA rules that clarify the process for breaking erroneous trades.

The circuit breaker pilot program was approved in June 2010 in response to the market disruption of 6 May 2010 and applied to stocks listed in the S&P 500 Index. Trading in a security included in the program was paused for a five-minute period if the security experienced a 10 % price change over the preceding five minutes.

The pause gave the markets a opportunity to attract new trading interest in an affected stock, establish a reasonable market price, and resume trading in a fair and orderly fashion. The circuit breaker program was in effect on a pilot basis through to 10 December 2010.

Source: Press Release: SEC Approves Rules Expanding Stock-by-Stock Circuit Breakers and Clarifying Process for Breaking Erroneous Trades, 2010-167, U.S. Securities and Exchange Commission.

SEC announces proposal on limit-up, limit-down

The SEC announced on 6 April 2011 the coordinated filing of a limit up-limit down proposal to address extraordinary market volatility. The national securities exchanges, including NYSE Arca, and the Financial Industry Regulatory Authority (FINRA) filed to establish a plan pursuant to Rule 608 of Regulation NMS to adopt a limit up-limit down mechanism that seeks to address extraordinary volatility in equity securities, including ETPs.

As proposed, the new market-wide limit up-limit down requirements will prevent trades in equity securities from occurring outside specified price bands and are designed to work in conjunction with single stock circuit breakers.

The proposed plan is currently available on the SEC's website, and the SEC will be publishing a release that will open the plan to a 21-day public comment period, after which the SEC will decide whether or not to approve the plan.

Once approved, Phase I of the plan will be applicable to the securities currently included in the single stock circuit breaker pilot program, including all securities in the S&P 500 Index, the Russell 1000 Index and 344 specified ETPs.

In Phase II of the plan, the limit up-limit down requirements will be applicable to all equity securities, including all ETPs. Pending approval of the plan, the current single stock circuit breaker pilot has been extended to 11 August 2011 (or earlier if the limit up-limit down mechanism is implemented prior to 11 August 2011).

Source: ETP Landscape, NYSE Euronext, 7 April, 2011.

The legal and structural strength of ETFs

The *Financial Times* Alphaville blog posting, 'Can ETFs Collapse?' and subsequent media coverage on CNBC explored a theory that BlackRock had researched and addressed many times in the past.

It is our assessment that the blog's conclusions regarding the 'unfunded liability' caused by ETF short selling is incorrect and does not take into account the general mechanics of the ETF structure and marketplace. The primary reasons for their inaccuracies are as follows:

The legal and structural design of ETFs protects ETF shareholders

All orders for creation and redemption of shares of a fund must be in proper form when placed to ensure that such orders will be settled. The requirements for proper form are addressed in each ETF's prospectus and Statement of Additional Information (SAI) and provide the funds with the right to refuse any order (creation or redemption) that is deemed to be placed in improper form.

Requirements for proper form may be impacted based on size of the order, market and volatility conditions. Any concern regarding the form of an AP's order may cause the ETF provider to request additional information from the AP to validate the AP's ability to settle an order prior to accepting that order.

Differences in 'naked' and bona fide short selling

Naked short selling is when the seller does not borrow or arrange to borrow for the securities in time to make delivery to the buyer within the standard three-day settlement period. While naked shorting may occur for bona fide market making, it is not legal to sell securities short and fail to deliver shares at the time of settlement with the purpose of driving down a security's price.

Bona fide short selling is a necessary part of functioning market making practices. This activity improves secondary market liquidity for an ETF represented through tighter bid/ask spreads, which benefit all investors seeking to buy or sell a fund.

Counter party risk is minimised in ETFs

The assets in an exchange traded fund are separate and distinct from the assets of the various service providers such as asset managers, index providers, custodians, etc. Generally, the ETF is not directly subject to the credit risk of a service provider.

Source: BlackRock: The Legal and Structural Strengths of ETFs, September 2010.

Australia's Future of Financial Advice (FOFA) reform

The Minister for Financial Services, Superannuation and Corporate Law, Chris Bowen MP, said that the 'Future of Financial Advice' reforms are designed to tackle conflicts of interest that have threatened the quality of financial advice that has been provided to Australian investors, and the mis-selling of financial products.

- **No more new commissions from 2012.** Ban on commissions and volume-based payments and any other type of remuneration structure that creates a conflict of interest for the adviser. The ban applies to all retail investment products including managed investments, superannuation and margin loans but the ban won't apply to risk insurance products.
- **Must act in the best interests of clients.** From 1 July 2012, all financial advisers will be subject to a statutory fiduciary duty to act in the best interests of clients. Under no circumstances will financial advisers be allowed to place their own interests ahead of a client's interests.
- **Simpler disclosure information for clients.** Financial Services Guides (FSGs) must be more effective at disclosing any restrictions on the adviser when providing advice, any potential conflicts of interest and how the adviser is remunerated.
- **Introduction of 'product neutral' adviser charging regime.** The details on this change are yet to be determined, but basically any fee must be paid by the client rather than the product provider, although the financial adviser and client can choose to deduct the fee from the amount being invested. Also, each year, the client has to consent to continuing the client/adviser arrangement before another fee can be charged. The new charging regime should be operating by 1 July 2012.
- **Advisers can charge asset-based fees, but not on borrowed money.** The client must agree with the asset-based fee. One of the greediest tactics used by some commission-based advisers was to recommend that a client borrow money to invest, and then charge a commission on the borrowed money as well.
- **Remove exemption for accountants to provide advice on SMSFs.** This change will cause quite a few ripples in the accounting profession, but there is positive news for this sector: the Government also mentions introducing a streamlined licensing regime for accountants advising on SMSFs.
- ASIC to be given more powers to **ban individuals from providing advice**.
- **Review definitions of retail (unsophisticated) or wholesale (sophisticated) clients.**
- **Review of professional standards for financial advisers.** The Government will appoint a panel to review professional standards, including conduct and competency standards, and potentially a code of ethics.
- **Consider possibility of introducing a statutory compensation scheme to compensate clients of financial advisers.**

Source: Super Guide, Treasury Ministers Portal, The Future of Financial Advice, Information Pack, 26 April 2010.

Changes to the United States tax law may affect non-United States resident holders of United States ETFs

Flow-through benefits

Funds registered under the Investment Company Act of 1940 and structured for tax purposes as Regulated Investment Companies (RICs) under the United States Tax Code were previously allowed a package of United States tax benefits to non-United States shareholders (generally called 'flow-through' benefits) as a result of the 2004 American Jobs Creation Act. These flow-through benefits generally expired as of 31 December 2009.

The three affected flow-through benefits are:

- Exemption from United States withholding tax (30% or lower treaty rate) on fund distributions where such distributions represent Qualified Interest Income (QII). QII is certain fund income derived from interest income on debt of United States resident issuers (i.e., obligations issued by Treasury and United States corporations). This applied to fixed income ETFs.
- Exemption from United States withholding tax on any short-term capital gains included in fund distributions. This applied to fixed income and equity ETFs.
- Relief from United States Estate Tax on fund holdings by non-United States resident persons, where the underlying assets would have been exempt from Estate Tax if held directly by the non-United States resident person.

The purpose of these three flow-through benefits was to allow a non-United States resident RIC shareholder the same treatment on a flow-through basis as if the investments were owned directly by the non-United States resident RIC shareholder.

On 17 December 2010, the United States President signed the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 into law. According to this legislation, the items mentioned in first two bullets above have been extended with respect to financial years of the fund beginning before 1 January 2012. The estate tax flow-through mentioned in the final bullet has been extended to apply to estates of descendants dying before 1 January 2012.

Source: BlackRock.

FATCA (foreign account withholding provisions in the HIRE Act)

On 18 March 2010, the United States Congress passed the Hiring Incentives to Restore Employment Act of 2010 (the HIRE Act). This Act contains provisions still commonly known as the FATCA (the Foreign Account Tax Compliance Act).

The FATCA is a system designed to request financial institutions of all descriptions around the world to identify United States investors – even where they hold indirectly via non-United States entities – and report details of these to the United States Internal Revenue Service (IRS).

This initiated in response to high levels of political concern in the United States with regards to tax evasion, particularly by wealthy individuals.

In order to encourage compliance with this legislation, from 1 January 2013, the United State will impose a 30% withholding tax on the gross sales proceeds (as well as income) derived by any part of that financial institution from holdings of United States financial assets, unless that institution agrees to enter the reporting regime.

Funds and fund managers are included in the definition of 'Foreign Financial Institutions' (FFIs), therefore the FATCA goes much wider in reach than the existing 'Qualified Intermediary' system, with which it will coexist.

The impacts on the financial world will undoubtedly be complex and potentially far reaching. The basic wording of the HIRE Act still leaves many questions unanswered and the financial institutions are keenly waiting for draft regulations to be issued by the United States Treasury.

However, it does appear that holdings of United States ETFs by non-United States investors would be subject to the 30% withholding from gross sales proceeds, where held through a non-United States financial intermediary who does not become FATCA compliant when the regime goes live in 2013.

Source: BlackRock, April 2010.

SEC proposal to replace rule 12b-1

The SEC is proposing a new rule and rule amendments that would replace rule 12b–1 under the Investment Company Act, the rule that has permitted registered open-end management investment companies (“mutual funds” or “funds”) to use fund assets to pay for the cost of promoting sales of fund shares.

The new rule and amendments would continue to allow funds to bear promotional costs within certain limits, and would also preserve the ability of funds to provide investors with alternatives for paying sales charges. Unlike the current rule 12b–1 framework, the proposed rules would limit the cumulative sales charges each investor pays, no matter how they are imposed.

To help investors make better-informed choices when selecting a fund that imposes sales charges, the Commission is also proposing to require clearer disclosure about all sales charges in fund prospectuses, annual and semi-annual reports to shareholders, and in investor confirmation statements.

As part of the new regulatory framework, the Commission is proposing to give funds and their underwriters the option of offering classes of shares that could be sold by dealers with sales charges set at competitively established rates – rates that could better reflect the services offered by the particular intermediary and the value investors place on those services. For funds electing this option, the proposal would provide relief from restrictions that currently limit retail price competition for distribution services.

The proposed rule and rule amendments are designed to protect individual investors from paying disproportionate amounts of sales charges in certain share classes, promote investor understanding of fees, eliminate outdated requirements, provide a more appropriate role for fund directors, and allow greater competition among funds and intermediaries in setting sales loads and distribution fees generally.

Source: Federal Register, Mutual Fund Distribution Fees; Confirmations; Proposed Rule, 4 August 2010, Securities and Exchange Commission.

ETF background

ETFs are one of the more innovative new financial products to emerge from the financial industry in the last two decades. Since the launch of the first ETF in the Canada in 1990, ETFs have opened a new panorama of investment opportunities.

Essentially, ETFs are open-end index funds that are listed and traded on exchanges like stocks. They allow investors to gain broad exposure to stock markets of different countries, emerging markets, sectors and styles as well as fixed income and commodity indices with relative ease on a real-time basis and at a lower cost than many other forms of investing. ETFs are more transparent than traditional funds as the managers provide the ETF portfolio composition to the market on a daily basis.

ETFs are bought on a commission basis, just like many other shares. Generally: 1) they can be purchased on margin and are lendable, 2) they can be bought and sold at market, limit or as stop orders, and 3) they do not have any sales loads, although they do have annual expenses that range from 0.00% to 1.90%[1]. ETFs have some of the lowest expense ratios among registered investment products.

ETFs possess characteristics that make them an alternative to futures and portfolios of shares for investors who are seeking to gain or reduce country, regional, sector and style as well as fixed income and commodity exposure. ETFs are index funds and not synthetic derivatives. They trade and settle like single shares and are typically backed by baskets of securities designed to track indices. On most exchanges ETFs can be used to go long and short[2]. ETFs offer diversified exposure and generally have lower expense ratios than traditional active and index funds.

The growth in beta investments in recent years has been driven by a number of factors. While market conditions have had a noteworthy influence, some other key factors are driving a more permanent shift towards beta, including:

- **Access:** beta products are providing access to an expanding range of market and asset classes, and through a much wider range of instruments.
- **Diversification:** increasingly investors are widening the scope of their investments and looking for exposure to new asset classes and markets.
- **The changing role of beta:** as investors are altering the way they view their investment objectives, alpha and beta decisions are being combined in different ways.

The range of beta tools available to investors has also grown with traditional index funds, index futures, OTC derivatives and ETFs. ETFs share many characteristics with traditional index funds. Importantly, they also offer intra-day liquidity and enhanced flexibility, allowing investors to take both long and short positions.

ETFs may prove as liquid as the underlying basket of securities as they have a unique daily creation and redemption process. The ability to continually create or redeem shares helps keep an ETF's market price in line with its underlying NAV. A key feature that distinguishes ETFs is that the shares are created by Authorised Participants (APs) or creation/redemption brokers in block-size 'creation units'.

The creator of ETF shares typically deposits into the applicable fund a portfolio of securities closely approximating the holdings of the index in exchange for an institutional block of ETF shares (usually 50,000). Similarly, they can only be redeemed in redemption units, mainly 'in-kind' for a portfolio of securities held by the fund. The redemption and creation processes are very similar.

A key benefit of the in-kind distribution of securities is that it does not create a tax event in the United States, which could occur if the fund sold securities and delivered cash. This is a special advantage of ETFs versus an open-end mutual fund, which might have to sell securities to meet cash redemptions.

In the United States, the term ETFs is increasingly being used to cover a broad set of products with dissimilar characteristics from those described above including products such as closed-end funds, Holding Company Depository Receipts (HOLDRS) and notes.

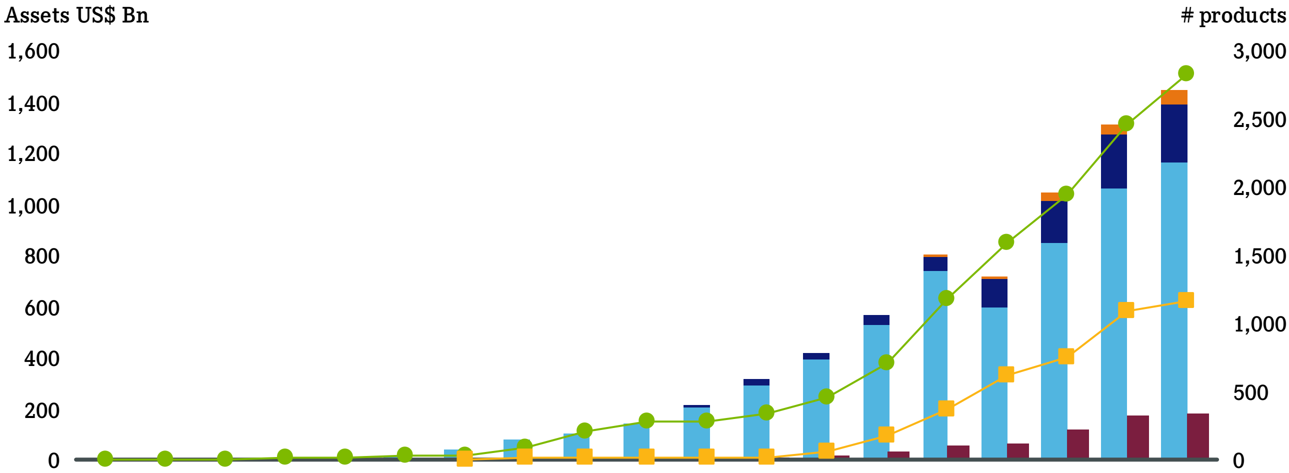
These product structures do not fall within the following the SEC's definition of an ETF: "Exchange-traded funds, or ETFs, are investment companies that are legally classified as open-end companies or Unit Investment Trusts (UITs), but that differ from traditional open-end companies and UITs…". This definition, together with the ways in which ETFs differ, can be found at: www.sec.gov/answers/etf.htm.

Many institutional investors, intermediaries, family offices and self-directed retail investors have embraced the idea that ETFs are tools that can help them to equitise cash, establish a core holding, use for Tactical Asset Allocation (TAA) and which can be a substitute for a program trade or using futures. They can be used to gain exposure to equity sectors, styles, country, regional, international and emerging market indices, government, corporate bond, money market indices as well as commodity indices at real-time prices during the trading day.

1. Source: Various ETF providers, BlackRock Investment Institute – ETF Research, as at end January 2011.
2. With short sales, the investor risks paying more for a security than the investor received from the sale.

Global

Figure 7: Global ETF and ETP asset growth, as at end H1 2011



Assets (US$ Bn)	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	H1-11
ETF total	$8.2	$17.6	$39.6	$74.3	$104.8	$141.6	$212.0	$309.8	$412.1	$565.6	$796.7	$711.1	$1,036.0	$1,311.3	$1,442.7
ETF equity	$8.2	$17.6	$39.6	$74.3	$104.7	$137.5	$205.9	$286.3	$389.6	$526.5	$729.9	$596.4	$841.6	$1,053.8	$1,151.6
ETF fixed income	-	-	-	$0.1	$0.1	$4.0	$5.8	$23.1	$21.3	$35.8	$59.9	$104.0	$167.0	$207.3	$232.8
ETF commodity	-	-	-	-	$0.0	$0.1	$0.3	$0.5	$1.2	$3.4	$6.3	$10.0	$25.6	$45.7	$52.3
ETP total	-	-	$2.0	$5.1	$3.9	$4.1	$6.3	$9.3	$15.9	$32.5	$54.6	$61.2	$119.7	$171.3	$183.4
ETF/ETP total	**$8.2**	**$17.6**	**$41.6**	**$79.4**	**$108.7**	**$145.7**	**$218.3**	**$319.1**	**$428.0**	**$598.1**	**$851.3**	**$772.3**	**$1,155.8**	**$1,482.7**	**$1,626.1**
# ETFs	21	31	33	92	202	280	282	336	461	713	1,170	1,595	1,944	2,460	2,825
# ETPs	-	-	2	14	17	17	18	21	63	170	371	625	750	1,083	1,162
# ETF/ETP total	**21**	**31**	**35**	**106**	**219**	**297**	**300**	**357**	**524**	**883**	**1,541**	**2,220**	**2,694**	**3,543**	**3,987**

Note: The first ETF was listed in Canada on 9 March 1990. Pre-1997 historical data has been removed to allow for additional space.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 8: Global ETF and ETP net new assets by type of exposure, as at end H1 2011

	June-11					
Exposure	# ETFs /ETPs	ADV (US$ Mn)	Assets (US$ Mn)	NNA (US$ Mn)	YTD-11 NNA (US$ Mn)	2010 NNA (US$ Mn)
Equity	2,391	64,769.9	1,161,371.2	8,983.4	52,750.8	105,258.8
Developed markets	1,819	57,600.1	915,654.8	5,764.3	50,889.0	64,804.6
North America	736	52,724.7	586,274.1	3,455.2	28,549.1	42,552.3
Broad	10	11.3	2,330.3	96.2	244.9	669.5
Canada	63	637.9	29,670.0	246.7	2,728.3	1,803.7
United States	663	52,075.5	554,273.9	3,112.3	25,575.9	40,079.2
United States non-sector	413	41,298.0	428,729.2	2,497.1	16,021.2	29,582.8
United States sectors	250	10,777.5	125,544.7	615.2	9,554.7	10,496.4
Consumer goods/services	29	1,348.1	11,736.3	(188.5)	621.1	2,283.4
Energy	38	2,991.6	25,796.3	(833.2)	2,300.1	2,662.8
Financials	34	2,597.5	17,565.9	503.7	(1,093.9)	1,334.6
Healthcare	27	478.7	11,786.1	854.5	2,379.4	(582.1)
Industrials	17	745.7	6,247.9	(337.0)	87.6	1,035.2
Materials	15	958.3	6,662.5	(40.6)	(6.4)	859.8
Other	13	18.2	2,825.9	(66.4)	26.0	16.6
Real estate	24	819.4	19,267.9	532.7	2,133.4	1,157.1
Technology	34	616.0	15,937.6	(315.5)	2,188.2	1,401.1
Telecommunications	7	18.0	1,423.7	53.6	127.1	88.6
Utilities	12	186.1	6,294.7	451.9	792.1	239.3
Europe	522	2,432.2	143,290.3	1,421.9	10,098.3	8,701.3
Broad	178	734.7	61,140.1	1,899.4	(65.2)	1,789.0
Country	182	1,307.9	66,731.4	61.6	9,035.6	6,588.5
Sectors	162	389.5	15,418.9	(539.1)	1,127.9	323.8
STOXX 600 sectors	97	344.2	10,074.8	(567.6)	(187.7)	(119.9)
Automobiles and parts	5	29.8	337.2	6.5	(109.5)	75.7
Banks	6	48.0	1,617.2	45.4	299.3	78.0
Basic resources	6	44.5	1,121.1	(27.0)	(210.7)	(223.1)
Chemicals	4	15.1	255.5	(46.4)	(46.5)	18.2
Construction and materials	5	6.2	213.4	(99.4)	(87.7)	89.1
Financial services	4	5.7	135.5	(65.5)	47.0	3.4
Food and beverage	5	23.8	534.2	83.5	114.9	(179.2)
Healthcare	6	26.5	1,061.4	(267.7)	80.3	(121.4)
Industrial goods and services	5	40.5	554.6	1.0	(46.6)	25.9
Insurance	6	30.1	510.6	(37.9)	(162.9)	(72.2)
Media	5	3.8	122.9	(18.2)	(46.0)	15.3
Oil and gas	7	16.8	1,097.2	(174.4)	51.2	11.0
Personal and household goods	4	2.1	325.4	25.0	(26.8)	122.7
Real estate	2	0.6	116.5	16.7	41.9	(21.8)
Retail	4	10.4	188.7	(25.4)	(77.6)	78.2
Technology	6	7.6	262.2	(52.9)	28.3	(1.7)
Telecommunications	6	16.2	914.0	88.5	157.4	(153.6)
Travel and leisure	4	3.8	113.7	(18.8)	(33.0)	41.1
Utilities	7	12.7	593.6	(0.5)	(160.5)	94.8
Other sectors	65	45.3	5,344.0	28.5	1,315.6	443.7
Asia Pacific	226	846.2	84,431.5	230.1	3,187.0	4,913.3
Israel	87	70.0	109.5	(5.6)	(27.7)	(28.3)
Global	171	199.0	29,134.8	(42.1)	2,632.7	3,929.5
Global (ex-US)	77	1,328.0	72,414.5	704.9	6,449.6	4,736.5
Emerging markets	572	7,169.8	245,716.4	3,219.0	1,861.9	40,454.2
Broad	97	3,368.3	120,248.0	3,231.4	(1,952.8)	32,957.4
Global emerging markets	50	3,299.9	110,085.3	3,117.5	(1,534.6)	28,767.6
Frontier	3	3.1	377.6	(2.5)	10.6	285.4
Sector	18	5.4	873.1	12.1	96.4	426.0
Other	26	60.0	8,912.0	104.4	(525.2)	3,478.3
Regional	56	133.8	8,912.9	(143.7)	(532.6)	1,451.2
Asia emerging markets	9	18.1	2,340.7	37.6	156.8	621.9
Eastern Europe	16	22.2	1,949.8	(49.6)	327.5	309.5
Middle East and Africa	11	2.4	565.8	(5.5)	(19.8)	284.2
Latin America	20	91.2	4,056.7	(126.3)	(997.1)	235.6

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Note: Global ETF/ETP flows are approximated by combining flows available for the United States, Europe, Canada and Latin America. Product level assets for ETPs listed in Israel are not currently available. An aggregate value has been included in the total assets. Latest data for Israel ETP assets sourced from Bank of Israel, May 2011. NNA – Net New Assets. Data as at end H1 2011.

Figure 8: Global ETF and ETP net new assets by type of exposure, as at end H1 2011 (continued)

Exposure	June-11 # ETFs /ETPs	June-11 ADV (US$ Mn)	June-11 Assets (US$ Mn)	June-11 NNA (US$ Mn)	YTD-11 NNA (US$ Mn)	2010 NNA (US$ Mn)
Emerging markets (continued)						
Country	419	3,667.7	116,555.5	131.4	4,347.2	6,045.7
Argentina	1	0.1	5.2	-	5.2	-
Brazil	38	967.5	19,607.4	188.1	973.2	2,647.0
Chile	3	18.6	937.5	(13.9)	(62.2)	528.1
China	112	1,119.1	39,496.2	18.4	(1,170.5)	(1,140.6)
Colombia	2	3.7	200.3	26.7	31.5	158.2
Egypt	1	1.1	76.2	3.1	69.8	(0.2)
Hungary	1	0.0	19.7	(0.3)	0.3	(0.6)
India	48	99.6	7,309.4	(136.3)	(460.7)	1,745.0
Indonesia	5	18.4	942.9	58.3	504.3	600.7
Kuwait	1	0.3	48.7	-	-	14.6
Malaysia	7	35.6	1,463.1	86.5	13.0	324.8
Mexico	19	410.9	9,876.2	400.5	1,474.3	(2,961.8)
Peru	1	29.9	442.0	40.7	49.4	299.8
Philippines	2	2.1	75.2	10.9	47.8	16.0
Poland	4	6.5	497.0	24.6	239.3	209.8
Russia	17	187.0	7,221.1	(266.7)	2,005.5	1,911.7
Saudi Arabia	2	0.0	27.2	-	-	-
South Africa	28	33.0	3,085.4	(26.6)	(97.5)	123.1
South Korea	79	469.3	12,991.6	(68.2)	646.3	825.7
Taiwan	26	202.9	9,558.1	(83.2)	115.3	(396.2)
Thailand	5	16.9	710.4	(68.9)	(88.8)	280.0
Turkey	14	40.1	1,347.5	(60.2)	(124.2)	516.6
UAE	1	0.0	5.2	-	-	(13.2)
Vietnam	2	5.0	611.8	(2.0)	175.8	357.2
Fixed income	552	3,121.2	233,198.2	4,704.0	19,586.8	40,054.1
Active	14	23.5	2,496.0	483.0	1,254.9	1,119.6
Broad/aggregate	14	191.2	23,247.0	1,132.0	1,922.8	2,831.3
Convertible	4	9.1	949.3	39.5	408.0	271.7
Corporate	82	256.0	44,651.8	702.9	4,479.2	7,943.2
Covered	8	1.4	1,047.2	(0.0)	(56.5)	360.3
Credit spreads	13	6.2	921.0	45.8	(45.6)	(25.3)
Emerging markets	35	70.9	9,059.1	291.7	1,444.0	3,317.6
Government	297	1,863.0	80,778.0	2,329.2	3,540.2	14,828.1
Govt/corp	14	57.5	10,449.1	322.0	1,296.7	2,726.2
High yield	19	348.8	17,966.6	(831.7)	2,573.8	6,469.7
Inflation	26	176.9	29,819.8	579.4	2,892.6	738.1
Money market	22	95.8	7,198.6	(333.7)	(659.4)	(1,026.9)
Mortgage	4	21.0	4,614.6	(56.1)	536.0	500.6
Commodities	786	6,045.7	198,986.2	(237.7)	6,238.9	21,542.5
Broad	116	160.7	23,808.9	(680.5)	2,674.7	2,719.3
Alternative	2	0.0	3.8	(0.6)	(0.9)	(0.9)
Agriculture	153	228.7	15,730.3	303.5	4,568.0	(49.4)
Energy	158	1,174.5	12,856.7	(114.5)	(876.3)	(1,183.6)
Industrial metals	118	58.4	4,948.2	(390.4)	844.0	787.8
Livestock	26	4.1	252.6	24.5	58.1	(22.4)
Precious metals	213	4,419.2	141,385.7	620.2	(1,028.9)	19,291.7
Currency	144	543.9	9,117.6	515.5	2,334.7	(1,835.2)
Alternative	42	839.5	4,611.4	(458.6)	1,068.6	4,417.7
Mixed	72	18.4	1,799.0	147.6	599.0	502.5
Total	**3,987**	**75,338.7**	**1,626,117.6**	**13,654.2**	**82,578.8**	**169,940.5**

Note: Global ETF/ETP flows are approximated by combining flows available for the United States, Europe, Canada and Latin America. Product level assets for ETPs listed in Israel are not currently available. An aggregate value has been included in the total assets. Latest data for Israel ETP assets sourced from Bank of Israel, May 2011. NNA – Net New Assets. Data as at end H1 2011.
Source: BlackRock Investment Institute – ETF Research, National Stock Exchange (NSX), Bloomberg.

Figure 9: ETF/ETP providers around the world, ranked by assets, as at end H1 2011

	H1-11					YTD change				
Provider	# ETFs/ ETPs	Assets (US$ Bn)	% total	ADV (US$ Mn)	# planned	# ETFs/ ETPs	% ETFs/ ETPs	Assets (US$ Bn)	% assets	% market share
iShares	482	$640.0	39.4%	$18,866.0	18	5	1.0%	$43.3	7.3%	-0.9%
State Street Global Advisors	138	$262.4	16.1%	$35,591.3	37	24	21.1%	$13.3	5.3%	-0.7%
Vanguard	69	$175.5	10.8%	$1,575.2	1	4	6.2%	$27.0	18.2%	0.8%
PowerShares/Deutsche Bank	181	$59.8	3.7%	$3,182.5	50	15	9.0%	$4.4	8.0%	-0.1%
db x-trackers/db ETC	240	$54.4	3.3%	$501.4	16	29	13.7%	$4.2	8.4%	0.0%
Lyxor Asset Management	163	$54.4	3.3%	$941.2	1	7	4.5%	$1.0	1.9%	-0.3%
ETF Securities	263	$27.3	1.7%	$308.3	44	20	8.2%	$1.2	4.5%	-0.1%
ProShares	121	$27.1	1.7%	$4,138.7	131	9	8.0%	$3.5	14.9%	0.1%
Van Eck Associates Corp	34	$23.0	1.4%	$877.0	38	5	17.2%	$3.0	15.2%	0.1%
Credit Suisse Asset Management	58	$18.3	1.1%	$89.6	0	4	7.4%	$2.7	17.1%	0.1%
Nomura Asset Management	37	$16.2	1.0%	$82.9	0	2	5.7%	-$0.4	-2.6%	-0.1%
WisdomTree Investments	46	$13.0	0.8%	$165.8	71	2	4.5%	$3.1	31.1%	0.1%
Zurich Cantonal Bank	7	$12.9	0.8%	$43.4	0	0	0.0%	$1.1	9.5%	0.0%
UBS Global Asset Management	50	$11.4	0.7%	$43.5	0	21	72.4%	$4.8	73.8%	0.3%
Bank of New York	1	$11.1	0.7%	$404.4	0	0	0.0%	-$1.1	-9.2%	-0.1%
Amundi ETF	99	$10.1	0.6%	$107.9	0	7	7.6%	$2.9	40.7%	0.1%
Commerzbank	94	$9.6	0.6%	$44.3	0	4	4.4%	$1.0	11.1%	0.0%
Source Markets	95	$9.4	0.6%	$356.7	15	11	13.1%	$3.2	52.2%	0.2%
Rydex SGI	34	$9.2	0.6%	$417.7	110	1	3.0%	$1.8	23.5%	0.1%
HSBC/Hang Seng	33	$8.6	0.5%	$70.5	4	15	83.3%	$1.2	15.6%	0.0%
Barclays (iPath)	83	$8.4	0.5%	$790.4	28	20	31.7%	-$0.2	-2.6%	-0.1%
First Trust Advisors	59	$7.7	0.5%	$105.5	5	16	37.2%	$2.3	41.9%	0.1%
Nikko Asset Management	20	$6.9	0.4%	$55.1	0	3	17.6%	$0.3	5.1%	0.0%
Direxion Shares	51	$6.8	0.4%	$3,036.7	176	12	30.8%	$0.2	2.8%	0.0%
Claymore Investments	31	$6.5	0.4%	$27.6	9	2	6.9%	$1.0	18.3%	0.0%
EasyETF	48	$6.2	0.4%	$19.9	1	-1	-2.0%	$0.7	12.1%	0.0%
Daiwa Asset Management	23	$6.1	0.4%	$13.7	1	0	0.0%	-$0.8	-11.0%	-0.1%
ETFlab Investment	40	$5.8	0.4%	$42.6	0	5	14.3%	-$1.0	-14.2%	-0.1%
Swiss & Global Asset Management	16	$5.4	0.3%	$27.4	0	0	0.0%	$1.1	26.1%	0.0%
Merrill Lynch	17	$4.9	0.3%	$1,035.2	0	0	0.0%	$0.1	2.6%	0.0%
UBS AG	202	$4.5	0.3%	$6.0	0	6	3.1%	$0.6	15.7%	0.0%
Charles Schwab Investment Management	13	$4.5	0.3%	$46.9	1	2	18.2%	$1.7	63.3%	0.1%
Polaris	11	$4.3	0.3%	$46.2	1	3	37.5%	$1.8	74.7%	0.1%
United States Commodity Funds	9	$4.2	0.3%	$577.0	4	0	0.0%	-$0.7	-14.5%	-0.1%
Samsung Investment Trust Management	22	$4.1	0.3%	$234.3	0	4	22.2%	$1.2	43.2%	0.1%
Societe Generale	42	$4.1	0.3%	$2.0	0	0	0.0%	$0.1	1.6%	0.0%
China Asset Management	2	$4.0	0.2%	$89.6	2	0	0.0%	$0.4	10.5%	0.0%
Guggenheim Funds	43	$3.7	0.2%	$32.2	35	5	13.2%	$0.2	4.4%	0.0%
XACT Fonder	24	$3.4	0.2%	$169.2	0	3	14.3%	$0.2	5.9%	0.0%
PIMCO	14	$3.2	0.2%	$30.4	10	1	7.7%	$1.0	45.7%	0.0%
E Fund Management	2	$3.1	0.2%	$59.0	0	0	0.0%	$0.0	0.2%	0.0%
BetaPro Management	68	$2.9	0.2%	$446.3	8	8	13.3%	-$0.1	-4.1%	0.0%
BMO Asset Management	40	$2.8	0.2%	$19.2	0	10	33.3%	$1.3	86.0%	0.1%
JPMorgan Chase	4	$2.7	0.2%	$26.4	1	0	0.0%	$0.4	18.8%	0.0%
BBVA Asset Management	15	$2.6	0.2%	$9.5	0	2	15.4%	-$0.2	-7.7%	0.0%
Absa Capital	8	$2.4	0.1%	$38.2	3	0	0.0%	-$0.1	-4.0%	0.0%
Mitsubishi UFJ Asset Management	6	$2.1	0.1%	$9.9	0	1	20.0%	-$0.2	-8.5%	0.0%
RBS	43	$1.7	0.1%	$14.3	1	14	48.3%	$0.1	5.2%	0.0%
Swedish Export Credit Corp	7	$1.6	0.1%	$13.3	0	0	0.0%	$0.3	22.8%	0.0%
Global X Funds	35	$1.6	0.1%	$28.0	27	18	105.9%	$0.3	24.3%	0.0%
Satrix Managers	7	$1.5	0.1%	$6.6	1	0	0.0%	-$0.1	-4.5%	0.0%
Fubon Asset Management	4	$1.3	0.1%	$1.1	1	0	0.0%	$1.0	287.5%	0.1%
ALPS ETF Trust	3	$1.3	0.1%	$11.3	8	0	0.0%	$0.6	85.8%	0.0%
Hua An Fund Management	2	$1.2	0.1%	$33.7	3	1	100.0%	$0.3	37.1%	0.0%
BOCI-Prudential Asset Management	5	$1.2	0.1%	$8.0	0	2	66.7%	$0.2	19.1%	0.0%
Itau Unibanco	2	$1.2	0.1%	$1.3	1	1	100.0%	-$0.1	-8.7%	0.0%

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Figure 9: ETF/ETP providers around the world, ranked by assets, as at end H1 2011 (continued)

	H1-11					YTD change				
Provider	# ETFs/ ETPs	Assets (US$ Bn)	% total	ADV (US$ Mn)	# planned	# ETFs/ ETPs	% ETFs/ ETPs	Assets (US$ Bn)	% assets	% market share
Mirae Asset MAPS Global Investments	33	$1.1	0.1%	$30.9	0	17	106.3%	$0.6	119.7%	0.0%
Woori Asset Management	12	$0.9	0.1%	$4.6	5	2	20.0%	$0.0	-4.6%	0.0%
Benchmark Asset Management	9	$0.8	0.1%	$6.5	7	0	0.0%	$0.2	30.0%	0.0%
GreenHaven Commodity Services	1	$0.7	0.0%	$4.2	0	0	0.0%	$0.2	36.7%	0.0%
China Southern Fund Management	2	$0.6	0.0%	$3.3	0	0	0.0%	$0.0	-7.4%	0.0%
Bank of Communications	1	$0.6	0.0%	$0.4	0	0	0.0%	$0.0	-1.6%	0.0%
RevenueShares	6	$0.6	0.0%	$4.4	8	0	0.0%	$0.0	4.5%	0.0%
Emerging Global Advisors	17	$0.6	0.0%	$4.1	26	8	88.9%	$0.1	29.8%	0.0%
IndexIQ Advisors	14	$0.5	0.0%	$5.0	30	5	55.6%	$0.1	49.4%	0.0%
KB Asset Management	7	$0.4	0.0%	$1.2	0	3	75.0%	$0.1	25.7%	0.0%
Korea Investment Trust Management	7	$0.4	0.0%	$0.5	0	1	16.7%	$0.1	22.1%	0.0%
STANLIB	2	$0.4	0.0%	$0.0	3	0	0.0%	$0.4	922.3%	0.0%
VelocityShares	6	$0.4	0.0%	$99.9	0	0	0.0%	$0.4	830.3%	0.0%
DBS Asset Management	2	$0.4	0.0%	$0.8	0	0	0.0%	$0.1	40.4%	0.0%
Kyobo AXA Investment Management	1	$0.4	0.0%	$2.5	0	1	100.0%	$0.4	100.0%	0.0%
Da Cheng International Asset Management	4	$0.4	0.0%	$0.3	0	1	33.3%	$0.3	467.2%	0.0%
Russell Investments	19	$0.4	0.0%	$3.3	27	17	850.0%	$0.2	202.3%	0.0%
ICBC Credit Suisse Asset Management	2	$0.3	0.0%	$0.9	0	1	100.0%	$0.2	117.3%	0.0%
Huatai-PineBridge Fund Management	2	$0.3	0.0%	$1.8	0	1	100.0%	$0.0	-5.5%	0.0%
Mitsubishi UFJ Trust and Banking Corporation	4	$0.3	0.0%	$3.1	0	0	0.0%	$0.2	156.5%	0.0%
Credit Suisse	5	$0.3	0.0%	$3.6	1	1	25.0%	$0.1	71.4%	0.0%
Marshall Wace LLP	3	$0.3	0.0%	$2.9	0	0	0.0%	$0.0	-2.5%	0.0%
AdvisorShares	10	$0.3	0.0%	$4.0	9	5	100.0%	$0.2	107.2%	0.0%
DnB NOR Asset Management	3	$0.3	0.0%	$8.8	0	0	0.0%	$0.0	11.2%	0.0%
Reliance Capital Asset Management	2	$0.3	0.0%	$0.3	4	0	0.0%	$0.2	253.6%	0.0%
Citigroup	6	$0.3	0.0%	$0.2	0	0	0.0%	$0.3	1967.9%	0.0%
Smartshares Limited	5	$0.3	0.0%	$0.4	0	0	0.0%	$0.0	6.9%	0.0%
China Merchants Fund Management	1	$0.3	0.0%	$0.1	1	1	100.0%	$0.3	100.0%	0.0%
Seligson & Co Fund Management	1	$0.3	0.0%	$4.1	0	0	0.0%	$0.0	-9.1%	0.0%
Bosera Asset Management	1	$0.2	0.0%	$0.5	3	0	0.0%	$0.0	-13.9%	0.0%
Fortune SGAM Fund Management	1	$0.2	0.0%	$2.0	0	0	0.0%	$0.1	40.0%	0.0%
Bips Investment Managers	2	$0.2	0.0%	$4.8	0	0	0.0%	$0.0	19.7%	0.0%
AmInvestment Management	2	$0.2	0.0%	$0.0	0	0	0.0%	$0.0	2.1%	0.0%
GTJA Allianz	1	$0.2	0.0%	$13.2	0	1	100.0%	$0.2	100.0%	0.0%
i-VCAP Management	1	$0.2	0.0%	$0.2	0	0	0.0%	$0.0	-6.9%	0.0%
HFT Investment Management	2	$0.2	0.0%	$0.5	0	1	100.0%	$0.1	80.3%	0.0%
Morgan Stanley	6	$0.2	0.0%	$2.5	0	2	50.0%	$0.1	54.6%	0.0%
CIMB-Principal Asset Management	2	$0.2	0.0%	$0.2	1	0	0.0%	$0.0	-2.3%	0.0%
Lyxor	3	$0.2	0.0%	$0.2	0	0	0.0%	$0.0	1.8%	0.0%
Ossiam	5	$0.2	0.0%	$0.0	0	5	100.0%	$0.2	100.0%	0.0%
Jefferies Asset Management	4	$0.2	0.0%	$1.4	4	0	0.0%	$0.0	28.8%	0.0%
SEB	3	$0.2	0.0%	$12.4	0	3	100.0%	$0.2	100.0%	0.0%
Fidelity Management & Research	1	$0.2	0.0%	$1.2	0	0	0.0%	$0.0	4.1%	0.0%
Hanwha Investment Trust Management	3	$0.2	0.0%	$0.4	0	2	200.0%	$0.1	146.2%	0.0%
DBX Strategic Advisors	10	$0.2	0.0%	$0.2	39	5	100.0%	$0.0	21.4%	0.0%
Guotai Asset Management	1	$0.2	0.0%	$1.3	2	1	100.0%	$0.2	100.0%	0.0%
Finans Portfoy Yonetimi	7	$0.1	0.0%	$16.6	0	0	0.0%	$0.0	13.6%	0.0%
BetaShares Capital	4	$0.1	0.0%	$2.2	2	2	100.0%	$0.1	83.1%	0.0%
UTI Asset Management	2	$0.1	0.0%	$0.3	1	0	0.0%	$0.0	28.8%	0.0%
Sensible Asset Management	2	$0.1	0.0%	$0.2	0	0	0.0%	$0.0	24.9%	0.0%
AMP	1	$0.1	0.0%	$0.0	0	0	0.0%	$0.0	-13.1%	0.0%
Teucrium Trading	3	$0.1	0.0%	$8.1	4	2	200.0%	$0.1	199.4%	0.0%
Kotak Mahindra Asset Management	4	$0.1	0.0%	$1.0	0	0	0.0%	$0.0	42.2%	0.0%
Barclays Capital	8	$0.1	0.0%	$9.2	0	-1	-11.1%	$0.1	92.7%	0.0%
Yurie Asset Management	2	$0.1	0.0%	$0.4	0	0	0.0%	$0.0	-11.4%	0.0%
JP Morgan Mansart Investments	6	$0.1	0.0%	$0.1	0	0	0.0%	$0.0	-10.0%	0.0%

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Figure 9: ETF/ETP providers around the world, ranked by assets, as at end H1 2011 (continued)

	H1-11					YTD change				
Provider	# ETFs/ ETPs	Assets (US$ Bn)	% total	ADV (US$ Mn)	# planned	# ETFs/ ETPs	% ETFs/ ETPs	Assets (US$ Bn)	% assets	% market share
Lion Fund Management	1	$0.1	0.0%	$0.0	0	1	100.0%	$0.1	100.0%	0.0%
ThinkCapital	9	$0.1	0.0%	$1.2	0	4	80.0%	$0.1	239.6%	0.0%
Fullgoal Fund Management	1	$0.1	0.0%	$0.1	0	1	100.0%	$0.1	100.0%	0.0%
Goldman Sachs	2	$0.1	0.0%	$0.4	0	0	0.0%	$0.0	3.9%	0.0%
FocusShares	15	$0.1	0.0%	$1.0	6	15	100.0%	$0.1	100.0%	0.0%
HDFC Mutual Fund	1	$0.1	0.0%	$0.1	0	0	0.0%	$0.0	10.6%	0.0%
Simplex Asset Management	3	$0.1	0.0%	$0.9	0	0	0.0%	$0.0	-5.0%	0.0%
One Asset Management	1	$0.1	0.0%	$0.2	0	-1	-50.0%	$0.0	-10.8%	0.0%
Motilal Oswal Asset Management	3	$0.1	0.0%	$0.1	2	2	200.0%	$0.0	10.1%	0.0%
Penghua Fund Management	1	$0.1	0.0%	$0.1	3	0	0.0%	$0.0	-24.9%	0.0%
CCB Principal Asset Management	1	$0.1	0.0%	$0.0	0	0	0.0%	$0.0	-3.3%	0.0%
First Asset Management	5	$0.1	0.0%	$0.0	0	5	100.0%	$0.1	100.0%	0.0%
Ping An	1	$0.1	0.0%	$0.0	0	0	0.0%	$0.0	-27.5%	0.0%
Standard Commodities	1	$0.1	0.0%	$1.1	0	0	0.0%	$0.0	4.6%	0.0%
Alpha Asset Management	1	$0.0	0.0%	$0.1	0	0	0.0%	$0.0	-11.8%	0.0%
UOB Asset Management	1	$0.0	0.0%	$0.3	0	0	0.0%	$0.0	-44.4%	0.0%
ESAF	1	$0.0	0.0%	$1.2	0	0	0.0%	$0.0	0.0%	0.0%
Fortress Asset Managers	1	$0.0	0.0%	$0.0	1	0	0.0%	$0.0	-4.3%	0.0%
SBI Funds Management	1	$0.0	0.0%	$0.2	0	0	0.0%	$0.0	12.1%	0.0%
Daishin Investment Trust Management	1	$0.0	0.0%	$0.1	0	0	0.0%	$0.0	24.9%	0.0%
Prudential Asset Management	2	$0.0	0.0%	$0.1	0	0	0.0%	$0.0	16.8%	0.0%
Investec Fund Management	1	$0.0	0.0%	$0.1	0	0	0.0%	$0.0	-3.3%	0.0%
Midas Asset Management	1	$0.0	0.0%	$0.0	0	1	100.0%	$0.0	100.0%	0.0%
KTB Asset Management	2	$0.0	0.0%	$0.1	0	1	100.0%	$0.0	-3.9%	0.0%
Falcom Financial Services	2	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	52.6%	0.0%
Columbia Management Investment Advisers	5	$0.0	0.0%	$0.1	3	0	0.0%	$0.0	30.4%	0.0%
NCB Investment Services	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	12.9%	0.0%
Australian Index Investments	6	$0.0	0.0%	$0.1	0	0	0.0%	$0.0	13.0%	0.0%
PRUDENTIAL ICICI	2	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	7.8%	0.0%
Kokusai Asset Management	1	$0.0	0.0%	$0.4	0	0	0.0%	$0.0	177.2%	0.0%
Deutsche Bank	5	$0.0	0.0%	$0.1	0	0	0.0%	$0.0	59.2%	0.0%
Tong Yang Investment Trust Management	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	-5.0%	0.0%
OTP Fund Management	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	20.7%	0.0%
FactorShares	5	$0.0	0.0%	$0.6	22	5	100.0%	$0.0	100.0%	0.0%
Is Investment	2	$0.0	0.0%	$2.6	0	0	0.0%	$0.0	-5.7%	0.0%
Axis Mutual Fund	1	$0.0	0.0%	$0.0	4	0	0.0%	$0.0	6.6%	0.0%
Protego	2	$0.0	0.0%	$0.5	0	0	0.0%	$0.0	30.3%	0.0%
Javelin Investment Management	1	$0.0	0.0%	$0.1	0	0	0.0%	$0.0	24.7%	0.0%
Religare India Asset Management	2	$0.0	0.0%	$0.0	0	1	100.0%	$0.0	24.2%	0.0%
Birla Sun Life Mutual Fund	1	$0.0	0.0%	$0.1	1	1	100.0%	$0.0	100.0%	0.0%
FaithShares	5	$0.0	0.0%	$0.1	0	0	0.0%	$0.0	-9.0%	0.0%
Krung Thai Asset Management	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	-19.7%	0.0%
NBG Asset Management	2	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	-4.2%	0.0%
Osmosis Investment Management	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	-4.0%	0.0%
Troika Dialog Asset Management	1	$0.0	0.0%	$6.8	0	0	0.0%	$0.0	10.8%	0.0%
Quantum Asset Management	2	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	22.8%	0.0%
Dubai Commodities Asset Management	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	5.8%	0.0%
Pax World Management	2	$0.0	0.0%	$0.1	1	1	100.0%	$0.0	143.7%	0.0%
Garanti Bank	1	$0.0	0.0%	$1.1	0	0	0.0%	$0.0	-10.7%	0.0%
TMB Asset Management	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	-8.2%	0.0%
Nedgroup Beta Solutions	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	-1.8%	0.0%
National Bank of Abu Dhabi	1	$0.0	0.0%	$0.0	2	0	0.0%	$0.0	2.9%	0.0%
Hyundai Investments	2	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	-33.3%	0.0%
Medvesek Pusnik AM	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	7.4%	0.0%
Mizuho Asset Management	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	-43.0%	0.0%
Indo Premier Securities	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	-11.3%	0.0%

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Figure 9: ETF/ETP providers around the world, ranked by assets, as at end H1 2011 (continued)

	H1-11					YTD change				
Provider	**# ETFs/ ETPs**	**Assets (US$ Bn)**	**% total**	**ADV (US$ Mn)**	**# planned**	**# ETFs/ ETPs**	**% ETFs/ ETPs**	**Assets (US$ Bn)**	**% assets**	**% market share**
China International Capital Corp	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	-92.1%	0.0%
Bizim Menkul Degerler	1	$0.0	0.0%	$0.4	0	0	0.0%	$0.0	-12.4%	0.0%
Goldman Sachs Asset Management	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	0.0%	0.0%
Standard Bank	4	$0.0	0.0%	$0.1	0	0	0.0%	$0.0	0.0%	0.0%
Rand Merchant Bank	2	$0.0	0.0%	$0.0	0	1	100.0%	$0.0	100.0%	0.0%
Kuveyt Turk Katilim Bankasi	1	$0.0	0.0%	$0.1	0	0	0.0%	$0.0	0.0%	0.0%
Clade Investment Management	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	0.0%	0.0%
Israel ETPs	317	$17.0	1.0%	$114.0	0	-2	-0.6%	$2.0	13.4%	0.0%
Harel	21	N/A	N/A	$5.8	0	0	0.0%	N/A	N/A	N/A
Index	20	N/A	N/A	$7.6	0	0	0.0%	N/A	N/A	N/A
KSM	101	N/A	N/A	$40.0	0	0	0.0%	N/A	N/A	N/A
Meitav	73	N/A	N/A	$14.9	0	-1	-1.4%	N/A	N/A	N/A
Psagot	52	N/A	N/A	$16.8	0	0	0.0%	N/A	N/A	N/A
Tachlit	50	N/A	N/A	$28.8	0	-1	-2.0%	N/A	N/A	N/A
Carnegie Fonder	0	$0.0	0.0%	$0.0	0	-7	-100.0%	$0.0	-100.0%	0.0%
Al Mal Capital	-	-	-	-	1	-	-	-	-	-
AllianceBernstein	-	-	-	-	1	-	-	-	-	-
Allianz SE	-	-	-	-	1	-	-	-	-	-
Arrow Investment Advisors	-	-	-	-	2	-	-	-	-	-
Bank of China Investment Management	-	-	-	-	1	-	-	-	-	-
Bombay Bullion Association	-	-	-	-	2	-	-	-	-	-
Capital Synergy Investment Management	-	-	-	-	1	-	-	-	-	-
Cydinar Sdn Bhd	-	-	-	-	1	-	-	-	-	-
Dreyfus Corp	-	-	-	-	1	-	-	-	-	-
Eaton Vance	-	-	-	-	5	-	-	-	-	-
Exchange Traded Spreads Trust	-	-	-	-	5	-	-	-	-	-
Firsthand Capital	-	-	-	-	1	-	-	-	-	-
Florentez Investment	-	-	-	-	1	-	-	-	-	-
Forum Investment Advisors	-	-	-	-	1	-	-	-	-	-
GAM Holding	-	-	-	-	4	-	-	-	-	-
Gaon Investment House	-	-	-	-	2	-	-	-	-	-
Georgetown Investment Management	-	-	-	-	5	-	-	-	-	-
GF Fund Management	-	-	-	-	1	-	-	-	-	-
Government Service Insurance Systems	-	-	-	-	1	-	-	-	-	-
Hartford	-	-	-	-	1	-	-	-	-	-
Harvest Fund Management	-	-	-	-	1	-	-	-	-	-
Hinduja Bank (Switzerland)	-	-	-	-	1	-	-	-	-	-
Huntington Asset Advisors	-	-	-	-	3	-	-	-	-	-
ING OptiMix	-	-	-	-	1	-	-	-	-	-
Janus Capital Management	-	-	-	-	1	-	-	-	-	-
John Hancock	-	-	-	-	1	-	-	-	-	-
JP Morgan Asset Management	-	-	-	-	2	-	-	-	-	-
Legg Mason	-	-	-	-	1	-	-	-	-	-
Macro Securities Depositor	-	-	-	-	2	-	-	-	-	-
Millington Securities	-	-	-	-	1	-	-	-	-	-
Neuberger Berman	-	-	-	-	1	-	-	-	-	-
Next Investments	-	-	-	-	2	-	-	-	-	-
Northern Trust	-	-	-	-	5	-	-	-	-	-
OppenheimerFunds	-	-	-	-	1	-	-	-	-	-
Qbasis Invest	-	-	-	-	1	-	-	-	-	-
QuantShares	-	-	-	-	7	-	-	-	-	-
RBC Global Asset Management	-	-	-	-	8	-	-	-	-	-
RiddiSiddhi Bullions	-	-	-	-	1	-	-	-	-	-
RiverPark Advisors	-	-	-	-	4	-	-	-	-	-
RUSAL	-	-	-	-	1	-	-	-	-	-
Shanghai Gold Exchange	-	-	-	-	1	-	-	-	-	-

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Figure 9: ETF/ETP providers around the world, ranked by assets, as at end H1 2011 (continued)

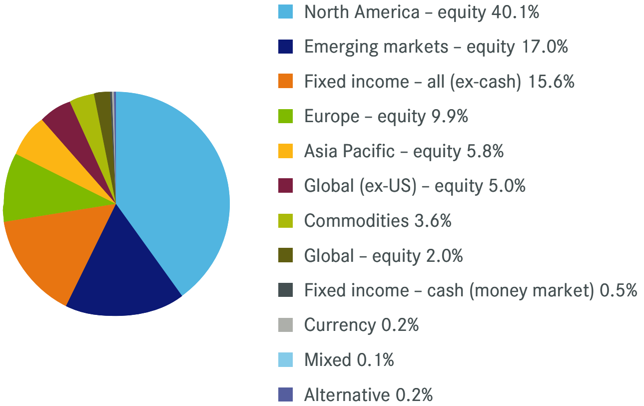
	H1-11					YTD change				
Provider	**# ETFs/ ETPs**	**Assets (US$ Bn)**	**% total**	**ADV (US$ Mn)**	**# planned**	**# ETFs/ ETPs**	**% ETFs/ ETPs**	**Assets (US$ Bn)**	**% assets**	**% market share**
ShariahShares	-	-	-	-	2	-	-	-	-	-
T Rowe Price	-	-	-	-	1	-	-	-	-	-
Tata Mutual Fund	-	-	-	-	2	-	-	-	-	-
WealthNotes Capital Management	-	-	-	-	1	-	-	-	-	-
Other (planned)	-	-	-	-	20	-	-	-	-	-
Total	**3,987**	**$1,626.1**	**100.0%**	**$75,338.7**	**1,195**	**444**	**12.5%**	**$143.4**	**9.7%**	

1. Individual assets of Israeli providers are temporarily unavailable. An aggregate value for Israeli ETPs has been included in the total assets. Latest data for Israel ETP assets from Bank of Israel is May 2011.

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 10: Global ETF assets by type of exposure, as at end H1 2011

	H1-11					Jun-11		YTD change				
Region of exposure	**# ETFs**	**# total listings**	**AUM (US$ Bn)**	**% total**	**ADV (US$ Bn)**	**NNA (US$ Bn)**	**YTD NNA (US$ Bn)**	**# ETFs**	**# total listings**	**AUM (US$ Bn)**	**% AUM**	**% total**
Equity	**2,122**	**4,777**	**$1,151.6**	**79.8%**	**$63.6**	**$8.9**	**$52.6**	**237**	**513**	**$97.7**	**9.3%**	**-0.5%**
North America	658	1,114	$578.0	40.1%	$51.6	$3.3	$28.2	78	143	$54.8	10.5%	0.2%
Emerging markets	535	1,095	$244.8	17.0%	$7.2	$3.3	$2.2	105	176	$7.1	3.0%	-1.2%
Europe	495	1,542	$143.2	9.9%	$2.4	$1.4	$10.1	6	66	$21.8	18.0%	0.7%
Asia Pacific	203	465	$84.3	5.8%	$0.8	$0.2	$3.2	19	55	$2.0	2.4%	-0.4%
Global (ex-US)	75	95	$72.5	5.0%	$1.3	$0.7	$6.4	4	6	$8.8	13.8%	0.2%
Global	156	466	$28.8	2.0%	$0.2	-$0.1	$2.5	25	67	$3.1	12.3%	0.0%
Fixed income	**452**	**1,013**	**$232.8**	**16.1%**	**$3.1**	**$4.7**	**$19.3**	**75**	**139**	**$25.5**	**12.3%**	**0.3%**
Fixed income – all (ex-cash)	427	941	$225.1	15.6%	$3.0	$4.8	$19.5	70	124	$25.3	12.6%	0.4%
Fixed income – cash (money market)	25	72	$7.7	0.5%	$0.1	-$0.1	-$0.1	5	15	$0.3	3.5%	0.0%
Commodities	166	331	$52.3	3.6%	$1.3	$0.0	$5.6	36	59	$6.6	14.4%	0.1%
Alternative	19	26	$2.2	0.2%	$0.0	$0.2	$0.6	4	6	$0.7	48.5%	0.0%
Currency	23	37	$2.2	0.2%	$0.0	-$0.3	-$0.1	7	15	$0.2	9.1%	0.0%
Mixed	43	45	$1.6	0.1%	$0.0	$0.1	$0.6	6	7	$0.6	56.8%	0.0%
Total	**2,825**	**6,229**	**$1,442.7**	**100.0%**	**$68.0**	**$13.6**	**$78.6**	**365**	**739**	**$131.3**	**10.0%**	



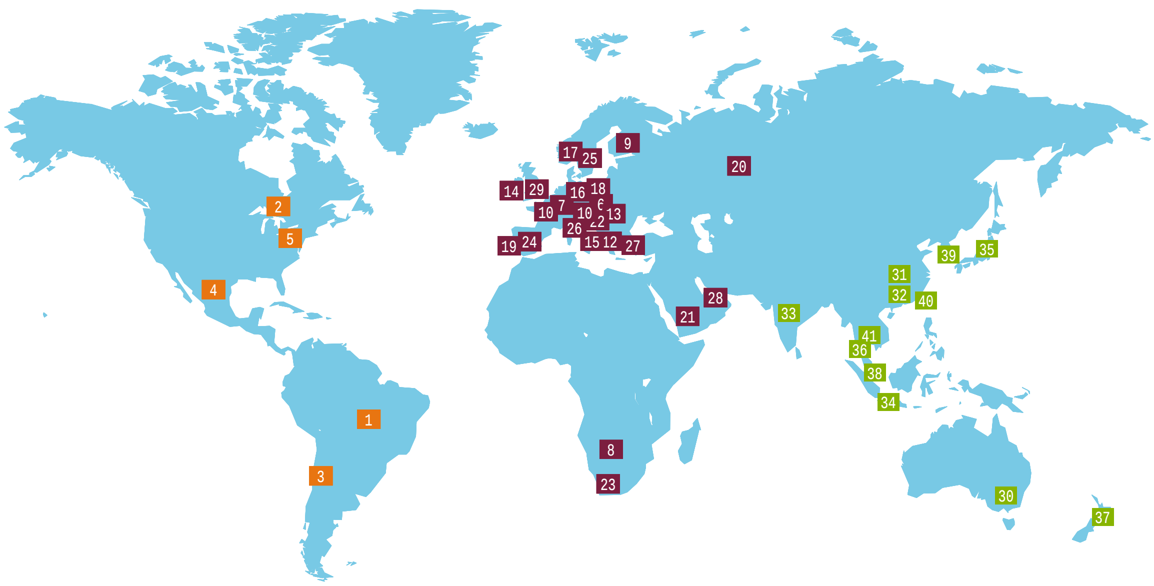
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 11: Global leveraged and inverse ETFs assets by type of exposure, as at end H1 2011

	Jun-11						
Exposure	# ETFs /ETPs	# total listings	ADV (US$ Mn)	Assets (US$ Mn)	NNA (US$ Mn)	YTD-11 NNA (US$ Mn)	2010 NNA (US$ Mn)
Leveraged	213	387	4,311.5	20,084.5	1,357.8	32.5	(3,171.7)
Equity	117	204	3,581.8	15,223.7	842.6	(675.2)	(2,682.6)
North America	60	76	3,076.4	10,667.7	404.6	(796.1)	(3,047.6)
Europe	32	102	246.5	3,012.8	413.7	32.3	338.6
Asia Pacific	2	2	0.8	49.4	(3.4)	30.9	3.0
Middle East and Africa	3	3	4.1	-	-	-	-
Global	1	1	0.1	32.7	(0.0)	28.6	-
Global (ex-US)	3	3	1.4	45.7	(1.3)	5.4	(3.9)
Emerging markets	16	17	252.4	1,415.4	29.0	23.6	27.3
Fixed income	14	20	22.5	359.7	133.8	234.9	45.3
Commodities	55	136	663.8	4,310.6	317.9	269.8	(569.4)
Currency	19	19	2.8	43.6	2.0	20.7	(1.7)
Alternative	3	3	40.0	127.7	63.7	162.4	36.7
Mixed	5	5	0.6	19.1	(2.2)	20.0	-
Inverse	200	451	388.6	9,796.2	648.4	2,103.3	2,497.2
Equity	203	460	520.7	10,547.4	415.1	956.1	943.8
North America	84	196	389.9	6,028.1	501.4	903.3	872.3
Europe	21	32	231.0	3,390.8	(95.7)	(27.0)	(90.0)
Asia Pacific	36	133	98.5	2,081.4	-	0.4	16.9
Middle East and Africa	1	3	0.2	20.6	-	-	-
Global (ex-US)	16	16	5.8	-	13.9	22.3	93.5
Emerging markets	-	-	-	-	(4.4)	57.1	51.2
Fixed income	1	1	3.4	118.3	124.7	669.6	1,370.1
Commodities	9	11	50.8	417.0	(15.6)	175.5	121.5
Currency	35	74	33.4	3,119.5	(43.2)	51.8	40.2
Alternative	47	128	18.2	585.3	167.4	250.4	21.6
Leveraged inverse	161	233	3,373.9	18,478.2	114.2	3,969.0	7,124.3
Equity	106	160	2,930.4	8,805.4	(287.0)	1,073.1	3,310.6
North America	54	69	2,664.3	6,841.6	(38.3)	946.7	2,657.4
Europe	25	63	188.1	1,416.8	(252.4)	39.8	465.0
Asia Pacific	2	2	1.1	38.0	(7.4)	29.4	(0.5)
Middle East and Africa	9	9	5.0	-	-	-	-
Global	1	1	0.2	32.9	1.1	8.9	21.3
Global (ex-US)	3	3	1.9	34.7	2.4	4.8	31.1
Emerging markets	12	13	69.9	441.4	7.5	43.6	136.2
Fixed income	13	20	381.1	7,970.8	412.6	1,879.5	2,994.0
Commodities	24	30	469.0	1,501.3	(157.7)	525.8	313.0
Currency	18	18	47.6	1,058.4	146.4	490.7	506.7
Total	**577**	**1,075**	**8,660.3**	**49,967.8**	**2,120.5**	**6,104.8**	**6,449.8**

Individual assets of Israeli providers are temporarily unavailable. An aggregate value for Israeli ETPs has been included in the total assets. Latest data for Israel ETP assets from Bank of Israel is May 2011.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 12: Global ETF listings, as at end H1 2011



Americas

	Country	P listings:	T listings:	Providers:	AUM:
1	**Brazil**	8	8	2	US$1.8 Bn
2	**Canada**	195	235	6	US$41.7 Bn
3	**Chile**	–	50	–	–
4	**Mexico**	19	351	3	US$9.5 Bn
5	**United States**	1,039	1,039	29	US$973.5 Bn

EMEA

	Country	P listings:	T listings:	Providers:	AUM:
6	**Austria**	1	21	1	US$0.1 Bn
7	**Belgium**	1	28	1	US$0.0 Bn
8	**Botswana**	-	1	-	-
9	**Finland**	1	1	1	US$0.3 Bn
10	**France**	270	494	9	US$64.3 Bn
11	**Germany**	420	1,237	12	US$124.4 Bn
12	**Greece**	3	3	2	US$0.1 Bn
13	**Hungary**	1	1	1	US$0.0 Bn
14	**Ireland**	14	14	2	US$0.4 Bn
15	**Italy**	23	535	4	US$2.7 Bn
16	**Netherlands**	16	115	4	US$0.4 Bn
17	**Norway**	7	15	2	US$0.9 Bn
18	**Poland**	1	3	1	US$0.1 Bn
19	**Portugal**	3	3	2	US$0.1 Bn
20	**Russia**	1	1	1	US$0.0 Bn
21	**Saudi Arabia**	2	2	1	US$0.0 Bn
22	**Slovenia**	1	1	1	US$0.0 Bn
23	**South Africa**	26	26	8	US$2.6 Bn
24	**Spain**	12	68	2	US$1.5 Bn
25	**Sweden**	23	87	2	US$3.0 Bn
26	**Switzerland**	128	691	7	US$47.3 Bn
27	**Turkey**	12	12	5	US$0.2 Bn
28	**UAE**	1	1	1	US$0.0 Bn
29	**United Kingdom**	247	720	9	US$75.8 Bn

Asia/Pacific

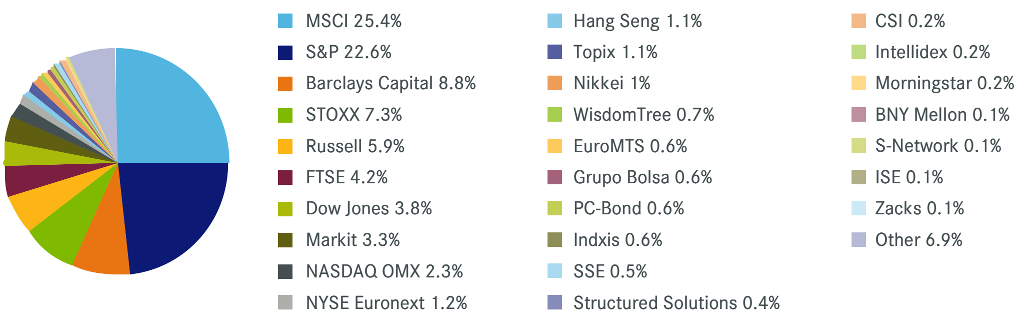
	Country	P listings:	T listings:	Providers:	AUM:
30	**Australia**	28	49	6	US$3.9 Bn
31	**China**	25	25	18	US$12.1 Bn
32	**Hong Kong**	47	76	10	US$27.3 Bn
33	**India**	19	19	8	US$0.5 Bn
34	**Indonesia**	1	1	1	US$0.0 Bn
35	**Japan**	86	90	7	US$31.2 Bn
36	**Malaysia**	4	5	3	US$0.4 Bn
37	**New Zealand**	6	6	2	US$0.4 Bn
38	**Singapore**	25	83	8	US$3.2 Bn
39	**South Korea**	91	91	14	US$7.7 Bn
40	**Taiwan**	15	18	2	US$5.7 Bn
41	**Thailand**	3	3	3	US$0.1 Bn

P listings = # primary listings. T listings = # total listings. Providers = # primary ETF providers. Assets = Assets Under Management in primary listings only.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Index providers do not issue products or manage assets. However, ETFs are designed to track indices so investors do consider the underlying index methodology and how representative the index is of the desired exposure. Globally, MSCI ranked first in terms of ETF assets and number of ETFs tracking their indices, with US$366.9 Bn in 453 ETFs, reflecting 25.4% market share, while Standard & Poor's (S&P) ranked second with US$325.6 Bn in 355 ETFs, reflecting 22.6% market share, followed by Barclays Capital with US$126.4 Bn and 8.8% market share in 100 ETFs, at the end of H1 2011.

Figure 13: Global ETF assets by index provider, as at end of H1 2011

	H1-11							YTD change				
Index provider	# ETFs	# total listings	AUM (US$ Bn)	% total	ADV (US$ Bn)	Jun-11 NNA (US$ Bn)	YTD NNA (US$ Bn)	# ETFs	# total listings	AUM (US$ Bn)	% AUM	% total
MSCI	453	1,575	$366.9	25.4%	$7.8	$1.3	$21.1	63	254	$29.1	8.6%	-0.3%
S&P	355	627	$325.6	22.6%	$36.2	$5.6	$11.8	40	74	$24.5	8.2%	-0.4%
Barclays Capital	100	224	$126.4	8.8%	$2.3	$3.6	$13.7	16	17	$15.3	13.7%	0.3%
STOXX	290	942	$105.3	7.3%	$1.6	$1.7	$7.1	2	-34	$15.3	17.1%	0.4%
Russell	91	126	$84.5	5.9%	$9.0	$0.5	-$0.2	21	28	$4.0	4.9%	-0.3%
FTSE	175	420	$60.6	4.2%	$1.2	$0.1	$2.9	12	37	$5.7	10.3%	0.0%
Dow Jones	159	286	$54.5	3.8%	$2.4	-$0.2	$4.5	19	31	$6.9	14.5%	0.1%
Markit	125	354	$48.3	3.3%	$0.3	-$0.2	$1.1	13	44	$3.1	7.0%	-0.1%
NASDAQ OMX	62	120	$33.6	2.3%	$3.5	-$0.9	$0.7	1	20	$1.9	6.1%	-0.1%
NYSE Euronext	46	85	$17.3	1.2%	$0.8	$0.8	$0.3	5	5	$0.7	4.3%	-0.1%
Hang Seng	13	34	$15.9	1.1%	$0.1	$0.0	-$0.1	0	0	$0.6	3.9%	-0.1%
Topix	54	67	$15.8	1.1%	$0.0	$0.0	$0.0	1	3	-$0.8	-4.9%	-0.2%
Nikkei	10	18	$14.9	1.0%	$0.1	$0.0	-$0.1	1	2	$0.3	1.9%	-0.1%
WisdomTree	35	42	$10.1	0.7%	$0.1	$0.4	$1.6	0	0	$1.6	19.4%	0.1%
EuroMTS	29	113	$9.2	0.6%	$0.1	-$0.5	-$1.1	0	2	-$0.3	-3.1%	-0.1%
Grupo Bolsa	13	14	$8.9	0.6%	$0.3	$0.4	$1.2	0	0	$1.2	15.6%	0.0%
PC-Bond	21	26	$8.5	0.6%	$0.0	$0.2	$0.5	3	4	$0.8	10.8%	0.0%
Indxis	8	13	$8.0	0.6%	$0.0	$0.3	$1.9	2	6	$2.2	38.9%	0.1%
SSE	22	23	$7.7	0.5%	$0.1	$0.0	$0.0	8	8	$1.3	19.5%	0.0%
Structured Solutions	38	48	$6.1	0.4%	$0.1	$0.1	$1.6	13	15	$0.3	6.1%	0.0%
CSI	32	38	$3.5	0.2%	$0.1	$0.0	$0.0	1	5	$0.0	-1.1%	0.0%
Intellidex	36	46	$3.3	0.2%	$0.0	-$0.3	$0.2	0	7	$0.4	15.2%	0.0%
Morningstar	26	26	$2.3	0.2%	$0.0	$0.0	$0.2	16	16	$0.4	19.0%	0.0%
BNY Mellon	19	20	$2.1	0.1%	$0.0	$0.0	-$0.5	1	1	-$0.5	-20.2%	-0.1%
S-Network	16	37	$2.0	0.1%	$0.0	-$0.1	$0.3	1	4	$0.3	16.0%	0.0%
ISE	10	10	$1.2	0.1%	$0.0	-$0.5	$0.1	0	0	$0.1	14.1%	0.0%
Zacks	11	13	$1.0	0.1%	$0.0	$0.0	$0.1	0	1	$0.2	19.8%	0.0%
Other	576	882	$99.1	6.9%	$1.6	$1.3	$9.5	126	189	$16.7	20.3%	0.6%
Total	**2,825**	**6,229**	**$1,442.7**	**100.0%**	**$68.0**	**$13.6**	**$78.6**	**365**	**739**	**$131.3**	**10.0%**	



Source: BlackRock Investment Institute – ETF Research, Bloomberg, National Stock Exchange (NSX).

Figure 14: Top 20 ETFs worldwide by AUM, as at end H1 2011

ETF	Country listed	Ticker	AUM (US$ Mn)	ADV ('000 shares)	ADV (US$ Mn)
SPDR S&P 500	US	SPY US	$92,053.3	200,351	$25,886.6
Vanguard MSCI Emerging Markets ETF	US	VWO US	$50,280.3	15,615	$742.4
iShares MSCI EAFE Index Fund	US	EFA US	$39,620.2	18,862	$1,119.7
iShares MSCI Emerging Markets Index Fund	US	EEM US	$38,748.8	48,126	$2,245.3
iShares S&P 500 Index Fund	US	IVV US	$27,609.6	2,764	$358.6
PowerShares QQQ Trust	US	QQQ US	$22,845.7	48,162	$2,673.9
iShares Barclays TIPS Bond Fund	US	TIP US	$20,944.2	756	$83.7
Vanguard Total Stock Market ETF	US	VTI US	$20,077.0	1,939	$129.3
iShares Russell 2000 Index Fund	US	IWM US	$16,618.0	64,045	$5,134.9
iShares iBoxx $ Investment Grade Corporate Bond Fund	US	LQD US	$13,777.3	796	$88.2
iShares Russell 1000 Growth Index Fund	US	IWF US	$13,554.9	2,021	$119.6
iShares MSCI Brazil Index Fund	US	EWZ US	$12,781.2	12,341	$891.4
iShares Barclays Aggregate Bond Fund	US	AGG US	$11,851.0	1,074	$115.2
iShares Russell 1000 Value Index Fund	US	IWD US	$11,638.3	1,556	$103.8
iShares S&P/TSX 60 Index Fund	Canada	XIU CN	$11,504.6	18,237	$361.9
iShares S&P MidCap 400 Index Fund	US	IJH US	$11,479.8	807	$76.9
S&P 400 MidCap SPDR	US	MDY US	$11,086.3	2,337	$404.4
iShares DAX (DE)	Germany	DAXEX GY	$10,877.3	1,355	$129.2
Vanguard Total Bond Market ETF	US	BND US	$10,242.4	864	$70.5
iShares S&P 500	United Kingdom	IUSA LN	$9,907.5	6,849	$88.1

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 15: Top 20 ETFs worldwide by average daily US dollar trading volume, as at end H1 2011

ETF	Country listed	Ticker	ADV (US$ Mn)	ADV ('000 shares)	AUM (US$ Mn)
SPDR S&P 500	US	SPY US	$25,886.6	200,351	$92,053.3
iShares Russell 2000 Index Fund	US	IWM US	$5,134.9	64,045	$16,618.0
PowerShares QQQ Trust	US	QQQ US	$2,673.9	48,162	$22,845.7
iShares MSCI Emerging Markets Index Fund	US	EEM US	$2,245.3	48,126	$38,748.8
Energy Select Sector SPDR Fund	US	XLE US	$1,535.4	20,948	$9,009.9
Financial Select Sector SPDR Fund	US	XLF US	$1,166.8	77,803	$7,308.8
iShares MSCI EAFE Index Fund	US	EFA US	$1,119.7	18,862	$39,620.2
iShares MSCI Brazil Index Fund	US	EWZ US	$891.4	12,341	$12,781.2
iShares Barclays 20+ Year Treasury Bond Fund	US	TLT US	$839.0	8,719	$2,888.9
SPDR Dow Jones Industrial Average ETF	US	DIA US	$742.8	6,150	$9,639.3
Vanguard MSCI Emerging Markets ETF	US	VWO US	$742.4	15,615	$50,280.3
Direxion Daily Small Cap Bull 3x Shares	US	TNA US	$725.0	9,788	$764.2
Industrial Select Sector SPDR Fund	US	XLI US	$675.4	18,775	$4,004.3
Direxion Daily Small Cap Bear 3x Shares	US	TZA US	$658.8	16,942	$612.3
iShares FTSE China 25 Index Fund	US	FXI US	$643.7	15,069	$7,157.6
ProShares Ultra S&P500	US	SSO US	$628.7	12,480	$1,681.9
iShares Dow Jones US Real Estate Index Fund	US	IYR US	$572.0	9,571	$3,795.9
SPDR S&P Retail ETF	US	XRT US	$563.1	10,944	$568.5
Materials Select Sector SPDR Trust	US	XLB US	$532.7	14,096	$2,666.3
Market Vectors Gold Miners	US	GDX US	$500.3	9,283	$6,832.1

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 16: Top 20 ETFs worldwide with largest change in AUM, as at end H1 2011

ETF	Country listed	Ticker	AUM (US$ Mn) Jun-11	AUM (US$ Mn) Dec-10	Change (US$ Mn)
iShares MSCI Emerging Markets Index Fund	US	EEM US	$38,748.8	$47,551.5	-$8,802.7
Vanguard MSCI Emerging Markets ETF	US	VWO US	$50,280.3	$44,569.8	$5,710.5
iShares DAX (DE)	Germany	DAXEX GY	$10,877.3	$5,917.7	$4,959.7
Market Vectors Agribusiness ETF	US	MOO US	$5,564.6	$2,631.5	$2,933.1
db x-trackers DAX ETF	Germany	XDAX GY	$6,453.8	$3,693.1	$2,760.8
iShares MSCI EAFE Index Fund	US	EFA US	$39,620.2	$36,923.1	$2,697.1
iShares MSCI Japan Index Fund	US	EWJ US	$7,278.1	$4,883.3	$2,394.7
iShares S&P MidCap 400 Index Fund	US	IJH US	$11,479.8	$9,332.0	$2,147.7
SPDR S&P 500	US	SPY US	$92,053.3	$89,915.3	$2,138.0
Vanguard Dividend Appreciation ETF	US	VIG US	$6,720.9	$4,608.9	$2,112.0
iShares S&P 500	United Kingdom	IUSA LN	$9,907.5	$7,905.8	$2,001.6
Vanguard REIT ETF	US	VNQ US	$9,449.0	$7,503.7	$1,945.4
Vanguard MSCI EAFE ETF	US	VEA US	$7,230.2	$5,304.0	$1,926.2
iShares MSCI Germany Index Fund	US	EWG US	$3,807.6	$1,881.7	$1,925.9
iShares S&P US Preferred Stock Index Fund	US	PFF US	$8,041.1	$6,120.7	$1,920.4
Vanguard Total Stock Market ETF	US	VTI US	$20,077.0	$18,236.0	$1,841.0
iShares S&P 500 Index Fund	US	IVV US	$27,609.6	$25,799.2	$1,810.4
iShares NAFTRAC	Mexico	NAFTRAC MM	$7,181.6	$5,472.5	$1,709.1
Technology Select Sector SPDR Fund	US	XLK US	$7,504.6	$5,849.3	$1,655.3
iShares Barclays TIPS Bond Fund	US	TIP US	$20,944.2	$19,407.4	$1,536.8

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 17: ETF providers worldwide ranked by AUM, as at end H1 2011

	H1-11					YTD change				
Provider	# ETFs	AUM (US$ Bn)	% total	ADV (US$ Mn)	# planned	# ETFs	% ETFs	AUM (US$ Bn)	% AUM	% market share
iShares	474	$620.7	43.0%	$17,801.2	16	1	0.2%	$42.1	7.3%	-1.1%
State Street Global Advisors	137	$204.2	14.2%	$33,776.9	37	24	21.2%	$13.6	7.1%	-0.4%
Vanguard	69	$175.5	12.2%	$1,575.2	1	4	6.2%	$27.0	18.2%	0.8%
Lyxor Asset Management	163	$54.4	3.8%	$941.2	1	7	4.5%	$1.0	1.9%	-0.3%
db x-trackers	201	$52.3	3.6%	$481.4	16	22	12.3%	$3.2	6.5%	-0.1%
PowerShares	142	$45.7	3.2%	$2,843.7	49	12	9.2%	$2.9	6.8%	-0.1%
ProShares	107	$23.5	1.6%	$3,424.6	93	7	7.0%	$2.0	9.1%	0.0%
Van Eck Associates Corp	34	$23.0	1.6%	$877.0	38	5	17.2%	$3.0	15.2%	0.1%
Credit Suisse Asset Management	58	$18.3	1.3%	$89.6	0	4	7.4%	$2.7	17.1%	0.1%
Nomura Asset Management	34	$16.0	1.1%	$82.2	0	2	6.3%	-$0.4	-2.4%	-0.1%
WisdomTree Investments	46	$13.0	0.9%	$165.8	71	2	4.5%	$3.1	31.1%	0.1%
Zurich Cantonal Bank	7	$12.9	0.9%	$43.4	0	0	0.0%	$1.1	9.5%	0.0%
UBS Global Asset Management	50	$11.4	0.8%	$43.5	0	21	72.4%	$4.8	73.8%	0.3%
Bank of New York	1	$11.1	0.8%	$404.4	0	0	0.0%	-$1.1	-9.2%	-0.2%
Amundi ETF	99	$10.1	0.7%	$107.9	0	7	7.6%	$2.9	40.7%	0.2%
Commerzbank	94	$9.6	0.7%	$44.3	0	4	4.4%	$1.0	11.1%	0.0%
HSBC/Hang Seng	32	$8.6	0.6%	$70.1	4	15	88.2%	$1.2	16.1%	0.0%
Source Markets	64	$7.8	0.5%	$346.3	15	8	14.3%	$2.8	57.2%	0.2%
First Trust Advisors	59	$7.7	0.5%	$105.5	5	16	37.2%	$2.3	41.9%	0.1%
Nikko Asset Management	20	$6.9	0.5%	$55.1	0	3	17.6%	$0.3	5.1%	0.0%

continued…

Figure 17: ETF providers worldwide ranked by AUM, as at end H1 2011 (continued)

	H1-11					YTD change				
Provider	# ETFs	AUM (US$ Bn)	% total	ADV (US$ Mn)	# planned	# ETFs	% ETFs	AUM (US$ Bn)	% AUM	% market share
Direxion Shares	51	$6.8	0.5%	$3,036.7	176	12	30.8%	$0.2	2.8%	0.0%
Claymore Investments	31	$6.5	0.5%	$27.6	9	2	6.9%	$1.0	18.3%	0.0%
EasyETF	48	$6.2	0.4%	$19.9	1	-1	-2.0%	$0.7	12.1%	0.0%
Daiwa Asset Management	23	$6.1	0.4%	$13.7	1	0	0.0%	-$0.8	-11.0%	-0.1%
ETFlab Investment	40	$5.8	0.4%	$42.6	0	5	14.3%	-$1.0	-14.2%	-0.1%
Rydex SGI	25	$5.6	0.4%	$71.3	97	1	4.2%	$0.6	12.0%	0.0%
Swiss & Global Asset Management	16	$5.4	0.4%	$27.4	0	0	0.0%	$1.1	26.1%	0.0%
Charles Schwab Investment Management	13	$4.5	0.3%	$46.9	1	2	18.2%	$1.7	63.3%	0.1%
Polaris	11	$4.3	0.3%	$46.2	1	3	37.5%	$1.8	74.7%	0.1%
Samsung Investment Trust Management	19	$4.1	0.3%	$234.0	0	2	11.8%	$1.2	42.8%	0.1%
China Asset Management	2	$4.0	0.3%	$89.6	2	0	0.0%	$0.4	10.5%	0.0%
Guggenheim Funds	43	$3.7	0.3%	$32.2	35	5	13.2%	$0.2	4.4%	0.0%
XACT Fonder	24	$3.4	0.2%	$169.2	0	3	14.3%	$0.2	5.9%	0.0%
PIMCO	14	$3.2	0.2%	$30.4	10	1	7.7%	$1.0	45.7%	0.1%
E Fund Management	2	$3.1	0.2%	$59.0	0	0	0.0%	$0.0	0.2%	0.0%
BetaPro Management	68	$2.9	0.2%	$446.3	8	8	13.3%	-$0.1	-4.1%	0.0%
BMO Asset Management	40	$2.8	0.2%	$19.2	0	10	33.3%	$1.3	86.0%	0.1%
BBVA Asset Management	15	$2.6	0.2%	$9.5	0	2	15.4%	-$0.2	-7.7%	0.0%
Mitsubishi UFJ Asset Management	6	$2.1	0.1%	$9.9	0	1	20.0%	-$0.2	-8.5%	0.0%
Global X Funds	35	$1.6	0.1%	$28.0	27	18	105.9%	$0.3	24.3%	0.0%
Satrix Managers	7	$1.5	0.1%	$6.6	1	0	0.0%	-$0.1	-4.5%	0.0%
RBS	22	$1.4	0.1%	$12.3	1	12	120.0%	$0.0	0.5%	0.0%
Fubon Asset Management	4	$1.3	0.1%	$1.1	1	0	0.0%	$1.0	287.5%	0.1%
ALPS ETF Trust	3	$1.3	0.1%	$11.3	8	0	0.0%	$0.6	85.8%	0.0%
Hua An Fund Management	2	$1.2	0.1%	$33.7	3	1	100.0%	$0.3	37.1%	0.0%
BOCI-Prudential Asset Management	5	$1.2	0.1%	$8.0	0	2	66.7%	$0.2	19.1%	0.0%
Itau Unibanco	2	$1.2	0.1%	$1.3	1	1	100.0%	-$0.1	-8.7%	0.0%
Mirae Asset MAPS Global Investments	33	$1.1	0.1%	$30.9	0	17	106.3%	$0.6	119.7%	0.0%
Woori Asset Management	12	$0.9	0.1%	$4.6	5	2	20.0%	$0.0	-4.6%	0.0%
ETF Securities	30	$0.9	0.1%	$23.0	0	4	15.4%	$0.1	17.9%	0.0%
China Southern Fund Management	2	$0.6	0.0%	$3.3	0	0	0.0%	$0.0	-7.4%	0.0%
Bank of Communications	1	$0.6	0.0%	$0.4	0	0	0.0%	$0.0	-1.6%	0.0%
RevenueShares	6	$0.6	0.0%	$4.4	8	0	0.0%	$0.0	4.5%	0.0%
Emerging Global Advisors	17	$0.6	0.0%	$4.1	26	8	88.9%	$0.1	29.8%	0.0%
IndexIQ Advisors	14	$0.5	0.0%	$5.0	30	5	55.6%	$0.1	49.4%	0.0%
KB Asset Management	7	$0.4	0.0%	$1.2	0	3	75.0%	$0.1	25.7%	0.0%
Korea Investment Trust Management	7	$0.4	0.0%	$0.5	0	1	16.7%	$0.1	22.1%	0.0%
STANLIB	2	$0.4	0.0%	$0.0	3	0	0.0%	$0.4	922.3%	0.0%
DBS Asset Management	2	$0.4	0.0%	$0.8	0	0	0.0%	$0.1	40.4%	0.0%
Kyobo AXA Investment Management	1	$0.4	0.0%	$2.5	0	1	100.0%	$0.4	100.0%	0.0%
Da Cheng International Asset Management	4	$0.4	0.0%	$0.3	0	1	33.3%	$0.3	467.2%	0.0%
Russell Investments	19	$0.4	0.0%	$3.3	27	17	850.0%	$0.2	202.3%	0.0%
Benchmark Asset Management	8	$0.4	0.0%	$3.9	6	0	0.0%	$0.1	21.7%	0.0%
ICBC Credit Suisse Asset Management	2	$0.3	0.0%	$0.9	0	1	100.0%	$0.2	117.3%	0.0%
Huatai-PineBridge Fund Management	2	$0.3	0.0%	$1.8	0	1	100.0%	$0.0	-5.5%	0.0%
Marshall Wace LLP	3	$0.3	0.0%	$2.9	0	0	0.0%	$0.0	-2.5%	0.0%
AdvisorShares	10	$0.3	0.0%	$4.0	9	5	100.0%	$0.2	107.2%	0.0%
DnB NOR Asset Management	3	$0.3	0.0%	$8.8	0	0	0.0%	$0.0	11.2%	0.0%
Smartshares Limited	5	$0.3	0.0%	$0.4	0	0	0.0%	$0.0	6.9%	0.0%

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Figure 17: ETF providers worldwide ranked by AUM, as at end H1 2011 (continued)

	H1-11					YTD change				
Provider	# ETFs	AUM (US$ Bn)	% total	ADV (US$ Mn)	# planned	# ETFs	% ETFs	AUM (US$ Bn)	% AUM	% market share
China Merchants Fund Management	1	$0.3	0.0%	$0.1	1	1	100.0%	$0.3	100.0%	0.0%
Seligson & Co Fund Management	1	$0.3	0.0%	$4.1	0	0	0.0%	$0.0	-9.1%	0.0%
Bosera Asset Management	1	$0.2	0.0%	$0.5	3	0	0.0%	$0.0	-13.9%	0.0%
Fortune SGAM Fund Management	1	$0.2	0.0%	$2.0	0	0	0.0%	$0.1	40.0%	0.0%
Bips Investment Managers	2	$0.2	0.0%	$4.8	0	0	0.0%	$0.0	19.7%	0.0%
AmInvestment Management	2	$0.2	0.0%	$0.0	0	0	0.0%	$0.0	2.1%	0.0%
GTJA Allianz	1	$0.2	0.0%	$13.2	0	1	100.0%	$0.2	100.0%	0.0%
i-VCAP Management	1	$0.2	0.0%	$0.2	0	0	0.0%	$0.0	-6.9%	0.0%
HFT Investment Management	2	$0.2	0.0%	$0.5	0	1	100.0%	$0.1	80.3%	0.0%
CIMB-Principal Asset Management	2	$0.2	0.0%	$0.2	1	0	0.0%	$0.0	-2.3%	0.0%
Ossiam	5	$0.2	0.0%	$0.0	0	5	100.0%	$0.2	100.0%	0.0%
Jefferies Asset Management	4	$0.2	0.0%	$1.4	2	0	0.0%	$0.0	28.8%	0.0%
SEB	3	$0.2	0.0%	$12.4	0	3	100.0%	$0.2	100.0%	0.0%
Fidelity Management & Research	1	$0.2	0.0%	$1.2	0	0	0.0%	$0.0	4.1%	0.0%
Hanwha Investment Trust Management	3	$0.2	0.0%	$0.4	0	2	200.0%	$0.1	146.2%	0.0%
DBX Strategic Advisors	10	$0.2	0.0%	$0.2	39	5	100.0%	$0.0	21.4%	0.0%
Guotai Asset Management	1	$0.2	0.0%	$1.3	2	1	100.0%	$0.2	100.0%	0.0%
Finans Portfoy Yonetimi	7	$0.1	0.0%	$16.6	0	0	0.0%	$0.0	13.6%	0.0%
BetaShares Capital	4	$0.1	0.0%	$2.2	2	2	100.0%	$0.1	83.1%	0.0%
AMP	1	$0.1	0.0%	$0.0	0	0	0.0%	$0.0	-13.1%	0.0%
Yurie Asset Management	2	$0.1	0.0%	$0.4	0	0	0.0%	$0.0	-11.4%	0.0%
JP Morgan Mansart Investments	6	$0.1	0.0%	$0.1	0	0	0.0%	$0.0	-10.0%	0.0%
Lion Fund Management	1	$0.1	0.0%	$0.0	0	1	100.0%	$0.1	100.0%	0.0%
ThinkCapital	9	$0.1	0.0%	$1.2	0	4	80.0%	$0.1	239.6%	0.0%
Fullgoal Fund Management	1	$0.1	0.0%	$0.1	0	1	100.0%	$0.1	100.0%	0.0%
FocusShares	15	$0.1	0.0%	$1.0	6	15	100.0%	$0.1	100.0%	0.0%
One Asset Management	1	$0.1	0.0%	$0.2	0	-1	-50.0%	$0.0	-10.8%	0.0%
Motilal Oswal Asset Management	3	$0.1	0.0%	$0.1	2	2	200.0%	$0.0	10.1%	0.0%
Penghua Fund Management	1	$0.1	0.0%	$0.1	3	0	0.0%	$0.0	-24.9%	0.0%
CCB Principal Asset Management	1	$0.1	0.0%	$0.0	0	0	0.0%	$0.0	-3.3%	0.0%
Absa Capital	7	$0.1	0.0%	$0.1	0	0	0.0%	-$0.1	-64.5%	0.0%
First Asset Management	5	$0.1	0.0%	$0.0	0	5	100.0%	$0.1	100.0%	0.0%
Ping An	1	$0.1	0.0%	$0.0	0	0	0.0%	$0.0	-27.5%	0.0%
Alpha Asset Management	1	$0.0	0.0%	$0.1	0	0	0.0%	$0.0	-11.8%	0.0%
UOB Asset Management	1	$0.0	0.0%	$0.3	0	0	0.0%	$0.0	-44.4%	0.0%
ESAF	1	$0.0	0.0%	$1.2	0	0	0.0%	$0.0	100.0%	0.0%
Fortress Asset Managers	1	$0.0	0.0%	$0.0	1	0	0.0%	$0.0	-4.3%	0.0%
Sensible Asset Management	1	$0.0	0.0%	$0.1	0	0	0.0%	$0.0	-17.4%	0.0%
Daishin Investment Trust Management	1	$0.0	0.0%	$0.1	0	0	0.0%	$0.0	24.9%	0.0%
Prudential Asset Management	2	$0.0	0.0%	$0.1	0	0	0.0%	$0.0	16.8%	0.0%
Investec Fund Management	1	$0.0	0.0%	$0.1	0	0	0.0%	$0.0	-3.3%	0.0%
Midas Asset Management	1	$0.0	0.0%	$0.0	0	1	100.0%	$0.0	100.0%	0.0%
KTB Asset Management	2	$0.0	0.0%	$0.1	0	1	100.0%	$0.0	-3.9%	0.0%
Falcom Financial Services	2	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	52.6%	0.0%
Columbia Management Investment Advisers	5	$0.0	0.0%	$0.1	3	0	0.0%	$0.0	30.4%	0.0%
NCB Investment Services	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	12.9%	0.0%
Simplex Asset Management	2	$0.0	0.0%	$0.2	0	0	0.0%	$0.0	-6.2%	0.0%
Australian Index Investments	6	$0.0	0.0%	$0.1	0	0	0.0%	$0.0	13.0%	0.0%
Kotak Mahindra Asset Management	3	$0.0	0.0%	$0.2	0	0	0.0%	$0.0	-14.6%	0.0%

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Figure 17: ETF providers worldwide ranked by AUM, as at end H1 2011 (continued)

	H1-11					YTD change				
Provider	# ETFs	AUM (US$ Bn)	% total	ADV (US$ Mn)	# planned	# ETFs	% ETFs	AUM (US$ Bn)	% AUM	% market share
Kokusai Asset Management	1	$0.0	0.0%	$0.4	0	0	0.0%	$0.0	177.2%	0.0%
Tong Yang Investment Trust Management	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	-5.0%	0.0%
OTP Fund Management	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	20.7%	0.0%
Is Investment	2	$0.0	0.0%	$2.6	0	0	0.0%	$0.0	-5.7%	0.0%
Protego	2	$0.0	0.0%	$0.5	0	0	0.0%	$0.0	30.3%	0.0%
Javelin Investment Management	1	$0.0	0.0%	$0.1	0	0	0.0%	$0.0	24.7%	0.0%
FaithShares	5	$0.0	0.0%	$0.1	0	0	0.0%	$0.0	-9.0%	0.0%
Krung Thai Asset Management	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	-19.7%	0.0%
NBG Asset Management	2	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	-4.2%	0.0%
Osmosis Investment Management	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	-4.0%	0.0%
Troika Dialog Asset Management	1	$0.0	0.0%	$6.8	0	0	0.0%	$0.0	10.8%	0.0%
Pax World Management	2	$0.0	0.0%	$0.1	1	1	100.0%	$0.0	143.7%	0.0%
Garanti Bank	1	$0.0	0.0%	$1.1	0	0	0.0%	$0.0	-10.7%	0.0%
TMB Asset Management	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	-8.2%	0.0%
Nedgroup Beta Solutions	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	-1.8%	0.0%
National Bank of Abu Dhabi	1	$0.0	0.0%	$0.0	2	0	0.0%	$0.0	2.9%	0.0%
Medvesek Pusnik AM	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	7.4%	0.0%
Indo Premier Securities	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	-11.3%	0.0%
Reliance Capital Asset Management	1	$0.0	0.0%	$0.0	4	0	0.0%	$0.0	-16.1%	0.0%
China International Capital Corp	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	-92.1%	0.0%
Hyundai Investments	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	18.6%	0.0%
Bizim Menkul Degerler	1	$0.0	0.0%	$0.4	0	0	0.0%	$0.0	-12.4%	0.0%
Religare India Asset Management	1	$0.0	0.0%	$0.0	0	1	100.0%	$0.0	100.0%	0.0%
PRUDENTIAL ICICI	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	97.0%	0.0%
Quantum Asset Management	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	11.9%	0.0%
UTI Asset Management	1	$0.0	0.0%	$0.0	1	0	0.0%	$0.0	-4.1%	0.0%
Goldman Sachs Asset Management	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	100.0%	0.0%
Kuveyt Turk Katilim Bankasi	1	$0.0	0.0%	$0.1	0	0	0.0%	$0.0	100.0%	0.0%
Carnegie Fonder	0	$0.0	0.0%	$0.0	0	-7	-100.0%	$0.0	-100.0%	0.0%
Al Mal Capital	-	-	-	-	1	-	-	-	-	-
AllianceBernstein	-	-	-	-	1	-	-	-	-	-
Allianz SE	-	-	-	-	1	-	-	-	-	-
Arrow Investment Advisors	-	-	-	-	1	-	-	-	-	-
Axis Mutual Fund	-	-	-	-	4	-	-	-	-	-
Bank of China Investment Management	-	-	-	-	1	-	-	-	-	-
Birla Sun Life Mutual Fund	-	-	-	-	1	-	-	-	-	-
Capital Synergy Investment Management	-	-	-	-	1	-	-	-	-	-
Dreyfus Corp	-	-	-	-	1	-	-	-	-	-
Eaton Vance	-	-	-	-	5	-	-	-	-	-
Exchange Traded Spreads Trust	-	-	-	-	5	-	-	-	-	-
FactorShares	-	-	-	-	22	-	-	-	-	-
Firsthand Capital	-	-	-	-	1	-	-	-	-	-
Florentez Investment	-	-	-	-	1	-	-	-	-	-
Forum Investment Advisors	-	-	-	-	1	-	-	-	-	-
Gaon Investment House	-	-	-	-	2	-	-	-	-	-
Georgetown Investment Management	-	-	-	-	5	-	-	-	-	-
GF Fund Management	-	-	-	-	1	-	-	-	-	-
Government Service Insurance Systems	-	-	-	-	1	-	-	-	-	-
Hartford	-	-	-	-	1	-	-	-	-	-

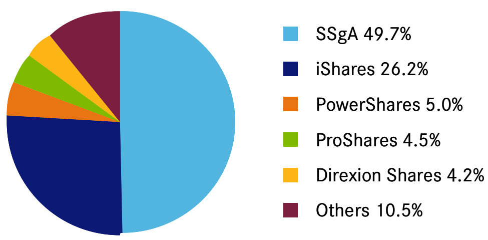
Figure 17: ETF providers worldwide ranked by AUM, as at end H1 2011 (continued)

	H1-11					YTD change				
Provider	# ETFs	AUM (US$ Bn)	% total	ADV (US$ Mn)	# planned	# ETFs	% ETFs	AUM (US$ Bn)	% AUM	% market share
Harvest Fund Management	-	-	-	-	1	-	-	-	-	-
Hinduja Bank (Switzerland)	-	-	-	-	1	-	-	-	-	-
Huntington Asset Advisors	-	-	-	-	3	-	-	-	-	-
Janus Capital Management	-	-	-	-	1	-	-	-	-	-
John Hancock	-	-	-	-	1	-	-	-	-	-
JP Morgan Asset Management	-	-	-	-	2	-	-	-	-	-
Legg Mason	-	-	-	-	1	-	-	-	-	-
Macro Securities Depositor	-	-	-	-	2	-	-	-	-	-
Millington Securities	-	-	-	-	1	-	-	-	-	-
Neuberger Berman	-	-	-	-	1	-	-	-	-	-
Next Investments	-	-	-	-	2	-	-	-	-	-
Northern Trust	-	-	-	-	5	-	-	-	-	-
OppenheimerFunds	-	-	-	-	1	-	-	-	-	-
Qbasis Invest	-	-	-	-	1	-	-	-	-	-
QuantShares	-	-	-	-	7	-	-	-	-	-
RBC Global Asset Management	-	-	-	-	8	-	-	-	-	-
RiverPark Advisors	-	-	-	-	4	-	-	-	-	-
Shanghai Gold Exchange	-	-	-	-	1	-	-	-	-	-
ShariahShares	-	-	-	-	2	-	-	-	-	-
T Rowe Price	-	-	-	-	1	-	-	-	-	-
Tata Mutual Fund	-	-	-	-	1	-	-	-	-	-
Other (planned)	-	-	-	-	17	-	-	-	-	-
Total	**2,825**	**$1,442.7**	**100.0%**	**$68,000.5**	**1,037**	**365**	**14.8%**	**$131.3**	**10.0%**	

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 18: Top five global ETF providers by average daily turnover, as at end H1 2011

	Average daily turnover (US$ Mn)					
Provider	Dec-10	% market share	Jun-11	% market share	Change (US$ Mn)	% change
SSgA	$18,667.3	40.3%	$33,776.9	49.7%	$15,109.6	80.9%
iShares	$14,028.5	30.3%	$17,801.2	26.2%	$3,772.6	26.9%
PowerShares	$2,660.7	5.7%	$3,424.6	5.0%	$763.9	28.7%
ProShares	$1,860.7	4.0%	$3,036.7	4.5%	$1,176.0	63.2%
Direxion Shares	$2,413.3	5.2%	$2,843.7	4.2%	$430.4	17.8%
Others	$6,710.2	14.5%	$7,117.3	10.5%	$407.1	6.1%
Total	**$46,340.7**	**100.0%**	**$68,000.5**	**100.0%**	**$21,659.8**	**46.7%**



Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 19: New ETF providers in 2011

Provider	H1-11 # ETFs	AUM (US$ Bn)	# planned
Kyobo AXA Investment Management	1	$0.4	0
China Merchants Fund Management	1	$0.3	1
GTJA Allianz	1	$0.2	0
Ossiam	5	$0.2	0
SEB	3	$0.2	0
Guotai Asset Management	1	$0.2	2
Lion Fund Management	1	$0.1	0
Fullgoal Fund Management	1	$0.1	0
FocusShares	15	$0.1	6
First Asset Management	5	$0.1	0
Midas Asset Management	1	$0.0	0
Religare India Asset Management	1	$0.0	0

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 20: New exchanges in 2011

Exchange	H1-11 # listings	AUM (US$ Bn)	20 day ADV (US$ Mn)
Burgundy	24	$0.0	$22.2
Nagoya Stock Exchange	1	$0.0	$0.0
Botswana Stock Exchange	1	$0.0	$0.0

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 21: ETF listings by exchange, as at end H1 2011

Region/country	Exchange	# primary ETF listings	# total ETF listings	AUM (US$ Bn)	ADV (US$ Mn)
Asia Pacific		**350**	**466**	**$92.4**	**$1,002.6**
Australia	Australian Securities Exchange	28	49	$3.9	$31.3
China	Shanghai Stock Exchange	20	20	$7.4	$133.1
	Shenzhen Stock Exchange	5	5	$4.7	$73.9
Hong Kong	Hong Kong Stock Exchange	47	76	$27.3	$261.1
India	Bombay Stock Exchange	2	2	$0.0	$0.0
	National Stock Exchange	17	17	$0.4	$4.2
Indonesia	Indonesia Stock Exchange	1	1	$0.0	$0.0
Japan	Osaka Securities Exchange	11	11	$11.5	$71.1
	Tokyo Stock Exchange	74	78	$19.7	$90.8
	Nagoya Stock Exchange	1	1	$0.0	$0.0
Malaysia	Bursa Malaysia Securities Berhad	4	5	$0.4	$0.3
New Zealand	New Zealand Stock Exchange	6	6	$0.4	$0.4
Singapore	Singapore Stock Exchange	25	83	$3.2	$14.0
South Korea	Korea Stock Exchange	91	91	$7.7	$274.7
Taiwan	Taiwan Stock Exchange	15	18	$5.7	$47.4
Thailand	Stock Exchange of Thailand	3	3	$0.1	$0.2

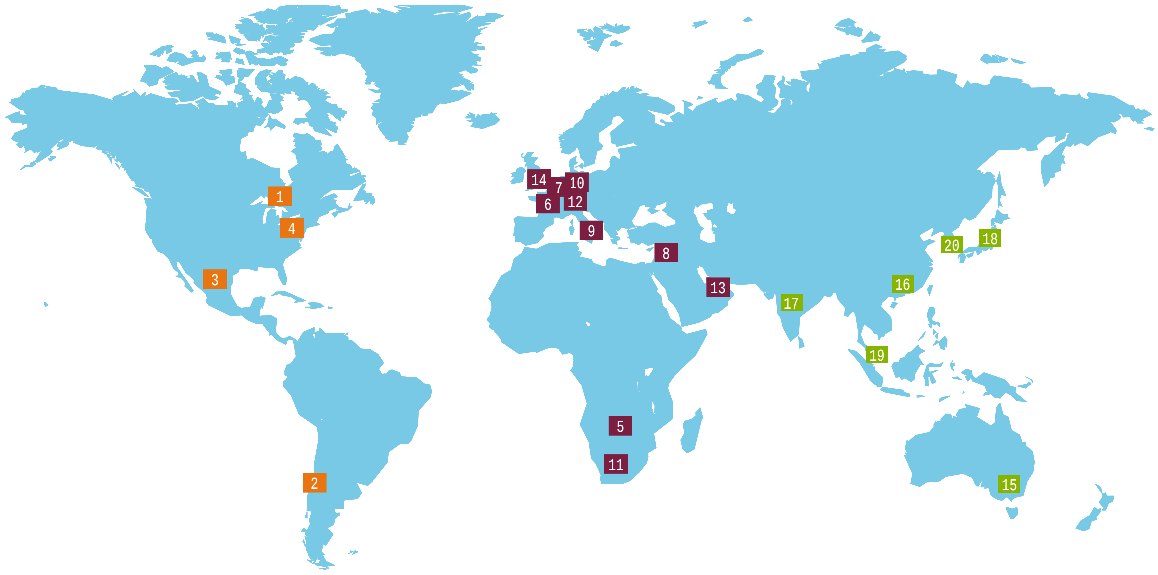
continued…

Figure 21: ETF listings by exchange, as at end H1 2011 (continued)

Region/country	Exchange	# primary ETF listings	# total ETF listings	AUM (US$ Bn)	ADV (US$ Mn)
Americas		**1,261**	**1,683**	**$1,026.5**	**$63,433.0**
Brazil	BM&F Bovespa	8	8	$1.8	$17.9
Canada	Toronto Stock Exchange	195	235	$41.7	$1,028.8
Chile	Bolsa Comercio Santiago	-	50	-	$0.1
Mexico	Mexican Stock Exchange	19	351	$9.5	$371.8
United States	BATS	-	-	-	$10,498.6
	NASDAQ OMX BX	-	-	-	$988.0
	CBOE	-	-	-	$317.1
	Chicago	-	-	-	$774.8
	NSX (Cincinnati)	-	-	-	$216.4
	FINRA-ADF	-	-	-	$16,785.7
	NASDAQ	78	78	$38.1	$15,315.3
	Philadelphia	-	-	-	$1,747.0
	NYSE AMEX	-	-	-	$2.7
	NYSE Arca	961	961	$935.4	$15,368.6
Europe, Middle East and Africa (EMEA)		**1,214**	**4,080**	**$323.8**	**$3,564.9**
Austria	Wiener Borse	1	21	$0.1	$0.1
Belgium	NYSE Euronext Brussels	1	28	$0.0	$0.2
Botswana	Botswana Stock Exchange	-	1	-	-
Finland	NASDAQ OMX Helsinki	1	1	$0.3	$2.6
France	NYSE Euronext Paris	270	494	$64.3	$522.8
Germany	Deutsche Boerse	420	831	$124.2	$774.7
	Boerse Stuttgart	-	406	-	$14.5
Greece	Athens Exchange	3	3	$0.1	$0.1
Hungary	Budapest Stock Exchange	1	1	$0.0	$0.0
Ireland	Irish Stock Exchange	14	14	$0.4	$0.1
Italy	Borsa Italiana	23	535	$2.7	$360.1
Netherlands	NYSE Euronext Amsterdam	16	115	$0.4	$67.7
Norway	Oslo Stock Exchange	7	15	$0.9	$61.6
Poland	Warsaw Stock Exchange	1	3	$0.1	$0.3
Portugal	NYSE Euronext Lisbon	3	3	$0.1	$1.6
Russia	RTS Stock Exchange	1	1	$0.0	$6.8
Saudi Arabia	Saudi Stock Exchange	2	2	$0.0	$0.0
Slovenia	Ljubljana Stock Exchange	1	1	$0.0	-
South Africa	Johannesburg Stock Exchange	26	26	$2.6	$11.9
Spain	Bolsa de Madrid	12	67	$1.5	$11.9
	Latibex	-	1	-	-
Sweden	NASDAQ OMX Stockholm	23	63	$3.0	$91.8
	Burgundy	-	24	-	$22.2
Switzerland	SIX Swiss Exchange	128	691	$47.3	$270.6
Turkey	Istanbul Stock Exchange	12	12	$0.2	$20.9
UAE	Abu Dhabi	1	1	$0.0	$0.0
United Kingdom	London Stock Exchange	247	720	$75.8	$528.5
	European Reported OTC	-	-		$794.1
Total		**2,825**	**6,229**	**$1,442.7**	**$68,000.5**

Note: To avoid double counting, assets shown above refer only to primary listings.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 22: Global ETP listings, as at end H1 2011



Americas

1 Canada

P listings:	–
T listings:	24
Providers:	–
Assets:	–

2 Chile

P listings:	–
T listings:	2
Providers:	–
Assets:	–

3 Mexico

P listings:	–
T listings:	27
Providers:	–
Assets:	–

4 United States

P listings:	249
T listings:	249
Providers:	23
Assets:	US$127.2 Bn

EMEA

5 Botswana

P listings:	–
T listings:	1
Providers:	–
Assets:	–

6 France

P listings:	2
T listings:	45
Providers:	1
Assets:	US$0.1 Bn

7 Germany

P listings:	94
T listings:	410
Providers:	6
Assets:	US$2.4 Bn

8 Israel

P listings:	317
T listings:	317
Providers:	6
Assets:	US$17.0 Bn

9 Italy

P listings:	13
T listings:	97
Providers:	2
Assets:	US$0.2 Bn

10 Netherlands

P listings:	–
T listings:	33
Providers:	–
Assets:	–

11 South Africa

P listings:	8
T listings:	8
Providers:	4
Assets:	US$2.3 Bn

12 Switzerland

P listings:	111
T listings:	141
Providers:	1
Assets:	US$3.5 Bn

13 UAE

P listings:	1
T listings:	1
Providers:	1
Assets:	US$0.0 Bn

14 United Kingdom

P listings:	332
T listings:	385
Providers:	6
Assets:	US$27.9 Bn

Asia/Pacific

15 Australia

P listings:	5
T listings:	5
Providers:	1
Assets:	US$0.7 Bn

16 Hong Kong

P listings:	6
T listings:	7
Providers:	2
Assets:	US$0.4 Bn

17 India

P listings:	11
T listings:	11
Providers:	11
Assets:	US$1.2 Bn

18 Japan

P listings:	9
T listings:	29
Providers:	4
Assets:	US$0.6 Bn

19 Singapore

P listings:	–
T listings:	2
Providers:	–
Assets:	–

20 South Korea

P listings:	4
T listings:	4
Providers:	2
Assets:	US$0.0 Bn

Note: P listings = # primary listings. T listings = # total listings. Providers = # primary ETP providers. Assets = assets in primary listings only.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 23: ETP providers around the world ranked by assets, as at end H1 2011

	H1-11					YTD change				
Provider	# ETPs	Assets (US$ Bn)	% total	ADV (US$ Mn)	# planned	# ETPs	% ETPs	Assets (US$ Bn)	% assets	% market share
State Street Global Advisors	1	$58.2	31.7%	$1,814.3	0	0	0.0%	-$0.3	-0.5%	-2.6%
ETF Securities	233	$26.4	14.4%	$285.3	44	16	7.4%	$1.0	4.0%	-0.5%
iShares	8	$19.3	10.5%	$1,064.8	2	4	100.0%	$1.2	6.4%	-0.1%
Deutsche Bank	44	$14.1	7.7%	$338.9	1	8	22.2%	$1.6	12.4%	0.3%
Barclays (iPath)	83	$8.4	4.6%	$790.4	28	20	31.7%	-$0.2	-2.6%	-0.5%
Merrill Lynch	17	$4.9	2.6%	$1,035.2	0	0	0.0%	$0.1	2.6%	-0.1%
UBS AG	202	$4.5	2.4%	$6.0	0	6	3.1%	$0.6	15.7%	0.5%
United States Commodity Funds	9	$4.2	2.3%	$577.0	4	0	0.0%	-$0.7	-14.5%	-0.6%
Societe Generale	42	$4.1	2.2%	$2.0	0	0	0.0%	$0.1	1.6%	-0.1%
Rydex SGI	9	$3.6	2.0%	$346.4	13	0	0.0%	$1.2	46.8%	0.5%
ProShares	14	$3.6	2.0%	$714.0	38	2	16.7%	$1.6	76.6%	0.8%
JPMorgan Chase	4	$2.7	1.5%	$26.4	1	0	0.0%	$0.4	18.8%	0.1%
Absa Capital	1	$2.3	1.3%	$38.0	3	0	0.0%	$0.0	1.0%	-0.1%
db ETC	39	$2.1	1.2%	$20.0	0	7	21.9%	$1.0	89.0%	0.5%
Swedish Export Credit Corp	7	$1.6	0.9%	$13.3	0	0	0.0%	$0.3	22.8%	0.1%
Source Markets	31	$1.6	0.9%	$10.4	0	3	10.7%	$0.4	31.5%	0.2%
GreenHaven Commodity Services	1	$0.7	0.4%	$4.2	0	0	0.0%	$0.2	36.7%	0.1%
Benchmark Asset Management	1	$0.5	0.3%	$2.5	1	0	0.0%	$0.1	37.0%	0.1%
VelocityShares	6	$0.4	0.2%	$99.9	0	0	0.0%	$0.4	830.3%	0.2%
Mitsubishi UFJ Trust and Banking Corporation	4	$0.3	0.2%	$3.1	0	0	0.0%	$0.2	156.5%	0.1%
Credit Suisse	5	$0.3	0.2%	$3.6	1	1	25.0%	$0.1	71.4%	0.1%
Reliance Capital Asset Management	1	$0.3	0.2%	$0.2	0	0	0.0%	$0.2	263.4%	0.1%
Citigroup	6	$0.3	0.2%	$0.2	0	0	0.0%	$0.3	1967.9%	0.1%
RBS	21	$0.3	0.1%	$2.0	0	2	10.5%	$0.1	39.7%	0.0%
Morgan Stanley	6	$0.2	0.1%	$2.5	0	2	50.0%	$0.1	54.6%	0.0%
Lyxor	3	$0.2	0.1%	$0.2	0	0	0.0%	$0.0	1.8%	0.0%
Nomura Asset Management	3	$0.2	0.1%	$0.7	0	0	0.0%	$0.0	-17.0%	0.0%
UTI Asset Management	1	$0.1	0.1%	$0.3	0	0	0.0%	$0.0	28.9%	0.0%
Teucrium Trading	3	$0.1	0.1%	$8.1	4	2	200.0%	$0.1	199.4%	0.0%
Barclays Capital	8	$0.1	0.1%	$9.2	0	-1	-11.1%	$0.1	92.7%	0.0%
Sensible Asset Management	1	$0.1	0.0%	$0.1	0	0	0.0%	$0.0	61.3%	0.0%
Kotak Mahindra Asset Management	1	$0.1	0.0%	$0.8	0	0	0.0%	$0.0	74.9%	0.0%
Goldman Sachs	2	$0.1	0.0%	$0.4	0	0	0.0%	$0.0	3.9%	0.0%
HDFC Mutual Fund	1	$0.1	0.0%	$0.1	0	0	0.0%	$0.0	10.6%	0.0%
Standard Commodities	1	$0.1	0.0%	$1.1	0	0	0.0%	$0.0	4.6%	0.0%
Simplex Asset Management	1	$0.0	0.0%	$0.7	0	0	0.0%	$0.0	-4.4%	0.0%
HSBC/Hang Seng	1	$0.0	0.0%	$0.4	0	0	0.0%	$0.0	-42.5%	0.0%
SBI Funds Management	1	$0.0	0.0%	$0.2	0	0	0.0%	$0.0	12.1%	0.0%
Prudential ICICI	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	6.7%	0.0%
Samsung Investment Trust Management	3	$0.0	0.0%	$0.2	0	2	200.0%	$0.0	230.4%	0.0%
FactorShares	5	$0.0	0.0%	$0.6	0	5	100.0%	$0.0	0%	0.0%
Axis Mutual Fund	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	6.6%	0.0%
Birla Sun Life Mutual Fund	1	$0.0	0.0%	$0.1	0	1	100.0%	$0.0	0%	0.0%
Religare India Asset Management	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	11.8%	0.0%
Dubai Commodities Asset Management	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	5.8%	0.0%
Quantum Asset Management	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	23.4%	0.0%
Mizuho Asset Management	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	-43.0%	0.0%
Hyundai Investments	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	-47.4%	0.0%
Rand Merchant Bank	2	$0.0	0.0%	$0.0	0	1	100.0%	$0.0	0.0%	0.0%

continued…

Figure 23: ETP providers around the world ranked by assets, as at end H1 2011 (continued)

Provider	H1-11 # ETPs	H1-11 Assets (US$ Bn)	H1-11 % total	H1-11 ADV (US$ Mn)	H1-11 # planned	YTD change # ETPs	YTD change % ETPs	YTD change Assets (US$ Bn)	YTD change % assets	YTD change % market share
Clade Investment Management	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	0.0%	0.0%
Standard Bank	4	$0.0	0.0%	$0.1	0	0	0.0%	$0.0	0.0%	0.0%
Israel ETPs[1]	**317**	**$17.0**	**9.3%**	**$114.0**	**0**	**-2**	**-0.6%**	**$2.0**	**13.4%**	**0.5%**
KSM	101	N/A	N/A	$40.0	0	0	0.0%	N/A	N/A	N/A
Tachlit	50	N/A	N/A	$28.8	0	-1	-2.0%	N/A	N/A	N/A
Psagot	52	N/A	N/A	$16.8	0	0	0.0%	N/A	N/A	N/A
Meitav	73	N/A	N/A	$14.9	0	-1	-1.4%	N/A	N/A	N/A
Index	20	N/A	N/A	$7.6	0	0	0.0%	N/A	N/A	N/A
Harel	21	N/A	N/A	$5.8	0	0	0.0%	N/A	N/A	N/A
Arrow Investment Advisors	-	-	-		1	-	-	-	-	-
Bombay Bullion Association	-	-	-		2	-	-	-	-	-
Cydinar Sdn Bhd	-	-	-		1	-	-	-	-	-
GAM Holding	-	-	-		4	-	-	-	-	-
ING OptiMix	-	-	-		1	-	-	-	-	-
Jefferies Asset Management	-	-	-		2	-	-	-	-	-
Other (planned ETP)	-	-	-		3	-	-	-	-	-
RiddiSiddhi Bullions	-	-	-		1	-	-	-	-	-
RUSAL	-	-	-		1	-	-	-	-	-
Tata Mutual Fund	-	-	-		1	-	-	-	-	-
WealthNotes Capital Management	-	-	-		1	-	-	-	-	-
Total	**1,162**	**$183.4**	**100.0%**	**$7,338.2**	**158**	**79**	**-17.1%**	**$12.1**	**7.1%**	

1. Individual assets of Israeli providers are temporarily unavailable. An aggregate value for Israeli ETPs has been included in the total assets. Latest data for Israel ETP assets from Bank of Israel is May 2011.

Source: BlackRock Investment Institute – ETF Research, Bloomberg, Bank of Israel.

Figure 24: Top 20 ETPs worldwide by assets, as at end H1 2011

ETP	Country listed	Ticker	Assets (US$ Mn)	ADV ('000 shares)	ADV (US$ Mn)
SPDR Gold Trust	US	GLD US	$58,196.0	12,067	$1,797.3
iShares Silver Trust	US	SLV US	$10,639.3	28,478	$995.4
iShares Gold Trust	US	IAU US	$6,954.7	3,653	$54.5
ETFS Physical Gold	UK	PHAU LN	$6,129.5	270	$40.7
PowerShares DB Commodity Index Tracking Fund	US	DBC US	$5,988.9	2,229	$65.7
GBS Bullion Securities	UK	GBS LN	$5,473.2	136	$20.2
PowerShares DB Agriculture Fund	US	DBA US	$3,047.0	1,679	$54.4
iPath Dow Jones-UBS Commodity Index Total Return ETN	US	DJP US	$3,016.8	278	$13.5
Oil Services HOLDRS	US	OIH US	$2,761.0	4,296	$632.3
JPMorgan Alerian MLP Index ETN	US	AMJ US	$2,691.9	718	$26.3
NewGold ETF	South Africa	GLD SJ	$2,340.7	526	$7.8
United States Natural Gas Fund LP	US	UNG US	$1,862.4	12,630	$146.4
iShares S&P GSCI Commodity-Indexed Trust	US	GSG US	$1,524.7	359	$12.4
United States Oil Fund LP	US	USO US	$1,456.1	10,855	$411.1
ETFS Physical Swiss Gold Shares	US	SGOL US	$1,377.4	122	$18.6
Gold Source P-ETC	UK	SGLD LN	$1,178.7	46	$7.0
iPath S&P 500 VIX Short-Term Futures ETN	US	VXX US	$1,143.2	27,837	$652.0
PowerShares DB US Dollar Index Bullish Fund	US	UUP US	$1,086.5	4,510	$96.3
ETFS Agriculture DJ-UBSCI	UK	AIGA LN	$1,057.6	494	$4.5
CurrencyShares Canadian Dollar Trust	US	FXC US	$979.5	288	$29.3

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 25: Top 20 ETPs worldwide by average daily US dollar trading volume, as at end H1 2011

ETP	Country listed	Ticker	ADV (US$ Mn)	ADV ('000 shares)	Assets (US$ Mn)
SPDR Gold Trust	US	GLD US	$1,797.3	12,067	$58,196.0
iShares Silver Trust	US	SLV US	$995.4	28,478	$10,639.3
iPath S&P 500 VIX Short-Term Futures ETN	US	VXX US	$652.0	27,837	$1,143.2
Oil Services HOLDRS	US	OIH US	$632.3	4,296	$2,761.0
United States Oil Fund LP	US	USO US	$411.1	10,855	$1,456.1
Semiconductor HOLDRS	US	SMH US	$284.2	8,516	$524.3
ProShares Ultra Silver	US	AGQ US	$264.3	1,488	$865.9
Euro Currency Trust	US	FXE US	$244.3	1,707	$455.1
ProShares UltraShort Silver	US	ZSL US	$170.4	9,368	$668.3
United States Natural Gas Fund LP	US	UNG US	$146.4	12,630	$1,862.4
PowerShares DB US Dollar Index Bullish Fund	US	UUP US	$96.3	4,510	$1,086.5
ProShares Ultra DJ-UBS Crude Oil	US	UCO US	$96.0	2,230	$421.8
ProShares UltraShort DJ-UBS Crude Oil	US	SCO US	$80.0	1,659	$162.0
Retail HOLDRS	US	RTH US	$69.6	653	$169.0
PowerShares DB Commodity Index Tracking Fund	US	DBC US	$65.7	2,229	$5,988.9
VelocityShares Daily Inverse VIX Short Term ETN	US	XIV US	$58.0	3,454	$278.9
iShares Gold Trust	US	IAU US	$54.5	3,653	$6,954.7
PowerShares DB Agriculture Fund	US	DBA US	$54.4	1,679	$3,047.0
ETFS Physical Gold	UK	PHAU LN	$40.7	270	$6,129.5
ProShares UltraShort Euro	US	EUO US	$40.0	2,339	$622.6

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 26: Top 20 ETPs worldwide with largest change in assets, as at end H1 2011

ETP	Country listed	Ticker	Assets (US$ Mn) Jun-11	Assets (US$ Mn) Dec-10	Change (US$ Mn)
iShares Gold Trust	US	IAU US	$6,954.7	$5,378.6	$1,576.1
PowerShares DB Commodity Index Tracking Fund	US	DBC US	$5,988.9	$5,102.3	$886.7
United States Natural Gas Fund LP	US	UNG US	$1,862.4	$2,720.7	-$858.4
Oil Services HOLDRS	US	OIH US	$2,761.0	$2,133.2	$627.9
ProShares UltraShort Silver	US	ZSL US	$668.3	$97.5	$570.8
db Physical Gold Euro Hedged ETC	Germany	XAD1 GY	$900.3	$390.1	$510.3
CurrencyShares Swiss Franc Trust	US	FXF US	$882.9	$393.1	$489.8
iPath MSCI India ETN	US	INP US	$729.0	$1,171.4	-$442.5
JPMorgan Alerian MLP Index ETN	US	AMJ US	$2,691.9	$2,271.9	$420.1
CurrencyShares Canadian Dollar Trust	US	FXC US	$979.5	$587.3	$392.3
United States Oil Fund LP	US	USO US	$1,456.1	$1,821.3	-$365.2
United States Commodity Index Fund	US	USCI US	$465.1	$103.2	$361.9
PowerShares DB Agriculture Fund	US	DBA US	$3,047.0	$2,710.9	$336.1
ProShares Ultra Silver	US	AGQ US	$865.9	$555.1	$310.8
SPDR Gold Trust	US	GLD US	$58,196.0	$58,498.2	-$302.2
iPath S&P 500 VIX Short-Term Futures ETN	US	VXX US	$1,143.2	$1,437.2	-$293.9
iShares S&P GSCI Commodity-Indexed Trust	US	GSG US	$1,524.7	$1,797.1	-$272.4
Retail HOLDRS	US	RTH US	$169.0	$441.3	-$272.3
VelocityShares Daily Inverse VIX Short Term ETN	US	XIV US	$278.9	$12.0	$267.0
Gold Source P-ETC	UK	SGLD LN	$1,178.7	$923.8	$254.8

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 27: ETP listings by exchange, as at end H1 2011

Region/ country	Exchange	# primary ETP listings	# total ETP listings	Assets (US$ Bn)	ADV (US$ Mn)
Asia Pacific		**35**	**58**	**$2.8**	**$28.1**
Australia	Australian Securities Exchange	5	5	$0.7	$1.9
Hong Kong	Hong Kong Stock Exchange	6	7	$0.4	$2.4
India	National Stock Exchange	11	11	$1.2	$4.5
Japan	Osaka Securities Exchange	4	4	$0.2	$1.3
	Tokyo Stock Exchange	5	25	$0.3	$6.0
Singapore	Singapore Stock Exchange	-	2	-	$11.8
South Korea	Korea Stock Exchange	4	4	$0.0	$0.2
Americas		**249**	**302**	**$127.2**	**$6,884.9**
Canada	Toronto Stock Exchange	-	24	-	$1.7
Chile	Bolsa Comercio Santiago	-	2	-	$0.0
Mexico	Mexican Stock Exchange	-	27	-	$1.7
United States	BATS	-	-	-	$985.3
	Boston	-	-	-	$128.5
	CBOE	-	-	-	$57.0
	Chicago	-	-	-	$219.6
	Cincinnati	-	-	-	$37.3
	FINRA-ADF	-	-	-	$1,875.1
	NASDAQ	-	-	-	$0.0
	Philadelphia	-	-	-	$1,597.2
	NYSE Arca	-	-	-	$125.9
Europe, Middle East and Africa (EMEA)		**878**	**1,438**	**$53.4**	**$425.3**
Botswana	Botswana Stock Exchange	-	1	-	$30.3
France	NYSE Euronext Paris	2	45	$0.1	$6.1
Germany	Deutsche Boerse	94	217	$2.4	$43.1
	Boerse Stuttgart	-	193	-	$3.8
Israel	Tel Aviv Stock Exchange	317	317	$17.0	$114.0
Italy	Borsa Italiana	13	97	$0.2	$68.8
Netherlands	NYSE Euronext Amsterdam	-	33	-	$1.7
South Africa	Johannesburg Stock Exchange	8	8	$2.3	$7.9
Switzerland	Scoach SWX	111	111	$3.5	$0.0
	SIX Swiss Exchange	-	30	-	$0.8
UAE	NASDAQ Dubai	1	1	$0.0	$0.0
United Kingdom	London Stock Exchange	332	385	$27.9	$142.6
	European Reported OTC	-	-	-	$6.4
Total		**1,162**	**1,798**	**$183.4**	**$7,338.2**

Note: To avoid double counting, assets shown above refer only to primary listings.
Source: BlackRock Investment Institute – ETF Research, Bloomberg, Bank of Israel.

Figure 28: ETF and ETP listings, as at end H1 2011

Location	# primary listings	New in 2010	New in 2011 YTD	# total listings	AUM (US$ Bn) 2010	AUM (US$ Bn) H1-11	Change in AUM US$ Bn	Change in AUM %	# providers	# exchanges (official)	# planned new
Exchange Traded Funds (ETFs)											
United States	1,039	173	143	1,039	$891.0	$973.5	$82.4	9.3%	29	2	879
Europe	1,185	269	139	4,050	$284.0	$321.2	$37.2	13.1%	40	23	42[1]
Austria	1	-	-	21	$0.1	$0.1	$0.0	-32.6%	1	1	
Belgium	1	-	-	28	$0.1	$0.0	$0.0	-10.4%	1	1	
Finland	1	-	-	1	$0.3	$0.3	$0.0	-9.1%	1	1	
France	270	55	13	494	$59.9	$64.3	$4.4	7.4%	9	1	
Germany	420	59	50	1,237	$110.7	$124.2	$13.5	12.2%	12	2	
Greece	3	1	-	3	$0.1	$0.1	$0.0	-10.6%	2	1	
Hungary	1	-	-	1	$0.0	$0.0	$0.0	20.7%	1	1	
Ireland	14	-	-	14	$0.4	$0.4	$0.0	5.5%	2	1	
Italy	23	12	-	535	$2.5	$2.7	$0.2	8.4%	4	1	
Netherlands	16	2	4	115	$0.3	$0.4	$0.0	10.2%	4	1	
Norway	7	-	1	15	$0.7	$0.9	$0.1	20.3%	2	1	
Poland	1	1	-	3	$0.1	$0.1	$0.0	8.3%	1	1	
Portugal	3	3	-	3	$0.0	$0.1	$0.0	161.4%	2	1	
Russia	1	1	-	1	$0.0	$0.0	$0.0	10.8%	1	1	
Slovenia	1	-	-	1	$0.0	$0.0	$0.0	7.4%	1	1	
Spain	12	-	2	68	$1.2	$1.5	$0.2	17.0%	2	2	
Sweden	23	13	5	87	$2.8	$3.0	$0.2	8.1%	2	2	
Switzerland	128	58	17	691	$38.0	$47.3	$9.3	24.6%	7	1	
Turkey	12	3	-	12	$0.2	$0.2	$0.0	10.0%	5	1	
United Kingdom	247	61	40	720	$66.7	$75.8	$9.1	13.7%	9	1	
Canada	195	51	39	235	$38.4	$41.7	$3.3	8.6%	6	1	26
Japan	86	12	6	90	$32.2	$31.2	-$1.0	-3.0%	7	3	0
Hong Kong	47	18	7	76	$26.3	$27.3	$1.0	3.9%	10	1	1
China	25	8	10	25	$10.1	$12.1	$2.0	19.9%	18	2	22
Mexico	19	6	-	351	$8.2	$9.5	$1.3	15.6%	3	1	1
South Korea	91	15	29	91	$5.3	$7.7	$2.4	44.5%	14	1	5
Taiwan	15	-	3	18	$2.8	$5.7	$2.8	101.0%	2	1	4
Australia	28	15	9	49	$3.9	$3.9	$0.0	0.3%	6	1	5
Singapore	25	12	4	83	$3.6	$3.2	-$0.4	-10.9%	8	1	3
South Africa	26	3	-	26	$2.3	$2.6	$0.3	11.4%	8	1	15
Brazil	8	3	1	8	$1.9	$1.8	-$0.1	-5.6%	2	1	1
India	19	4	3	19	$0.4	$0.5	$0.1	17.1%	8	2	19
New Zealand	6	-	-	6	$0.4	$0.4	$0.0	-0.3%	2	1	0
Malaysia	4	1	-	5	$0.4	$0.4	$0.0	-3.0%	3	1	3
Thailand	3	1	-	3	$0.1	$0.1	$0.0	-11.7%	3	1	0
Saudi Arabia	2	2	-	2	$0.0	$0.0	$0.0	52.6%	1	1	1
UAE	1	1	-	1	$0.0	$0.0	$0.0	2.9%	1	1	4
Indonesia	1	-	-	1	$0.0	$0.0	$0.0	-11.3%	1	1	0
Chile	-	-	-	50	-	-	-	-	-	1	0
Botswana	-	-	-	1	-	-	-	-	-	1	0
Colombia	-	-	-	-	-	-	-	-	-	-	1
Israel	-	-	-	-	-	-	-	-	-	-	2
Egypt	-	-	-	-	-	-	-	-	-	-	1
Sri Lanka	-	-	-	-	-	-	-	-	-	-	1
Philippines	-	-	-	-	-	-	-	-	-	-	1
ETF total	**2,825**	**594**	**393**	**6,229**	**$1,311.3**	**$1,442.7**	**$131.3**	**10.0%**	**146**	**49**	**1,037**

continued…

1. Includes three undisclosed Ossiam ETFs.

Note: To avoid double counting, assets shown above refer only to primary listings. New in 2010, new in 2011, and # providers also refer only to primary listings.

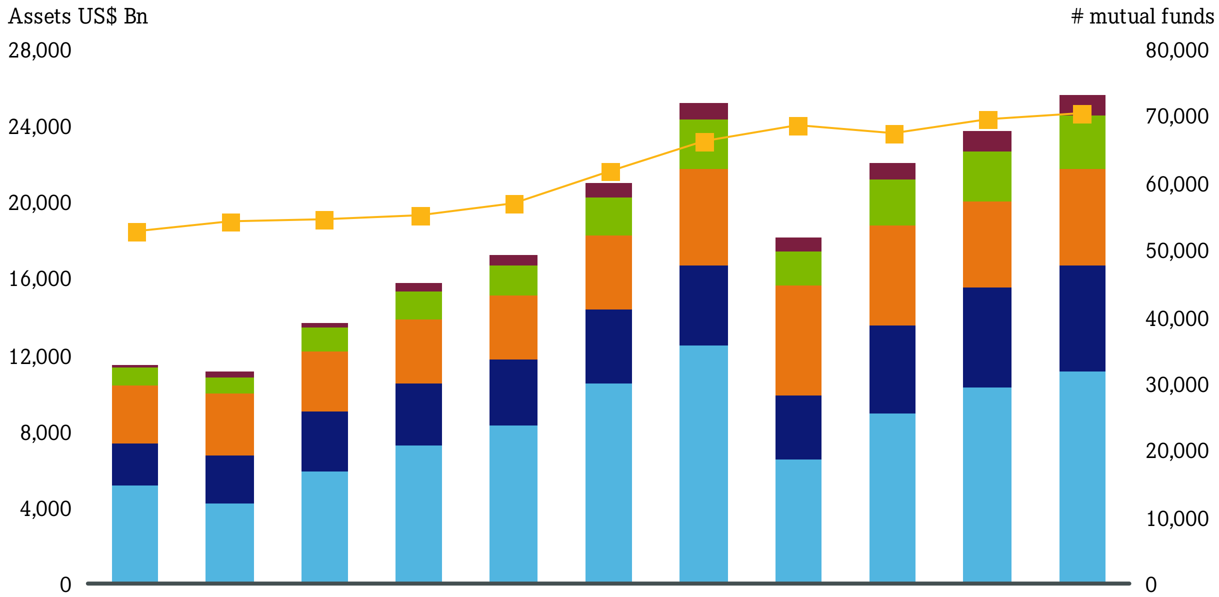
Figure 28: ETF and ETP listings, as at end H1 2011 (continued)

Location	# primary listings	New in 2010	New in 2011 YTD	# total listings	Assets (US$ Bn) 2010	Assets (US$ Bn) H1-11	Change in assets US$ Bn	Change in assets %	# providers	# exchanges (official)	# planned new
Exchange Traded Products (ETPs)											
US ETPs (HOLDRS)	17	-	-	17	$4.7	$4.9	$0.1	2.6%	1	1	0
US ETPs (alternative)	15	10	3	15	$2.3	$2.3	$0.1	2.5%	5	1	0
US ETPs (equity)	42	23	5	42	$4.1	$4.4	$0.3	6.6%	10	1	1
US ETPs (currency)	29	-	2	29	$4.8	$6.5	$1.7	34.5%	6	1	23
US ETPs (commodity)	121	7	25	121	$104.6	$108.6	$4.0	3.8%	14	1	88
US ETPs (mixed)	7	-	1	7	$0.1	$0.2	$0.0	100.0%	3	1	0
US ETPs (fixed income)	18	12	6	18	$0.2	$0.4	$0.2	100.0%	3	1	6
Europe ETPs (alternative)	4	2	-	14	$0.1	$0.1	$0.0	9.8%	1	4	0
Europe ETPs (commodity)	451	147	19	946	$30.6	$33.2	$2.6	8.4%	10	8	19
Europe ETPs (currency)	86	58	12	134	$0.3	$0.4	$0.1	38.0%	1	4	6
Europe ETPs (equity)	11	15	-	16	$0.3	$0.3	$0.0	4.0%	2	3	0
Europe ETPs (HOLDRS)	-	-	-	1	$0.0	$0.0	-	-	0	1	0
India ETPs (commodity)	11	4	1	11	$0.7	$1.2	$0.4	59.6%	11	1	6
Japan ETPs (commodity)	9	7	-	29	$0.4	$0.6	$0.2	42.7%	4	2	1
South Africa ETPs (commodity)	7	4	1	7	$2.3	$2.3	$0.0	1.0%	3	1	3
South Africa ETPs (equity)	-	-	-	-	$0.0	$0.0	$0.0	0%	0	0	1
South Africa ETPs (fixed income)	1	-	-	1	$0.0	$0.0	$0.0	0%	1	1	0
UAE ETPs (commodity)	1	-	-	1	$0.0	$0.0	$0.0	5.8%	1	1	1
Israel ETPs	317	23	-	317	$15.0	$17.0	$2.0	13.4%	6	1	0
Australia ETPs (commodity)	5	-	-	5	$0.7	$0.7	$0.0	5.4%	1	1	0
South Korea ETPs (commodity)	4	1	2	4	$0.0	$0.0	$0.0	102.9%	2	1	0
Mexico ETPs (commodity)	-	-	-	15	$0.0	$0.0	$0.0	-	0	1	0
Mexico ETPs (currency)	-	-	-	12	$0.0	$0.0	$0.0	-	0	1	0
Chile ETPs (commodity)	-	-	-	2	$0.0	$0.0	$0.0	-	0	1	0
Canada ETPs (alternative)	-	-	-	4	-	-	-	-	0	1	0
Canada ETPs (commodity)	-	-	-	6	$0.0	$0.0	$0.0	0.0%	0	1	0
Canada ETPs (equity)	-	-	-	2	$0.0	$0.0	$0.0	-	0	1	0
Canada ETPs (fixed income)	-	-	-	4	$0.0	$0.0	$0.0	-	0	1	0
Canada ETPs (currency)	-	-	-	8	$0.0	$0.0	$0.0	-	0	1	0
Hong Kong ETPs (equity)	5	-	-	5	$0.0	$0.3	$0.0	-	1	1	0
Hong Kong ETPs (commodity)	1	1	-	2	$0.1	$0.1	$0.0	-	1	1	1
Malaysia ETPs (commodity)	-	-	-	-	$0.0	$0.0	$0.0	-	0	0	1
Singapore ETPs (commodity)	-	-	-	2	$0.0	$0.0	$0.0	-	0	1	0
Thailand ETPs (commodity)	-	-	-	-	$0.0	$0.0	$0.0	-	0	0	1
Botswana ETPs (commodity)	-	-	-	1	$0.0	$0.0	$0.0	0.0%	0	1	0
ETPs (commodities) total	**620**	**175**	**48**	**1,162**	**$139.4**	**$146.7**	**$7.2**	**5.2%**	**48**	**23**	**121**
ETPs total	**1,162**	**314**	**77**	**1,798**	**$171.3**	**$183.4**	**$11.8**	**7.1%**	**57**	**23**	**158**
ETF/ETP total	**3,987**	**908**	**470**	**8,027**	**$1,482.7**	**$1,626.1**	**$143.1**	**9.7%**	**182**	**52**	**1,195**

Note: To avoid double counting, assets shown above refer only to primary listings. New in 2010, new in 2011, and # providers also refer only to primary listings.
Source: BlackRock Investment Institute – ETF Research, Bloomberg, Bank of Israel.

According to the Investment Company Institute (ICI), at the end of Q1 2011, there were 70,358 mutual funds worldwide with assets of US$25.6 trillion, up from US$24.7 trillion in 69,519 funds at the end of 2010.

Figure 29: Global mutual fund industry

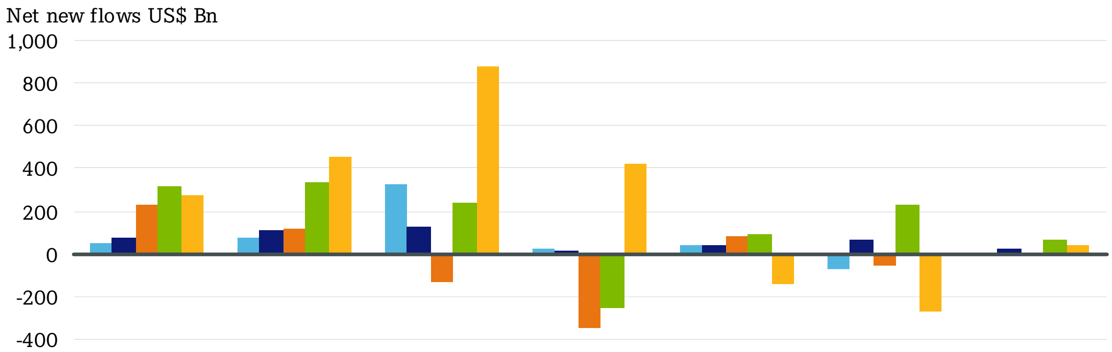


Assets (US$ Bn)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Q1-2011
Total	11,655	11,324	14,048	16,165	17,757	21,809	26,132	18,920	22,953	24,699	25,614
Equity	5,134	4,204	5,923	7,219	8,336	10,512	12,443	6,498	8,948	10,250	11,081
Bond	2,212	2,534	3,047	3,313	3,450	3,872	4,279	3,389	4,546	5,231	5,607
Money market	2,986	3,190	3,206	3,323	3,351	3,848	4,940	5,786	5,317	4,531	4,970
Balanced/mixed	942	918	1,198	1,445	1,563	2,046	2,636	1,772	2,345	2,672	2,878
Other	190	229	311	398	512	676	884	676	840	1,002	1,079
# funds	52,849	54,110	54,569	54,982	56,867	61,855	66,348	68,574	67,552	69,519	70,358

Source: Investment Company Institute (ICI).

Globally, open-end mutual funds (excluding ETFs) saw US$116.1 Bn net inflows YTD to May 2011 according to data from Strategic Insight. International/offshore (which includes Dublin and Luxembourg) funds were the most popular with US$63.5 Bn net inflows, followed by funds in the United States with US$40.5 Bn net inflows while Asia Pacific (ex-Japan) funds experienced net outflows of US$11.5 Bn.

Figure 30: Global mutual fund flows (excluding ETFs)

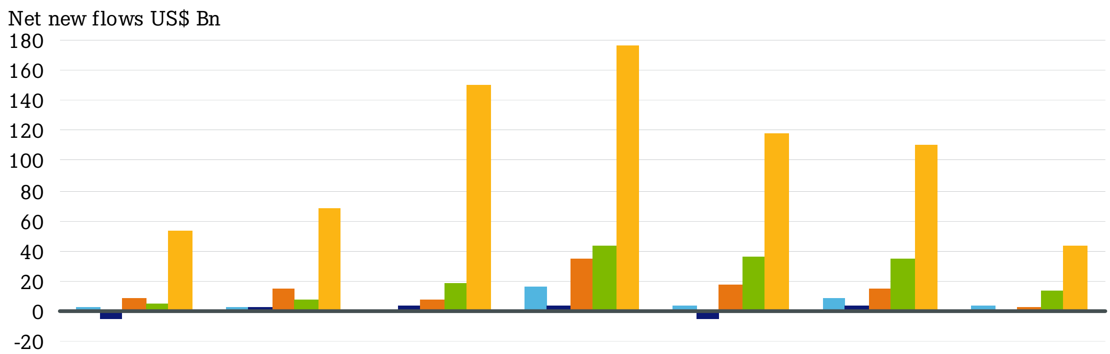


Region (US$ Bn)	2005	2006	2007	2008	2009	2010	YTD May-11
Asia Pacific (ex-Japan)	45.2	77.2	327.5	19.9	37.2	-68.0	-11.5
Japan	73.9	113.2	127.1	17.7	38.8	65.1	25.1
Europe	232.7	114.6	-130.3	-347.6	81.8	-54.9	-1.5
International/offshore	318.2	331.5	239.3	-250.0	96.2	230.0	63.5
United States	272.6	453.1	874.8	423.8	-144.3	-270.4	40.5
Total	**942.6**	**1089.7**	**1438.5**	**-136.3**	**109.6**	**-98.2**	**116.1**

Source: Strategic Insight Simfund Global.

Globally, ETFs saw US$62.8 Bn net inflows YTD to May 2011 according to data from Strategic Insight. United States listed ETFs were the most popular with US$42.8 Bn net inflows, followed by international/offshore (which includes Dublin and Luxembourg) with US$13.1 Bn net inflows.

Figure 31: Global ETF fund flows



Region (US$ Bn)	2005	2006	2007	2008	2009	2010	YTD May-11
Asia Pacific (ex-Japan)	2.1	2.2	0.4	15.5	3.6	9.2	3.9
Japan	-4.9	2.3	3.1	3.3	-5.3	4.0	0.1
Europe	9.3	14.5	7.0	34.7	17.5	14.8	2.9
International/offshore	5.1	7.6	18.0	42.7	35.6	34.4	13.1
United States	53.7	68.7	149.7	176.0	117.5	110.4	42.8
Total	**65.3**	**95.3**	**178.2**	**272.2**	**168.8**	**172.8**	**62.8**

Note: Includes ETFs of all legal structures (open-end, UIT, Grantor Trusts, Partnerships) and ETPs.
Source: Strategic Insight Simfund Global.

Europe

11 April 2011 marked the 11th anniversary of ETFs in Europe. The first ETFs to launch in Europe were the iShares DJ STOXX 50 (EUN1 GY) and iShares DJ Euro STOXX 50 (EUN2 GY) on 11 April 2000 on the Deutsche Boerse, followed by the iShares FTSE 100 (ISF LN) on the LSE extraMARK segment on 28 April 2000. The first two ETFs were originally branded as 'LDRS', sponsored by Merrill Lynch International and later acquired by iShares in September 2003.

In Europe, there were 1,185 ETFs and assets of US$321.2 Bn, with 4,050 listings from 40 providers on 23 exchanges at end of H1 2011. European ETF AUM increased by 0.9%, compared to the 2.0% decrease in the MSCI Europe Index in US dollar terms. According to Lipper FMI, YTD to May 2011, net sales of mutual funds (excluding ETFs) in Europe were US$104.1 Bn, whilst net sales of ETFs domiciled in Europe were US$17.0 Bn.

ETFs providing exposure to fixed income were the most popular with 18.7% of assets followed by ETFs covering European country indices with 17.2% of the assets in Europe. YTD, 139 new ETFs were launched in Europe, with a further 42 planned in the future.

iShares is the largest provider of ETFs in Europe in terms of both number of products (168) and AUM (US$116.3 Bn), reflecting 36.2% market share; Lyxor Asset Management is second with 161 products, AUM of US$53.5 Bn, and 16.7% market share; and db x-trackers is third with 172 products, AUM of US$51.0 Bn and 15.9% market share.

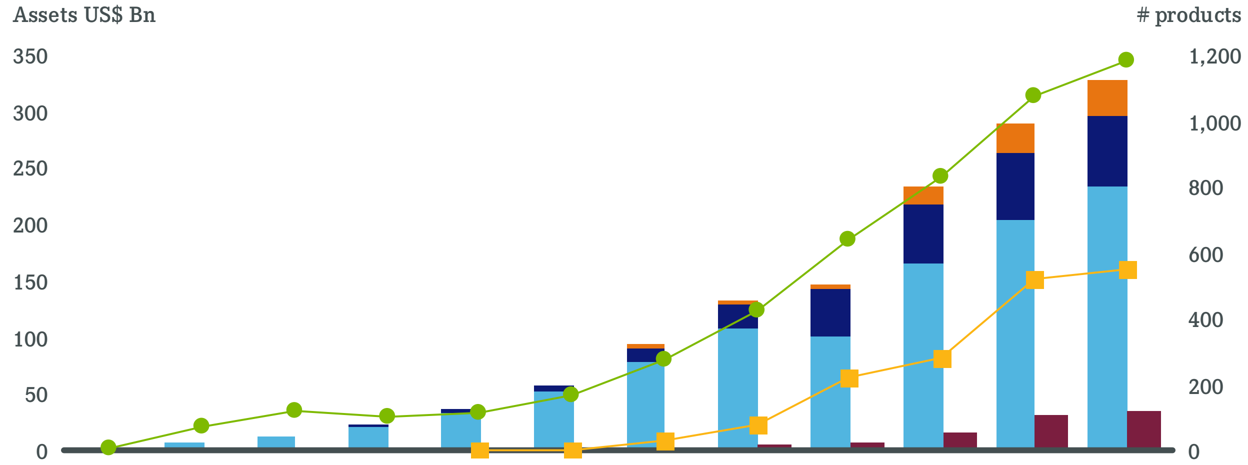
Additionally, there were 552 other ETPs, assets of US$34.0 Bn, with 1,111 listings from ten providers on eight exchanges. YTD, ETP assets in Europe increased by 8.7% to US$34.0 Bn.

Figure 32: ETF listings in Europe, as at end H1 2011

	Country	P listings	T listings	Providers	AUM
1	**Austria**	1	21	1	US$0.1 Bn
2	**Belgium**	1	28	1	US$0.0 Bn
3	**Finland**	1	1	1	US$0.3 Bn
4	**France**	270	494	9	US$64.3 Bn
5	**Germany**	420	1,237	12	US$124.2 Bn
6	**Greece**	3	3	2	US$0.1 Bn
7	**Hungary**	1	1	1	US$0.0 Bn
8	**Ireland**	14	14	2	US$0.4 Bn
9	**Italy**	23	535	4	US$2.7 Bn
10	**Netherlands**	16	115	4	US$0.4 Bn
11	**Norway**	7	15	2	US$0.9 Bn
12	**Poland**	1	3	1	US$0.1 Bn
13	**Portugal**	3	3	2	US$0.1 Bn
14	**Russia**	1	1	1	US$0.0 Bn
15	**Slovenia**	1	1	1	US$0.0 Bn
16	**Spain**	12	68	2	US$1.5 Bn
17	**Sweden**	23	87	2	US$3.0 Bn
18	**Switzerland**	128	691	7	US$47.3 Bn
19	**Turkey**	12	12	5	US$0.2 Bn
20	**United Kingdom**	247	720	9	US$75.8 Bn

Note: P listings = # primary listings. T listings = # total listings. Providers = # primary ETF providers. Assets = Assets Under Management in primary listings only.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 33: European listed ETF and ETP asset growth, as at end H1 2011



Assets (US$ Bn)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	H1-11
ETF total	**$0.7**	**$5.7**	**$10.7**	**$20.4**	**$34.0**	**$54.9**	**$89.7**	**$128.5**	**$142.7**	**$226.9**	**$284.0**	**$321.2**
ETF equity	$0.7	$5.7	$10.7	$19.4	$31.0	$49.3	$75.7	$103.5	$96.6	$159.8	$198.5	$227.2
ETF fixed income	-	-	-	$1.0	$2.9	$5.2	$12.1	$21.0	$41.1	$51.6	$57.1	$61.3
ETF commodity	-	-	-	-	-	$0.4	$2.0	$3.3	$4.9	$15.2	$26.4	$30.4
ETP assets	-	-	-	-	$0.7	$1.1	$2.1	$4.9	$6.9	$15.7	$31.3	$34.0
ETF/ETP total	**$0.7**	**$5.7**	**$10.7**	**$20.4**	**$34.7**	**$56.0**	**$91.8**	**$133.3**	**$149.6**	**$242.6**	**$315.3**	**$355.3**
# ETFs	6	71	118	104	114	165	273	423	636	827	1,072	1,185
# ETPs					1	2	32	80	218	278	521	552
# ETFs/ETPs total	**6**	**71**	**118**	**104**	**115**	**167**	**305**	**503**	**854**	**1,105**	**1,593**	**1,737**

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 34: European ETF and ETP net new assets by type of exposure, as at end H1 2011

Exposure	June-11 #ETFs/ ETPs	June-11 # total listings	June-11 ADV (US$ Mn)	June-11 Assets (US$ Mn)	June-11 NNA (US$ Mn)	YTD 2011 NNA (US$ Mn)	2010 NNA (US$ Mn)
Equity	**852**	**3,075**	**3,002.6**	**227,494.0**	**3,835.3**	**17,437.7**	**31,155.1**
Europe	**467**	**1,479**	**2,149.5**	**128,968.3**	**1,200.2**	**6,706.9**	**7,838.6**
Broad	**150**	**578**	**641.3**	**54,590.1**	**1,765.8**	**(1,010.1)**	**1,950.9**
Country	**157**	**402**	**1,120.3**	**58,992.9**	**(21.3)**	**6,587.2**	**5,586.7**
Sectors	**160**	**499**	**388.0**	**15,385.3**	**(544.3)**	**1,129.8**	**300.9**
STOXX 600 sectors	**97**	**284**	**344.2**	**10,074.8**	**(567.6)**	**(187.7)**	**(119.9)**
Automobiles and parts	5	12	29.8	337.2	6.5	(109.5)	75.7
Banks	6	21	48.0	1,617.2	45.4	299.3	78.0
Basic resources	6	21	44.5	1,121.1	(27.0)	(210.7)	(223.1)
Chemicals	4	11	15.1	255.5	(46.4)	(46.5)	18.2
Construction and materials	5	12	6.2	213.4	(99.4)	(87.7)	89.1
Financial services	4	11	5.7	135.5	(65.5)	47.0	3.4
Food and beverage	5	15	23.8	534.2	83.5	114.9	(179.2)
Healthcare	6	18	26.5	1,061.4	(267.7)	80.3	(121.4)
Industrial goods and services	5	15	40.5	554.6	1.0	(46.6)	25.9
Insurance	6	16	30.1	510.6	(37.9)	(162.9)	(72.2)
Media	5	12	3.8	122.9	(18.2)	(46.0)	15.3
Oil and gas	7	25	16.8	1,097.2	(174.4)	51.2	11.0
Personal and household goods	4	11	2.1	325.4	25.0	(26.8)	122.7
Real estate	2	6	0.6	116.5	16.7	41.9	(21.8)
Retail	4	11	10.4	188.7	(25.4)	(77.6)	78.2
Technology	6	16	7.6	262.2	(52.9)	28.3	(1.7)
Telecommunications	6	18	16.2	914.0	88.5	157.4	(153.6)
Travel and leisure	4	11	3.8	113.7	(18.8)	(33.0)	41.1
Utilities	7	22	12.7	593.6	(0.5)	(160.5)	94.8
Other sectors	**63**	**215**	**43.8**	**5,310.5**	**23.3**	**1,317.5**	**420.8**
North America	**88**	**367**	**242.8**	**28,249.3**	**970.4**	**5,803.4**	**4,794.8**
Broad	3	14	10.6	2,161.0	91.3	174.5	595.1
Canada	7	33	6.8	895.4	30.2	507.5	298.1
United States	78	320	225.4	25,193.0	848.9	5,121.4	3,901.5
Asia Pacific	**62**	**281**	**90.9**	**14,065.6**	**301.2**	**634.0**	**3,693.6**
Global	**80**	**345**	**99.2**	**13,989.0**	**(41.7)**	**858.0**	**2,522.3**
Emerging markets	**155**	**603**	**420.2**	**42,221.8**	**1,405.1**	**3,435.5**	**12,305.9**
Broad	**40**	**126**	**172.6**	**20,598.5**	**1,640.2**	**1,415.8**	**7,253.6**
Global emerging markets	26	74	156.3	18,365.4	1,720.2	1,328.0	6,379.0
Frontier	2	8	0.9	185.6	(9.5)	51.4	99.1
Sector	2	8	1.0	154.4	(16.9)	(70.0)	120.3
Other	10	36	14.5	1,893.1	(53.5)	106.3	655.2
Regional	**33**	**131**	**38.7**	**4,764.6**	**42.0**	**459.0**	**1,160.5**
Asia Pacific	5	23	10.4	1,438.8	67.1	233.3	442.8
Eastern Europe	12	54	16.2	1,662.4	(16.4)	288.1	305.8
Middle East and Africa	6	15	0.8	249.8	(4.6)	(7.7)	184.2
Latin America	10	39	11.3	1,413.5	(4.1)	(54.7)	227.7
Country	**82**	**346**	**208.8**	**16,858.7**	**(277.1)**	**1,560.7**	**3,891.8**
Brazil	10	44	29.0	2,682.8	17.2	(25.8)	329.1
Chile	2	7	3.8	67.0	12.7	22.3	41.8
China	12	54	34.6	3,368.4	71.8	(67.8)	427.1
Egypt	-	-	-	-	-	-	(9.0)
Hungary	1	1	0.0	19.7	(0.3)	0.3	(0.6)
India	8	37	18.4	2,848.4	(85.6)	(128.4)	690.6
Indonesia	1	5	2.9	7.1	-	6.3	-
Kuwait	1	2	0.3	48.7	-	-	14.6
Malaysia	2	9	5.3	182.2	49.2	27.4	99.0
Mexico	3	16	2.2	82.4	-	33.1	41.8
Philippines	-	2	0.0	-	-	-	-
Poland	2	4	0.7	103.6	2.6	10.3	77.5
Russia	9	36	43.1	3,825.5	(180.4)	1,441.0	951.8
South Africa	6	25	5.4	299.5	(26.6)	(36.2)	87.5
South Korea	6	30	22.5	1,489.8	(45.5)	212.0	488.9
Taiwan	6	34	10.2	738.0	(49.3)	(8.3)	252.5
Thailand	-	3	1.0	-	-	-	-
Turkey	12	29	28.0	766.4	(45.2)	(5.6)	215.1
UAE	-	-	-	-	-	-	(13.2)
Vietnam	1	8	1.3	329.2	2.1	80.2	197.4

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 34: European ETF and ETP net new assets by type of exposure, as at end H1 2011 (continued)

Exposure	June-11 #ETFs /ETPs	# total listings	ADV (US$ Mn)	Assets (US$ Mn)	NNA (US$ Mn)	YTD 2011 NNA (US$ Mn)	2010 NNA (US$ Mn)
Fixed income	233	717	416.0	61,288.0	633.3	22.3	8,275.9
Active	3	3	0.3	150.5	38.7	146.4	-
Broad/aggregate	6	10	2.3	791.3	173.8	238.7	421.8
Corporate	22	64	47.8	11,978.4	91.9	525.7	2,400.8
Covered	8	26	1.4	1,047.2	(0.0)	(56.5)	360.3
Credit spreads	13	35	6.2	921.0	45.8	(45.6)	(25.3)
Emerging	7	18	14.3	1,643.6	38.9	(76.8)	1,120.0
Government	137	432	171.3	29,671.8	603.4	(1,117.6)	4,649.0
High yield	2	9	9.1	1,072.7	(45.2)	486.5	472.8
Inflation	15	55	66.5	5,178.0	11.8	643.0	(122.4)
Money market	19	61	95.1	7,138.7	(333.7)	(664.5)	(994.8)
Mortgage	1	4	1.8	1,695.0	7.9	(57.2)	(6.4)
Commodities	534	1,176	377.4	63,598.4	53.2	3,003.8	9,429.3
Broad	86	194	30.0	9,772.3	(475.1)	1,086.7	1,707.1
Alternative	1	2	0.0	1.5	(0.0)	0.3	(0.9)
Agriculture	118	269	31.0	4,834.4	52.9	250.0	(352.5)
Energy	103	222	69.8	4,881.1	(125.1)	394.3	510.0
Industrial metals	80	158	8.2	2,420.5	18.0	200.2	330.5
Livestock	23	53	1.7	145.7	18.9	19.2	14.5
Precious metals	123	278	236.7	41,542.9	563.7	1,053.1	7,220.6
Currency	90	141	12.6	631.6	(17.9)	15.0	344.7
Alternative	22	46	17.0	2,097.4	(304.0)	(26.1)	1,043.6
Mixed	6	6	0.6	145.7	0.0	20.9	35.4
Total	**1,737**	**5,161**	**3,826.1**	**355,255.1**	**4,200.0**	**20,473.6**	**50,283.9**

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 35: European leveraged and inverse ETF and ETP net new assets by type of exposure, as at end H1 2011

Exposure	June-11 #ETFs /ETPs	# total listings	ADV (US$ Mn)	Assets (US$ Mn)	NNA (US$ Mn)	YTD 2011 NNA (US$ Mn)	2010 NNA (US$ Mn)
Leveraged	89	252	307.1	4,310.9	579.7	334.4	708.7
Equity	34	112	248.9	3,070.4	411.5	29.1	346.2
North America	3	11	2.3	61.5	(2.2)	(3.3)	10.4
Europe	31	101	246.5	3,008.9	413.7	32.3	335.8
Fixed income	3	9	5.9	197.6	74.6	133.6	56.6
Commodities	38	117	50.6	1,024.1	90.7	153.6	305.7
Currency	14	14	1.8	18.9	2.9	18.1	0.2
Inverse	126	377	130.3	4,756.2	(151.7)	350.1	900.8
Equity	40	149	106.1	2,305.6	(109.6)	(3.0)	(18.5)
North America	2	10	6.5	186.2	(7.4)	4.8	54.6
Europe	36	133	98.5	2,081.4	(95.7)	(27.0)	(90.0)
Asia Pacific	1	3	0.2	20.6	-	0.4	16.9
Emerging markets	1	3	0.8	17.4	(6.4)	18.9	-
Fixed income	19	56	4.6	1,700.4	6.0	137.0	650.0
Commodities	37	118	14.7	514.7	(12.8)	168.6	119.1
Currency	29	53	5.0	226.6	(35.4)	47.5	169.0
Alternative	1	1	0.0	8.9	-	-	(18.8)
Leveraged inverse	46	99	202.4	2,023.4	(123.0)	291.0	706.3
Equity	25	68	184.6	1,383.4	(258.4)	38.4	375.7
North America	1	6	0.4	16.2	2.5	9.1	11.2
Europe	24	62	184.2	1,367.2	(260.9)	29.4	364.4
Fixed income	3	10	16.4	555.3	125.7	179.0	329.2
Commodities	4	7	0.0	24.2	-	13.6	-
Currency	14	14	1.4	60.4	9.7	60.0	1.5
Total	**261**	**728**	**639.8**	**11,090.5**	**305.0**	**975.5**	**2,315.8**

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 36: STOXX 600 Sector ETF Net Flows, for the week ending 1 July 2011

- The week ending 1 July saw US$38.0 Mn net inflows to STOXX Europe 600 sector ETFs.
- The largest sector ETF net inflows last week were in oil and gas with US$44.1 Mn followed by food and beverage with US$38.9 Mn net inflows while healthcare experienced net outflows of US$43.5 Mn.
- Year to date, STOXX Europe 600 sector ETFs have seen US$174.2 Mn net outflows.
- Basic resources has seen the largest net outflows with US$214.2 Mn, followed by insurance with US$184.3 Mn net outflows, while banks experienced the largest net inflows with US$303.5 Mn.

		Index		US$ total return performance				Futures open interest	ETF AUM (US$ Mn)					
Sector	Ticker	# stocks	% weight	Weekly	Rank	YTD	Rank	(US$ Mn)	01-Jul-11	YTD % change	ETF 5-day ADV (US$ Mn)	Weekly ETF net flows (US$ Mn)	MTD ETF net flows (US$ Mn)	YTD ETF net flows (US$ Mn)
Automobiles and parts	SXAR	14	2.4%	7.4%	7	22.0%	1	319.4	341.8	-12.0%	14.5	20.9	4.5	-105.0
Banks	SX7R	49	14.1%	10.2%	1	7.9%	16	1,018.4	1,667.2	28.9%	21.5	5.6	4.3	303.5
Basic resources	SXPR	32	5.6%	8.7%	2	-0.6%	19	843.9	1,128.0	-16.9%	17.2	-40.4	-3.4	-214.2
Chemicals	SX4R	23	4.5%	5.7%	14	17.2%	4	200.6	266.6	-3.4%	2.9	8.7	9.9	-36.7
Construction and materials	SXOR	25	2.8%	8.3%	5	11.5%	7	43.2	214.7	-20.2%	4.6	-2.1	0.0	-87.9
Financial services	SXFR	30	1.6%	8.5%	4	8.9%	15	23.8	137.7	53.5%	1.3	9.4	-2.0	45.0
Food and beverage	SX3R	27	6.9%	2.9%	19	10.1%	11	246.1	538.9	39.3%	5.7	38.9	3.2	118.0
Healthcare	SXDR	34	9.0%	4.1%	17	16.3%	5	475.1	1,060.3	24.9%	4.4	-43.5	-3.3	76.8
Industrial goods and services	SXNR	97	10.4%	7.1%	8	12.2%	6	609.6	561.2	0.4%	5.0	-1.5	3.7	-42.9
Insurance	SXIR	33	5.8%	8.5%	3	20.2%	3	406.7	496.0	-10.8%	3.6	4.5	-21.5	-184.3
Media	SXMR	30	2.4%	6.2%	12	9.7%	12	164.3	126.6	-19.0%	1.6	5.2	2.1	-44.0
Oil and gas	SXER	33	9.4%	8.0%	6	9.4%	14	562.3	1,114.1	14.4%	9.8	44.1	9.9	60.8
Personal and household goods	SXQR	29	5.1%	6.1%	13	11.4%	8	161.7	330.7	0.9%	1.5	0.9	2.5	-24.2
Real estate	SX86R	22	1.2%	6.3%	11	20.6%	2	1.1	117.4	90.9%	0.1	0.0	0.0	41.9
Retail	SXRR	25	3.2%	3.3%	18	4.9%	17	204.6	188.5	-25.8%	2.8	-4.7	0.0	-77.6
Technology	SX8R	24	3.4%	6.8%	9	11.1%	9	40.6	263.0	25.0%	2.0	-6.0	0.0	28.2
Telecommunications	SXKR	21	5.7%	4.3%	16	9.4%	13	233.3	919.2	33.7%	5.4	5.4	5.4	162.5
Travel and leisure	SXTR	21	1.2%	5.1%	15	4.3%	18	56.1	115.0	-19.5%	1.1	-0.5	0.3	-32.8
Utilities	SX6R	31	5.5%	6.4%	10	10.3%	10	354.3	600.1	-14.5%	3.6	-7.0	-1.1	-161.3
Total		**600**	**100.0%**	**6.7%**		**11.5%**		**5,965.0**	**10,187.0**	**6.8%**	**108.7**	**38.0**	**14.5**	**-174.2**

Note: Index returns are for illustrative purposes only and do not represent actual fund performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results. Index YTD returns reflect US dollar total return performance from 30 December 2010 to 1 July 2011.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 37: ETF/ETP providers in Europe ranked by assets, as at end H1 2011

	H1-11								YTD	YTD change				
Provider	# ETFs/ ETPs	# listings	Assets (US$ Bn)	% total	ADV (US$ Mn)	# planned	Jun-11 NNA (US$ Bn)	2011 YTD NNA (US$ Bn)	market move (US$ Bn)	# ETFs/ ETPs	% ETFs/ ETPs	Assets (US$ Bn)	% assets	% market share
iShares	172	726	$116.3	32.7%	$1,092.5	1	$1.6	$9.4	$5.1	-9	-5.0%	$14.5	14.3%	0.5%
Lyxor Asset Management	161	653	$53.5	15.1%	$937.5	0	-$0.3	-$2.4	$3.6	7	4.5%	$1.2	2.2%	-1.5%
db x-trackers/db ETC	211	760	$53.2	15.0%	$455.4	14	-$0.4	$1.4	$2.7	27	14.7%	$4.2	8.5%	-0.6%
ETF Securities	251	766	$22.8	6.4%	$254.0	20	$0.3	$0.1	$0.8	19	8.2%	$0.9	3.9%	-0.5%
Credit Suisse Asset Management	58	298	$18.3	5.2%	$89.6	0	$0.4	$1.6	$1.0	4	7.4%	$2.7	17.1%	0.2%
Zurich Cantonal Bank	7	12	$12.9	3.6%	$43.4	0	$0.1	$0.1	$1.1	0	0.0%	$1.1	9.5%	-0.1%
UBS Global Asset Management	50	181	$11.4	3.2%	$43.5	0	$1.0	$3.9	$0.9	21	72.4%	$4.8	73.8%	1.1%
Amundi ETF	99	332	$10.1	2.8%	$107.9	0	$0.1	$2.3	$0.6	7	7.6%	$2.9	40.7%	0.6%
Commerzbank	94	366	$9.6	2.7%	$44.3	0	$0.0	$0.3	$0.6	4	4.4%	$1.0	11.1%	0.0%
Source Markets	95	137	$9.4	2.6%	$356.7	15	$0.8	$2.8	$0.4	11	13.1%	$3.2	52.2%	0.7%
EasyETF	48	70	$6.2	1.8%	$19.9	0	$0.1	$0.2	$0.5	-1	-2.0%	$0.7	12.1%	0.0%
ETFlab Investment	40	80	$5.8	1.6%	$42.6	0	$0.1	-$1.5	$0.6	5	14.3%	-$1.0	-14.2%	-0.5%
Swiss & Global Asset Mgmt	16	32	$5.4	1.5%	$27.4	0	$0.1	$0.5	$0.6	0	0.0%	$1.1	26.1%	0.2%
Societe Generale	42	44	$4.1	1.2%	$2.0	0	$0.0	$0.0	$0.1	0	0.0%	$0.1	1.6%	-0.1%
UBS AG	180	180	$3.7	1.0%	$0.2	0	$0.0	$0.0	$0.5	2	1.1%	$0.5	15.1%	0.0%
XACT Fonder	24	53	$3.4	1.0%	$169.2	0	$0.1	$0.1	$0.0	3	14.3%	$0.2	5.9%	-0.1%
RBS	40	134	$1.6	0.4%	$13.5	1	$0.0	$0.1	-$0.1	12	42.9%	$0.0	0.7%	-0.1%
HSBC/Hang Seng	24	87	$1.4	0.4%	$37.8	3	$0.3	$0.8	$0.0	11	84.6%	$0.8	125.6%	0.2%
PowerShares	19	65	$1.4	0.4%	$14.0	1	$0.0	$0.1	$0.0	0	0.0%	$0.2	12.1%	0.0%
State Street Global Advisors	27	64	$1.4	0.4%	$5.1	5	$0.1	$0.3	$0.1	14	107.7%	$0.3	32.4%	0.1%
BBVA Asset Management	10	10	$1.3	0.4%	$3.4	0	$0.0	$0.0	$0.1	2	25.0%	$0.1	13.3%	0.0%
Marshall Wace LLP	3	4	$0.3	0.1%	$2.9	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	-2.5%	0.0%
DnB NOR Asset Management	3	8	$0.3	0.1%	$8.8	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	11.2%	0.0%
Seligson & Co Fund Mgmt	1	1	$0.3	0.1%	$4.1	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	-9.1%	0.0%
Lyxor	3	7	$0.2	0.1%	$0.2	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	1.8%	0.0%
Ossiam	5	5	$0.2	0.1%	$0.0	0	$0.2	$0.2	$0.0	5	100.0%	$0.2	100.0%	0.1%
SEB	3	3	$0.2	0.0%	$12.4	0	-$0.1	$0.2	$0.0	3	100.0%	$0.2	100.0%	0.0%
Finans Portfoy Yonetimi	7	7	$0.1	0.0%	$16.6	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	13.6%	0.0%
Barclays (iPath)	13	32	$0.1	0.0%	$6.4	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	11.2%	0.0%
JP Morgan Mansart Investments	6	12	$0.1	0.0%	$0.1	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	-10.0%	0.0%
ThinkCapital	9	9	$0.1	0.0%	$1.2	0	$0.0	$0.1	$0.0	4	80.0%	$0.1	239.6%	0.0%
Standard Commodities	1	6	$0.1	0.0%	$1.1	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	4.6%	0.0%
Alpha Asset Management	1	1	$0.0	0.0%	$0.1	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	-11.8%	0.0%
ESAF	1	1	$0.0	0.0%	$1.2	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	100.0%	0.0%
NCB Investment Services	1	1	$0.0	0.0%	$0.0	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	12.9%	0.0%
OTP Fund Management	1	1	$0.0	0.0%	$0.0	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	20.7%	0.0%
Is Investment	2	2	$0.0	0.0%	$2.6	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	-5.7%	0.0%
NBG Asset Management	2	2	$0.0	0.0%	$0.0	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	-4.2%	0.0%
Osmosis Investment Mgmt	1	2	$0.0	0.0%	$0.0	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	-4.0%	0.0%
Troika Dialog Asset Management	1	1	$0.0	0.0%	$6.8	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	10.8%	0.0%
Garanti Bank	1	1	$0.0	0.0%	$1.1	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	-10.7%	0.0%
Medvesek Pusnik AM	1	1	$0.0	0.0%	$0.0	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	7.4%	0.0%
Bizim Menkul Degerler	1	1	$0.0	0.0%	$0.4	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	-12.4%	0.0%
Goldman Sachs Asset Management	1	1	$0.0	0.0%	$0.0	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	0.0%	0.0%
Kuveyt Turk Katilim Bankasi	1	1	$0.0	0.0%	$0.1	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	0.0%	0.0%
Carnegie Fonder	0	0	$0.0	0.0%	$0.0	0	$0.0	$0.0	$0.0	-7	-100%	$0.0	-100%	0.0%
Merrill Lynch	-	1	-	-	$0.0	0	-	-	-	-	-	-	-	-
Credit Suisse	-	-	-	-	-	1	-	-	-	-	-	-	-	-
Hinduja Bank (Switzerland)	-	-	-	-	-	1	-	-	-	-	-	-	-	-
GAM Holding	-	-	-	-	-	4	-	-	-	-	-	-	-	-
Qbasis Invest	-	-	-	-	-	1	-	-	-	-	-	-	-	-
Total	**1,737**	**5,161**	**$355.3**	**100.0%**	**$3,826.1**	**67**	**$4.2**	**$20.5**	**$19.4**	**144**	**9.0%**	**$39.9**	**12.7%**	

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

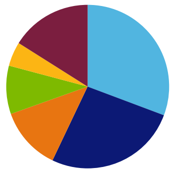
Figure 38: ETF providers in Europe ranked by AUM, as at end H1 2011

	H1-11								YTD	YTD change					
Provider	# ETFs	# listings	AUM (US$ Bn)	% total	ADV (US$ Mn)	# planned	Jun-11 NNA (US$ Bn)	YTD NNA (US$ Bn)	market move (US$ Bn)	# ETFs	% ETFs	AUM (US$ Bn)	% AUM	% market share
iShares	168	718	$116.3	36.2%	$1,092.0	1	$1.6	$9.4	$5.1	-13	-7.2%	$14.5	14.3%	0.4%
Lyxor Asset Management	161	653	$53.5	16.7%	$937.5	0	-$0.3	-$2.4	$3.6	7	4.5%	$1.2	2.2%	-1.8%
db x-trackers	172	683	$51.0	15.9%	$435.4	14	-$0.4	$0.6	$2.6	20	13.2%	$3.2	6.6%	-1.0%
Credit Suisse Asset Mgmt	58	298	$18.3	5.7%	$89.6	0	$0.4	$1.6	$1.0	4	7.4%	$2.7	17.1%	0.2%
Zurich Cantonal Bank	7	12	$12.9	4.0%	$43.4	0	$0.1	$0.1	$1.1	0	0.0%	$1.1	9.5%	-0.1%
UBS Global Asset Management	50	181	$11.4	3.5%	$43.5	0	$1.0	$3.9	$0.9	21	72.4%	$4.8	73.8%	1.2%
Amundi ETF	99	332	$10.1	3.1%	$107.9	0	$0.1	$2.3	$0.6	7	7.6%	$2.9	40.7%	0.6%
Commerzbank	94	366	$9.6	3.0%	$44.3	0	$0.0	$0.3	$0.6	4	4.4%	$1.0	11.1%	-0.1%
Source Markets	64	64	$7.8	2.4%	$346.3	15	$0.7	$2.5	$0.4	8	14.3%	$2.8	57.2%	0.7%
EasyETF	48	70	$6.2	1.9%	$19.9	0	$0.1	$0.2	$0.5	-1	-2.0%	$0.7	12.1%	0.0%
ETFlab Investment	40	80	$5.8	1.8%	$42.6	0	$0.1	-$1.5	$0.6	5	14.3%	-$1.0	-14.2%	-0.6%
Swiss & Global Asset Mgmt	16	32	$5.4	1.7%	$27.4	0	$0.1	$0.5	$0.6	0	0.0%	$1.1	26.1%	0.2%
XACT Fonder	24	53	$3.4	1.1%	$169.2	0	$0.1	$0.1	$0.0	3	14.3%	$0.2	5.9%	-0.1%
HSBC/Hang Seng	24	87	$1.4	0.4%	$37.8	3	$0.3	$0.8	$0.0	11	84.6%	$0.8	125.6%	0.2%
PowerShares	19	65	$1.4	0.4%	$14.0	1	$0.0	$0.1	$0.0	0	0.0%	$0.2	12.1%	0.0%
State Street Global Advisors	27	64	$1.4	0.4%	$5.1	5	$0.1	$0.3	$0.1	14	107.7%	$0.3	32.4%	0.1%
RBS	22	101	$1.4	0.4%	$12.3	1	$0.0	$0.1	-$0.1	12	120.0%	$0.0	0.5%	-0.1%
BBVA Asset Management	10	10	$1.3	0.4%	$3.4	0	$0.0	$0.0	$0.1	2	25.0%	$0.1	13.3%	0.0%
ETF Securities	30	116	$0.9	0.3%	$23.0	0	$0.0	$0.1	$0.0	4	15.4%	$0.1	17.9%	0.0%
Marshall Wace LLP	3	4	$0.3	0.1%	$2.9	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	-2.5%	0.0%
DnB NOR Asset Management	3	8	$0.3	0.1%	$8.8	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	11.2%	0.0%
Seligson & Co Fund Mgmt	1	1	$0.3	0.1%	$4.1	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	-9.1%	0.0%
Ossiam	5	5	$0.2	0.1%	$0.0	0	$0.2	$0.2	$0.0	5	100.0%	$0.2	100.0%	0.1%
SEB	3	3	$0.2	0.1%	$12.4	0	-$0.1	$0.2	$0.0	3	100.0%	$0.2	100.0%	0.1%
Finans Portfoy Yonetimi	7	7	$0.1	0.0%	$16.6	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	13.6%	0.0%
JP Morgan Mansart Investments	6	12	$0.1	0.0%	$0.1	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	-10.0%	0.0%
ThinkCapital	9	9	$0.1	0.0%	$1.2	0	$0.0	$0.1	$0.0	4	80.0%	$0.1	239.6%	0.0%
Alpha Asset Management	1	1	$0.0	0.0%	$0.1	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	-11.8%	0.0%
ESAF	1	1	$0.0	0.0%	$1.2	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	100.0%	0.0%
NCB Investment Services	1	1	$0.0	0.0%	$0.0	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	12.9%	0.0%
OTP Fund Management	1	1	$0.0	0.0%	$0.0	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	20.7%	0.0%
Is Investment	2	2	$0.0	0.0%	$2.6	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	-5.7%	0.0%
NBG Asset Management	2	2	$0.0	0.0%	$0.0	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	-4.2%	0.0%
Osmosis Investment Mgmt	1	2	$0.0	0.0%	$0.0	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	-4.0%	0.0%
Troika Dialog Asset Management	1	1	$0.0	0.0%	$6.8	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	10.8%	0.0%
Garanti Bank	1	1	$0.0	0.0%	$1.1	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	-10.7%	0.0%
Medvesek Pusnik AM	1	1	$0.0	0.0%	$0.0	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	7.4%	0.0%
Bizim Menkul Degerler	1	1	$0.0	0.0%	$0.4	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	-12.4%	0.0%
Goldman Sachs Asset Mgmt	1	1	$0.0	0.0%	$0.0	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	0.0%	0.0%
Kuveyt Turk Katilim Bankasi	1	1	$0.0	0.0%	$0.1	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	0.0%	0.0%
Carnegie Fonder	0	0	$0.0	0.0%	$0.0	0	$0.0	$0.0	$0.0	-7	-100%	$0.0	-100%	0.0%
Hinduja Bank (Switzerland)	-	-	-	-	-	1	-	-	-	-	-	-	-	-
Qbasis Invest	-	-	-	-	-	1	-	-	-	-	-	-	-	-
Total	**1,185**	**4,050**	**$321.2**	**100.0%**	**$3,553.0**	**42**	**$3.8**	**$19.2**	**$18.0**	**113**	**10.5%**	**$37.2**	**13.1%**	

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 39: Top five European ETF providers by average daily US dollar turnover, as at end H1 2011

Provider	Average daily turnover (US$ Mn)					
	Dec-10	% market share	Jun-11	% market share	Change (US$ Mn)	% change
iShares	$884.0	28.2%	$1,092.0	30.7%	$207.9	23.5%
Lyxor Asset Mgmt	$727.6	23.2%	$937.5	26.4%	$209.9	28.8%
Source Markets	$574.1	18.3%	$435.4	12.3%	-$138.7	-24.2%
db x-trackers	$287.9	9.2%	$346.3	9.7%	$58.4	20.3%
XACT Fonder	$136.5	4.4%	$169.2	4.8%	$32.7	24.0%
Others	$522.6	16.7%	$572.7	16.1%	$50.1	9.6%
Total	**$3,132.6**	**100.0%**	**$3,553.0**	**100.0%**	**$420.4**	**13.4%**



Source: BlackRock Investment Institute – ETF Research, Bloomberg.

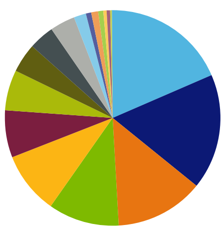
Figure 40: ETP providers in Europe ranked by assets, as at end H1 2011

Provider	H1-11						Jun-11 NNA (US$ Bn)	2011 YTD NNA (US$ Bn)	YTD market move (US$ Bn)	YTD change				
	# ETPs	# listings	Assets (US$ Bn)	% total	ADV (US$ Mn)	# planned				# ETPs	% ETPs	Assets (US$ Bn)	% assets	% market share
ETF Securities	221	650	$21.9	64.4%	$231.0	20	$0.3	$0.0	$0.7	15	7.3%	$0.7	3.4%	-3.3%
Societe Generale	42	44	$4.1	12.1%	$2.0	0	$0.0	$0.0	$0.1	0	0.0%	$0.1	1.6%	-0.8%
UBS AG	180	180	$3.7	11.0%	$0.2	0	$0.0	$0.0	$0.5	2	1.1%	$0.5	15.1%	0.6%
db ETC	39	77	$2.1	6.3%	$20.0	0	$0.1	$0.9	$0.2	7	21.9%	$1.0	89.0%	2.7%
Source Markets	31	73	$1.6	4.6%	$10.4	0	$0.0	$0.3	$0.1	3	10.7%	$0.4	31.5%	0.8%
RBS	18	33	$0.2	0.6%	$1.2	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	2.2%	0.0%
Lyxor	3	7	$0.2	0.5%	$0.2	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	1.8%	0.0%
Barclays (iPath)	13	32	$0.1	0.3%	$6.4	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	11.2%	0.0%
Standard Commodities	1	6	$0.1	0.2%	$1.1	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	4.6%	0.0%
iShares	4	8	$0.0	0.1%	$0.5	0	$0.0	$0.0	$0.0	4	100.0%	$0.0	100.0%	0.1%
Merrill Lynch	-	1	-	-	$0.0	0	-	-	-	-	-	-	-	-
Credit Suisse	-	-	-	-	-	1	-	-	-	-	-	-	-	-
GAM Holding	-	-	-	-	-	4	-	-	-	-	-	-	-	-
Total	**552**	**1,111**	**$34.0**	**100.0%**	**$273.2**	**25**	**$0.4**	**$1.2**	**$1.5**	**31**	**6.0%**	**$2.7**	**8.7%**	

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 41: European ETF assets by type of exposure, as at end H1 2011

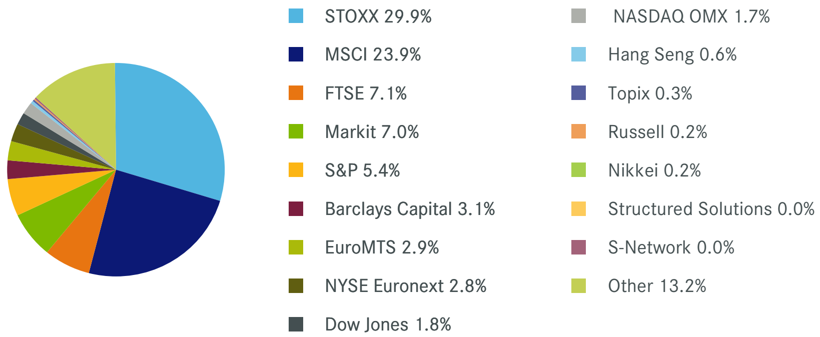
Exposure	H1-11 # ETFs	H1-11 AUM (US$ Bn)	H1-11 % total	H1-11 ADV (US$ Bn)	Jun-11 NNA (US$ Bn)	YTD NNA (US$ Bn)	YTD change # ETFs	YTD change % ETFs	YTD change AUM (US$ Bn)	YTD change % AUM	YTD change % market share
Equity – total	**764**	**$221.8**	**69.1%**	**$2.5**	**$3.9**	**$17.5**	**47**	**6.6%**	**$28.4**	**14.7%**	**1.0%**
Country exposure Europe	114	$55.2	17.2%	$0.7	-$0.1	$6.7	8	7.5%	$11.1	25.1%	1.7%
Emerging markets	147	$42.1	13.1%	$0.4	$1.4	$3.4	35	31.3%	$3.0	7.6%	-0.7%
Regional Exposure Eurozone	42	$34.0	10.6%	$0.5	$2.3	-$1.6	2	5.0%	$2.3	7.2%	-0.6%
Country exposure US	56	$23.0	7.2%	$0.2	$0.8	$4.7	5	9.8%	$5.5	31.4%	1.0%
International	77	$19.4	6.0%	$0.1	$0.4	$1.6	4	5.5%	$1.5	8.1%	-0.3%
Regional exposure Europe	57	$14.7	4.6%	$0.1	-$0.5	$0.7	3	5.6%	$1.7	12.9%	0.0%
Global exposure	72	$12.3	3.8%	$0.1	-$0.1	$0.8	9	14.3%	$0.8	7.4%	-0.2%
European sector exposure	121	$11.0	3.4%	$0.3	-$0.6	$0.2	-22	-15.4%	$0.8	7.5%	-0.2%
Style	46	$6.6	2.1%	$0.0	$0.0	$0.2	2	4.5%	$0.6	10.9%	0.0%
Eurozone sector exposure	20	$3.1	1.0%	$0.0	$0.0	$0.7	1	5.3%	$1.0	49.6%	0.2%
US sector exposure	12	$0.3	0.1%	$0.0	$0.0	$0.1	0	0.0%	$0.1	80.2%	0.0%
Fixed income	213	$60.0	18.7%	$0.4	$0.4	-$0.5	28	15.1%	$3.6	6.4%	-1.2%
Commodities	80	$30.3	9.4%	$0.1	-$0.3	$1.9	12	17.6%	$4.2	16.0%	0.2%
Inverse	53	$2.8	0.9%	$0.1	-$0.1	$0.2	5	10.4%	$0.3	13.3%	0.0%
Alternative	27	$2.2	0.7%	$0.2	$0.4	$0.1	7	35.0%	$0.3	17.6%	0.0%
Leveraged	17	$2.0	0.6%	$0.0	-$0.3	-$0.1	7	70.0%	$0.1	6.4%	0.0%
Leveraged inverse	21	$1.7	0.5%	$0.2	-$0.1	$0.1	5	31.3%	$0.2	15.1%	0.0%
Currency	4	$0.2	0.1%	$0.0	$0.0	-$0.1	0	0.0%	-$0.1	-20.9%	0.0%
Mixed (equity & fixed income)	6	$0.1	0.0%	$0.0	$0.0	$0.0	2	50.0%	$0.0	26.5%	0.0%
Total	**1,185**	**$321.2**	**100.0%**	**$3.6**	**$3.8**	**$19.2**	**113**	**10.5%**	**$37.2**	**13.1%**	



Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 42: European ETF assets by index provider, as at end H1 2011

	H1-11						YTD change				
Index provider	# ETFs	AUM (US$ Bn)	% total	ADV (US$ Bn)	Jun-11 NNA (US$ Bn)	YTD NNA (US$ Bn)	# ETFs	% ETFs	AUM (US$ Bn)	% AUM	% market share
STOXX	279	$96.2	29.9%	$1.4	$1.3	$3.8	-2	-0.7%	$12.0	14.3%	0.3%
MSCI	285	$76.8	23.9%	$0.6	$2.4	$6.5	41	16.8%	$7.8	11.3%	-0.4%
FTSE	94	$22.7	7.1%	$0.3	$0.0	$1.5	10	11.9%	$2.2	10.5%	-0.2%
Markit	111	$22.4	7.0%	$0.1	$0.2	-$0.4	9	8.8%	$1.2	5.8%	-0.5%
S&P	61	$17.2	5.4%	$0.2	$0.5	$3.7	6	10.9%	$4.0	30.7%	0.7%
Barclays Capital	27	$10.0	3.1%	$0.1	$0.4	$1.4	8	42.1%	$2.0	24.4%	0.3%
EuroMTS	29	$9.2	2.9%	$0.1	-$0.5	-$1.1	0	0.0%	-$0.3	-3.1%	-0.5%
NYSE Euronext	34	$8.9	2.8%	$0.2	$0.1	-$0.3	1	3.0%	$0.9	10.7%	-0.1%
Dow Jones	39	$5.9	1.8%	$0.0	-$0.4	$1.1	9	30.0%	$1.3	27.1%	0.2%
NASDAQ OMX	28	$5.5	1.7%	$0.1	$0.0	$0.4	-4	-12.5%	$0.5	9.3%	-0.1%
Hang Seng	6	$1.9	0.6%	$0.0	$0.0	-$0.1	0	0.0%	$0.0	-1.9%	-0.1%
Topix	5	$0.8	0.3%	$0.0	$0.0	$0.0	1	25.0%	$0.0	-1.7%	0.0%
Russell	6	$0.6	0.2%	$0.0	$0.0	$0.2	2	50.0%	$0.3	84.2%	0.1%
Nikkei	3	$0.5	0.2%	$0.0	$0.0	-$0.1	0	0.0%	-$0.1	-16.1%	-0.1%
Structured Solutions	2	$0.2	0.0%	$0.0	$0.0	$0.0	0	0.0%	$0.0	2.2%	0.0%
S-Network	3	$0.1	0.0%	$0.0	$0.0	$0.0	0	0.0%	$0.0	8.1%	0.0%
Other	173	$42.3	13.2%	$0.3	-$0.3	$2.4	32	22.7%	$5.6	15.2%	0.2%
Total	**1,185**	**$321.2**	**100.0%**	**$3.6**	**$3.8**	**$19.2**	**113**	**10.5%**	**$37.2**	**13.1%**	



Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 43: Top 20 ETFs in Europe by AUM, as at end H1 2011

ETF	Country listed	Ticker	AUM (US$ Mn)	ADV ('000 shares)	ADV (US$ Mn)
iShares DAX (DE)	Germany	DAXEX GY	$10,877.3	1,355	$129.2
iShares S&P 500	UK	IUSA LN	$9,907.5	6,849	$88.1
ZKB Gold ETF (CHF)	Switzerland	ZGLD SW	$8,324.0	9	$20.2
Lyxor ETF Euro STOXX 50	France	MSE FP	$7,936.8	3,553	$147.7
iShares MSCI Emerging Markets	UK	IEEM LN	$7,379.0	1,841	$81.7
db x-trackers DAX ETF	Germany	XDAX GY	$6,453.8	396	$41.0
iShares FTSE 100	UK	ISF LN	$5,879.5	10,729	$99.8
db x-trackers MSCI Emerging Market TRN Index ETF	Germany	XMEM GY	$5,681.8	866	$37.1
iShares EURO STOXX 50 (DE)	Germany	SX5EEX GY	$5,666.7	1,419	$58.4
iShares Markit iBoxx Euro Corporate Bond	Germany	IBCS GY	$4,545.4	81	$14.0
iShares EURO STOXX 50	Germany	EUN2 GY	$4,529.4	1,889	$77.5
Lyxor ETF CAC 40	France	CAC FP	$4,303.4	1,039	$59.9
CS ETF (CH) on SMI	Switzerland	CSSMI SW	$3,779.8	211	$15.7
iShares MSCI World	UK	IWRD LN	$3,480.4	1,309	$36.2
db x-trackers Euro STOXX 50 ETF	Germany	XESX GY	$3,353.8	794	$33.9
db x-trackers MSCI World TRN ETF	Germany	XMWO GY	$2,631.6	354	$11.3
ZKB Silver ETF (CHF)	Switzerland	ZSIL SW	$2,400.8	4	$13.8
db x-trackers MSCI USA TRN ETF	Germany	XMUS GY	$2,268.0	480	$14.8
Lyxor ETF MSCI India	France	INR FP	$2,218.1	654	$10.6
iShares MSCI Japan	UK	IJPN LN	$2,148.4	1,119	$11.3

Note: AUM reflects total fund AUM. ADV reflects total of all exchange listings and OTC volumes.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 44: Top 20 ETFs in Europe by average daily US dollar trading volume, as at end H1 2011

ETF	Country listed	Ticker	ADV (US$ Mn)	ADV ('000 shares)	AUM (US$ Mn)
Lyxor ETF Euro STOXX 50	France	MSE FP	$147.7	3,553	$7,936.8
iShares DAX (DE)	Germany	DAXEX GY	$129.2	1,355	$10,877.3
iShares FTSE 100	UK	ISF LN	$99.8	10,729	$5,879.5
iShares S&P 500	UK	IUSA LN	$88.1	6,849	$9,907.5
iShares MSCI Emerging Markets	UK	IEEM LN	$81.7	1,841	$7,379.0
iShares EURO STOXX 50	Germany	EUN2 GY	$77.5	1,889	$4,529.4
Lyxor ETF Leverage CAC 40	France	LVC FP	$68.7	5,345	$701.3
Lyxor ETF DAX	Germany	LYXDAX GY	$61.4	602	$1,456.6
Lyxor ETF CAC 40	France	CAC FP	$59.9	1,039	$4,303.4
iShares EURO STOXX 50 (DE)	Germany	SX5EEX GY	$58.4	1,419	$5,666.7
Lyxor ETF Euro Cash (EONIA)	France	CSH FP	$52.5	340	$1,690.4
Lyxor ETF XBEAR CAC 40	France	BX4 FP	$52.4	987	$283.8
Lyxor ETF Xbear FTSE MIB	Italy	XBRMIB IM	$47.2	1,017	$181.8
Lyxor ETF LEVDAX	Germany	LYXLEDAX GY	$41.0	546	$555.2
db x-trackers DAX ETF	Germany	XDAX GY	$41.0	396	$6,453.8
EURO STOXX 50 Source ETF	Germany	SDJE50 GY	$38.3	578	$1,159.4
db x-trackers ShortDAX Daily ETF	Germany	XSDX GY	$37.7	500	$551.7
db x-trackers MSCI Emerging Market TRN Index ETF	Germany	XMEM GY	$37.1	866	$5,681.8
iShares Barclays Capital £ Index-Linked Gilts	UK	INXG LN	$36.7	433	$1,026.9
STOXX 600 Optimised Industrial Goods & Services Source ETF	Germany	XNPS GY	$36.4	202	$224.2

Note: AUM reflects total fund AUM. ADV reflects total of all exchange listings and OTC volumes.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 45: Top 20 ETFs in Europe with largest change in AUM, as at end H1 2011

ETF	Country listed	Ticker	YTD NNA (US$ Mn)	AUM (US$ Mn) Jun-11	AUM (US$ Mn) Dec-10	Change (US$ Mn)
iShares DAX (DE)	Germany	DAXEX GY	$4,063.5	$10,877.3	$5,917.7	$4,959.7
db x-trackers DAX ETF	Germany	XDAX GY	$2,094.3	$6,453.8	$3,693.1	$2,760.8
iShares S&P 500	UK	IUSA LN	$1,703.8	$9,907.5	$7,905.8	$2,001.6
ETFlab EURO STOXX 50	Germany	ETFSX5E GY	-$1,344.7	$943.3	$2,120.3	-$1,177.0
UBS ETF MSCI Emerging Markets TRN INDEX SF	Switzerland	EGUSIS SW	$1,078.6	$1,138.1	-	$1,138.1
db x-trackers STOXX Europe 600	Germany	XSX6 GY	-$856.6	$430.6	$1,237.7	-$807.1
Lyxor ETF Russia (DJ RusIndex Titans 10)	France	RUS FP	$662.2	$2,001.3	$1,204.9	$796.4
iShares EURO STOXX 50 (DE)	Germany	SX5EEX GY	$203.3	$5,666.7	$5,030.7	$636.0
iShares STOXX Europe 600 (DE)	Germany	SXXPIEX GY	$487.3	$2,076.8	$1,493.9	$582.9
db x-trackers MSCI Emerging Market TRN Index ETF	Germany	XMEM GY	-$568.4	$5,681.8	$6,263.3	-$581.5
AMUNDI ETF Dow Jones EURO STOXX 50	France	C50 FP	$391.6	$1,166.7	$607.6	$559.1
iShares MSCI Emerging Markets	UK	IEEM LN	$637.5	$7,379.0	$6,821.7	$557.3
Lyxor ETF MSCI Emerging Markets	France	LEM FP	-$603.5	$1,750.2	$2,285.5	-$535.3
STOXX 600 Source ETF	Germany	SDJ600 GY	$504.5	$667.0	$136.3	$530.7
ZKB Gold ETF (CHF)	Switzerland	ZGLD SW	-$115.4	$8,324.0	$7,810.8	$513.2
CS ETF (Lux) on MSCI Emerging Markets	Switzerland	CSEM SW	$508.9	$1,546.9	$1,035.5	$511.4
iShares Markit iBoxx Euro High Yield Bond	UK	IHYG LN	$451.5	$985.5	$477.0	$508.6
MAN GLG Europe Plus Source ETF	Germany	MPFE GY	$470.3	$494.8	$0.0	$494.8
Lyxor ETF EuroMTS 1-3Y	France	MTA FP	-$606.1	$1,103.4	$1,597.9	-$494.5
UBS ETF FTSE 100 SF	Switzerland	F1GBAS SW	$457.1	$493.4	$12.3	$481.1

Note: AUM reflects total fund AUM. ADV reflects total of all exchange listings and OTC volumes. NNA reflects the total fund NNA.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

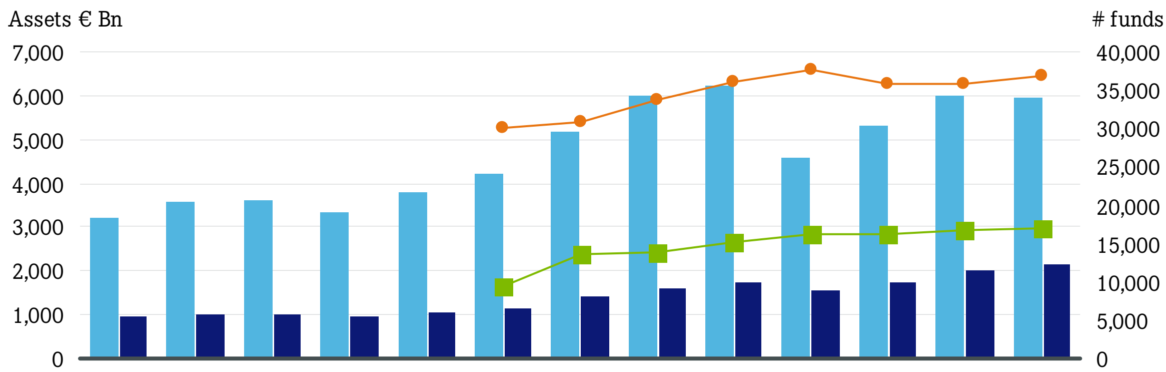
Figure 46: Top 20 ETFs in Europe with largest YTD net inflows, as at end H1 2011

ETF	Country listed	Ticker	YTD NNA (US$ Mn)	AUM (US$ Mn)	ADV (US$ Mn)
iShares DAX (DE)	Germany	DAXEX GY	$4,063.5	$10,877.3	$129.2
db x-trackers DAX ETF	Germany	XDAX GY	$2,094.3	$6,453.8	$41.0
iShares S&P 500	UK	IUSA LN	$1,703.8	$9,907.5	$88.1
UBS ETF MSCI Emerging Markets TRN INDEX SF	Switzerland	EGUSIS SW	$1,078.6	$1,138.1	$0.5
Lyxor ETF Russia (DJ RusIndex Titans 10)	France	RUS FP	$728.3	$2,001.3	$15.8
iShares MSCI Emerging Markets	UK	IEEM LN	$637.5	$7,379.0	$81.7
CS ETF (Lux) on MSCI Emerging Markets	Switzerland	CSEM SW	$508.9	$1,546.9	$6.3
STOXX 600 Source ETF	Germany	SDJ600 GY	$504.5	$667.0	$6.7
iShares STOXX Europe 600 (DE)	Germany	SXXPIEX GY	$487.3	$2,076.8	$12.5
RDX Source ETF	UK	RDXS LN	$474.3	$803.5	$6.1
MAN GLG Europe Plus Source ETF	Germany	MPFE GY	$470.3	$494.8	$1.8
UBS ETF FTSE 100 SF	Switzerland	F1GBAS SW	$457.1	$493.4	$1.1
iShares Markit iBoxx Euro High Yield Bond	UK	IHYG LN	$451.5	$985.5	$8.3
CS ETF (IE) on S&P 500	Switzerland	CSSPX SW	$404.5	$716.1	$3.3
AMUNDI ETF Dow Jones EURO STOXX 50	France	C50 FP	$440.1	$1,166.7	$25.6
iShares S&P 500 Monthly EUR Hedged	UK	IUSE LN	$380.7	$405.5	$10.9
UBS-ETF MSCI Japan A	Switzerland	JPNCHA SW	$243.8	$1,063.7	$2.5
iShares Barclays Capital Euro Corporate Bond	UK	IEBC LN	$334.8	$1,826.5	$6.5
UBS-ETF MSCI Pacific (ex Japan) A	Switzerland	PACUSA SW	$344.1	$456.6	$0.9
CS ETF (IE) on MSCI EMU	Switzerland	CSEMU SW	$325.3	$1,007.4	$2.5

Note: AUM reflects total fund AUM. ADV reflects total of all exchange listings and OTC volumes. NNA reflects the total fund NNA.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

According to the European Fund and Asset Management Association (EFAMA), UCITS registered net inflows during the first quarter of 2011 amounting to €30 Bn, up from net inflows of €26 Bn in the last quarter of 2010. Equity funds witnessed a sharp fall in net inflows during the quarter, dropping to €5 Bn, triggered by a renewed bout of financial tensions, while balanced and bond funds enjoyed an increase in net inflows to €20 Bn and €7 Bn respectively. Money market funds experienced a reduced level of net outflows during the quarter of €9 Bn.

Figure 47: Net assets of European investment funds



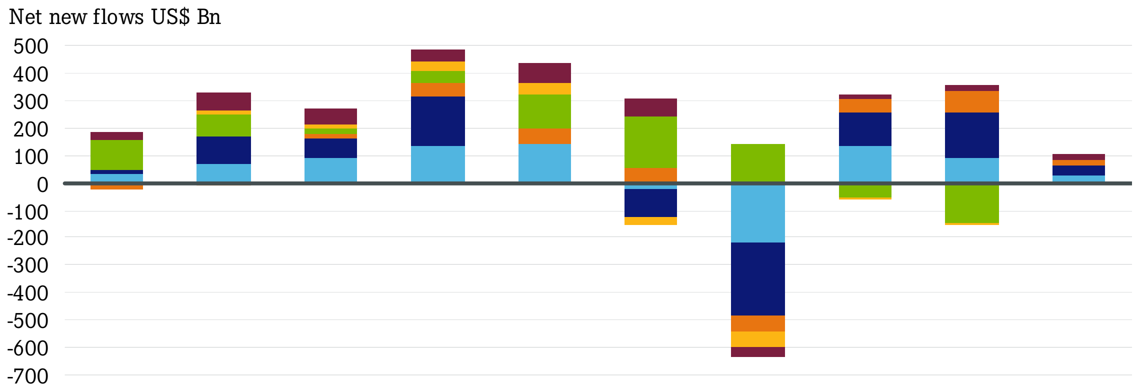
Assets (€ Bn)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Q1-11
Total assets	**4,156**	**4,561**	**4,619**	**4,296**	**4,835**	**5,373**	**6,569**	**7,574**	**7,924**	**6,123**	**7,039**	**8,028**	**8,111**
UCITS	3,195	3,550	3,619	3,346	3,785	4,212	5,172	5,974	6,201	4,575	5,299	5,993	5,949
Non-UCITS	961	1,011	1,000	950	1,050	1,161	1,397	1,600	1,723	1,548	1,740	2,035	2,162
Total # funds						**43,212**	**44,342**	**47,341**	**51,166**	**53,806**	**52,064**	**53,351**	**53,802**
# UCITS funds	-	-	-	-	-	30,167	30,837	33,600	36,079	37,643	35,946	35,842	36,774
# Non-UCITS funds	-	-	-	-	-	9,345	13,505	13,741	15,087	16,163	16,118	16,781	17,028

Country	2010				Q1-2011				YTD change		
	# funds	€ Mn	US$ Mn	% share	# funds	€ Mn	US$ Mn	% share	# funds	€ Mn	% share
Austria	2,198	147,677	197,326	1.8%	2,199	146,361	207,936	1.8%	1	-1,316	0.0%
Belgium	1,953	97,229	129,918	1.2%	1,953	94,019	133,573	1.2%	0	-3,210	-0.1%
Bulgaria	92	229	306	0.0%	95	243	346	0.0%	3	14	0.0%
Czech Republic	116	4,883	6,525	0.1%	113	4,938	7,015	0.1%	-3	55	0.0%
Denmark	831	135,442	180,978	1.7%	858	135,484	192,482	1.7%	27	42	0.0%
Finland	489	61,506	82,184	0.8%	489	61,587	87,497	0.8%	0	81	0.0%
France	11,711	1,401,625	1,872,851	17.5%	11,826	1,494,784	2,123,693	18.4%	115	93,159	1.0%
Germany	5,979	1,125,853	1,504,365	14.0%	5,911	1,140,028	1,619,638	14.1%	-68	14,175	0.0%
Greece	251	9,128	12,197	0.1%	239	9,164	13,019	0.1%	-12	36	0.0%
Hungary	453	13,541	18,093	0.2%	469	14,387	20,439	0.2%	16	846	0.0%
Ireland	4,743	963,326	1,287,196	12.0%	4,824	953,556	1,354,717	11.8%	81	-9,770	-0.2%
Italy	1,010	232,059	310,077	2.9%	1,022	225,163	319,889	2.8%	12	-6,896	-0.1%
Liechtenstein	665	31,078	41,527	0.4%	690	31,280	44,439	0.4%	25	202	0.0%
Luxembourg	12,937	2,198,994	2,938,296	27.4%	13,057	2,190,896	3,112,606	27.0%	120	-8,098	-0.4%
Netherlands	728	78,066	104,312	1.0%	728	77,197	109,674	1.0%	0	-869	0.0%
Norway	507	63,243	84,505	0.8%	507	67,566	95,991	0.8%	0	4,323	0.0%
Poland	542	28,757	38,426	0.4%	543	29,184	41,462	0.4%	1	427	0.0%
Portugal	550	25,793	34,465	0.3%	566	25,296	35,938	0.3%	16	-497	0.0%
Romania	78	2,968	3,966	0.0%	78	3,317	4,712	0.0%	0	349	0.0%
Slovakia	78	3,763	5,029	0.0%	80	3,749	5,326	0.0%	2	-14	0.0%
Slovenia	135	2,251	3,008	0.0%	137	2,231	3,170	0.0%	2	-20	0.0%
Spain	2,552	169,568	226,577	2.1%	2,579	172,808	245,508	2.1%	27	3,240	0.0%
Sweden	574	166,089	221,928	2.1%	570	164,583	233,824	2.0%	-4	-1,506	0.0%
Switzerland	873	253,216	340,526	3.2%	873	250,408	358,049	3.1%	0	-2,808	-0.1%
Turkey	365	17,565	23,470	0.2%	375	20,482	29,098	0.3%	10	2,917	0.0%
United Kingdom	2,941	793,957	1,060,885	9.9%	3,021	792,244	1,125,540	9.8%	80	-1,713	-0.1%
All funds	**53,351**	**8,027,805**	**10,728,932**	**100.0%**	**53,802**	**8,110,954**	**11,525,527**	**100.0%**	**451**	**83,149**	
UCITS	35,842	5,992,612	8,009,508	74.6%	36,774	5,948,745	8,453,677	73.3%	932	-43,867	-1.3%
Non-UCITS	16,781	2,035,193	2,719,424	25.4%	17,028	2,162,209	3,071,850	26.7%	247	127,016	1.3%

Source: European Fund and Asset Management Association (EFAMA, formerly FEFSI).

In Europe, open-end mutual funds (excluding ETFs) saw US$104.1 Bn net new inflows YTD to May 2011, according to data from Lipper FMI. Bond funds were the most popular with US$32.0 Bn net inflows, while money market-enhanced funds experienced net outflows of US$2.4 Bn.

Figure 48: European mutual fund flows (excluding ETFs)

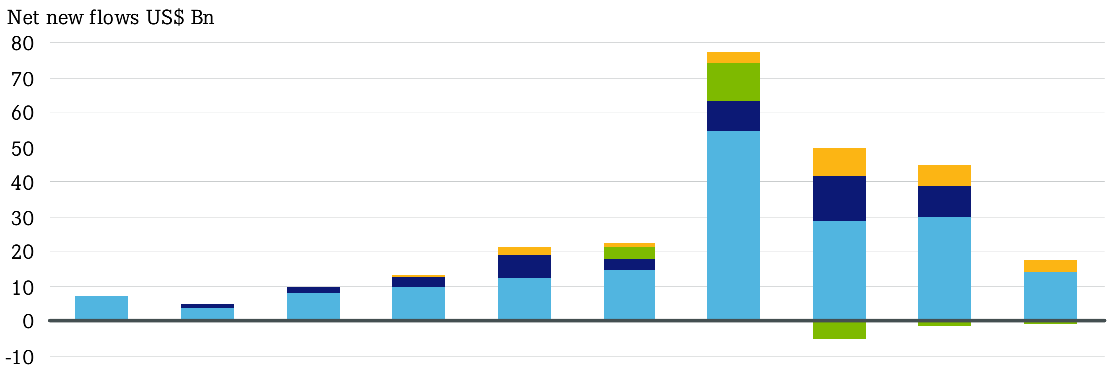


Exposure (US$ Bn)	2002	2003	2004	2005	2006	2007	2008	2009	2010	YTD May-11
Equity	31.8	65.9	72.8	120.4	124.4	-32.3	-229.2	131.2	93.1	27.2
Bond	9.8	87.5	60.8	158.7	-17.0	-109.3	-260.7	111.3	159.5	32.0
Mixed	-26.0	-10.0	7.9	44.0	54.7	40.4	-60.6	43.4	83.4	25.2
Money market	104.8	73.4	29.4	46.0	122.9	178.1	138.0	-65.9	-145.5	0.1
Money market-enhanced	1.7	14.5	15.6	36.4	46.0	-35.9	-59.5	-12.6	-6.1	-2.4
Other	29.0	58.7	46.8	40.5	67.5	63.6	-23.1	13.3	20.5	21.9
Total	**151.2**	**290.1**	**233.2**	**445.9**	**398.5**	**104.7**	**-495.1**	**220.6**	**204.9**	**104.1**

Source: Lipper FMI.

YTD to May 2011, ETFs in Europe saw US$17.0 Bn net new inflows, according to data from Lipper FMI. Equity funds were the most popular with US$14.2 Bn net inflows, while money market funds experienced net outflows of US$0.4 Bn.

Figure 49: European ETF fund flows



Exposure (US$ Bn)	2002	2003	2004	2005	2006	2007	2008	2009	2010	YTD May-11
Equity	7.1	4.0	8.8	10.1	13.1	14.5	54.3	29.5	29.9	14.2
Bond	1.7	0.1	3.0	2.3	4.7	2.4	8.2	13.1	9.0	-0.4
Mixed				0.1	-0.0	0.0	-0.0	0.3	-0.0	0.0
Money market						3.4	11.0	-5.1	-1.4	-0.4
Other				0.6	1.6	0.8	3.1	9.5	6.1	3.5
Total	**8.8**	**4.1**	**11.8**	**13.1**	**19.4**	**21.0**	**76.5**	**47.2**	**43.6**	**17.0**

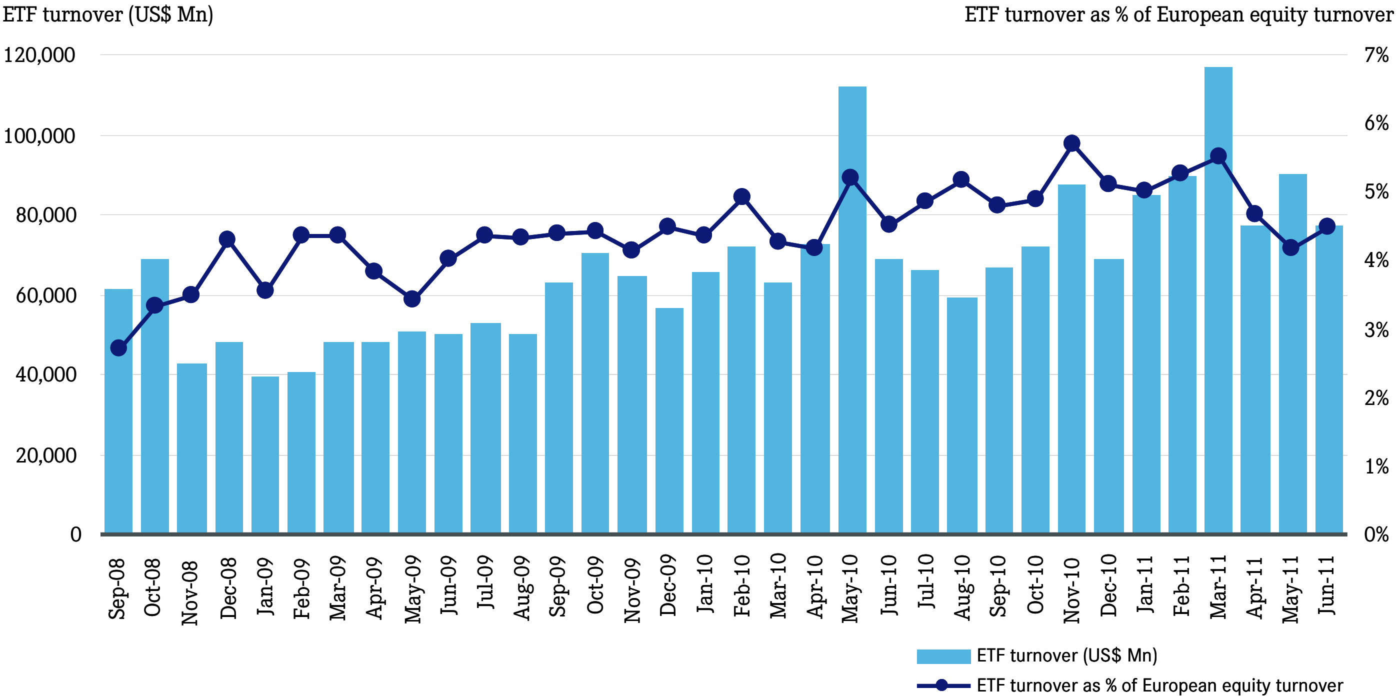
Source: Lipper FMI.

Figure 50: Average expenses of ETFs versus open-end mutual funds in Europe

Exposure	Average TER (bps)
Exchange Traded Funds (ETFs)	
Alternative	104
Commodities	44
Country exposure Europe – equity	30
Country exposure United States – equity	36
Currency	30
Emerging markets – equity	70
European sector exposure – equity	34
Eurozone sector exposure – equity	42
Fixed income	19
Global exposure – equity	49
International – equity	55
Inverse	33
Leveraged	50
Leveraged inverse	53
Mixed	72
Regional exposure Europe – equity	31
Regional exposure Eurozone – equity	23
Style – equity	37
United States sector exposure – equity	36
Total – equity ETFs	**41**
Total – fixed income ETFs	**19**
Total – all	**37**
Open-end mutual funds	
Passive/index european equity	96
Passive/index international equity	87
Passive/index fixed income	39
Active/non-index european equity	187
Active/non-index international equity	185
Active/non-index fixed income	99

Source: Strategic Insight Simfund Global, BlackRock Investment Institute – ETF Research, data as at end January 2011.

Figure 51: European ETF turnover as a percentage of European equity turnover



Note: European equity turnover from main market and multilateral trading facilities includes electronic order book equity trading, off-electronic order book equity trading, reporting transactions and dark pool equity trading. Data as at end June 2011.
Source: BlackRock Investment Institute – ETF Research, Bloomberg, Federation of European Stock Exchanges (FESE).

Figure 52: European exchange ETF statistics, as at end H1 2011

	Turnover in € Mn				Average daily turnover in € Mn			
Exchange	**Jun-11**	**Dec-10**	**% change**	**% market share**	**Jun-11**	**Dec-10**	**% change**	**% market share**
Deutsche Boerse	11,745.3	11,336.0	3.6%	22.1%	533.9	539.8	-1.1%	21.8%
NYSE Euronext	8,977.7	7,602.7	18.1%	16.9%	408.1	330.6	23.5%	16.7%
NYSE Euronext Paris	7,925.3	6,636.5	19.4%	14.9%	360.2	288.5	24.8%	14.7%
NYSE Euronext Amsterdam	1,025.8	954.1	7.5%	1.9%	46.6	41.5	12.4%	1.9%
NYSE Euronext Brussels	2.8	2.0	35.5%	0.0%	0.1	0.1	41.7%	0.0%
NYSE Euronext Lisbon	23.7	10.1	135.9%	0.0%	1.1	0.4	146.6%	0.0%
London Stock Exchange	5,458.5	5,486.3	-0.5%	10.3%	248.1	261.3	-5.0%	10.1%
Borsa Italiana	8,011.6	5,782.8	38.5%	15.1%	364.2	275.4	32.2%	14.9%
SIX Swiss Exchange	3,729.5	3,670.8	1.6%	7.0%	186.5	159.6	16.8%	7.6%
NASDAQ OMX	1,239.3	1,159.2	6.9%	2.3%	65.0	55.2	17.8%	2.7%
NASDAQ OMX Stockholm	1,201.5	1,152.0	4.3%	2.3%	63.2	54.9	15.3%	2.6%
NASDAQ OMX Helsinki	37.9	7.2	427.7%	0.1%	1.8	0.4	402.6%	0.1%
Oslo Stock Exchange	849.4	743.2	14.3%	1.6%	42.5	35.4	20.0%	1.7%
Burgundy	320.8	-	0.0%	0.6%	15.3	-	0.0%	0.6%
Istanbul Stock Exchange	316.6	471.9	-32.9%	0.6%	14.4	20.5	-29.9%	0.6%
Boerse Stuttgart	219.7	376.7	-41.7%	0.4%	10.0	17.9	-44.3%	0.4%
Bolsa De Madrid	180.0	182.0	-1.1%	0.3%	8.2	8.7	-5.6%	0.3%
RTS Stock Exchange	98.1	154.9	-36.6%	0.2%	4.7	7.0	-33.6%	0.2%
Warsaw Stock Exchange	4.7	5.4	-13.0%	0.0%	0.2	0.2	-4.7%	0.0%
Wiener Borse	1.4	4.8	-70.6%	0.0%	0.1	0.2	-69.0%	0.0%
Irish Stock Exchange	0.9	0.6	48.2%	0.0%	0.0	0.0	41.5%	0.0%
Athens Exchange	0.8	2.6	100.0%	0.0%	0.0	0.1	-64.6%	0.0%
Latibex	0.7	0.7	-5.0%	0.0%	-	-	0.0%	0.0%
Budapest Stock Exchange	0.3	0.2	104.4%	0.0%	0.0	0.0	114.1%	0.0%
Ljubljana Stock Exchange	-	0.0	-100.0%	0.0%	-	0.0	-100.0%	0.0%
European Reported OTC	12,039.2	14,452.7	-16.7%	22.6%	547.2	628.4	-12.9%	22.4%
BOAT	9,085.8	11,345.0	-19.9%	17.1%	413.0	493.3	-16.3%	16.9%
Other	2,953.4	2,891.1	2.2%	5.6%	134.2	125.7	6.8%	5.5%
European ETF market	**53,194.6**	**51,433**	**3.4%**	**100.0%**	**2,448**	**2,340**	**4.6%**	**100.0%**

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 53: European exchange accumulated turnover market share, 2011

Exchange	# total ETF listings	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
Deutsche Boerse	831	23.4%	19.5%	24.4%	25.5%	21.7%	22.1%						
NYSE Euronext	640	16.0%	13.2%	14.2%	12.4%	14.1%	16.9%						
NYSE Euronext Paris	494	14.3%	11.6%	12.6%	10.5%	12.5%	14.9%						
NYSE Euronext Amsterdam	115	1.7%	1.5%	1.6%	1.8%	1.6%	1.9%						
NYSE Euronext Brussels	28	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%						
NYSE Euronext Lisbon	3	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%						
Borsa Italiana	535	10.6%	8.9%	8.2%	9.3%	8.8%	10.3%						
London Stock Exchange	720	10.9%	18.1%	14.6%	15.0%	13.0%	15.1%						
SIX Swiss Exchange	691	7.0%	5.9%	6.4%	7.6%	7.9%	7.0%						
Oslo Stock Exchange	15	1.6%	1.2%	1.2%	1.1%	1.3%	1.6%						
NASDAQ OMX	64	2.1%	1.7%	2.1%	1.9%	2.3%	2.3%						
NASDAQ OMX Stockholm	63	2.0%	1.7%	2.1%	1.9%	2.3%	2.3%						
NASDAQ OMX Helsinki	1	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%						
Istanbul Stock Exchange	12	0.6%	0.5%	0.4%	0.6%	0.6%	0.6%						
Bolsa De Madrid	67	0.6%	0.5%	0.4%	0.3%	0.4%	0.3%						
Latibex	1	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%						
Boerse Stuttgart	406	0.6%	0.7%	0.7%	0.4%	0.5%	0.4%						
Budapest Stock Exchange	1	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%						
Athens Exchange	3	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%						
Wiener Borse	21	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%						
Irish Stock Exchange	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%						
Ljubljana Stock Exchange	1	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%						
RTS Stock Exchange	1	0.3%	0.3%	0.2%	0.1%	0.2%	0.2%						
Latibex	1	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%						
Burgundy	24	0.0%	0.0%	0.5%	0.6%	0.7%	0.6%						
European reported OTC	-	26.4%	29.4%	26.6%	25.3%	28.4%	22.6%						
Total	**3,954**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**						

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 54: European exchange accumulated turnover market share, 2010

Exchange	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
Deutsche Boerse	28.8%	25.8%	26.2%	26.2%	23.1%	24.4%	24.2%	23.8%	22.3%	21.7%	20.6%	22.0%
NYSE Euronext	**14.7%**	**15.4%**	**14.2%**	**14.9%**	**15.2%**	**15.2%**	**14.5%**	**13.9%**	**13.8%**	**13.5%**	**14.5%**	**14.8%**
NYSE Euronext Paris	12.6%	13.1%	11.9%	12.6%	13.1%	13.0%	12.6%	12.0%	12.1%	11.5%	12.8%	12.9%
NYSE Euronext Amsterdam	2.1%	2.3%	2.4%	2.3%	2.2%	2.2%	1.9%	2.0%	1.7%	2.0%	1.7%	1.9%
NYSE Euronext Brussels	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NYSE Euronext Lisbon	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borsa Italiana	10.4%	10.7%	11.3%	11.3%	9.1%	10.6%	10.6%	10.8%	10.5%	9.5%	10.3%	10.7%
London Stock Exchange	11.8%	11.7%	11.1%	9.6%	8.8%	12.9%	11.0%	11.8%	11.4%	14.6%	15.7%	11.2%
SIX Swiss Exchange	5.8%	5.9%	6.1%	5.3%	5.8%	6.5%	5.2%	5.9%	6.0%	6.5%	6.2%	7.1%
Oslo Stock Exchange	2.4%	2.4%	2.1%	2.1%	1.8%	2.2%	1.5%	2.7%	2.0%	1.9%	1.6%	1.4%
NASDAQ OMX	**1.7%**	**1.9%**	**2.4%**	**2.4%**	**2.8%**	**2.9%**	**2.3%**	**2.7%**	**2.9%**	**2.8%**	**2.2%**	**2.3%**
NASDAQ OMX Stockholm	1.7%	1.9%	2.3%	2.4%	2.8%	2.9%	2.2%	2.7%	2.8%	2.7%	2.2%	2.2%
NASDAQ OMX Helsinki	0.0%	0.0%	0.1%	0.0%	0.1%	0.0%	0.1%	0.0%	0.1%	0.1%	0.0%	0.0%
Istanbul Stock Exchange	1.4%	1.3%	1.4%	1.2%	0.7%	1.0%	1.0%	1.0%	1.0%	1.3%	0.8%	0.9%
Bolsa De Madrid	0.8%	1.8%	0.8%	1.3%	1.4%	1.3%	0.6%	0.6%	0.4%	0.7%	0.4%	0.4%
Latibex	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Boerse Stuttgart	0.5%	0.5%	0.5%	0.5%	0.4%	0.4%	0.7%	0.5%	0.5%	0.6%	0.6%	0.7%
Budapest Stock Exchange	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Athens Exchange	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Wiener Borse	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Irish Stock Exchange	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Ljubljana Stock Exchange	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
RTS Stock Exchange	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%	0.1%	0.1%	0.3%
Warsaw Stock Exchange	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
European Reported OTC	21.6%	22.7%	23.8%	25.2%	30.9%	22.5%	28.3%	26.1%	29.1%	26.8%	27.0%	28.1%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

United States

In the United States, there were 1,039 ETFs and assets of US$973.5 Bn, from 29 providers on two exchanges, at the end of H1 2011. This compares to 846 ETFs and assets of US$693.2 Bn, from 30 providers on two exchanges at the end of H1 2010.

YTD through end of H1 2011, ETF AUM increased by 9.3% from US$891.0 Bn to US$973.5 Bn, which is greater than the 5.2% increase in the MSCI US Index in US dollar terms. This compares to a 1.7% decrease in assets over the same period in 2010.

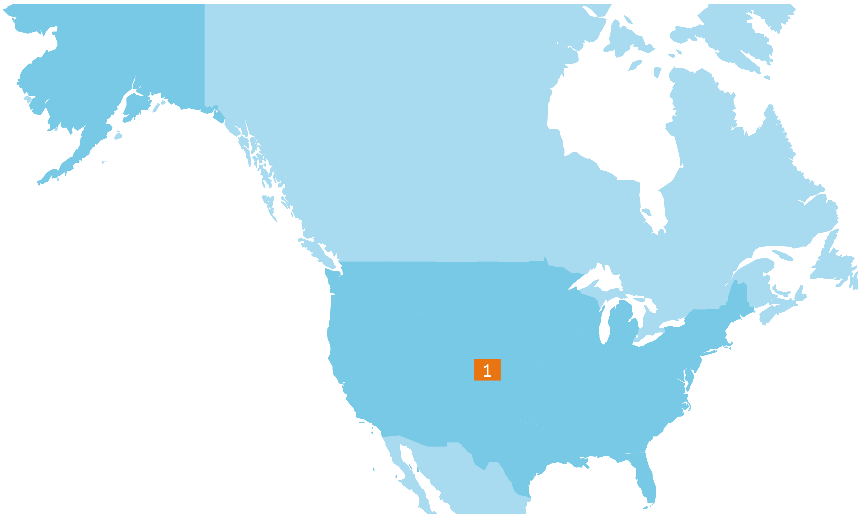
YTD, 143 new ETFs have launched in the United States with 879 planned in the future. This compares to 97 new ETFs launched over the same period in 2010.

iShares is the largest ETF provider in terms of both number of products and assets, 221 ETFs and US$456.5 Bn respectively, reflecting 46.9% market share; State Street Global Advisors is second with 99 ETFs, assets of US$189.9 Bn and 19.5% market share; followed by Vanguard with 64 ETFs, assets of US$175.2 Bn and 18.0% market share at the end of H1 2011.

Additionally, there were 249 other ETPs with assets of US$127.2 Bn from 23 providers on one exchange. This compares to 150 ETPs with assets of US$97.5 Bn from 18 providers on one exchange, at the end of H1 2010.

29 January 2011 marked the 18th anniversary of ETFs in the United States. Since the launch of the SPDR S&P 500 (SPY US) on 29 January 1993, it has grown to be the largest ETF globally and the most liquid equity security traded anywhere in the world.

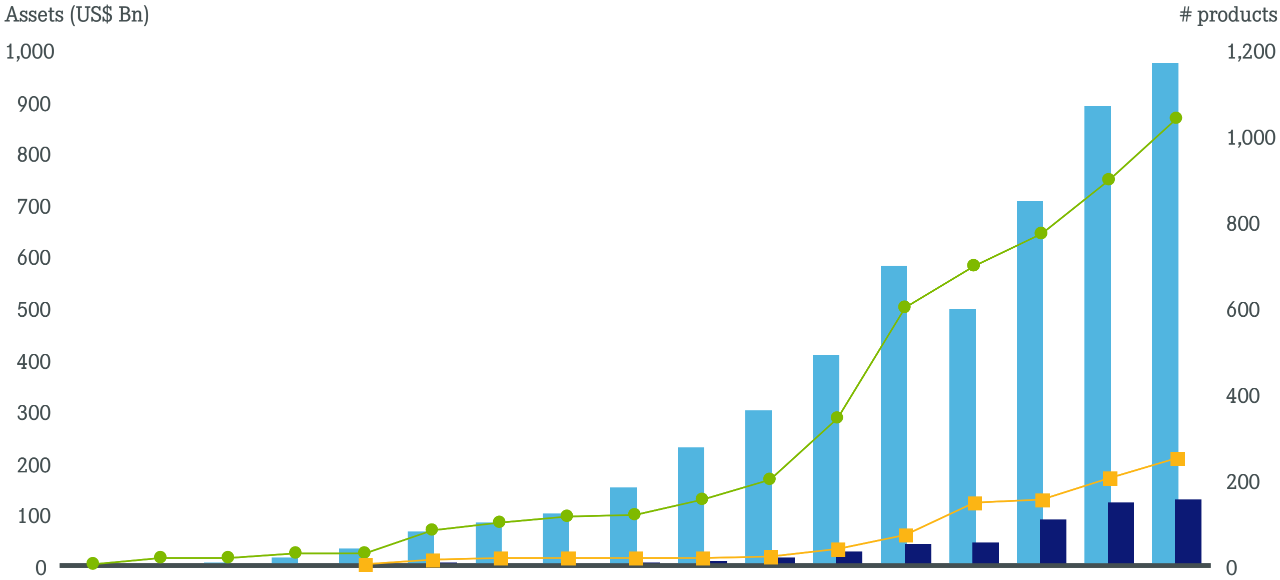
Figure 55: ETF listings in the United States, as at end H1 2011



1	United States
P listings:	1,039
T listings:	1,039
Providers:	29
AUM:	US$973.5 Bn

Note: P listings = # primary listings. T listings = # total listings. Providers = # primary ETF providers. Assets = Assets Under Management in primary listings only.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 56: United States listed ETF and ETP asset growth, as at end H1 2011



Assets (US$ Bn)	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	H1-11
ETF assets	$1.1	$2.4	$6.7	$15.6	$33.9	$65.6	$84.6	$102.3	$150.7	$227.7	$299.4	$406.8	$580.7	$497.1	$705.5	$891.0	$973.5
ETP assets	–	–	–	–	$2.0	$5.0	$3.8	$4.0	$6.1	$8.9	$14.4	$25.9	$40.5	$45.3	$88.1	$120.8	$127.2
ETF/ETP total	**$1.1**	**$2.4**	**$6.7**	**$15.6**	**$35.8**	**$70.6**	**$88.4**	**$106.3**	**$156.8**	**$236.6**	**$313.8**	**$432.8**	**$621.2**	**$542.5**	**$793.6**	**$1,011.9**	**$1,100.7**
# ETFs	2	19	19	29	30	81	101	113	117	152	201	343	601	698	772	896	1,039
# ETPs					2	14	17	17	17	17	20	38	72	146	153	203	249
# ETFs/ETPs total	**2**	**19**	**19**	**29**	**32**	**95**	**118**	**130**	**134**	**169**	**221**	**381**	**673**	**844**	**925**	**1,099**	**1,288**

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 57: United States ETF and ETP net new assets by type of exposure, as at end H1 2011

	June-11					
Exposure	#ETFs /ETPs	ADV (US$ Mn)	Assets (US$ Mn)	NNA (US$ Mn)	YTD-11 NNA (US$ Mn)	2010 NNA (US$ Mn)
Equity	883	59,719.7	805,289.8	4,272.2	32,755.3	74,846.7
North America	540	51,849.5	532,737.2	2,074.7	21,539.6	37,000.6
Broad	1	0.1	13.2	-	2.1	1.9
Canada	6	72.7	6,025.1	(167.4)	1,216.2	1,046.0
United States	533	51,776.7	526,698.9	2,242.1	20,321.3	35,952.8
United States non-sector	302	41,017.1	401,685.1	1,649.6	10,927.1	25,585.2
United States sectors	231	10,759.7	125,013.8	592.5	9,394.2	10,367.6
Consumer goods/services	27	1,344.6	11,679.5	(186.4)	568.5	2,278.4
Energy	36	2,987.9	25,784.0	(832.1)	2,293.1	2,659.1
Financials	32	2,592.1	17,515.3	504.6	(1,090.4)	1,281.8
Healthcare	24	478.4	11,735.2	859.3	2,334.3	(587.1)
Industrials	16	744.5	6,236.1	(346.5)	80.3	1,031.7
Materials	14	957.7	6,654.5	(45.7)	(11.5)	857.5
Other	10	18.1	2,825.9	(66.4)	26.0	16.6
Real estate	21	817.4	18,973.9	520.6	2,109.3	1,119.6
Technology	33	614.9	15,895.6	(320.3)	2,158.8	1,389.4
Telecommunications	7	18.0	1,423.7	53.6	127.1	88.6
Utilities	11	186.0	6,290.1	451.9	798.8	232.0
Asia Pacific	33	504.2	24,053.3	(72.0)	2,546.9	1,231.1
Europe	29	274.1	14,208.9	221.6	3,391.4	862.7
Israel	1	2.7	109.5	(5.6)	(27.7)	(28.3)
Global	68	94.8	14,307.6	(25.0)	1,689.2	1,282.7
Global (ex-US)	74	1,323.6	71,179.5	708.8	6,429.3	4,693.7
Emerging markets	138	5,670.7	148,693.7	1,369.6	(2,813.4)	29,804.2
Broad	47	3,170.4	98,783.9	1,599.6	(3,395.5)	25,512.0
Global emerging markets	17	3,120.1	91,218.4	1,393.3	(2,913.4)	22,214.5
Frontier	1	2.2	192.0	7.0	(40.8)	186.3
Sector	16	4.4	718.7	29.0	166.4	305.6
Other	13	43.7	6,654.9	170.4	(607.7)	2,805.6
Regional	16	94.8	4,063.1	(185.7)	(992.6)	283.6
Asia emerging markets	2	7.6	869.0	(29.4)	(76.6)	179.1
Eastern Europe	2	6.0	281.1	(33.1)	39.5	3.7
Middle East and Africa	5	1.5	316.0	(0.9)	(12.1)	100.0
Latin America	7	79.7	2,596.9	(122.2)	(943.4)	0.8
Country	75	2,405.5	45,846.6	(44.3)	1,574.8	4,008.6
Argentina	1	0.1	5.2	-	5.2	-
Brazil	11	906.4	14,032.8	209.0	1,376.0	951.2
Chile	1	14.8	870.5	(26.6)	(84.5)	486.4
China	24	680.2	9,437.4	(51.4)	(1,108.3)	(1,612.1)
Colombia	2	3.7	200.3	26.7	31.5	158.2
Egypt	1	1.1	76.2	3.1	69.8	8.8
India	9	73.2	3,033.0	(49.7)	(353.4)	1,028.4
Indonesia	2	15.5	806.1	58.3	498.0	600.7
Malaysia	1	29.5	1,029.1	37.3	(14.4)	225.8
Mexico	4	131.8	1,613.6	(93.4)	(120.8)	288.3
Peru	1	29.7	442.0	40.7	49.4	299.8
Philippines	1	2.1	65.1	10.9	47.8	16.0
Poland	2	5.8	393.4	22.0	229.1	132.3
Russia	6	143.1	3,330.1	(86.4)	564.5	960.0
South Africa	1	16.0	604.1	-	(61.3)	35.7
South Korea	3	172.1	4,982.0	(22.7)	434.2	336.8
Taiwan	2	150.2	3,477.6	(34.0)	123.6	(648.8)
Thailand	1	15.1	584.5	(68.9)	(88.8)	280.0
Turkey	1	12.1	581.1	(15.1)	(118.6)	301.5
Vietnam	1	3.2	282.7	(4.2)	95.6	159.8

continued…

Figure 57: United States ETF and ETP net new assets by type of exposure, as at end H1 2011 (continued)

Exposure	June-11 #ETFs /ETPs	June-11 ADV (US$ Mn)	June-11 Assets (US$ Mn)	June-11 NNA (US$ Mn)	YTD-11 NNA (US$ Mn)	2010 NNA (US$ Mn)
Fixed income	165	2,610.5	156,765.3	3,742.2	18,420.9	29,424.8
Active	8	21.4	1,886.3	422.3	969.1	836.5
Aggregate	6	188.3	22,375.6	950.4	1,642.5	2,373.6
Convertible	2	9.1	934.9	25.2	393.7	271.7
Corporate	26	180.6	30,011.4	554.5	3,663.0	5,034.3
Emerging markets	6	50.9	5,456.1	254.9	1,473.2	2,172.2
Government	85	1,639.2	42,516.4	1,591.9	4,466.8	9,096.2
High yield	10	334.3	16,048.2	(880.5)	1,685.4	5,597.1
Inflation	11	110.4	24,641.7	567.5	2,249.6	860.5
Mortgage	3	19.2	2,919.6	(64.1)	593.2	506.9
Govt/Corp	8	57.0	9,975.0	320.0	1,284.5	2,675.8
Commodities	152	5,203.5	126,265.4	(217.8)	3,744.3	13,291.3
Broad	22	115.8	13,552.7	(206.6)	1,566.6	978.2
Alternative	1	0.0	2.4	(0.5)	(1.2)	0.0
Agriculture	30	195.4	10,550.0	263.4	4,264.7	340.6
Energy	33	828.3	6,823.2	37.2	(653.2)	(1,136.0)
Industrial metals	26	47.9	2,388.6	(412.6)	620.7	420.9
Livestock	3	2.4	106.9	5.5	38.9	(37.0)
Precious metals	37	4,013.6	92,841.6	95.8	(2,092.2)	12,724.5
Currency	38	528.7	8,398.8	534.3	2,312.8	(2,169.7)
Alternative	17	819.8	2,482.5	(152.1)	1,091.5	3,354.6
Mixed	33	13.7	1,471.0	149.2	537.9	441.8
Total	1,288	68,895.9	1,100,672.8	8,328.0	58,862.7	119,189.5

Source: BlackRock Investment Institute – ETF Research, National Stock Exchange (NSX), Bloomberg.

Figure 58: United States leveraged and inverse ETF and ETP net new assets by type of exposure, as at end H1 2011

Exposure	June-11 #ETFs /ETPs	June-11 ADV (US$ Mn)	June-11 Assets (US$ Mn)	June-11 NNA (US$ Mn)	YTD-11 NNA (US$ Mn)	2010 NNA (US$ Mn)
Leveraged	101	3,599.3	13,796.0	618.4	47.6	(3,044.7)
Equity	70	3,118.8	11,226.2	395.0	(743.7)	(2,878.6)
North America	52	3,034.3	10,418.3	374.4	(827.7)	(2,908.3)
Europe	1	0.0	3.9	-	0.0	2.8
Asia Pacific	2	0.8	49.4	(3.4)	30.9	3.0
Global	1	0.1	32.7	(0.0)	28.6	-
Global (ex-US)	3	1.4	45.7	(1.3)	5.4	(3.9)
Emerging markets	11	82.3	676.2	25.3	19.1	27.7
Fixed income	10	16.6	160.7	59.2	103.8	(8.9)
Commodities	10	423.5	2,249.7	100.1	507.6	(183.3)
Currency	4	0.8	17.3	-	0.8	(1.0)
Alternative	2	39.1	123.0	66.2	159.1	27.0
Mixed	5	0.6	19.1	(2.2)	20.0	-
Inverse	41	323.8	5,532.2	777.2	1,726.5	1,562.5
Equity	17	218.2	3,476.9	500.2	925.3	938.2
North America	14	211.8	3,121.9	481.9	862.6	800.2
Global (ex-US)	1	3.4	118.3	13.9	22.3	93.5
Emerging markets	2	3.0	236.7	4.4	40.4	44.5
Fixed income	11	28.0	1,414.1	118.7	532.6	715.3
Commodities	7	3.3	67.1	(1.2)	13.9	(2.7)
Currency	2	7.4	221.0	(7.8)	4.2	(128.7)
Alternative	4	66.9	353.1	167.4	250.4	40.4
Leveraged inverse	89	3,420.0	16,833.0	374.7	3,907.4	6,407.8
Equity	66	2,702.4	7,214.1	(24.8)	1,075.8	2,910.8
North America	48	2,633.8	6,620.3	(37.0)	979.1	2,621.9
Europe	1	3.9	49.7	8.6	10.4	100.6
Asia Pacific	2	1.1	38.0	(7.4)	29.4	(0.5)
Global	1	0.2	32.9	1.1	8.9	21.3
Global (ex-US)	3	1.9	34.7	2.4	4.8	31.1
Emerging markets	11	61.5	438.5	7.5	43.2	136.4
Fixed income	9	364.5	7,399.9	286.9	1,698.0	2,665.5
Commodities	11	307.2	1,229.0	(24.1)	697.3	316.9
Currency	3	46.0	990.0	136.7	436.3	514.6
Total	**231**	**7,343**	**36,161.2**	**1,770.2**	**5,681.5**	**4,925.5**

Source: BlackRock Investment Institute – ETF Research, National Stock Exchange (NSX), Bloomberg.

Figure 59: Sector ETF net new assets

Sector	ETF ticker	Index ticker	Index total return (US$) Jun-11	Index total return (US$) YTD	ETF NAV performance (US$) Jun-11	ETF NAV performance (US$) YTD	ETF AUM (US$ Mn) Jun-11	ETF AUM (US$ Mn) YTD % change	ETF short interest (US$ Mn) 15-Jun	ETF ADV (US$ Mn)	Jun-11 net flows (US$ Mn)	YTD 2011 net flows (US$ Mn)	2010 net flows (US$ Mn)
Dow Jones United States sector ETFs							**7,063.8**	**8.0%**	**216.6**	**155.6**	**-102.8**	**283.4**	**-112.4**
iShares Dow Jones U.S. Basic Materials	IYM US	DJUSBMT	-1.6%	3.2%	-2.1%	2.3%	965.9	-13.9%	105.2	75.1	-101.8	-157.8	85.0
iShares Dow Jones U.S. Consumer Goods	IYK US	DJUSNCT	-1.6%	8.2%	-2.1%	6.9%	365.8	18.0%	3.9	3.9	3.4	42.5	-62.5
iShares Dow Jones U.S. Consumer Services	IYC US	DJUSCYT	-0.8%	8.6%	-1.1%	7.8%	247.9	18.3%	18.8	3.9	32.3	22.0	19.3
iShares Dow Jones U.S. Energy	IYE US	DJUSENT	-1.7%	11.6%	-2.1%	10.7%	1,040.6	29.1%	9.6	8.4	-23.1	148.5	-21.1
iShares Dow Jones U.S. Financial	IYF US	DJUSFNT	-2.7%	-1.1%	-3.0%	-1.9%	470.4	1.1%	22.0	25.3	-33.3	11.5	-54.5
iShares Dow Jones U.S. Healthcare	IYH US	DJUSHC	-1.5%	13.9%	-1.9%	12.9%	693.4	25.6%	27.4	5.9	18.4	64.7	-70.1
iShares Dow Jones U.S. Industrial	IYJ US	DJUSINT	-1.0%	8.3%	-1.4%	7.3%	477.1	29.2%	4.2	4.6	-16.9	52.5	16.1
iShares Dow Jones U.S. Technology	IYW US	DJUSTCT	-2.9%	1.5%	-3.1%	1.0%	1,430.7	-1.4%	11.0	9.2	-41.0	31.5	-35.7
iShares Dow Jones U.S. Telecommunications	IYZ US	DJSTELT	-2.7%	7.9%	-3.1%	6.5%	830.4	9.4%	9.5	16.0	38.6	42.9	16.3
iShares Dow Jones U.S. Utilities	IDU US	DJUSUTT	-0.2%	9.4%	-1.2%	7.2%	541.5	8.9%	4.9	3.3	20.5	25.1	-5.1
S&P equal weight sector ETFs							**426.6**	**23.9%**	**5.2**	**6.4**	**-33.4**	**-11.0**	**26.2**
Rydex S&P Equal Weight Consumer Discretionary	RCD US	S25	-0.8%	8.7%	-0.9%	8.6%	27.3	-0.4%	2.1	0.3	2.5	-2.3	5.0
Rydex S&P Equal Weight Consumer Staples	RHS US	S30	-2.5%	9.9%	-2.6%	10.2%	25.2	76.3%	0.7	0.6	3.1	6.4	2.5
Rydex S&P Equal Weight Energy	RYE US	S10	-2.5%	12.2%	-2.7%	12.1%	45.8	108.3%	0.1	0.7	-13.5	-44.2	0.1
Rydex S&P Equal Weight Financial	RYF US	S40	-3.2%	0.2%	-3.2%	-0.2%	19.4	7.4%	0.0	0.3	-1.4	4.3	1.9
Rydex S&P Equal Weight Health Care	RYH US	S35	-0.4%	16.2%	-0.5%	16.2%	58.4	16.2%	0.2	1.3	-10.6	0.9	-22.3
Rydex S&P Equal Weight Industrial	RGI US	S20	-0.7%	6.5%	-1.0%	6.4%	40.3	-17.3%	0.8	0.9	-10.9	-10.9	21.5
Rydex S&P Equal Weight Materials	RTM US	S15	-1.6%	4.5%	-1.8%	4.6%	49.4	20.6%	0.0	0.5	0.0	3.2	0.2
Rydex S&P Equal Weight Technology	RYT US	S45	-4.4%	3.5%	-4.6%	3.2%	130.6	27.7%	0.7	1.1	-5.4	23.5	9.9
Rydex S&P Equal Weight Utilities	RYU US	S55	-0.7%	8.2%	-1.8%	7.5%	30.1	47.8%	0.6	0.5	2.7	8.0	7.4
S&P select sector ETFs							**46,256.5**	**15.4%**	**14,439.8**	**6,386.5**	**255.9**	**3,267.1**	**4,791.3**
Consumer Discretionary Select Sector SPDR	XLY US	IXY	-0.2%	8.3%	-0.5%	7.5%	2,753.3	11.1%	1,794.7	390.8	368.1	-22.9	641.7
Consumer Staples Select Sector SPDR	XLP US	IXR	-2.7%	8.0%	-3.4%	6.6%	4,070.2	31.1%	815.1	372.6	-356.5	394.0	521.7
Energy Select Sector SPDR	XLE US	IXE	-1.9%	11.4%	-2.3%	10.6%	9,011.4	7.5%	3,501.9	1,804.1	-504.6	105.1	1,392.0
Financial Select Sector SPDR	XLF US	IXM	-2.8%	-3.1%	-3.1%	-3.7%	7,309.9	-2.2%	1,999.8	1,464.4	177.0	-233.0	87.0
Health Care Select Sector SPDR	XLV US	IXV	-1.1%	14.0%	-1.6%	12.8%	4,235.5	56.5%	1,334.3	388.4	453.6	1,051.7	-274.5
Industrial Select Sector SPDR	XLI US	IXI	-0.5%	8.0%	-1.0%	6.9%	4,006.2	7.0%	1,868.8	815.6	-157.1	-135.7	1,136.7
Materials Select Sector SPDR	XLB US	IXB	-0.4%	3.5%	-0.9%	2.4%	2,666.2	2.7%	1,650.0	635.9	42.6	88.0	499.1
Technology Select Sector SPDR	XLK US	IXT	-2.5%	2.9%	-2.9%	2.0%	7,504.3	28.3%	701.2	290.9	-143.9	1,474.6	730.5
Utilities Select Sector SPDR	XLU US	IXU	-0.1%	9.1%	-1.1%	6.8%	4,699.3	25.1%	774.0	223.9	376.8	545.3	57.2

Note: Index returns are for illustrative purposes only and do not represent actual fund performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results. ADV – Average Daily Volume, AUM – Assets Under Management, NNA – Net New Assets. Data as at end H1 2011.

Source: BlackRock Investment Institute – ETF Research, National Stock Exchange (NSX), Bloomberg.

Figure 59: Sector ETF net new assets (continued)

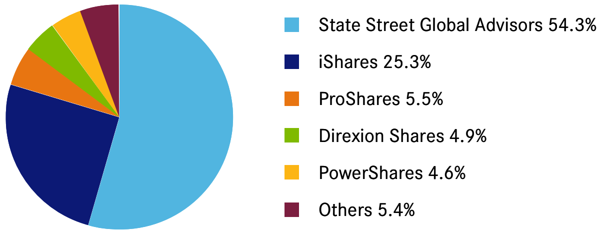
Sector	ETF ticker	Index ticker	Index total return (US$) Jun-11	Index total return (US$) YTD	ETF NAV performance (US$) Jun-11	ETF NAV performance (US$) YTD	ETF AUM (US$ Mn) Jun-11	ETF AUM (US$ Mn) YTD % change	ETF short interest (US$ Mn) 15-Jun	ETF ADV (US$ Mn)	Jun-11 net flows (US$ Mn)	YTD 2011 net flows (US$ Mn)	2010 net flows (US$ Mn)
MSCI United States investable market sector ETFs							**8,872.5**	**23.3%**	**46.3**	**61.7**	**218.5**	**2,217.7**	**2,588.0**
Vanguard Consumer Discretionary	VCR US	MSCICD	-0.5%	7.5%	-0.4%	8.1%	372.6	4.5%	2.2	2.9	-12.3	-12.9	97.7
Vanguard Consumer Staples	VDC US	MSCICS	-2.7%	7.3%	-2.3%	8.9%	742.9	22.1%	2.3	7.2	16.2	87.2	-32.3
Vanguard Energy	VDE US	MSCIEN	-2.0%	10.2%	-2.0%	11.1%	2,008.0	30.5%	2.9	16.2	-21.5	270.5	274.2
Vanguard Financials	VFH US	MSCIFN	-3.1%	-2.6%	-3.4%	-2.3%	627.4	8.9%	4.3	3.7	-12.5	58.7	13.4
Vanguard Health Care	VHT US	MSCIHC	-1.7%	13.0%	-1.5%	13.9%	821.8	35.0%	8.4	5.6	25.2	138.1	-9.4
Vanguard Industrials	VIS US	MSCIIN	-1.0%	6.4%	-0.9%	7.2%	542.1	23.1%	2.1	3.9	-20.0	69.4	27.8
Vanguard Information Technology	VGT US	MSCIIT	-2.6%	2.6%	-2.6%	3.0%	1,870.1	25.6%	6.0	8.6	6.3	312.8	361.8
Vanguard Materials	VAW US	MSCIMT	-1.5%	3.5%	-1.3%	4.3%	692.5	12.7%	8.4	5.7	-16.6	52.5	32.0
Vanguard Telecommunication Services	VOX US	MSCITC	-1.5%	4.7%	-1.6%	8.7%	428.2	35.8%	5.0	3.6	14.0	64.1	73.2
Vanguard Utilities	VPU US	MSCIUT	-0.6%	7.2%	-1.2%	7.4%	766.9	18.5%	4.7	4.3	28.7	64.4	169.3
Vanguard REIT	VNQ US	RMZ	-3.3%	10.3%	-4.1%	8.6%	9,447.5	26.0%	141.5	120.0	210.9	1,112.7	1,580.4
S&P global sector ETFs							**4,888.1**	**2.4%**	**26.5**	**29.3**	**-99.4**	**9.0**	**-25.9**
iShares S&P Global Consumer Discretionary	RXI US	SGD	0.5%	8.1%	-0.4%	6.3%	147.4	12.8%	0.0	1.0	-5.3	2.8	25.5
iShares S&P Global Consumers Staples	KXI US	SGCS	-2.1%	8.2%	-3.5%	6.2%	367.8	12.3%	0.5	2.9	12.9	27.3	-15.4
iShares S&P Global Energy	IXC US	SGES	-2.3%	9.1%	-3.3%	7.4%	1,309.8	-0.3%	10.7	9.2	-42.5	-30.8	112.9
iShares S&P Global Financials	IXG US	SGFS	-2.3%	1.7%	-4.0%	-0.3%	247.8	-13.9%	2.3	1.4	-18.6	-35.3	-44.1
iShares S&P Global Healthcare	IXJ US	SGH	-1.6%	14.1%	-3.0%	11.9%	554.1	16.2%	6.0	3.8	2.7	22.1	-46.3
iShares S&P Global Industrials	EXI US	SGN	-0.7%	7.1%	-1.9%	5.5%	252.4	26.9%	0.6	1.1	0.0	42.6	10.1
iShares S&P Global Materials	MXI US	SGM	-0.5%	2.1%	-1.4%	0.6%	774.5	-0.4%	2.5	4.1	-21.7	-9.2	-252.1
iShares S&P Global Technology	IXN US	SGI	-3.1%	0.1%	-3.4%	-0.6%	566.8	-5.7%	0.3	2.4	-27.0	-9.8	98.1
iShares S&P Global Telecommunications	IXP US	SGT	-0.7%	7.8%	-3.6%	3.9%	413.3	0.9%	2.5	2.0	0.0	-3.3	67.0
iShares S&P Global Utilities	JXI US	SGU	0.2%	4.9%	-2.3%	1.5%	254.2	0.6%	1.0	1.2	0.0	2.6	18.4
MSCI ACWI ex. United States sector ETFs							**43.5**	**-15.3%**	**1.1**	**0.1**	**-2.7**	**-8.8**	**43.1**
iShares MSCI ACWI ex US Consumer Discretionary	AXDI US	MSWDUCDN	0.9%	6.5%	0.1%	4.1%	6.7	4.1%	0.0	0.0	0.0	0.0	5.3
iShares MSCI ACWI ex US Consumer Staples	AXSL US	MSWDUCSN	-1.3%	7.2%	-2.9%	5.6%	3.2	5.6%	0.0	0.0	0.0	0.0	2.4
iShares MSCI ACWI ex US Energy	AXEN US	MSWDUENN	-3.0%	5.1%	-4.0%	3.4%	6.4	3.4%	0.1	0.0	0.0	0.0	5.1
iShares MSCI ACWI ex US Health Care	AXHE US	MSWDUHCN	-2.3%	10.8%	-5.6%	7.5%	3.0	-46.2%	0.0	0.0	0.0	-3.0	5.0
iShares MSCI ACWI ex US Industrials	AXID US	MSWDUINN	-0.8%	4.2%	-2.5%	1.8%	6.2	1.8%	0.0	0.0	0.0	0.0	5.0
iShares MSCI ACWI ex US Information Technology	AXIT US	MSWDUITN	-4.0%	-4.4%	-4.1%	-5.4%	5.7	-5.4%	0.0	0.0	0.0	0.0	5.1
iShares MSCI ACWI ex US Materials	AXMT US	MSWDUMTN	-1.3%	0.5%	-2.2%	-1.3%	6.8	-1.3%	0.8	0.0	0.0	0.0	5.1
iShares MSCI ACWI ex US Telecommunication Services	AXTE US	MSWDUTCN	-0.5%	7.5%	-4.3%	3.3%	3.0	-48.4%	0.0	0.0	0.0	-3.1	5.1
iShares MSCI ACWI ex US Utilities	AXUT US	MSWDUUTN	0.9%	0.1%	-4.7%	-4.9%	2.6	-52.4%	0.0	0.0	-2.7	-2.7	5.0

Note: Index returns are for illustrative purposes only and do not represent actual fund performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results. ADV – Average Daily Volume, AUM – Assets Under Management, NNA – Net New Assets. Data as at end H1 2011.

Source: BlackRock Investment Institute – ETF Research, National Stock Exchange (NSX), Bloomberg.

Figure 60: Top five United States ETF providers by average daily turnover, as at end H1 2011

Provider	Average daily turnover (US$ Mn)					
	Dec-10	% market share	Jun-11	% market share	Change (US$ Mn)	% change
SSgA	$18,614.3	45.3%	$33,681.2	54.3%	$15,066.9	80.9%
iShares	$12,338.9	30.0%	$15,707.4	25.3%	$3,368.5	27.3%
ProShares	$2,660.7	6.5%	$3,418.0	5.5%	$757.3	28.5%
Direxion Shares	$1,860.7	4.5%	$3,014.6	4.9%	$1,153.9	62.0%
PowerShares	$2,400.9	5.8%	$2,827.7	4.6%	$967.0	17.8%
Others	$3,201.3	7.8%	$3,365.4	5.4%	$164.1	5.1%
Total	**$41,076.8**	**100.0%**	**$62,014.4**	**100.0%**	**$20,937.6**	**51.0%**



Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 61: ETF/ETP providers in the United States ranked by assets, as at end H1 2011

Provider	H1-11					Jun-11 NNA (US$ Bn)	YTD-11 NNA (US$ Bn)	YTD market move (US$ Bn)	YTD change				
	# ETFs/ ETPs	Assets (US$ Bn)	% total	ADV (US$ Mn)	# planned				# ETFs/ ETPs	% ETFs/ ETPs	Assets (US$ Bn)	% assets	% market share
iShares	225	$475.8	43.2%	$16,770.4	14	$0.4	$12.1	$14.1	5	2.3%	$26.3	5.8%	-1.2%
State Street Global Advisors	100	$248.1	22.5%	$35,478.5	28	$5.1	$1.9	$10.8	7	7.5%	$12.7	5.4%	-0.7%
Vanguard	64	$175.2	15.9%	$1,570.9	1	$0.6	$20.9	$6.0	1	1.6%	$26.9	18.2%	1.3%
PowerShares/Deutsche Bank	156	$58.3	5.3%	$3,166.2	48	-$1.5	$2.5	$1.7	9	6.1%	$4.2	7.8%	0.0%
ProShares	121	$27.1	2.5%	$4,132.0	131	$1.0	$4.6	-$1.1	9	8.0%	$3.5	14.9%	0.1%
Van Eck Associates Corp	34	$23.0	2.1%	$876.3	38	$0.8	$5.0	-$1.9	5	17.2%	$3.0	15.2%	0.1%
WisdomTree Investments	46	$13.0	1.2%	$165.5	71	$0.9	$3.0	$0.1	2	4.5%	$3.1	31.1%	0.2%
Bank of New York	1	$11.1	1.0%	$404.4	0	$0.2	-$2.0	$0.8	0	0.0%	-$1.1	-9.2%	-0.2%
Rydex SGI	34	$9.2	0.8%	$417.7	110	$0.3	$1.2	$0.5	1	3.0%	$1.8	23.5%	0.1%
Barclays (iPath)	70	$8.3	0.7%	$782.6	28	-$0.6	$1.2	-$1.4	20	40.0%	-$0.2	-2.8%	-0.1%
First Trust Advisors	59	$7.7	0.7%	$105.5	5	-$0.3	$2.0	$0.3	16	37.2%	$2.3	41.9%	0.2%
Direxion Shares	51	$6.8	0.6%	$3,014.6	176	$0.5	$0.4	-$0.3	12	30.8%	$0.2	2.8%	0.0%
Merrill Lynch	17	$4.9	0.4%	$1,035.2	0	$0.1	-$0.2	$0.3	0	0.0%	$0.1	2.6%	0.0%
Charles Schwab Investment Management	13	$4.5	0.4%	$46.9	1	$0.2	$1.6	$0.2	2	18.2%	$1.7	63.3%	0.1%
United States Commodity Funds	9	$4.2	0.4%	$577.0	4	$0.0	-$0.6	-$0.2	0	0.0%	-$0.7	-14.5%	-0.1%
ETF Securities	7	$3.8	0.3%	$52.1	24	$0.0	$0.2	$0.1	1	16.7%	$0.3	7.4%	0.0%
Guggenheim Funds	43	$3.7	0.3%	$32.2	35	$0.0	$0.1	$0.0	5	13.2%	$0.2	4.4%	0.0%
PIMCO	14	$3.2	0.3%	$30.4	10	$0.3	$1.0	$0.0	1	7.7%	$1.0	45.7%	0.1%
JPMorgan Chase	4	$2.7	0.2%	$26.4	1	$0.0	$0.4	$0.0	0	0.0%	$0.4	18.8%	0.0%
Swedish Export Credit Corp	7	$1.6	0.1%	$13.3	0	$0.0	$0.4	-$0.1	0	0.0%	$0.3	22.8%	0.0%
Global X Funds	35	$1.6	0.1%	$28.0	27	$0.0	$0.5	-$0.2	18	105.9%	$0.3	24.3%	0.0%
ALPS ETF Trust	3	$1.3	0.1%	$11.3	8	$0.1	$0.6	$0.0	0	0.0%	$0.6	85.8%	0.0%
UBS AG	22	$0.8	0.1%	$5.8	0	$0.0	$0.1	$0.0	4	22.2%	$0.1	18.8%	0.0%
GreenHaven Commodity Services	1	$0.7	0.1%	$4.2	0	$0.0	$0.2	$0.0	0	0.0%	$0.2	36.7%	0.0%
RevenueShares	6	$0.6	0.1%	$4.4	8	$0.0	$0.0	$0.0	0	0.0%	$0.0	4.5%	0.0%
Emerging Global Advisors	17	$0.6	0.1%	$4.1	26	$0.0	$0.1	$0.0	8	88.9%	$0.1	29.8%	0.0%
IndexIQ Advisors	14	$0.5	0.0%	$5.0	30	$0.0	$0.2	$0.0	5	55.6%	$0.1	49.4%	0.0%
VelocityShares	6	$0.4	0.0%	$99.9	0	$0.2	$0.4	$0.0	0	0.0%	$0.4	830.3%	0.0%
Credit Suisse	5	$0.3	0.0%	$3.6	0	$0.1	$0.1	$0.0	1	25.0%	$0.1	71.4%	0.0%
AdvisorShares	10	$0.3	0.0%	$4.0	9	$0.0	$0.2	$0.0	5	100.0%	$0.2	107.2%	0.0%
Morgan Stanley	6	$0.2	0.0%	$2.5	0	$0.0	$0.1	$0.0	2	50.0%	$0.1	54.6%	0.0%
Jefferies Asset Management	4	$0.2	0.0%	$1.4	4	$0.0	$0.0	$0.0	0	0.0%	$0.0	28.8%	0.0%
Russell Investments	17	$0.2	0.0%	$1.0	27	$0.0	$0.2	$0.0	16	1600.0%	$0.2	1586.2%	0.0%
Fidelity Management & Research	1	$0.2	0.0%	$1.2	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	4.1%	0.0%
DBX Strategic Advisors	10	$0.2	0.0%	$0.2	39	$0.0	$0.0	$0.0	5	100.0%	$0.0	21.4%	0.0%
Teucrium Trading	3	$0.1	0.0%	$8.1	4	$0.0	$0.1	$0.0	2	200.0%	$0.1	199.4%	0.0%
Barclays Capital	8	$0.1	0.0%	$9.2	0	-$0.1	$0.1	$0.0	-1	-11.1%	$0.1	92.7%	0.0%
Goldman Sachs	2	$0.1	0.0%	$0.4	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	3.9%	0.0%

continued…

Figure 61: ETF/ETP providers in the United States ranked by assets, as at end H1 2011 (continued)

Provider	H1-11					Jun-11	YTD-11	YTD	YTD change				
	# ETFs/ ETPs	Assets (US$ Bn)	% total	ADV (US$ Mn)	# planned	NNA (US$ Bn)	NNA (US$ Bn)	market move (US$ Bn)	# ETFs/ ETPs	% ETFs/ ETPs	Assets (US$ Bn)	% assets	% market share
FocusShares	15	$0.1	0.0%	$1.0	6	$0.0	$0.1	$0.0	15	100.0%	$0.1	100.0%	0.0%
RBS	3	$0.1	0.0%	$0.8	0	$0.0	$0.1	$0.0	2	200.0%	$0.1	1735.3%	0.0%
HSBC/Hang Seng	1	$0.0	0.0%	$0.4	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	-42.5%	0.0%
Columbia Management Inv Advisers	5	$0.0	0.0%	$0.1	3	$0.0	$0.0	$0.0	0	0.0%	$0.0	30.4%	0.0%
Deutsche Bank	5	$0.0	0.0%	$0.1	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	59.2%	0.0%
FactorShares	5	$0.0	0.0%	$0.6	22	$0.0	$0.0	$0.0	5	100.0%	$0.0	100.0%	0.0%
Javelin Investment Management	1	$0.0	0.0%	$0.1	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	24.7%	0.0%
FaithShares	5	$0.0	0.0%	$0.1	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	-9.0%	0.0%
Citigroup	1	$0.0	0.0%	$0.2	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	-31.8%	0.0%
Pax World Management	2	$0.0	0.0%	$0.1	1	$0.0	$0.0	$0.0	1	100.0%	$0.0	143.7%	0.0%
AllianceBernstein	-	-	-	-	1	-	-	-	-	-	-	-	-
Arrow Investment Advisors	-	-	-	-	2	-	-	-	-	-	-	-	-
Dreyfus Corp	-	-	-	-	1	-	-	-	-	-	-	-	-
Eaton Vance	-	-	-	-	5	-	-	-	-	-	-	-	-
Exchange Traded Spreads Trust	-	-	-	-	5	-	-	-	-	-	-	-	-
Firsthand Capital	-	-	-	-	1	-	-	-	-	-	-	-	-
Florentez Investment	-	-	-	-	1	-	-	-	-	-	-	-	-
Forum Investment Advisors	-	-	-	-	1	-	-	-	-	-	-	-	-
Georgetown Investment Management	-	-	-	-	5	-	-	-	-	-	-	-	-
Hartford	-	-	-	-	1	-	-	-	-	-	-	-	-
Huntington Asset Advisors	-	-	-	-	3	-	-	-	-	-	-	-	-
Janus Capital Management	-	-	-	-	1	-	-	-	-	-	-	-	-
John Hancock	-	-	-	-	1	-	-	-	-	-	-	-	-
JP Morgan Asset Management	-	-	-	-	2	-	-	-	-	-	-	-	-
Legg Mason	-	-	-	-	1	-	-	-	-	-	-	-	-
Macro Securities Depositor	-	-	-	-	2	-	-	-	-	-	-	-	-
Millington Securities	-	-	-	-	1	-	-	-	-	-	-	-	-
Neuberger Berman	-	-	-	-	1	-	-	-	-	-	-	-	-
Next Investments	-	-	-	-	2	-	-	-	-	-	-	-	-
Northern Trust	-	-	-	-	5	-	-	-	-	-	-	-	-
OppenheimerFunds	-	-	-	-	1	-	-	-	-	-	-	-	-
QuantShares	-	-	-	-	7	-	-	-	-	-	-	-	-
RiverPark Advisors	-	-	-	-	4	-	-	-	-	-	-	-	-
ShariahShares	-	-	-	-	2	-	-	-	-	-	-	-	-
T Rowe Price	-	-	-	-	1	-	-	-	-	-	-	-	-
WealthNotes Capital Management	-	-	-	-	1	-	-	-	-	-	-	-	-
Total	**1,288**	**$1,100.7**	**100.0%**	**$68,895.9**	**997**	**$8.3**	**$58.9**	**$29.9**	**189**	**17.2%**	**$88.8**	**8.8%**	

Source: BlackRock Investment Institute – ETF Research, Bloomberg, National Stock Exchange (NSX).

Figure 62: ETF providers in the United States ranked by AUM, as at end H1 2011

Provider	H1-11					Jun-11 NNA (US$ Bn)	YTD-11 NNA (US$ Bn)	YTD market move (US$ Bn)	YTD change				
	# ETFs	AUM (US$ Bn)	% total	ADV (US$ Mn)	# planned				# ETFs	% ETFs	AUM (US$ Bn)	% AUM	% market share
iShares	221	$456.5	46.9%	$15,707.4	12	$0.7	$12.9	$12.3	5	2.3%	$25.2	5.8%	-1.5%
State Street Global Advisors	99	$189.9	19.5%	$33,681.2	28	$5.2	$5.0	$8.0	7	7.6%	$13.0	7.4%	-0.3%
Vanguard	64	$175.2	18.0%	$1,570.9	1	$0.6	$20.9	$6.0	1	1.6%	$26.9	18.2%	1.4%
PowerShares	117	$44.2	4.5%	$2,827.7	48	-$1.2	$1.1	$1.6	6	5.4%	$2.7	6.5%	-0.1%
ProShares	107	$23.5	2.4%	$3,418.0	93	$0.8	$2.9	-$1.0	7	7.0%	$2.0	9.1%	0.0%
Van Eck Associates Corp	34	$23.0	2.4%	$876.3	38	$0.8	$5.0	-$1.9	5	17.2%	$3.0	15.2%	0.1%
WisdomTree Investments	46	$13.0	1.3%	$165.5	71	$0.9	$3.0	$0.1	2	4.5%	$3.1	31.1%	0.2%
Bank of New York	1	$11.1	1.1%	$404.4	0	$0.2	-$2.0	$0.8	0	0.0%	-$1.1	-9.2%	-0.2%
First Trust Advisors	59	$7.7	0.8%	$105.5	5	-$0.3	$2.0	$0.3	16	37.2%	$2.3	41.9%	0.2%
Direxion Shares	51	$6.8	0.7%	$3,014.6	176	$0.5	$0.4	-$0.3	12	30.8%	$0.2	2.8%	0.0%
Rydex SGI	25	$5.6	0.6%	$71.3	97	-$0.1	$0.2	$0.4	1	4.2%	$0.6	12.0%	0.0%
Charles Schwab Investment Management	13	$4.5	0.5%	$46.9	1	$0.2	$1.6	$0.2	2	18.2%	$1.7	63.3%	0.2%
Guggenheim Funds	43	$3.7	0.4%	$32.2	35	$0.0	$0.1	$0.0	5	13.2%	$0.2	4.4%	0.0%
PIMCO	14	$3.2	0.3%	$30.4	10	$0.3	$1.0	$0.0	1	7.7%	$1.0	45.7%	0.1%
Global X Funds	35	$1.6	0.2%	$28.0	27	$0.0	$0.5	-$0.2	18	105.9%	$0.3	24.3%	0.0%
ALPS ETF Trust	3	$1.3	0.1%	$11.3	8	$0.1	$0.6	$0.0	0	0.0%	$0.6	85.8%	0.1%
RevenueShares	6	$0.6	0.1%	$4.4	8	$0.0	$0.0	$0.0	0	0.0%	$0.0	4.5%	0.0%
Emerging Global Advisors	17	$0.6	0.1%	$4.1	26	$0.0	$0.1	$0.0	8	88.9%	$0.1	29.8%	0.0%
IndexIQ Advisors	14	$0.5	0.0%	$5.0	30	$0.0	$0.2	$0.0	5	55.6%	$0.1	49.4%	0.0%
AdvisorShares	10	$0.3	0.0%	$4.0	9	$0.0	$0.2	$0.0	5	100.0%	$0.2	107.2%	0.0%
Jefferies Asset Management	4	$0.2	0.0%	$1.4	2	$0.0	$0.0	$0.0	0	0.0%	$0.0	28.8%	0.0%
Russell Investments	17	$0.2	0.0%	$1.0	27	$0.0	$0.2	$0.0	16	1600.0%	$0.2	1586.2%	0.0%
Fidelity Management & Research	1	$0.2	0.0%	$1.2	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	4.1%	0.0%
DBX Strategic Advisors	10	$0.2	0.0%	$0.2	39	$0.0	$0.0	$0.0	5	100.0%	$0.0	21.4%	0.0%
FocusShares	15	$0.1	0.0%	$1.0	6	$0.0	$0.1	$0.0	15	100.0%	$0.1	100.0%	0.0%
Columbia Management Inv Advisers	5	$0.0	0.0%	$0.1	3	$0.0	$0.0	$0.0	0	0.0%	$0.0	30.4%	0.0%
Javelin Investment Management	1	$0.0	0.0%	$0.1	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	24.7%	0.0%
FaithShares	5	$0.0	0.0%	$0.1	0	$0.0	$0.0	$0.0	0	0.0%	$0.0	-9.0%	0.0%
Pax World Management	2	$0.0	0.0%	$0.1	1	$0.0	$0.0	$0.0	1	100.0%	$0.0	143.7%	0.0%
AllianceBernstein	-	-	-	-	1	-	-	-	-	-	-	-	-
Arrow Investment Advisors	-	-	-	-	1	-	-	-	-	-	-	-	-
Dreyfus Corp	-	-	-	-	1	-	-	-	-	-	-	-	-
Eaton Vance	-	-	-	-	5	-	-	-	-	-	-	-	-
Exchange Traded Spreads Trust	-	-	-	-	5	-	-	-	-	-	-	-	-
FactorShares	-	-	-	-	22	-	-	-	-	-	-	-	-
Firsthand Capital	-	-	-	-	1	-	-	-	-	-	-	-	-
Florentez Investment	-	-	-	-	1	-	-	-	-	-	-	-	-
Forum Investment Advisors	-	-	-	-	1	-	-	-	-	-	-	-	-
Georgetown Investment Management	-	-	-	-	5	-	-	-	-	-	-	-	-
Hartford	-	-	-	-	1	-	-	-	-	-	-	-	-
Huntington Asset Advisors	-	-	-	-	3	-	-	-	-	-	-	-	-
Janus Capital Management	-	-	-	-	1	-	-	-	-	-	-	-	-
John Hancock	-	-	-	-	1	-	-	-	-	-	-	-	-
JP Morgan Asset Management	-	-	-	-	2	-	-	-	-	-	-	-	-
Legg Mason	-	-	-	-	1	-	-	-	-	-	-	-	-
Macro Securities Depositor	-	-	-	-	2	-	-	-	-	-	-	-	-
Millington Securities	-	-	-	-	1	-	-	-	-	-	-	-	-
Neuberger Berman	-	-	-	-	1	-	-	-	-	-	-	-	-
Next Investments	-	-	-	-	2	-	-	-	-	-	-	-	-
Northern Trust	-	-	-	-	5	-	-	-	-	-	-	-	-
OppenheimerFunds	-	-	-	-	1	-	-	-	-	-	-	-	-
QuantShares	-	-	-	-	7	-	-	-	-	-	-	-	-
RiverPark Advisors	-	-	-	-	4	-	-	-	-	-	-	-	-
ShariahShares	-	-	-	-	2	-	-	-	-	-	-	-	-
T Rowe Price	-	-	-	-	1	-	-	-	-	-	-	-	-
Total	**1,039**	**$973.5**	**100.0%**	**$62,014.4**	**879**	**$8.6**	**$56.1**	**$26.3**	**143**	**16.0%**	**$82.4**	**9.3%**	

Source: BlackRock Investment Institute – ETF Research, Bloomberg, National Stock Exchange (NSX).

Figure 63: ETP providers in the United States ranked by assets, as at end H1 2011

	H1-11					Jun-11	YTD-11	YTD change				
Provider	# ETFs	Assets (US$ Bn)	% total	ADV (US$ Mn)	# planned	NNA (US$ Bn)	NNA (US$ Bn)	# ETFs	% ETFs	Assets (US$ Bn)	% AUM	% market share
State Street Global Advisors	1	$58.2	45.8%	$1,797.3	0	-$0.1	-$3.1	0	0.0%	-$0.3	-0.5%	-2.7%
iShares	4	$19.2	15.1%	$1,063.0	2	-$0.3	-$0.8	0	0.0%	$1.1	6.2%	0.1%
Deutsche Bank	44	$14.1	11.1%	$338.6	0	-$0.3	$1.4	8	22.2%	$1.6	12.4%	0.7%
Barclays (iPath)	70	$8.3	6.5%	$782.6	28	-$0.6	$1.2	20	40.0%	-$0.2	-2.8%	-0.5%
Merrill Lynch	17	$4.9	3.8%	$1,035.2	0	$0.1	-$0.2	0	0.0%	$0.1	2.6%	-0.1%
United States Commodity Funds	9	$4.2	3.3%	$577.0	4	$0.0	-$0.6	0	0.0%	-$0.7	-14.5%	-0.8%
ETF Securities	7	$3.8	3.0%	$52.1	24	$0.0	$0.2	1	16.7%	$0.3	7.4%	0.1%
Rydex SGI	9	$3.6	2.9%	$346.4	13	$0.3	$1.0	0	0.0%	$1.2	46.8%	0.8%
ProShares	14	$3.6	2.8%	$714.0	38	$0.3	$1.7	2	16.7%	$1.6	76.6%	1.1%
JPMorgan Chase	4	$2.7	2.1%	$26.4	1	$0.0	$0.4	0	0.0%	$0.4	18.8%	0.2%
Swedish Export Credit Corp	7	$1.6	1.3%	$13.3	0	$0.0	$0.4	0	0.0%	$0.3	22.8%	0.2%
UBS AG	22	$0.8	0.6%	$5.8	0	$0.0	$0.1	4	22.2%	$0.1	18.8%	0.1%
GreenHaven Commodity Services	1	$0.7	0.6%	$4.2	0	$0.0	$0.2	0	0.0%	$0.2	36.7%	0.1%
VelocityShares	6	$0.4	0.3%	$99.9	0	$0.2	$0.4	0	0.0%	$0.4	830.3%	0.3%
Credit Suisse	5	$0.3	0.3%	$3.6	0	$0.1	$0.1	1	25.0%	$0.1	71.4%	0.1%
Morgan Stanley	6	$0.2	0.1%	$2.5	0	$0.0	$0.1	2	50.0%	$0.1	54.6%	0.0%
Teucrium Trading	3	$0.1	0.1%	$8.1	4	$0.0	$0.1	2	200.0%	$0.1	199.4%	0.1%
Barclays Capital	8	$0.1	0.1%	$9.2	0	-$0.1	$0.1	-1	-11.1%	$0.1	92.7%	0.0%
Goldman Sachs	2	$0.1	0.1%	$0.4	0	$0.0	$0.0	0	0.0%	$0.0	3.9%	0.0%
RBS	3	$0.1	0.1%	$0.8	0	$0.0	$0.1	2	200.0%	$0.1	1735.3%	0.1%
HSBC/Hang Seng	1	$0.0	0.0%	$0.4	0	$0.0	$0.0	0	0.0%	$0.0	-42.5%	0.0%
FactorShares	5	$0.0	0.0%	$0.6	0	$0.0	$0.0	5	100.0%	$0.0	100.0%	0.0%
Citigroup	1	$0.0	0.0%	$0.2	0	$0.0	$0.0	0	0.0%	$0.0	-31.8%	0.0%
Arrow Investment Advisors	-	-	-		1	-	-	-	-	-	-	-
Jefferies Asset Management	-	-	-		2	-	-	-	-	-	-	-
WealthNotes Capital Management	-	-	-		1	-	-	-	-	-	-	-
Total	**249**	**$127.2**	**100.0%**	**$6,881.5**	**118**	**-$0.3**	**$2.8**	**46**	**22.7%**	**$6.4**	**5.3%**	

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 64: Top 20 ETFs in the United States by AUM, as at end H1 2011

ETF	Ticker	AUM (US$ Mn)	ADV ('000 shares)	ADV (US$ Mn)
SPDR S&P 500	SPY US	$92,053.3	200,351	$25,886.6
Vanguard MSCI Emerging Markets ETF	VWO US	$50,280.3	15,615	$742.4
iShares MSCI EAFE Index Fund	EFA US	$39,620.2	18,862	$1,119.7
iShares MSCI Emerging Markets Index Fund	EEM US	$38,748.8	48,126	$2,245.3
iShares S&P 500 Index Fund	IVV US	$27,609.6	2,764	$358.6
PowerShares QQQ Trust	QQQ US	$22,845.7	48,162	$2,673.9
iShares Barclays TIPS Bond Fund	TIP US	$20,944.2	756	$83.7
Vanguard Total Stock Market ETF	VTI US	$20,077.0	1,939	$129.3
iShares Russell 2000 Index Fund	IWM US	$16,618.0	64,045	$5,134.9
iShares iBoxx $ Investment Grade Corporate	LQD US	$13,777.3	796	$88.2
iShares Russell 1000 Growth Index Fund	IWF US	$13,554.9	2,021	$119.6
iShares MSCI Brazil Index Fund	EWZ US	$12,781.2	12,341	$891.4
iShares Barclays Aggregate Bond Fund	AGG US	$11,851.0	1,074	$115.2
iShares Russell 1000 Value Index Fund	IWD US	$11,638.3	1,556	$103.8
iShares S&P MidCap 400 Index Fund	IJH US	$11,479.8	807	$76.9
S&P 400 MidCap SPDR	MDY US	$11,086.3	2,337	$404.4
Vanguard Total Bond Market ETF	BND US	$10,242.4	864	$70.5
SPDR Dow Jones Industrial Average ETF	DIA US	$9,639.3	6,150	$742.8
Vanguard REIT ETF	VNQ US	$9,449.0	1,693	$101.0
Energy Select Sector SPDR Fund	XLE US	$9,009.9	20,948	$1,535.4

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 65: Top 20 ETFs in the United States by average daily US dollar trading volume, as at end H1 2011

ETF	Ticker	ADV (US$ Mn)	ADV ('000 shares)	AUM (US$ Mn)
SPDR S&P 500	SPY US	$25,886.6	200,351	$92,053.3
iShares Russell 2000 Index Fund	IWM US	$5,134.9	64,045	$16,618.0
PowerShares QQQ Trust	QQQ US	$2,673.9	48,162	$22,845.7
iShares MSCI Emerging Markets Index Fund	EEM US	$2,245.3	48,126	$38,748.8
Energy Select Sector SPDR Fund	XLE US	$1,535.4	20,948	$9,009.9
Financial Select Sector SPDR Fund	XLF US	$1,166.8	77,803	$7,308.8
iShares MSCI EAFE Index Fund	EFA US	$1,119.7	18,862	$39,620.2
iShares MSCI Brazil Index Fund	EWZ US	$891.4	12,341	$12,781.2
iShares Barclays 20+ Year Treasury Bond	TLT US	$839.0	8,719	$2,888.9
SPDR Dow Jones Industrial Average ETF	DIA US	$742.8	6,150	$9,639.3
Vanguard MSCI Emerging Markets ETF	VWO US	$742.4	15,615	$50,280.3
Direxion Daily Small Cap Bull 3x Shares	TNA US	$725.0	9,788	$764.2
Industrial Select Sector SPDR Fund	XLI US	$675.4	18,775	$4,004.3
Direxion Daily Small Cap Bear 3x Shares	TZA US	$658.8	16,942	$612.3
iShares FTSE China 25 Index Fund	FXI US	$643.7	15,069	$7,157.6
ProShares Ultra S&P500	SSO US	$628.7	12,480	$1,681.9
iShares Dow Jones US Real Estate Index	IYR US	$572.0	9,571	$3,795.9
SPDR S&P Retail ETF	XRT US	$563.1	10,944	$568.5
Materials Select Sector SPDR Trust	XLB US	$532.7	14,096	$2,666.3
Market Vectors Gold Miners	GDX US	$500.3	9,283	$6,832.1

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 66: Top 20 ETFs in the United States with largest change in AUM, as at end H1 2011

ETF	Ticker	YTD-11 NNA (US$ Mn)	AUM (US$ Mn) jun-11	AUM (US$ Mn) Dec-10	Change (US$ Mn)
iShares MSCI Emerging Markets	EEM US	-$8,452.3	$38,748.8	$47,551.5	-$8,802.7
Vanguard MSCI Emerging Markets ETF	VWO US	$5,281.1	$50,280.3	$44,569.8	$5,710.5
Market Vectors Agribusiness ETF	MOO US	$2,956.1	$5,564.6	$2,631.5	$2,933.1
iShares MSCI EAFE Index Fund	EFA US	$1,458.3	$39,620.2	$36,923.1	$2,697.1
iShares MSCI Japan Index Fund	EWJ US	$2,620.7	$7,278.1	$4,883.3	$2,394.7
iShares S&P MidCap 400 Index Fund	IJH US	$1,397.6	$11,479.8	$9,332.0	$2,147.7
SPDR S&P 500	SPY US	-$2,298.1	$92,053.3	$89,915.3	$2,138.0
Vanguard Dividend Appreciation ETF	VIG US	$1,778.2	$6,720.9	$4,608.9	$2,112.0
Vanguard REIT ETF	VNQ US	$1,267.0	$9,449.0	$7,503.7	$1,945.4
Vanguard MSCI EAFE ETF	VEA US	$1,622.1	$7,230.2	$5,304.0	$1,926.2
iShares MSCI Germany Index Fund	EWG US	$1,644.7	$3,807.6	$1,881.7	$1,925.9
iShares S&P US Preferred Stock	PFF US	$1,778.7	$8,041.1	$6,120.7	$1,920.4
Vanguard Total Stock Market ETF	VTI US	$890.8	$20,077.0	$18,236.0	$1,841.0
iShares S&P 500 Index Fund	IVV US	$558.7	$27,609.6	$25,799.2	$1,810.4
Technology Select Sector SPDR Fund	XLK US	$1,554.0	$7,504.6	$5,849.3	$1,655.3
iShares Barclays TIPS Bond Fund	TIP US	$967.2	$20,944.2	$19,407.4	$1,536.8
Health Care Select Sector SPDR Fund	XLV US	$1,160.1	$4,237.5	$2,707.9	$1,529.6
Vanguard Total Bond Market ETF	BND US	$1,083.4	$10,242.4	$9,054.5	$1,187.9
iShares Barclays 1-3 Year Credit Bond	CSJ US	$1,077.3	$8,354.0	$7,226.6	$1,127.4
S&P 400 MidCap SPDR	MDY US	-$1,969.1	$11,086.3	$12,211.0	-$1,124.7

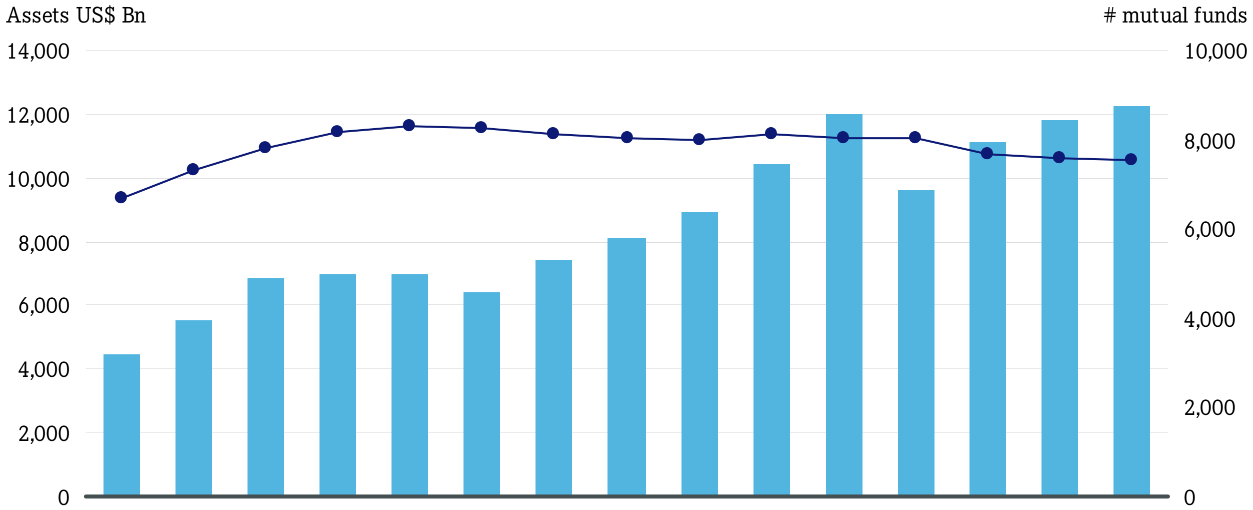
Source: BlackRock Investment Institute – ETF Research, Bloomberg, National Stock Exchange (NSX).

Figure 67: Top 20 ETFs in the United States with largest net inflows, as at end H1 2011

ETF	Ticker	YTD-11 NNA (US$ Mn)	AUM (US$ Mn) Jun-11	ADV (US$ Mn) Jun-11
Vanguard MSCI Emerging Markets ETF	VWO US	$5,281.1	$50,280.3	$742.4
Market Vectors Agribusiness ETF	MOO US	$2,956.1	$5,564.6	$92.4
iShares MSCI Japan Index Fund	EWJ US	$2,620.7	$7,278.1	$194.6
iShares S&P US Preferred Stock Index Fund	PFF US	$1,778.7	$8,041.1	$46.1
Vanguard Dividend Appreciation ETF	VIG US	$1,778.2	$6,720.9	$38.7
iShares MSCI Germany Index Fund	EWG US	$1,644.7	$3,807.6	$77.1
Vanguard MSCI EAFE ETF	VEA US	$1,622.1	$7,230.2	$77.5
Technology Select Sector SPDR Fund	XLK US	$1,554.0	$7,504.6	$231.0
iShares MSCI EAFE Index Fund	EFA US	$1,458.3	$39,620.2	$1,119.7
iShares MSCI Brazil Index Fund	EWZ US	$1,406.7	$12,781.2	$891.4
iShares S&P MidCap 400 Index Fund	IJH US	$1,397.6	$11,479.8	$76.9
ProShares UltraShort 20+ Year Treasury	TBT US	$1,282.2	$6,250.6	$329.4
Vanguard REIT ETF	VNQ US	$1,267.0	$9,449.0	$101.0
Health Care Select Sector SPDR Fund	XLV US	$1,160.1	$4,237.5	$318.0
Vanguard Total Bond Market ETF	BND US	$1,083.4	$10,242.4	$70.5
iShares Barclays 1-3 Year Credit Bond Fund	CSJ US	$1,077.3	$8,354.0	$36.8
Vanguard S&P 500 ETF	VOO US	$1,066.4	$1,341.1	$9.4
iShares MSCI Canada Index Fund	EWC US	$1,048.7	$5,738.6	$69.0
iShares Barclays TIPS Bond Fund	TIP US	$967.2	$20,944.2	$83.7
iShares iBoxx $ High Yield Corporate Bond	HYG US	$966.1	$8,427.9	$169.7

Source: BlackRock Investment Institute – ETF Research, Bloomberg, National Stock Exchange (NSX).

Figure 68: United States mutual fund industry, as at end H1 2011



	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	H1-11
Assets (US$ Bn)	4,468	5,525	6,846	6,965	6,975	6,391	7,414	8,107	8,905	10,413	12,020	9,602	1,120	11,817	12,224
# funds	6,684	7,314	7,791	8,156	8,307	8,250	8,126	8,042	7,975	8,117	8,119	8,020	7,689	7,579	7,514

Source: Investment Company Institute (ICI).

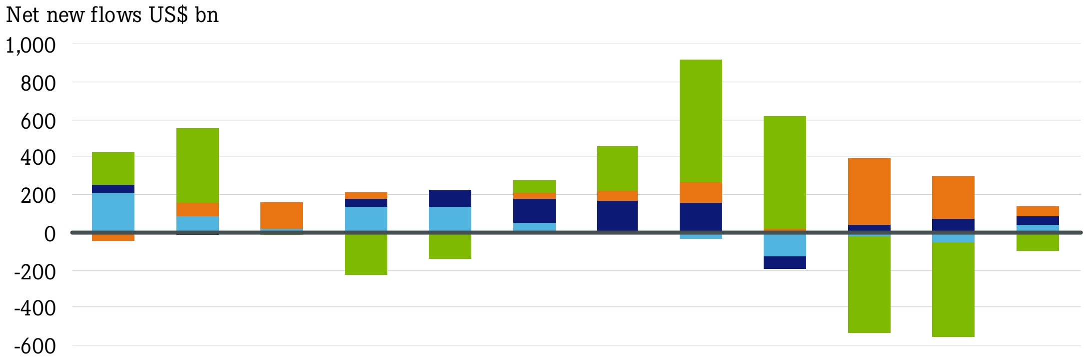
In the United States, Bank of New York, DBX Strategic Advisors, Guggenheim Funds, Emerging Global Advisors, Global X Funds, iShares, PowerShares, ProShares, Rydex, State Street Global Advisors, Van Eck Associates Corp, Vanguard and WisdomTree Investments are among the ETF providers who have been granted the exemptive order from the United States SEC permitting mutual funds to invest in their ETFs in excess of the limits of sections 12(d)(1).

Section 12(d)(1) of the Investment Company Act of 1940 prohibits an investment company from 1) acquiring more than 3% of the total outstanding voting securities of another investment company, 2) investing more than 5% of its total assets in a single investment company, and 3) investing more than 10% of its total assets in two or more investment companies.

The combined assets of the nation's 7,514 mutual funds increased by US$404 Bn in 2011 YTD (3.4%) to US$12.2 trillion, according to the Investment Company Institute's official survey of the mutual fund industry.

In the United States, according to data from Strategic Insight, open-end mutual funds (excluding ETFs) have seen US$40.5 Bn net inflows YTD to May 2011. Bond funds were the most popular with US$54.7 Bn net inflows, followed by international equity with US$42.9 Bn net inflows, while the least popular were money market funds which experienced net outflows of US$95.0 Bn.

Figure 69: United States mutual fund flows (excluding ETFs)

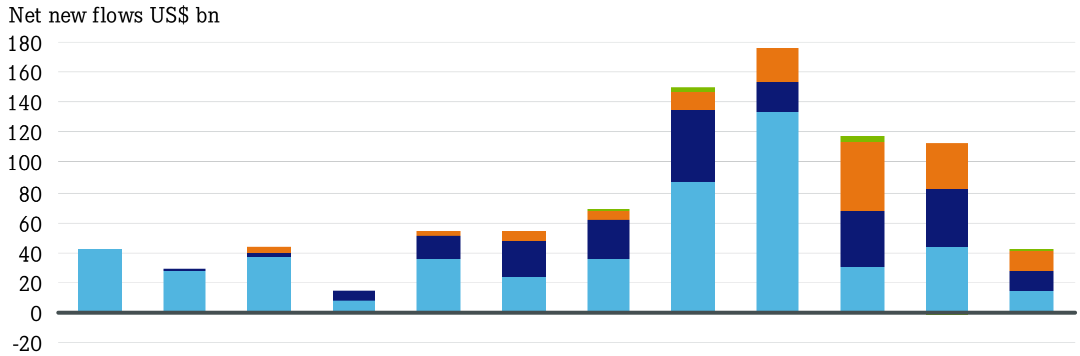


Exposure (US$ Bn)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	YTD May-11
Domestic equity	208.5	78.1	14.8	137.8	132.3	53.4	3.5	-37.6	-135.9	-27.1	-52.0	38.0
International equity	46.4	-16.7	6.2	37.9	90.0	127.9	162.8	161.6	-57.1	40.7	71.1	42.9
Bond	-47.0	78.6	132.1	36.1	-8.0	28.1	58.2	97.7	22.2	348.0	219.9	54.7
Money market	170.6	397.3	-13.0	-222.1	-137.1	63.1	228.6	653.2	594.6	-505.9	-509.4	-95.0
Total	**378.4**	**537.4**	**140.1**	**-10.3**	**77.2**	**272.6**	**453.1**	**874.8**	**423.8**	**-144.3**	**-270.3**	**40.5**

Note: Includes United States registered open-end funds (excluding ETFs, ETNs and variable annuities).
Source: Strategic Insight Simfund MF.

In the United States, ETFs have seen US$42.8 Bn net new inflows YTD to May 2011, according to data from Strategic Insight. Domestic equity funds were the most popular with US$15.1 Bn net inflows, followed by Bond funds with US$13.5 Bn net inflows.

Figure 70: United States ETF fund flows



Exposure (US$ Bn)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	YTD May-11
Domestic equity	41.9	27.7	36.5	8.4	35.6	24.3	35.7	87.8	133.5	30.5	43.5	15.1
International equity	0.7	1.3	3.8	5.7	15.3	23.0	26.8	46.6	19.6	37.0	38.8	12.4
Bond	0.0	0.0	3.8	0.6	3.6	6.3	5.1	13.1	22.5	46.1	29.7	13.5
Money market	0.0	0.0	0.0	0.0	0.0	0.1	1.1	2.2	0.4	4.0	-1.7	1.8
Total	**42.6**	**29.1**	**44.0**	**14.7**	**54.6**	**53.7**	**68.7**	**149.7**	**176.0**	**117.5**	**110.4**	**42.8**

Note: Includes ETFs of all legal structures (open-end, UIT, Grantor Trusts, Partnerships) and ETNs.
Source: Strategic Insight Simfund MF.

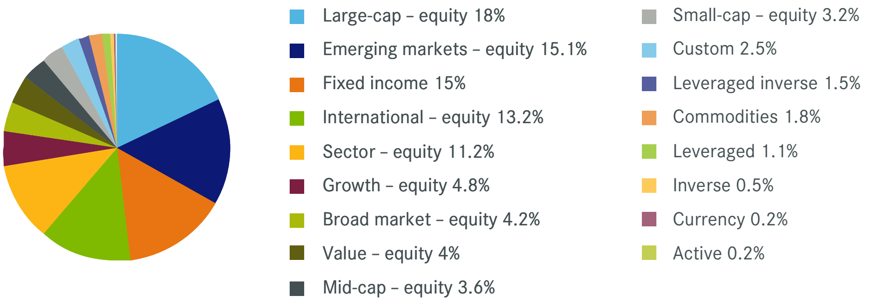
Figure 71: Average expenses of ETFs versus open-end mutual funds in the United States

Exposure	Average TER (bps)
Exchange Traded Funds (ETFs)	
Active	51
Broad market – equity	20
Commodities	57
Currency	48
Custom	43
Emerging markets – equity	54
Fixed income	23
Growth – equity	21
International – equity	41
Inverse	95
Large-cap – equity	13
Leveraged	95
Leveraged inverse	95
Mid-cap – equity	22
Sector – equity	31
Small-cap – equity	25
Value – equity	23
Total – equity ETFs	**32**
Total – fixed income ETFs	**27**
Total – all	**32**
Open-end mutual funds	
Passive/index domestic equity	72
Passive/index international equity	86
Passive/index fixed income	36
Active/non-index domestic equity	154
Active/non-index international equity	166
Active/non-index fixed income	92

Source: Strategic Insight Simfund MF, BlackRock Investment Institute – ETF Research, data as at end January 2011.

Figure 72: United States ETF assets by type of exposure, as at end H1 2011

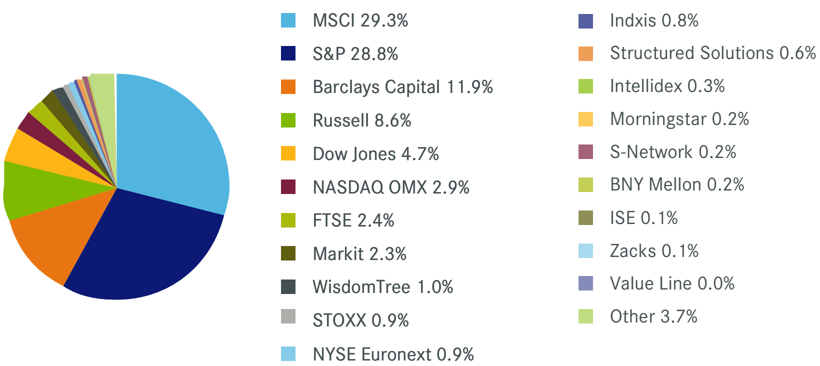
	H1-11				Jun-11		YTD change				
Exposure	# ETFs	AUM (US$ Bn)	% total	ADV (US$ Bn)	NNA (US$ Bn)	YTD NNA (US$ Bn)	# ETFs	% ETFs	AUM (US$ Bn)	% AUM	% market share
Equity	644	$751.4	77.2%	$52.5	$2.8	$27.0	95	17.3%	$50.2	7.2%	-1.5%
Large-cap	50	$174.8	18.0%	$29.8	$4.1	$0.9	10	25.0%	$9.3	5.6%	-0.6%
Emerging markets	112	$146.6	15.1%	$5.5	$1.4	-$2.6	23	25.8%	-$4.6	-3.0%	-1.9%
International	181	$128.7	13.2%	$2.3	$0.6	$14.9	26	16.8%	$15.6	13.8%	0.5%
Sector	163	$108.6	11.2%	$7.9	$0.3	$10.0	17	11.6%	$15.1	16.1%	0.7%
Growth	37	$46.9	4.8%	$0.5	-$2.0	$1.7	6	19.4%	$4.8	11.5%	0.1%
Value	22	$40.8	4.2%	$0.2	$0.7	$2.3	2	10.0%	$4.3	11.7%	0.1%
Broad market	36	$39.2	4.0%	$0.4	-$1.1	$1.3	5	16.1%	$3.1	8.5%	0.0%
Mid-cap	18	$34.9	3.6%	$0.5	-$0.2	$0.7	2	12.5%	$3.1	9.7%	0.0%
Small-cap	25	$31.0	3.2%	$5.3	-$1.0	-$2.1	6	31.6%	-$0.3	-1.1%	-0.3%
Fixed income	119	$145.8	15.0%	$2.2	$2.9	$15.1	15	14.4%	$17.3	13.4%	0.6%
Custom	57	$23.9	2.5%	$0.1	$0.6	$4.7	0	0.0%	$5.5	29.6%	0.4%
Commodities	27	$17.6	1.8%	$0.7	$0.4	$4.1	5	22.7%	$5.3	43.5%	0.4%
Leveraged inverse	67	$14.5	1.5%	$3.1	$0.3	$2.7	6	9.8%	$1.0	7.2%	0.0%
Leveraged	68	$11.2	1.1%	$3.1	$0.4	-$0.7	6	9.7%	$0.1	0.6%	-0.1%
Inverse	22	$4.6	0.5%	$0.2	$0.6	$1.3	7	46.7%	$1.0	28.9%	0.1%
Active	26	$2.4	0.2%	$0.0	$0.5	$1.3	7	36.8%	$1.3	117.2%	0.1%
Currency	9	$1.9	0.2%	$0.0	$0.2	$0.7	0	0.0%	$0.7	61.0%	0.1%
Total	**1,039**	**$973.5**	**100.0%**	**$62.0**	**$8.6**	**$56.1**	**143**	**16.0%**	**$82.4**	**9.3%**	



Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 73: United States ETF assets by index provider, as at end H1 2011

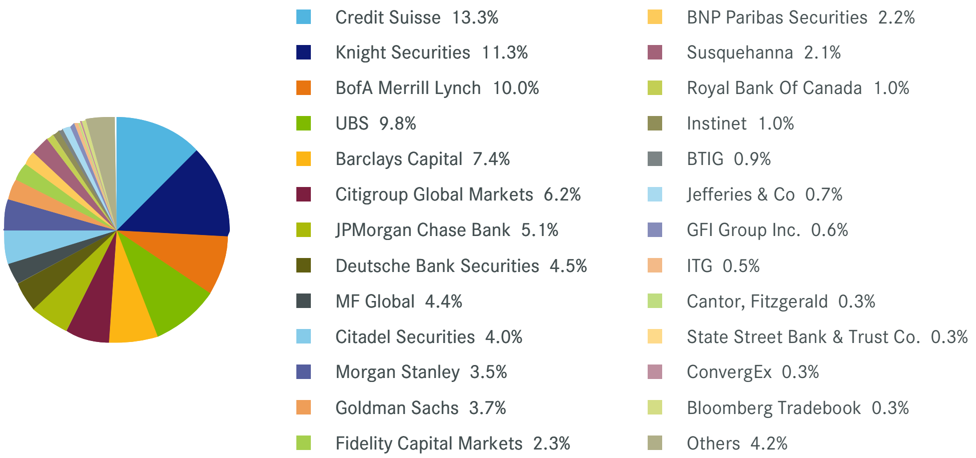
Index provider	H1-11 # ETFs	H1-11 AUM (US$ Bn)	H1-11 % total	H1-11 ADV (US$ Bn)	Jun-11 NNA (US$ Bn)	YTD NNA (US$ Bn)	YTD change # ETFs	YTD change % ETFs	YTD change AUM (US$ Bn)	YTD change % AUM	YTD change % market share
MSCI	128	$284.8	29.3%	$7.1	-$1.1	$14.4	12	10.3%	$20.2	7.7%	-0.4%
S&P	191	$280.5	28.8%	$35.3	$4.9	$7.7	13	7.3%	$20.3	7.8%	-0.4%
Barclays Capital	70	$116.2	11.9%	$2.2	$3.2	$12.3	7	11.1%	$13.2	12.8%	0.4%
Russell	81	$83.5	8.6%	$9.0	$0.5	-$0.5	18	28.6%	$3.6	4.5%	-0.4%
Dow Jones	93	$45.4	4.7%	$2.3	$0.2	$3.1	10	12.0%	$5.3	13.2%	0.2%
NASDAQ OMX	26	$28.0	2.9%	$3.4	-$0.9	$0.2	2	8.3%	$1.4	5.3%	-0.1%
FTSE	42	$23.7	2.4%	$0.7	$0.1	$1.3	1	2.4%	$1.5	6.8%	-0.1%
Markit	6	$22.2	2.3%	$0.3	-$0.5	$1.5	4	200.0%	$1.8	8.5%	0.0%
WisdomTree	35	$10.1	1.0%	$0.1	$0.4	$1.6	0	0.0%	$1.6	19.4%	0.1%
STOXX	10	$9.1	0.9%	$0.2	$0.4	$3.4	4	66.7%	$3.3	57.8%	0.3%
NYSE Euronext	12	$8.4	0.9%	$0.6	$0.6	$0.6	4	50.0%	-$0.2	-1.8%	-0.1%
Indxis	6	$8.0	0.8%	$0.0	$0.3	$1.9	0	0.0%	$2.2	38.8%	0.2%
Structured Solutions	36	$5.9	0.6%	$0.1	$0.1	$1.6	13	56.5%	$0.3	6.2%	0.0%
Intellidex	35	$3.3	0.3%	$0.0	-$0.2	$0.2	0	0.0%	$0.4	15.6%	0.0%
Morningstar	26	$2.3	0.2%	$0.0	$0.0	$0.2	16	160.0%	$0.4	19.0%	0.0%
S-Network	13	$1.8	0.2%	$0.0	-$0.1	$0.3	1	8.3%	$0.3	16.6%	0.0%
BNY Mellon	14	$1.7	0.2%	$0.0	$0.0	-$0.5	1	7.7%	-$0.5	-24.2%	-0.1%
ISE	10	$1.2	0.1%	$0.0	-$0.5	$0.1	0	0.0%	$0.1	14.1%	0.0%
Zacks	10	$0.9	0.1%	$0.0	$0.0	$0.1	0	0.0%	$0.1	18.8%	0.0%
Value Line	3	$0.4	0.0%	$0.0	$0.0	$0.0	0	0.0%	$0.1	17.7%	0.0%
Other	192	$36.0	3.7%	$0.5	$1.3	$6.6	37	23.9%	$6.9	23.8%	0.4%
Total	**1,039**	**$973.5**	**100.0%**	**$62.0**	**$8.6**	**$56.1**	**143**	**16.0%**	**$82.4**	**9.3%**	



Source: BlackRock Investment Institute – ETF Research, Bloomberg.

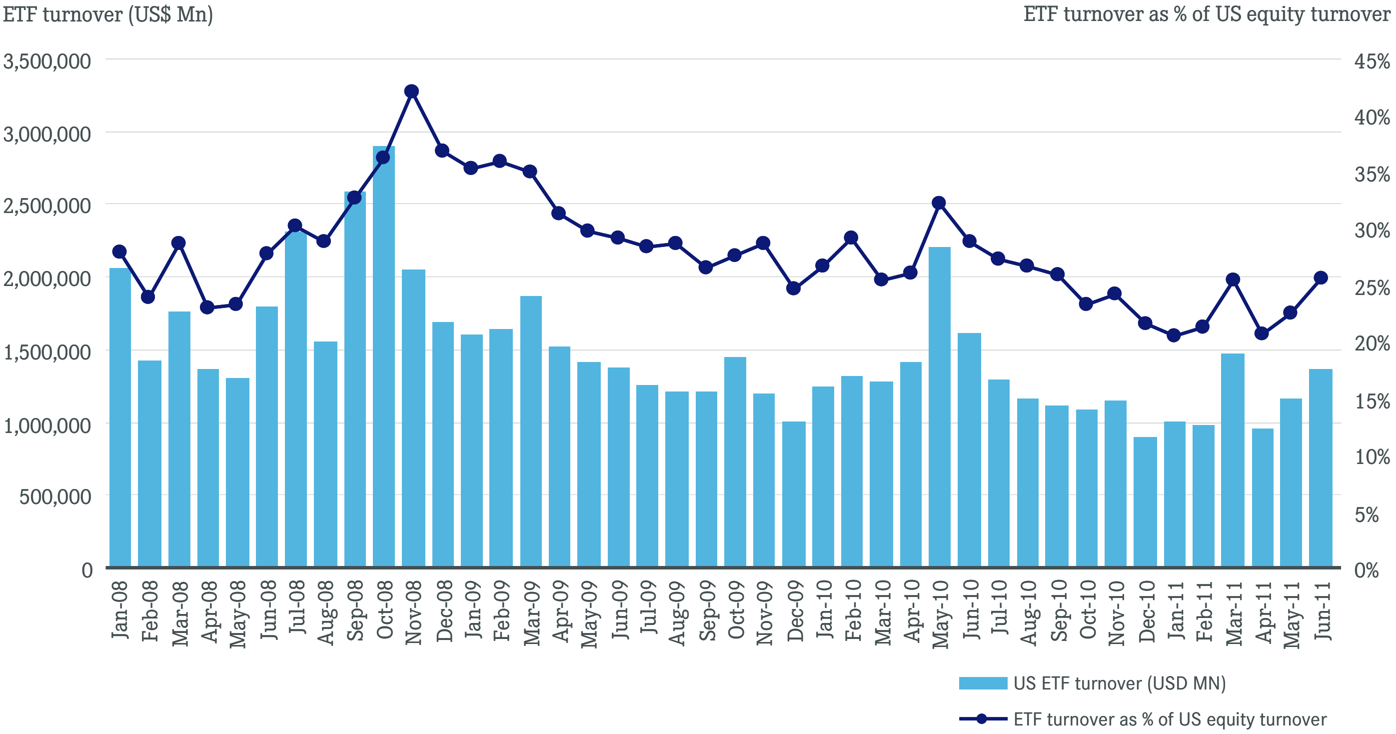
Figure 74: Top 25 brokers trading United States listed ETFs/ETPs: ranked by traded volume, as at end H1 2011

	Jun-11				Monthly change			
Broker	# broker reported trades	Broker advertised volume (US$ Mn)	% broker advertised market share	% total exchange volume	# broker reported trades (%)	Broker advertised volume (%)	% broker advertised market share	% total exchange volume
Credit Suisse	14,952	$130,775.7	13.3%	7.8%	8.6%	14.0%	0.5%	0.4%
Knight Securities	149,427	$111,630.2	11.3%	6.7%	4.4%	-6.3%	-1.9%	-1.0%
BofA Merrill Lynch	32,701	$98,763.5	10.0%	5.9%	4.7%	32.1%	1.7%	1.1%
UBS	35,096	$96,348.8	9.8%	5.8%	9.7%	9.7%	0.0%	0.1%
Barclays Capital	17,929	$72,781.0	7.4%	4.4%	10.1%	14.5%	0.3%	0.3%
Citigroup Global Markets	14,526	$61,179.2	6.2%	3.7%	-3.0%	7.9%	-0.1%	0.0%
JPMorgan Chase Bank	18,864	$49,853.8	5.1%	3.0%	-9.3%	-2.5%	-0.6%	-0.3%
Deutsche Bank Securities	8,974	$44,680.4	4.5%	2.7%	13.4%	32.9%	0.8%	0.5%
MF Global	2,376	$43,203.2	4.4%	2.6%	46.8%	38.3%	0.9%	0.6%
Citadel Securities	137,179	$39,564.0	4.0%	2.4%	3.9%	-1.2%	-0.4%	-0.2%
Morgan Stanley	8,882	$34,604.7	3.5%	2.1%	-6.3%	-18.5%	-1.2%	-0.7%
Goldman Sachs	42,568	$36,971.2	3.7%	2.2%	37.1%	36.2%	0.7%	0.5%
Fidelity Capital Markets	17,074	$23,023.3	2.3%	1.4%	1.9%	1.7%	-0.2%	-0.1%
BNP Paribas Securities	2,270	$21,370.4	2.2%	1.3%	12.8%	15.2%	0.1%	0.1%
Susquehanna	17,566	$21,179.1	2.1%	1.3%	-1.7%	-10.5%	-0.5%	-0.3%
Royal Bank Of Canada	9,258	$10,183.6	1.0%	0.6%	45.5%	33.5%	0.2%	0.1%
Instinet	2,357	$9,495.4	1.0%	0.6%	11.3%	10.8%	0.0%	0.0%
BTIG	1,579	$8,777.3	0.9%	0.5%	63.5%	23.6%	0.1%	0.1%
Jefferies & Co	1,598	$7,192.0	0.7%	0.4%	-13.9%	-17.8%	-0.2%	-0.1%
GFI Group Inc.	15,195	$6,272.7	0.6%	0.4%	-28.8%	-7.4%	-0.1%	-0.1%
ITG	8,823	$4,703.2	0.5%	0.3%	21.0%	63.2%	0.2%	0.1%
Cantor, Fitzgerald	3,428	$3,358.6	0.3%	0.2%	9.1%	7.3%	0.0%	0.0%
State Street Bank & Trust Co.	1,892	$3,239.8	0.3%	0.2%	-11.8%	4.9%	0.0%	0.0%
ConvergEx	3,482	$2,954.8	0.3%	0.2%	31.6%	27.0%	0.0%	0.0%
Bloomberg Tradebook	799	$2,578.6	0.3%	0.2%	-11.6%	-28.5%	-0.1%	-0.1%
Others (150)	73,692	$41,264.1	4.2%	2.4%	9.4%	8.1%	-0.1%	0.0%
Total	**642,487**	**$985,948.7**	**100.0%**	**59.0%**	**5.8%**	**9.6%**		**1.2%**



Note: Broker data is based on "advertised" secondary market trades voluntarily reported by brokers/dealers to Bloomberg. As some brokers/dealers may not advertise all of their trades, the above may not represent a complete picture of all activity. Data as at end H1 2011.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 75: United States ETF turnover as a percentage of United States equity turnover



Note: Data as at end H1 2011.
Source: BlackRock Investment Institute – ETF Research, Bloomberg, NYSE Arca.

Figure 76: United States exchanges average percentage of market share per ETF exposure, as at end H1 2011

					Average % market share									
Exposure	**# ETFs**	**AUM (US$ Bn)**	**Total ADV (# '000) shares**	**Total ADV (US$ Mn)**	**NYSE AMEX**	**BATS**	**NASDAQ OMX BX**	**CBOE**	**Chicago**	**NSX**	**FINRA-ADF**	**NASDAQ**	**NYSE Arca**	**Philadelphia**
International – equity	181	$128.7	70,111	$2,253.4	0.0%	7.5%	0.6%	0.8%	0.1%	0.2%	40.1%	9.0%	41.5%	0.1%
Emerging markets – equity	112	$146.6	121,281	$5,515.6	0.0%	7.7%	0.5%	0.6%	0.2%	0.3%	31.7%	9.0%	49.9%	0.2%
Large-cap – equity	50	$174.8	261,080	$29,846.8	0.0%	7.8%	0.6%	0.3%	0.1%	0.1%	38.2%	11.9%	40.9%	0.2%
Sector – equity	163	$108.6	229,152	$7,941.0	0.0%	11.0%	1.1%	1.1%	0.1%	0.4%	43.3%	14.3%	28.1%	0.6%
Fixed Income	119	$145.8	27,700	$2,178.6	0.0%	8.2%	1.5%	1.6%	0.0%	0.4%	41.9%	10.5%	35.9%	0.0%
Growth – equity	37	$46.9	6,755	$469.1	0.0%	6.7%	0.4%	2.5%	0.0%	0.1%	41.7%	12.4%	36.1%	0.1%
Value – equity	36	$39.2	5,669	$354.1	0.0%	8.2%	0.4%	0.3%	0.0%	0.1%	39.5%	12.8%	38.6%	0.1%
Broad market – equity	22	$40.8	4,208	$243.3	0.0%	9.6%	1.0%	0.2%	0.0%	0.3%	36.8%	12.2%	39.7%	0.2%
Mid-cap – equity	18	$34.9	3,933	$539.5	0.0%	12.0%	0.3%	1.1%	0.1%	0.1%	44.1%	13.0%	29.2%	0.1%
Small-cap – equity	25	$31.0	66,676	$5,306.5	0.0%	8.7%	0.3%	0.4%	0.1%	0.2%	32.9%	13.4%	43.9%	0.1%
Custom	57	$23.9	4,222	$139.3	0.0%	9.2%	0.5%	1.3%	0.0%	0.2%	48.6%	8.4%	31.7%	0.0%
Leveraged	68	$11.2	62,728	$3,129.7	0.0%	14.8%	1.0%	1.1%	0.1%	0.4%	31.1%	19.2%	32.0%	0.3%
Inverse	22	$4.6	6,199	$238.9	0.0%	15.7%	1.2%	1.3%	0.0%	0.3%	32.6%	13.3%	35.4%	0.1%
Leveraged Inverse	67	$14.5	93,154	$3,067.8	0.0%	14.1%	1.4%	0.2%	0.1%	0.4%	33.7%	16.6%	33.1%	0.4%
Commodities	27	$17.6	15,330	$733.6	0.0%	6.8%	0.6%	0.2%	0.1%	0.2%	31.6%	8.3%	52.0%	0.2%
Active	26	$2.4	526	$30.5	0.0%	5.1%	0.1%	0.8%	0.0%	0.3%	31.3%	8.2%	54.2%	0.0%
Currency	9	$1.9	1,027	$26.7	0.0%	6.3%	1.1%	8.3%	0.0%	0.1%	43.0%	3.0%	38.1%	0.0%
Total	**1,039**	**$973.5**	**979,752**	**$62,014.4**	**0.0%**	**10.2%**	**1.1%**	**1.2%**	**0.1%**	**0.3%**	**42.7%**	**12.5%**	**31.6%**	**0.4%**

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 77: United States exchanges total average daily turnover (US$ Mn) per ETF exposure, as at end H1 2011

Exposure	**NYSE AMEX**	**BATS**	**NASDAQ OMX BX**	**CBOE**	**Chicago**	**NSX**	**FINRA-ADF**	**NASDAQ**	**NYSE Arca**	**Philadelphia**
International – equity	$0	$414	$73	$6	$28	$5	$579	$333	$776	$40
Emerging markets – equity	$0	$841	$196	$8	$138	$17	$1,280	$853	$2,043	$140
Large-cap – equity	$3	$5,123	$232	$209	$451	$115	$8,006	$8,040	$6,596	$1,072
Sector – equity	$0	$1,492	$251	$10	$69	$16	$2,018	$1,632	$2,182	$271
Fixed Income	$0	$346	$52	$21	$3	$5	$731	$397	$611	$11
Growth – equity	$0	$70	$8	$3	$1	$1	$162	$108	$113	$3
Value – equity	$0	$63	$5	$1	$0	$0	$110	$86	$86	$3
Broad market – equity	$0	$40	$5	$0	$0	$0	$102	$44	$49	$2
Mid-cap – equity	$0	$74	$3	$2	$3	$1	$138	$182	$135	$1
Small-cap – equity	$0	$847	$43	$20	$51	$11	$1,320	$1,696	$1,207	$112
Custom	$0	$13	$4	$1	$0	$1	$82	$13	$26	$0
Leveraged	$0	$500	$41	$21	$17	$22	$933	$917	$637	$42
Inverse	$0	$38	$4	$1	$0	$1	$106	$32	$53	$2
Leveraged Inverse	$0	$503	$47	$6	$9	$21	$995	$822	$630	$34
Commodities	$0	$129	$23	$1	$5	$1	$195	$155	$210	$14
Active	$0	$2	$0	$0	$0	$0	$16	$3	$9	$0
Currency	$0	$2	$0	$5	$0	$0	$12	$1	$6	$0
Total	**$3**	**$10,499**	**$988**	**$317**	**$775**	**$216**	**$16,786**	**$15,315**	**$15,369**	**$1,747**

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 78: United States exchanges accumulated volume market share: 2011

Exchange	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
BATS	18.3%	18.9%	18.0%	17.5%	17.1%	16.9%						
NASDAQ OMX BX	1.7%	1.5%	1.4%	1.5%	1.5%	1.6%						
CBOE	0.6%	0.6%	0.6%	0.6%	0.5%	0.5%						
Chicago	1.0%	1.1%	1.3%	1.1%	1.0%	1.2%						
NSX (Cincinnati)	0.4%	0.4%	0.4%	0.4%	0.5%	0.3%						
FINRA-ADF	27.9%	28.6%	28.3%	28.6%	26.0%	27.1%						
NASDAQ	22.5%	22.7%	23.7%	23.5%	25.5%	24.7%						
NYSE AMEX	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%						
NYSE Arca	25.9%	24.6%	24.3%	24.5%	25.3%	24.8%						
Philadelphia	1.5%	1.5%	1.8%	2.2%	2.6%	2.8%						
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**						

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 79: United States exchanges accumulated volume market share: 2010

Exchange	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
BATS	17.3%	17.6%	17.6%	18.6%	18.4%	19.0%	19.9%	18.6%	17.7%	17.6%	18.1%	17.0%
NASDAQ OMX BX	1.7%	1.9%	2.4%	3.1%	3.1%	2.8%	2.8%	2.8%	3.1%	3.2%	3.2%	2.9%
CBOE	0.3%	0.3%	0.5%	0.5%	0.4%	0.4%	0.3%	0.5%	0.5%	0.4%	0.6%	0.4%
Chicago Stock Exchange	1.2%	1.5%	1.2%	1.1%	1.6%	1.2%	1.1%	1.1%	1.3%	1.4%	1.1%	1.5%
NSX (Cincinnati)	0.2%	0.2%	0.3%	0.4%	0.4%	0.4%	0.5%	0.6%	0.6%	0.6%	0.3%	0.3%
ISE	28.2%	27.1%	29.1%	27.3%	25.9%	27.6%	24.5%	24.7%	25.7%	25.2%	25.6%	30.6%
FINRA-ADF	0.9%	0.8%	0.8%	0.7%	0.7%	0.5%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
NASDAQ	27.9%	27.6%	25.2%	25.3%	26.7%	24.7%	26.1%	26.2%	25.4%	24.8%	24.2%	21.8%
NYSE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NYSE AMEX	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NYSE Arca	22.3%	22.9%	22.9%	23.0%	22.8%	23.3%	24.4%	25.6%	25.7%	26.4%	26.1%	24.5%
Philadelphia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.7%	1.0%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 80: United States exchanges accumulated volume market share: 2009

Exchange	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
BATS	15.5%	16.0%	16.4%	14.5%	14.2%	14.5%	14.9%	13.8%	14.3%	14.4%	15.0%	15.5%
NASDAQ OMX BX	0.1%	0.4%	0.9%	1.4%	1.3%	1.6%	1.9%	2.0%	2.4%	2.2%	2.2%	1.8%
CBOE	0.6%	0.4%	0.5%	0.6%	0.6%	0.6%	0.5%	0.5%	0.4%	0.3%	0.3%	0.6%
Chicago	0.6%	0.5%	0.9%	0.8%	1.1%	1.6%	1.4%	1.5%	1.6%	1.6%	1.8%	1.4%
NSX (Cincinnati)	0.4%	0.5%	0.3%	0.5%	0.5%	0.5%	0.4%	0.5%	0.4%	0.4%	0.4%	0.3%
FINRA-ADF	0.9%	1.0%	1.0%	1.4%	1.2%	1.2%	1.1%	1.2%	1.1%	0.9%	0.8%	0.9%
ISE	22.7%	23.9%	23.9%	26.6%	28.3%	28.5%	29.3%	28.3%	27.8%	26.8%	27.5%	30.2%
NASDAQ	33.3%	32.4%	31.2%	28.9%	28.2%	27.1%	27.6%	29.1%	29.8%	31.3%	30.4%	27.1%
NYSE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NYSE AMEX	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NYSE Arca	25.8%	24.9%	24.9%	25.3%	24.5%	24.5%	23.0%	23.2%	22.1%	22.1%	21.6%	22.2%
Philadelphia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 81: United States listed ETF and HOLDRS short interest versus S&P 500 index levels (based on mid-month statistics)

Period	Short interest # of shares (Mn)	% of shares outstanding	S&P 500 Index level
2003 avg	812	27.1%	983
2004 avg	952	26.3%	1,127
2005 avg	781	17.2%	1,206
2006 avg	837	13.5%	1,283
2007 avg	1,242	16.1%	1,475
2008 avg	1,693	17.0%	1,209
2009 avg	1,653	12.4%	948
2010 avg	1,703	10.8%	1,145
Jan-11	1,564	8.9%	1,293
Feb-11	1,786	10.2%	1,328
Mar-11	1,667	9.3%	1,282
Apr-11	1,761	9.6%	1,320
May-11	1,916	10.4%	1,329
Jun-11	1,962	10.6%	1,316
2011 avg	1,776	9.8%	1,311

Note: Mid-month data captured from Bloomberg.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

- Based on data through to mid June 2011, the average number of ETF shares short during 2011 YTD was 1,776 Mn, with an average of 1,703 in 2010, 1,653 Mn in 2009 and 1,693 Mn in 2008.

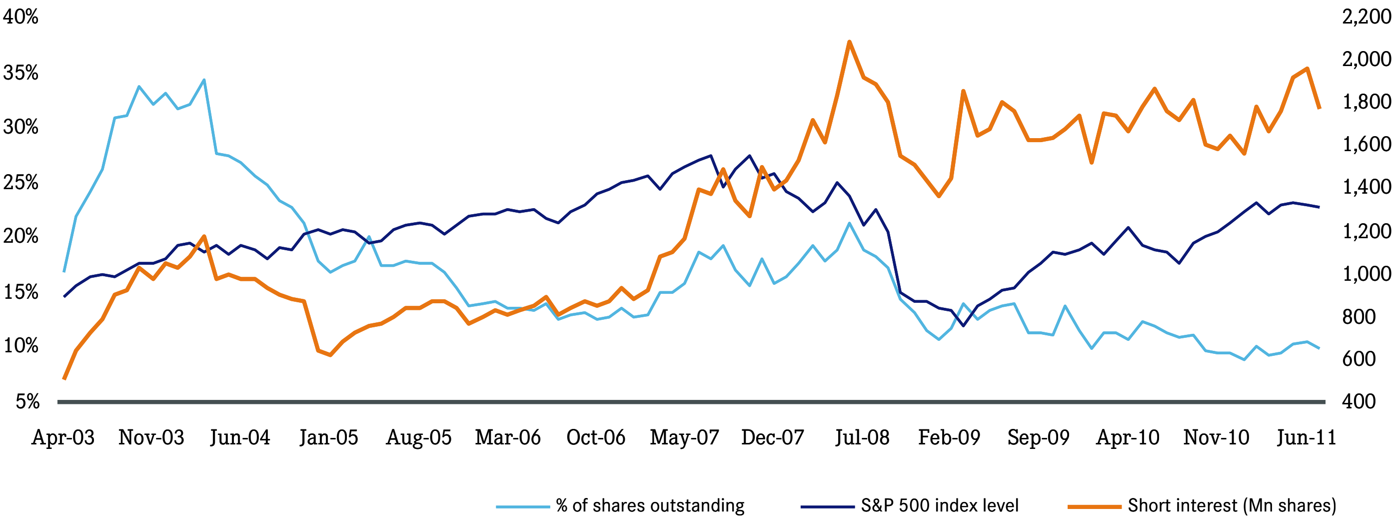
Figure 82: Top 20 United States listed ETFs and ETPs based on short interest, as at mid June 2011

ETF	Bloomberg ticker	Short interest (000' shares)	Shares outstanding (000' shares)	Short interest ratio (%)
SPDR S&P 500	SPY US	375,482	697,532	53.8%
iShares Russell 2000 Index	IWM US	250,465	200,700	124.8%
Financial Select Sector SPDR	XLF US	130,258	476,145	27.4%
PowerShares QQQ Trust	QQQ US	77,623	400,450	19.4%
SPDR S&P Retail ETF	XRT US	73,115	10,650	686.5%
iShares MSCI Emerging Mkts	EEM US	71,310	814,050	8.8%
SPDR S&P Oil & Gas	XOP US	59,215	15,450	383.3%
iShares DJ US Real Estate	IYR US	55,318	62,950	87.9%
Industrial Select Sector SPDR	XLI US	50,160	107,526	46.6%
Energy Select Sector SPDR	XLE US	46,467	119,574	38.9%
SPDR KBW Regional Banking	KRE US	44,692	21,953	203.6%
Consumer Disc Select SPDR	XLY US	44,621	68,453	65.2%
iShares MSCI Japan Index Fund	EWJ US	43,344	697,800	6.2%
iPath S&P 500 VIX ST Futures	VXX US	42,938	54,079	79.4%
Materials Select Sector SPDR	XLB US	41,910	67,724	61.9%
Health Care Select Sector SPDR	XLV US	37,572	119,265	31.5%
iShares Silver Trust	SLV US	37,334	314,400	11.9%
United States Natural Gas Fund	UNG US	29,221	168,998	17.3%
SPDR Gold Trust	GLD US	28,187	398,600	7.1%
Technology Select Sector SPDR	XLK US	27,286	292,006	9.3%

Note: Mid-month data captured from Bloomberg.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

- The June 2011 short interest level for United States-listed ETFs was 10.6% of shares outstanding or 1,962 Mn shares, up 19.4% from 1,644 Mn in December 2010.

Figure 83: United States listed ETF and HOLDRS short interest versus S&P 500 index levels, as at mid Jun 2011



Note: Mid-month data captured from Bloomberg. With short sales, the investor risks paying more for a security than the investor received from the sale.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Canada

9 March 2011 marked the 21st anniversary of the first ETF globally, which listed in Canada in 1990. Twenty one years ago on 9 March 1990, the first ETF was listed in Canada on the Toronto Stock Exchange (TSX): the TIPs (Toronto 35 Index Participation Fund) tracking the TSX 35 Index. It was followed by the HIPs (Hundred Index Participation Fund) tracking the TSX 100 Index on 26 September 1995. 11 years ago on 7 March 2000, the TIPs and HIPs ETFs were merged into the iUnits S&P/TSE Index Participation Fund (XIU CN): an ETF that was originally listed on 4 October 1999.

At the end of H1 2011, the Canadian ETF industry had 195 ETFs and assets of US$41.7 Bn, from six providers on one exchange. This compares to 145 ETFs and assets of US$30.4 Bn from four providers on one exchange at the end of H1 2010.

YTD through the end of H1 2011, ETF assets have increased by 8.6%, from US$38.4 Bn to US$41.7 Bn, greater than the 1.8% increase in the MSCI Canada Index in US dollar terms. This compares to a 6.7% increase in assets over the same period in 2010.

In 2011 YTD, the number of ETFs have increased by 24.2% with 39 new ETFs launched, while one ETF merged. This compares to a 33.0% increase over the same period in 2010, when 36 new ETFs launched.

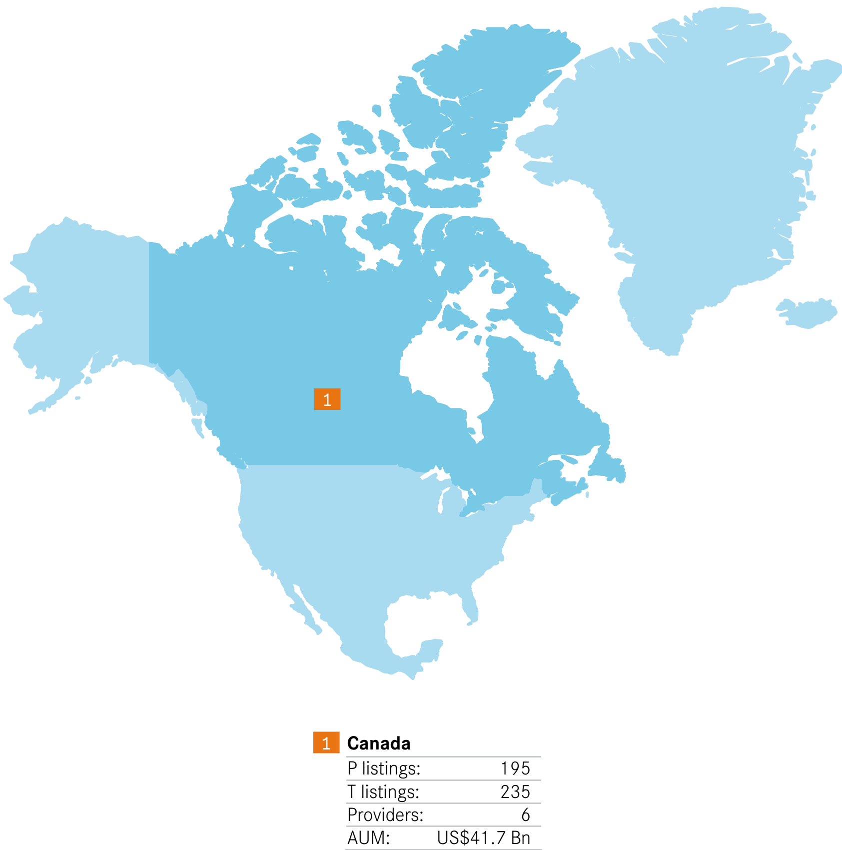
In the first half of 2011, the ETF average daily trading volume in US dollars decreased by 0.7% to US$1.0 Bn in June 2011. This compares to an average daily trading volume of US$0.9 Bn in June 2010.

iShares is the largest ETF provider in terms of assets with US$29.4 Bn in 45 ETFs, reflecting 70.4% market share; Claymore Investments is second with 31 ETFs, assets of US$6.5 Bn, and 15.6% market share; followed by BetaPro Management with 68 ETFs, assets of US$2.9 Bn and 7.0% market share at the end of H1 2011.

In Canada, for the second quarter of 2010, only 15.1% of active mutual funds in the Canadian Equity category were able to outperform the S&P/TSX Composite Index according to S&P. In contrast, 38.6% of mutual funds in the Canadian Small/Mid Cap Equity category beat the S&P/TSX Completion Index. For the Canadian Focused Equity category, 56% of active funds outpaced the blended index (comprised of 50% S&P/TSX Composite, 25% S&P 500 and 25% S&P EPAC BMI LargeMidCap).

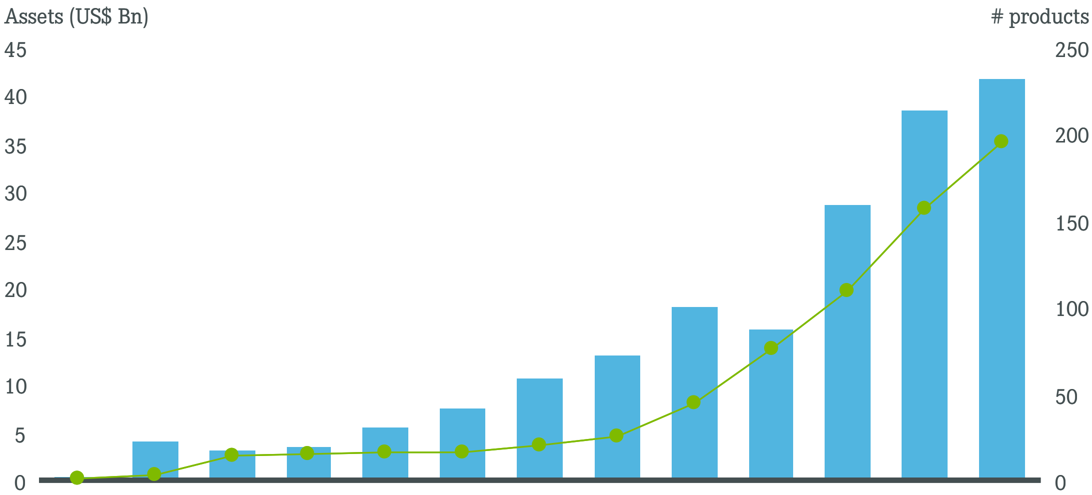
Source: Index Versus Active Funds Scorecard for Canadian Funds. Standard & Poor's Indices Versus Active Funds (SPIVA) Scorecard, Second Quarter 2010.

Figure 84: ETF listings in Canada, as at end H1 2011



Note: P listings = # primary listings. T listings = # total listings. Providers = # primary ETF providers. Assets = Assets Under Management in primary listings only.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 85: Canadian listed ETF asset growth, as at end H1 2011



Assets (US$ Bn)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	H1-11
ETF Assets	$0.4	$4.0	$3.1	$3.4	$5.5	$7.4	$10.6	$13.0	$18.0	$15.7	$28.5	$38.4	$41.7
# ETFs	1	3	14	15	16	16	20	25	45	76	108	157	195

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

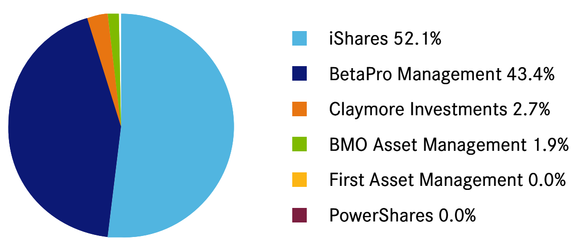
Figure 86: ETF providers in Canada ranked by AUM, as at end H1 2011

	H1-11							YTD	YTD change				
Provider	# ETFs	AUM (US$ Bn)	% total	ADV (US$ Mn)	# planned	Jun-11 NNA (US$ Bn)	YTD NNA (US$ Bn)	market move (US$ Bn)	# ETFs	% ETFs	AUM (US$ Bn)	% AUM	% market share
iShares	45	$29.4	70.4%	$535.6	1	$0.1	$0.1	$0.9	7	18.4%	$1.0	3.6%	-3.4%
Claymore Investments	31	$6.5	15.6%	$27.6	9	$0.1	$0.8	$0.2	2	6.9%	$1.0	18.3%	1.3%
BetaPro Management	68	$2.9	7.0%	$446.3	8	$0.1	-$0.2	$0.1	8	13.3%	-$0.1	-4.1%	-0.9%
BMO Asset Management	40	$2.8	6.7%	$19.2	0	$0.3	$1.3	$0.0	10	33.3%	$1.3	100.0%	2.8%
PowerShares	6	$0.1	0.2%	$0.0	0	$0.1	$0.1	$0.0	6	100.0%	$0.1	100.0%	0.2%
First Asset Management	5	$0.1	0.1%	$0.0	0	$0.1	$0.1	$0.0	5	100.0%	$0.1	100.0%	0.1%
RBC Global Asset Mgmt	-	-	-	-	8	-	-	-	-	-	-	-	-
Total	**195**	**$41.7**	**100.0%**	**$1.0**	**26**	**$0.7**	**$2.0**	**$1.3**	**38**	**24.2%**	**$3.3**	**8.6%**	

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 87: ETF providers in Canada by average daily US dollar turnover, as at end H1 2011

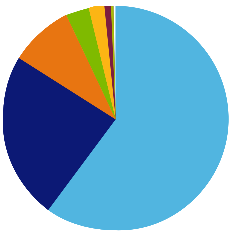
	Average daily turnover (US$ Mn)					
Provider	Dec-10	% market share	Jun-11	% market share	Change (US$ Mn)	% change
iShares	$500.9	48.3%	$535.6	52.1%	$34.7	6.9%
BetaPro Mgmt	$502.7	48.5%	$446.3	43.4%	-$56.4	-11.2%
Claymore Inv	$23.6	2.3%	$27.6	2.7%	$4.1	17.2%
BMO Asset Mgmt	$9.1	0.9%	$19.2	1.9%	$10.1	110.9%
First Asset Mgmt	$0.0	0.0%	$0.0	0.0%	$0.0	100.0%
PowerShares	$0.0	0.0%	$0.0	0.0%	$0.0	100.0%
Total	**$1,036.3**	**100.0%**	**$1,028.8**	**100.0%**	**-$7.4**	**-0.7%**



Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 88: Canadian ETF assets by type of exposure, as at end H1 2011

	H1-11						YTD change				
Exposure	# ETFs	AUM (US$ Bn)	% total	ADV (US$ Bn)	Jun-11 NNA (US$ Bn)	YTD NNA (US$ Bn)	# ETFs	% ETFs	AUM (US$ Bn)	% AUM	% market share
North America – equity	70	$25.2	60.4%	$0.6	$0.4	$1.2	13	22.8%	$2.1	9.1%	0.3%
Fixed income – all (ex-cash)	41	$9.8	23.6%	$0.0	$0.3	$1.1	12	41.4%	$1.4	16.6%	1.6%
Commodities	41	$3.8	9.1%	$0.4	-$0.1	-$0.5	9	28.1%	-$0.5	-10.8%	-2.0%
Global (ex-US) – equity	2	$1.2	3.0%	$0.0	$0.0	$0.0	0	0.0%	$0.0	3.4%	-0.1%
Emerging markets – equity	13	$0.9	2.2%	$0.0	$0.0	$0.1	0	0.0%	$0.1	8.9%	0.0%
Global – equity	10	$0.5	1.1%	$0.0	$0.0	$0.1	1	11.1%	$0.1	28.7%	0.2%
Mixed	11	$0.2	0.4%	$0.0	$0.0	$0.0	2	22.2%	$0.0	31.5%	0.1%
Fixed income – cash (money market)	1	$0.0	0.1%	$0.0	$0.0	$0.0	0	0.0%	$0.0	17.5%	0.0%
Currency	3	$0.0	0.0%	$0.0	$0.0	$0.0	1	50.0%	$0.0	15.8%	0.0%
Asia Pacific – equity	1	$0.0	0.0%	$0.0	$0.0	$0.0	0	0.0%	$0.0	58.6%	0.0%
Alternative	2	$0.0	0.0%	$0.0	$0.0	$0.0	0	0.0%	$0.0	-44.7%	0.0%
Total	**195**	**$41.7**	**100.0%**	**$1.0**	**$0.7**	**$2.0**	**38**	**24.2%**	**$3.3**	**8.6%**	



- North America – equity 60.4%
- Fixed income – all (ex-cash) 23.6%
- Commodities 9.1%
- Global (ex-US) – equity 3.0%
- Emerging markets – equity 2.2%
- Global – equity 1.1%
- Mixed 0.4%
- Fixed income – cash (money market) 0.1%
- Currency 0.0%
- Asia Pacific – equity 0.0%
- Alternative 0.0%

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 89: Top 20 ETFs in Canada ranked by AUM, as at end H1 2011

ETF	Ticker	AUM (US$ Mn)	ADV ('000 shares)	ADV (US$ Mn)
iShares S&P/TSX 60 Index Fund	XIU CN	$11,504.6	18,237	$361.9
iShares DEX Short Term Bond Index Fund	XSB CN	$2,063.8	252	$7.5
iShares S&P 500 Index Fund (CAD-Hedged)	XSP CN	$1,623.8	908	$14.3
iShares DEX Universe Bond Index Fund	XBB CN	$1,551.1	246	$7.6
iShares S&P/TSX Capped Composite Index Fund	XIC CN	$1,445.2	254	$5.5
iShares DEX All Corporate Bond Index Fund	XCB CN	$1,375.6	277	$5.9
iShares S&P/TSX Capped REIT Index Fund	XRE CN	$1,284.0	269	$4.2
iShares S&P/TSX Global Gold Index Fund	XGD CN	$1,101.5	892	$21.1
iShares MSCI EAFE Index Fund (CAD-Hedged)	XIN CN	$1,083.2	193	$3.6
iShares S&P/TSX Capped Energy Index Fund	XEG CN	$1,056.1	2,526	$51.8
Claymore 1-5 Yr Laddered Corporate Bond ETF	CBO CN	$999.8	205	$4.3
iShares S&P/TSX Capped Financials Index Fund	XFN CN	$972.2	759	$18.8
iShares Dow Jones Canada Select Dividend Index Fund	XDV CN	$941.0	343	$7.7
Claymore 1-5 Yr Laddered Government Bond ETF	CLF CN	$828.5	221	$4.6
Claymore S&P/TSX CDN Preferred Share ETF	CPD CN	$733.1	139	$2.5
iShares DEX Real Return Bond Index Fund	XRB CN	$679.0	140	$3.3
BMO Dow Jones Canada Titans 60 Index ETF	ZCN CN	$633.5	30	$0.6
Claymore S&P/TSX Canadian Dividend ETF	CDZ CN	$623.6	92	$2.1
Claymore Gold Bullion ETF	CGL CN	$518.4	139	$1.9
Horizons BetaPro NYMEX Natural Gas Bull Plus	HNU CN	$429.8	12,857	$71.1

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 90: Top 20 ETFs in Canada ranked by average US dollar trading volume, as at end H1 2011

ETF	Ticker	ADV (US$ Mn)	ADV ('000 shares)	AUM (US$ Mn)
iShares S&P/TSX 60 Index Fund	XIU CN	$361.9	18,237	$11,504.6
Horizons BetaPro NYMEX Crude Oil Bull Plus	HOU CN	$74.7	10,759	$287.2
Horizons BetaPro NYMEX Natural Gas Bull Plus	HNU CN	$71.1	12,857	$429.8
Horizons BetaPro NYMEX Natural Gas Bear Plus	HND CN	$69.9	8,423	$80.4
Horizons BetaPro NYMEX Crude Oil Bear Plus	HOD CN	$57.9	8,173	$73.1
iShares S&P/TSX Capped Energy Index Fund	XEG CN	$51.8	2,526	$1,056.1
Horizons BetaPro S&P/TSX 60 Bull Plus Fund	HXU CN	$29.1	1,291	$106.9
Horizons BetaPro S&P/TSX Global Gold Bull Plus ETF	HGU CN	$22.3	1,691	$155.1
iShares S&P/TSX Global Gold Index Fund	XGD CN	$21.1	892	$1,101.5
Horizons BetaPro COMEX Silver Bear Plus ETF	HZD CN	$20.3	2,864	$32.9
iShares S&P/TSX Capped Financials Index Fund	XFN CN	$18.8	759	$972.2
Horizons BetaPro COMEX Silver Bull Plus ETF	HZU CN	$18.6	1,929	$102.4
Horizons BetaPro S&P/TSX 60 Bear Plus Fund	HXD CN	$17.0	1,851	$110.0
iShares S&P 500 Index Fund (CAD-Hedged)	XSP CN	$14.3	908	$1,623.8
Horizons BetaPro S&P/TSX 60 Index ETF	HXT CN	$14.0	1,230	$291.2
Horizons BetaPro S&P/TSX Global Gold Bear Plus ETF	HGD CN	$11.8	1,028	$34.6
Horizons BetaPro S&P/TSX 60 Inverse	HIX CN	$10.1	922	$70.7
iShares Dow Jones Canada Select Dividend Index Fund	XDV CN	$7.7	343	$941.0
iShares DEX Universe Bond Index Fund	XBB CN	$7.6	246	$1,551.1
iShares DEX Short Term Bond Index Fund	XSB CN	$7.5	252	$2,063.8

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 91: Top 20 ETFs in Canada with largest change in AUM, as at end H1 2011

ETF	Ticker	YTD NNA (US$ Mn)	AUM (US$ Mn) Jun-11	AUM (US$ Mn) Dec-10	Change (US$ Mn)
Horizons BetaPro NYMEX Natural Gas Bull Plus	HNU CN	-$482.6	$429.8	$921.2	-$491.5
BMO Covered Call Canadian Banks ETF	ZWB CN	$425.6	$417.9	$0.0	$417.9
BMO S&P/TSX Equal Weight Banks Index ETF	ZEB CN	$239.1	$291.3	$49.2	$242.1
iShares S&P/TSX Capped Composite Index Fund	XIC CN	$179.5	$1,445.2	$1,239.2	$206.0
iShares S&P/TSX Global Gold Index Fund	XGD CN	-$73.5	$1,101.5	$1,301.6	-$200.1
iShares S&P/TSX Capped REIT Index Fund	XRE CN	$11.3	$1,284.0	$1,108.1	$175.9
iShares S&P/TSX Capped Energy Index Fund	XEG CN	$168.7	$1,056.1	$882.6	$173.4
iShares S&P 500 Index Fund (CAD-Hedged)	XSP CN	$34.7	$1,623.8	$1,463.8	$159.9
iShares S&P/TSX 60 Index Fund	XIU CN	-$485.9	$11,504.6	$11,659.0	-$154.5
Claymore S&P/TSX Canadian Dividend ETF	CDZ CN	$89.4	$623.6	$480.2	$143.4
Claymore 1-5 Yr Laddered Government Bond ETF	CLF CN	$109.1	$828.5	$692.8	$135.7
Claymore S&P/TSX CDN Preferred Share ETF	CPD CN	$98.4	$733.1	$599.4	$133.7
Claymore 1-5 Yr Laddered Corporate Bond ETF	CBO CN	$96.5	$999.8	$869.5	$130.2
iShares DEX All Corporate Bond Index Fund	XCB CN	$62.8	$1,375.6	$1,270.9	$104.7
Claymore Short Duration High Income ETF	CSD CN	$102.4	$103.0	$0.0	$103.0
iShares DEX Real Return Bond Index Fund	XRB CN	$41.7	$679.0	$592.2	$86.8
iShares U.S. High Yield Bond Index Fund (CAD-Hedged)	XHY CN	$74.2	$298.3	$212.4	$85.9
Claymore Advantaged High Yield Bond ETF	CHB CN	$71.9	$219.9	$135.3	$84.6
iShares S&P/TSX Capped Financials Index Fund	XFN CN	-$154.4	$972.2	$1,052.7	-$80.6
Horizons BetaPro NYMEX Crude Oil Bear Plus	HOD CN	-$118.1	$73.1	$148.6	-$75.5

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 92: Top 20 ETFs in Canada with largest 2011 net inflows, as at end H1 2011

ETF	Ticker	YTD NNA (US$ Mn)	AUM (US$ Mn)	ADV (US$ Mn)
BMO Covered Call Canadian Banks ETF	ZWB CN	$425.6	$417.9	$6.9
BMO S&P/TSX Equal Weight Banks Index ETF	ZEB CN	$239.1	$291.3	$4.2
iShares S&P/TSX Capped Composite Index Fund	XIC CN	$179.5	$1,445.2	$5.5
iShares S&P/TSX Capped Energy Index Fund	XEG CN	$168.7	$1,056.1	$51.8
Claymore 1-5 Yr Laddered Government Bond ETF	CLF CN	$109.1	$828.5	$4.6
Claymore Short Duration High Income ETF	CSD CN	$102.4	$103.0	$1.2
Claymore S&P/TSX CDN Preferred Share ETF	CPD CN	$98.4	$733.1	$2.5
Claymore 1-5 Yr Laddered Corporate Bond ETF	CBO CN	$96.5	$999.8	$4.3
Claymore S&P/TSX Canadian Dividend ETF	CDZ CN	$89.4	$623.6	$2.1
iShares U.S. High Yield Bond Index Fund (CAD-Hedged)	XHY CN	$74.2	$298.3	$1.5
Claymore Advantaged High Yield Bond ETF	CHB CN	$71.9	$219.9	$1.0
BMO Short Corporate Bond Index ETF	ZCS CN	$64.0	$120.5	$0.7
iShares DEX All Corporate Bond Index Fund	XCB CN	$62.8	$1,375.6	$5.9
Horizons AlphaPro Floating Rate Bond ETF	HFR CN	$62.6	$73.4	$0.7
Horizons AlphaPro Enhanced Income Equity ETF	HEX CN	$61.1	$60.7	$1.7
Horizons AlphaPro Corporate Bond ETF	HAB CN	$60.1	$369.3	$1.1
BMO High Yield US Corp Bond Hedged to CAD Index ETF	ZHY CN	$58.2	$115.9	$0.7
iShares Diversified Monthly Income Fund	XTR CN	$54.4	$305.9	$1.4
Horizons BetaPro S&P/TSX Global Gold Bull Plus ETF	HGU CN	$52.2	$155.1	$22.3
Horizons BetaPro COMEX Silver Bull Plus ETF	HZU CN	$51.7	$102.4	$18.6

Note: AUM reflects total fund AUM. ADV reflects total of all exchange listings. NNA reflects the total fund NNA.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Asia Pacific (ex-Japan)

At the end of H1 2011, the Asia Pacific (ex-Japan) ETF industry had 264 ETFs with 376 listings and assets of US$61.2 Bn, from 67 providers on 13 exchanges. This compares to 183 ETFs with 286 listings and assets of US$48.7 Bn, from 60 providers on 13 exchanges at the end of H1 2010.

27 August 2011 will mark the 10th anniversary of ETFs in Australia.

YTD through the end of H1 2011, ETF assets have increased by 14.9% from US$53.3 Bn to US$61.2 Bn, greater than the 0.5% increase in the MSCI AC Asia Pacific ex-Japan Index in US dollar terms. This compares to an increase in assets of 25.0% over the same period in 2010.

In 2011 YTD, the number of ETFs increased by 32.0% with 65 new ETFs launched, while one ETF has delisted. This compares to a 38.6% increase over the same period in 2010, when 53 new ETFs launched while one ETF delisted.

In the first half of 2011, the ETF average daily trading volume in US dollars increased by 4.9% to US$0.8 Bn in June 2011. This compares to an average daily trading volume of US$0.7 Bn in June 2010.

State Street Global Advisors is the largest ETF provider in terms of assets with US$12.9 Bn, in 11 ETFs, reflecting 21.2% market share; iShares is second with 21 ETFs, assets of US$9.8 Bn, and 15.9% market share; followed by HSBC/Hang Seng with eight ETFs, assets of US$7.2 Bn and 11.7% market share at the end of H1 2011.

Additionally, there were 26 other ETPs with 29 listings and assets of US$2.3 Bn from 16 providers on five exchanges. This compares to 13 ETPs with 16 listings and assets of US$1.0 Bn from nine providers on five exchanges at the end of H1 2010.

Figure 93: ETF listings in Asia Pacific (ex-Japan), as at end H1 2011

1 Australia	
P listings:	28
T listings:	49
Providers:	6
AUM:	US$3.9 Bn

2 China	
P listings:	25
T listings:	25
Providers:	18
AUM:	US$12.1 Bn

3 Hong Kong	
P listings:	47
T listings:	76
Providers:	10
AUM:	US$27.3 Bn

4 India	
P listings:	19
T listings:	19
Providers:	8
AUM:	US$0.5 Bn

5 Indonesia	
P listings:	1
T listings:	1
Providers:	1
AUM:	US$0.0 Bn

6 Malaysia	
P listings:	4
T listings:	5
Providers:	3
AUM:	US$0.4 Bn

7 New Zealand	
P listings:	6
T listings:	6
Providers:	2
AUM:	US$0.4 Bn

8 Singapore	
P listings:	25
T listings:	83
Providers:	8
AUM:	US$3.2 Bn

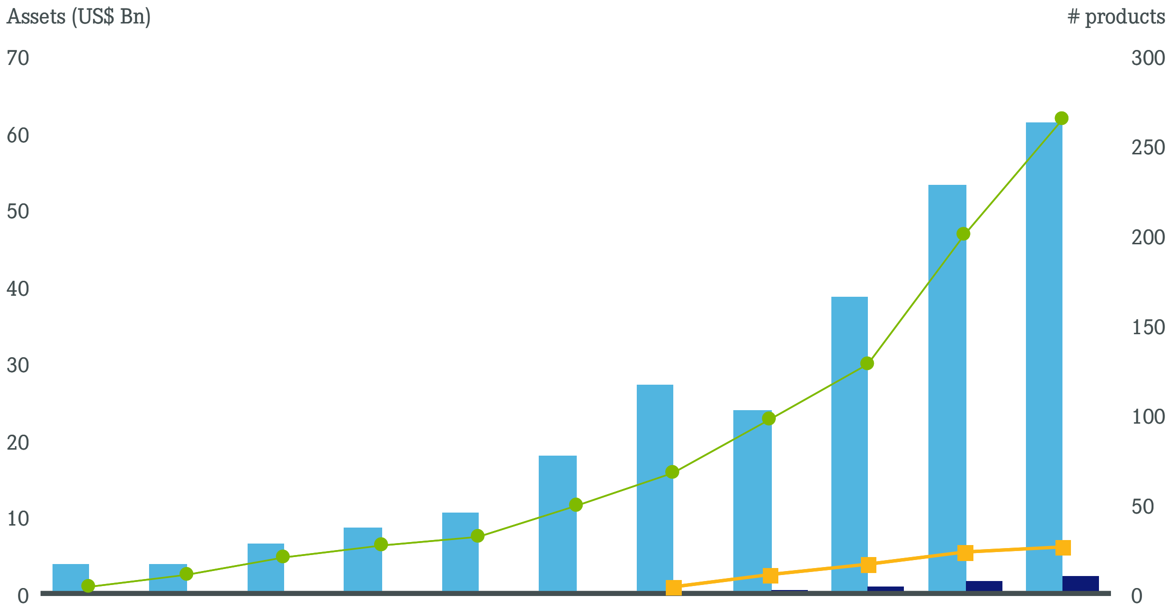
9 South Korea	
P listings:	91
T listings:	91
Providers:	14
AUM:	US$7.7 Bn

10 Taiwan	
P listings:	15
T listings:	18
Providers:	2
AUM:	US$5.7 Bn

11 Thailand	
P listings:	3
T listings:	3
Providers:	3
AUM:	US$0.1 Bn

Note: P listings = # primary listings. T listings = # total listings. Providers = # primary ETF providers. Assets = Assets Under Management in primary listings only.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 94: Asia Pacific (ex-Japan) listed ETF and ETP asset growth, as at end H1 2011

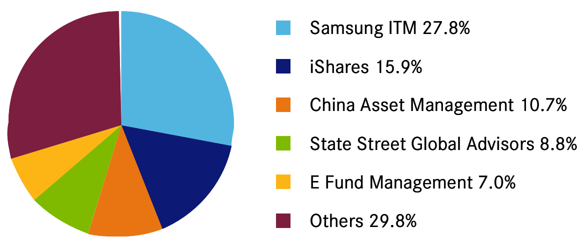


Assets (US$ Bn)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	H1-11
ETF assets	$3.7	$3.8	$6.6	$8.6	$10.5	$18.1	$27.0	$23.8	$38.5	$53.3	$61.2
ETP assets							$0.1	$0.5	$0.8	$1.4	$2.3
ETF/ETP total	**$3.7**	**$3.8**	**$6.6**	**$8.6**	**$10.5**	**$18.1**	**$27.2**	**$24.2**	**$39.3**	**$54.7**	**$63.5**
# ETFs	4	11	20	27	32	49	68	96	128	200	264
# ETPs							4	11	16	23	26
# ETFs/ETPs total	**4**	**11**	**20**	**27**	**32**	**49**	**72**	**107**	**144**	**223**	**290**

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 95: Top five Asia Pacific (ex-Japan) ETF providers by average daily US dollar turnover, as at end H1 2011

	Average daily turnover (US$ Mn)					
Provider	**Dec-10**	**% market share**	**Jun-11**	**% market share**	**Change (US$ Mn)**	**% change**
Samsung ITM	$78.7	9.8%	$234.0	27.8%	$155.3	197.3%
iShares	$168.1	21.0%	$133.5	15.9%	-$34.7	-20.6%
China AM	$132.2	16.5%	$89.6	10.7%	-$42.5	-32.2%
SSgA	$48.9	6.1%	$74.1	8.8%	$25.1	51.3%
E Fund Management	$125.9	15.7%	$59.0	7.0%	-$66.9	-53.2%
Others	$247.1	30.8%	$250.4	29.8%	$3.3	1.3%
Total	**$801.0**	**100.0%**	**$840.6**	**100.0%**	**$39.6**	**4.9%**



Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 96: ETF providers in Asia Pacific (ex-Japan) ranked by AUM, as at end H1 2011

	H1-11						YTD change				
Provider	# ETFs	# total listings	AUM (US$ Bn)	% total	ADV (US$ Mn)	# planned	# ETFs	% ETFs	AUM (US$ Bn)	% AUM	% market share
State Street Global Advisors	11	13	$12.9	21.2%	$74.1	4	3	37.5%	$0.2	1.4%	-2.8%
iShares	21	45	$9.8	15.9%	$133.5	0	2	10.5%	-$0.2	-2.5%	-2.8%
HSBC/Hang Seng	8	10	$7.2	11.7%	$32.4	0	4	100.0%	$0.4	5.9%	-1.0%
Polaris	11	12	$4.3	7.0%	$46.2	1	3	37.5%	$1.8	74.7%	2.4%
Samsung Investment Trust Management	19	19	$4.1	6.7%	$234.0	0	2	11.8%	$1.2	42.8%	1.3%
China Asset Management	2	2	$4.0	6.5%	$89.6	2	0	0.0%	$0.4	10.5%	-0.3%
E Fund Management	2	2	$3.1	5.1%	$59.0	0	0	0.0%	$0.0	0.2%	-0.7%
Fubon Asset Management	4	4	$1.3	2.2%	$1.1	1	0	0.0%	$1.0	287.5%	1.6%
Hua An Fund Management	2	2	$1.2	2.0%	$33.7	3	1	100.0%	$0.3	37.1%	0.3%
BOCI-Prudential Asset Management	5	6	$1.2	1.9%	$8.0	0	2	66.7%	$0.2	19.1%	0.1%
Mirae Asset MAPS Global Investments	33	33	$1.1	1.8%	$30.9	0	17	106.3%	$0.6	119.7%	0.9%
db x-trackers	24	67	$1.0	1.6%	$45.7	2	2	9.1%	$0.0	0.8%	-0.2%
Woori Asset Management	12	12	$0.9	1.5%	$4.6	5	2	20.0%	$0.0	-4.6%	-0.3%
Lyxor Asset Management	2	38	$0.8	1.4%	$3.8	1	0	0.0%	-$0.2	-15.5%	-0.5%
China Southern Fund Management	2	2	$0.6	1.0%	$3.3	0	0	0.0%	$0.0	-7.4%	-0.2%
Bank Of Communications	1	1	$0.6	1.0%	$0.4	0	0	0.0%	$0.0	-1.6%	-0.2%
KB Asset Management	7	7	$0.4	0.7%	$1.2	0	3	75.0%	$0.1	25.7%	0.1%
Korea Investment Trust Management	7	7	$0.4	0.7%	$0.5	0	1	16.7%	$0.1	22.1%	0.0%
DBS Asset Management	2	2	$0.4	0.6%	$0.8	0	0	0.0%	$0.1	40.4%	0.1%
Kyobo AXA Investment Management	1	1	$0.4	0.6%	$2.5	0	1	100.0%	$0.4	100.0%	0.6%
Da Cheng International Asset Management	4	4	$0.4	0.6%	$0.3	0	1	33.3%	$0.3	467.2%	0.5%
Benchmark Asset Management	8	8	$0.4	0.6%	$3.9	6	0	0.0%	$0.1	21.7%	0.0%
ICBC Credit Suisse Asset Management	2	2	$0.3	0.6%	$0.9	0	1	100.0%	$0.2	117.3%	0.3%
Huatai-PineBridge Fund Management	2	2	$0.3	0.6%	$1.8	0	1	100.0%	$0.0	-5.5%	-0.1%
Smartshares Limited	5	5	$0.3	0.5%	$0.4	0	0	0.0%	$0.0	6.9%	0.0%
Vanguard	5	7	$0.3	0.5%	$3.1	0	3	150.0%	$0.0	16.0%	0.0%
China Merchants Fund Management	1	1	$0.3	0.5%	$0.1	1	1	100.0%	$0.3	100.0%	0.5%
Bosera Asset Management	1	1	$0.2	0.4%	$0.5	3	0	0.0%	$0.0	-13.9%	-0.1%
Fortune SGAM Fund Management	1	1	$0.2	0.4%	$2.0	0	0	0.0%	$0.1	40.0%	0.1%
AmInvestment Management	2	2	$0.2	0.3%	$0.0	0	0	0.0%	$0.0	2.1%	0.0%
GTJA Allianz	1	1	$0.2	0.3%	$13.2	0	1	100.0%	$0.2	100.0%	0.3%
Russell Investments	2	2	$0.2	0.3%	$2.3	0	1	100.0%	$0.1	76.3%	0.1%
i-VCAP Management	1	1	$0.2	0.3%	$0.2	0	0	0.0%	$0.0	-6.9%	-0.1%
HFT Investment Management	2	2	$0.2	0.3%	$0.5	0	1	100.0%	$0.1	80.3%	0.1%
CIMB-Principal Asset Management	2	3	$0.2	0.3%	$0.2	1	0	0.0%	$0.0	-2.3%	-0.1%
Hanwha Investment Trust Management	3	3	$0.2	0.3%	$0.4	0	2	200.0%	$0.1	146.2%	0.1%
Guotai Asset Management	1	1	$0.2	0.2%	$1.3	2	1	100.0%	$0.2	100.0%	0.2%
BetaShares Capital	4	4	$0.1	0.2%	$2.2	2	2	100.0%	$0.1	83.1%	0.1%
AMP	1	1	$0.1	0.2%	$0.0	0	0	0.0%	$0.0	-13.1%	-0.1%
Yurie Asset Management	2	2	$0.1	0.2%	$0.4	0	0	0.0%	$0.0	-11.4%	0.0%
Lion Fund Management	1	1	$0.1	0.1%	$0.0	0	1	100.0%	$0.1	100.0%	0.1%
Fullgoal Fund Management	1	1	$0.1	0.1%	$0.1	0	1	100.0%	$0.1	100.0%	0.1%
One Asset Management	1	1	$0.1	0.1%	$0.2	0	-1	-50.0%	$0.0	-10.8%	0.0%
Motilal Oswal Asset Management	3	3	$0.1	0.1%	$0.1	2	2	200.0%	$0.0	10.1%	0.0%
Penghua Fund Management	1	1	$0.1	0.1%	$0.1	3	0	0.0%	$0.0	-24.9%	-0.1%
CCB Principal Asset Management	1	1	$0.1	0.1%	$0.0	0	0	0.0%	$0.0	-3.3%	0.0%
Ping An	1	1	$0.1	0.1%	$0.0	0	0	0.0%	$0.0	-27.5%	-0.1%
UOB Asset Management	1	1	$0.0	0.1%	$0.3	0	0	0.0%	$0.0	-44.4%	-0.1%
Sensible Asset Management	1	1	$0.0	0.1%	$0.1	0	0	0.0%	$0.0	-17.4%	0.0%
Daishin Investment Trust Management	1	1	$0.0	0.1%	$0.1	0	0	0.0%	$0.0	24.9%	0.0%
Prudential Asset Management	2	2	$0.0	0.1%	$0.1	0	0	0.0%	$0.0	16.8%	0.0%
Midas Asset Management	1	1	$0.0	0.0%	$0.0	0	1	100.0%	$0.0	100.0%	0.0%
KTB Asset Management	2	2	$0.0	0.0%	$0.1	0	1	100.0%	$0.0	-3.9%	0.0%
Australian Index Investments	6	6	$0.0	0.0%	$0.1	0	0	0.0%	$0.0	13.0%	0.0%
Kotak Mahindra Asset Management	3	3	$0.0	0.0%	$0.2	0	0	0.0%	$0.0	-14.6%	0.0%
Tong Yang Investment Trust Management	1	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	-5.0%	0.0%

continued…

Note: To avoid double counting, assets shown above refer only to primary listings.

Figure 96: ETF providers in Asia Pacific (ex-Japan) ranked by AUM, as at end H1 2011 (continued)

	H1-11						YTD change				
Provider	# ETFs	# total listings	AUM (US$ Bn)	% total	ADV (US$ Mn)	# planned	# ETFs	% ETFs	AUM (US$ Bn)	% AUM	% market share
Daiwa Asset Management	1	1	$0.0	0.0%	$0.0	1	0	0.0%	$0.0	-3.2%	0.0%
Krung Thai Asset Management	1	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	-19.7%	0.0%
TMB Asset Management	1	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	-8.2%	0.0%
Indo Premier Securities	1	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	-11.3%	0.0%
Reliance Capital Asset Management	1	1	$0.0	0.0%	$0.0	4	0	0.0%	$0.0	-16.1%	0.0%
China International Capital Corp	1	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	-92.1%	0.0%
Hyundai Investments	1	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	18.6%	0.0%
Religare India Asset Management	1	1	$0.0	0.0%	$0.0	0	1	100.0%	$0.0	100.0%	0.0%
PRUDENTIAL ICICI	1	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	97.0%	0.0%
Quantum Asset Management	1	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	11.9%	0.0%
UTI Asset Management	1	1	$0.0	0.0%	$0.0	1	0	0.0%	$0.0	-4.1%	0.0%
Allianz SE	-	-	-	-	-	1	-	-	-	-	-
Axis Mutual Fund	-	-	-	-	-	4	-	-	-	-	-
Bank of China Investment Management	-	-	-	-	-	1	-	-	-	-	-
Birla Sun Life Mutual Fund	-	-	-	-	-	1	-	-	-	-	-
Capital Synergy Investment Management	-	-	-	-	-	1	-	-	-	-	-
EasyETF	-	-	-	-	-	1	-	-	-	-	-
GF Fund Management	-	-	-	-	-	1	-	-	-	-	-
Government Service Insurance Systems	-	-	-	-	-	1	-	-	-	-	-
Harvest Fund Management	-	-	-	-	-	1	-	-	-	-	-
Shanghai Gold Exchange	-	-	-	-	-	1	-	-	-	-	-
Tata Mutual Fund	-	-	-	-	-	1	-	-	-	-	-
Other (planned)	-	-	-	-	-	5	-	-	-	-	-
Total	**264**	**376**	**$61.2**	**100.0%**	**$840.6**	**64**	**64**	**32.0%**	**$7.9**	**14.9%**	

Note: To avoid double counting, assets shown above refer only to primary listings.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 97: Top 20 ETFs in Asia Pacific (ex-Japan) by AUM, as at end H1 2011

ETF	Country listed	Ticker	AUM (US$ Mn)	ADV ('000 shares)	ADV (US$ Mn)
iShares FTSE A50 China Index ETF*	Hong Kong	2823 HK	$7,547.6	73,234	$120.8
Tracker Fund of Hong Kong (TraHK)	Hong Kong	2800 HK	$7,156.6	19,351	$56.0
Hang Seng Index ETF	Hong Kong	2833 HK	$3,904.9	59	$1.7
China AMC SSE 50	China	510050 CH	$3,202.8	251,799	$77.8
Polaris Taiwan Top 50 Tracker	Taiwan	0050 TT	$3,095.6	16,851	$34.5
E Fund SZSE 100	China	159901 CH	$2,879.7	481,784	$58.1
Hang Seng H-Share Index ETF	Hong Kong	2828 HK	$2,838.4	1,766	$28.7
ABF Pan Asia Bond Index Fund	Hong Kong	2821 HK	$2,456.0	2	$0.2
SPDR S&P/ASX 200 Fund	Australia	STW AU	$2,396.8	336	$15.5
Samsung Kodex200 ETF	South Korea	069500 KS	$2,372.6	1,609	$41.8
Fubon MSCI Taiwan	Taiwan	0057 TT	$1,301.2	895	$1.0
World Index Shares ETFs - CSI 300 China Tracker*	Hong Kong	2827 HK	$1,122.0	1,720	$7.9
SHANGHAI SSE180 ETF	China	510180 CH	$1,049.1	335,981	$33.4
China SME ETF	China	159902 CH	$753.1	28,081	$11.8
iShares MSCI India ETF	Singapore	INDIA SP	$696.5	401	$3.0
Samsung KODEX Leverage ETF	South Korea	122630 KS	$646.9	9,527	$142.0
W.I.S.E. Polaris CSI 300 Investment Trust Fund	Taiwan	0061 TT	$596.8	11,401	$7.1
Bank Of Communications Schroder SSE180 Fund	China	510010 CH	$586.7	3,181	$0.4
db x-trackers CSI300 Index ETF	Singapore	XCSI SP	$533.5	65	$0.7
Shenzhen Stock Exchange Component Stock Index ETF	China	159903 CH	$532.7	16,298	$3.1

* This is a synthetic ETF. The relevant annotation that the fund is a synthetic ETF is a Hong Kong regulatory requirement. As such, for funds that are not authorised in Hong Kong, they may not carry the same annotation even though they may invest substantially in financial derivatives instruments.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 98: Top 20 ETFs in Asia Pacific (ex-Japan) by average daily US dollar trading volume, as at end H1 2011

ETF	Country listed	Ticker	ADV (US$ Mn)	ADV ('000 shares)	AUM (US$ Mn)
Samsung KODEX Leverage ETF	South Korea	122630 KS	$142.0	9,527	$646.9
iShares FTSE A50 China Index ETF*	Hong Kong	2823 HK	$120.8	73,234	$7,547.6
China AMC SSE 50	China	510050 CH	$77.8	251,799	$3,202.8
E Fund SZSE 100	China	159901 CH	$58.1	481,784	$2,879.7
Tracker Fund of Hong Kong (TraHK)	Hong Kong	2800 HK	$56.0	19,351	$7,156.6
Samsung KODEX Inverse ETF	South Korea	114800 KS	$43.5	6,229	$146.5
Samsung Kodex200 ETF	South Korea	069500 KS	$41.8	1,609	$2,372.6
Polaris Taiwan Top 50 Tracker	Taiwan	0050 TT	$34.5	16,851	$3,095.6
SHANGHAI SSE180 ETF	China	510180 CH	$33.4	335,981	$1,049.1
Hang Seng H-Share Index ETF	Hong Kong	2828 HK	$28.7	1,766	$2,838.4
db x-trackers CSI300 Index ETF*	Hong Kong	3049 HK	$23.2	22,933	$533.5
Mirae Asset MAPS TIGER 200 (2X) ETF	South Korea	123320 KS	$16.3	1,247	$40.4
SPDR S&P/ASX 200 Fund	Australia	STW AU	$15.5	336	$2,396.8
GTJA Allianz SSE Commodity Equity Index ETF	China	510170 CH	$13.2	27,795	$191.2
China SME ETF	China	159902 CH	$11.8	28,081	$753.1
Mirae Asset MAPS TIGER 200 ETF	South Korea	102110 KS	$8.6	334	$506.8
World Index Shares ETFs - CSI 300 China Tracker*	Hong Kong	2827 HK	$7.9	1,720	$1,122.0
W.I.S.E. Polaris CSI 300 Investment Trust Fund	Taiwan	0061 TT	$7.1	11,401	$596.8
db x-trackers CSI300 Banks Index ETF*	Hong Kong	3061 HK	$4.2	3,485	$38.0
Shenzhen Stock Exchange Component Stock Index ETF	China	159903 CH	$3.1	16,298	$532.7

* This is a synthetic ETF. The relevant annotation that the fund is a synthetic ETF is a Hong Kong regulatory requirement. As such, for funds that are not authorised in Hong Kong, they may not carry the same annotation even though they may invest substantially in financial derivatives instruments.

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 99: Top 20 ETFs in Asia Pacific (ex-Japan) with largest change in AUM, as at end H1 2011

ETF	Country listed	Ticker	AUM (US$ Mn) Jun-11	AUM (US$ Mn) Dec-10	Change (US$ Mn)
Polaris Taiwan Top 50 Tracker	Taiwan	0050 TT	$3,095.6	$1,757.7	$1,337.9
Fubon MSCI Taiwan	Taiwan	0057 TT	$1,301.2	$300.7	$1,000.5
Samsung Kodex200 ETF	South Korea	069500 KS	$2,372.6	$1,856.7	$515.9
Samsung KODEX Leverage ETF	South Korea	122630 KS	$646.9	$160.1	$486.8
iShares MSCI India ETF	Singapore	INDIA SP	$696.5	$1,152.8	-$456.3
Kyobo AXA Power K100 ETF (Equity)	South Korea	140950 KS	$374.6	$0.0	$374.6
Dacheng SZSE Growth 40 Index ETF	China	159906 CH	$318.1	$0.0	$318.1
Mirae Asset MAPS TIGER 200 ETF	South Korea	102110 KS	$506.8	$203.5	$303.3
Tracker Fund of Hong Kong (TraHK)	Hong Kong	2800 HK	$7,156.6	$6,855.8	$300.7
China Merchants SSE Consumer 80 Total Return Index ETF	China	510150 CH	$276.0	$0.0	$276.0
SPDR S&P/ASX 200 Fund	Australia	STW AU	$2,396.8	$2,659.0	-$262.2
Polaris/P-shares MSCI Taiwan ETF	Taiwan	006203 TT	$252.7	$0.0	$252.7
China AMC SSE 50	China	510050 CH	$3,202.8	$2,965.4	$237.4
ICBC Credit Suisse Shenzhen SE Dividend Price Index ETF	China	159905 CH	$210.1	$0.0	$210.1
World Index Shares ETFs - CSI 300 China Tracker*	Hong Kong	2827 HK	$1,122.0	$916.1	$205.9
iShares FTSE A50 China Index ETF*	Hong Kong	2823 HK	$7,547.6	$7,351.4	$196.2
GTJA Allianz SSE Commodity Equity Index ETF	China	510170 CH	$191.2	$0.0	$191.2
W.I.S.E. Polaris CSI 300 Investment Trust Fund	Taiwan	0061 TT	$596.8	$417.1	$179.8
Hang Seng H-Share Index ETF	Hong Kong	2828 HK	$2,838.4	$2,661.4	$176.9
Hua An Longtou Enterprise ETF	China	510190 CH	$168.1	$0.0	$168.1

* This is a synthetic ETF. The relevant annotation that the fund is a synthetic ETF is a Hong Kong regulatory requirement. As such, for funds that are not authorised in Hong Kong, they may not carry the same annotation even though they may invest substantially in financial derivatives instruments.

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

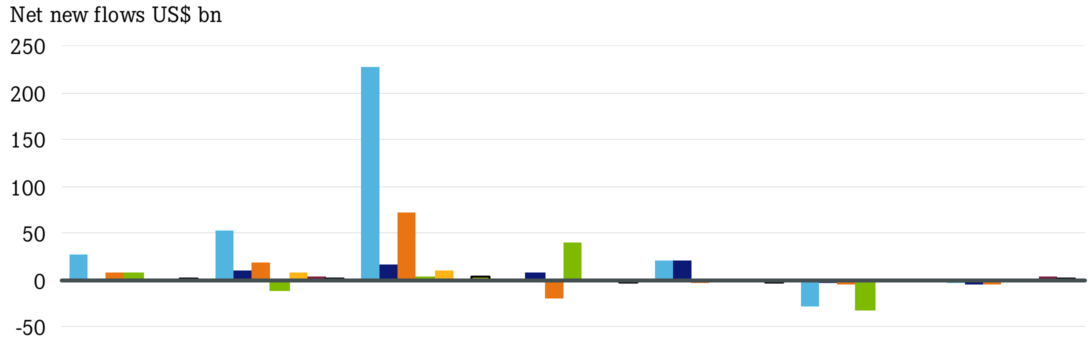
Figure 100: ETP providers in Asia Pacific (ex-Japan) ranked by assets, as at end H1 2011

	H1-11						YTD change				
Provider	# ETPs	# total listings	Assets (US$ Bn)	% total	ADV (US$ Mn)	# planned	# ETPs	% ETPs	Assets (US$ Bn)	% assets	% market share
ETF Securities	5	5	$0.7	30.9%	$1.9	0	0	0.0%	$0.0	5.4%	-14.4%
Benchmark Asset Management	1	1	$0.5	20.7%	$2.5	1	0	0.0%	$0.1	37.0%	-3.6%
Reliance Capital Asset Management	1	1	$0.3	13.1%	$0.2	0	0	0.0%	$0.2	263.4%	7.3%
Citigroup	5	5	$0.3	12.3%	$0.0	0	0	0.0%	$0.3	100.0%	12.3%
UTI Asset Management	1	1	$0.1	5.9%	$0.3	0	0	0.0%	$0.0	28.9%	-1.5%
Sensible Asset Management	1	1	$0.1	3.9%	$0.1	0	0	0.0%	$0.0	61.3%	3.9%
Kotak Mahindra Asset Management	1	1	$0.1	3.9%	$0.8	0	0	0.0%	$0.0	74.9%	0.3%
HDFC Mutual Fund	1	1	$0.1	3.3%	$0.1	0	0	0.0%	$0.0	10.6%	-1.5%
SBI Funds Management	1	1	$0.0	1.8%	$0.2	0	0	0.0%	$0.0	12.1%	-0.8%
Prudential ICICI	1	1	$0.0	1.0%	$0.0	0	0	0.0%	$0.0	6.7%	-0.5%
Samsung Investment Trust Management	3	3	$0.0	1.0%	$0.2	0	2	200.0%	$0.0	230.4%	0.5%
Axis Mutual Fund	1	1	$0.0	0.7%	$0.0	0	0	0.0%	$0.0	6.6%	-0.4%
Birla Sun Life Mutual Fund	1	1	$0.0	0.5%	$0.1	0	1	100.0%	$0.0	100.0%	0.5%
Religare India Asset Management	1	1	$0.0	0.5%	$0.0	0	0	0.0%	$0.0	11.8%	-0.2%
Quantum Asset Management	1	1	$0.0	0.3%	$0.0	0	0	0.0%	$0.0	23.4%	-0.1%
Hyundai Investments	1	1	$0.0	0.1%	$0.0	0	0	0.0%	$0.0	-47.4%	-0.3%
Barclays (iPath)	-	1	-	-	$0.0	-	-	-	-	-	-
State Street Global Advisors	-	2	-	-	$14.1	-	-	-	-	-	-
Bombay Bullion Association	-	-	-	-	-	2	-	-	-	-	-
Cydinar Sdn Bhd	-	-	-	-	-	1	-	-	-	-	-
ING OptiMix	-	-	-	-	-	1	-	-	-	-	-
RiddiSiddhi Bullions	-	-	-	-	-	1	-	-	-	-	-
RUSAL	-	-	-	-	-	1	-	-	-	-	-
Tata Mutual Fund	-	-	-	-	-	1	-	-	-	-	-
Other (planned ETP)	-	-	-	-	-	1	-	-	-	-	-
Total	**26**	**29**	**$2.3**	**100.0%**	**$20.7**	**9**	**3**	**13.0%**	**$0.8**	**54.5%**	

Note: To avoid double counting, assets shown above refer only to primary listings.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

In Asia Pacific (ex-Japan), open-end mutual funds (excluding ETFs) have seen US$11.5 Bn net outflows YTD to May 2011 according to data from Strategic Insight. Guaranteed funds were the most popular with US$3.7 Bn net inflows, while mixed asset class funds experienced US$5.7 Bn net outflows.

Figure 101: Asia Pacific (ex-Japan) mutual fund flows (excluding ETFs)

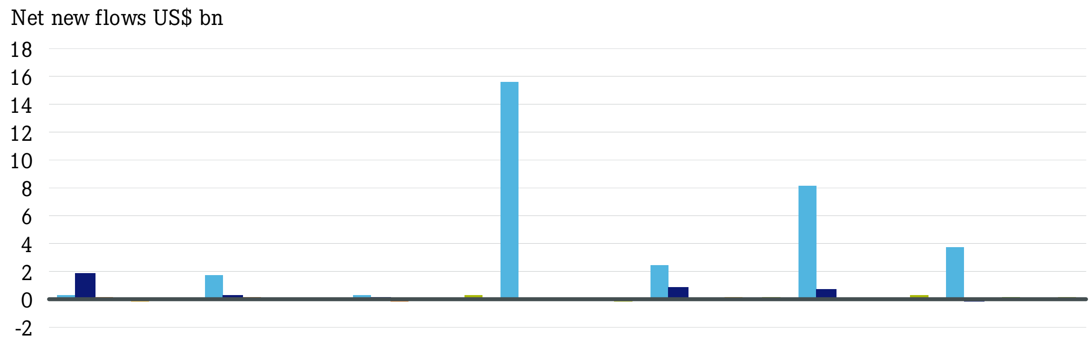


Exposure (US$ Bn)	2005	2006	2007	2008	2009	2010	YTD May-11
Equity	26.4	52.2	225.6	-1.3	19.9	-28.2	-4.1
Bond	-0.4	8.5	15.5	6.4	20.5	-3.0	-4.5
Mixed	8.3	18.1	71.6	-21.2	-4.1	-5.5	-5.7
Money market	7.4	-12.3	3.4	39.9	-0.1	-32.8	-0.9
Real estate	1.7	7.0	9.2	-2.1	1.5	0.6	-0.6
Guaranteed	1.3	2.2	-0.3	0.8	1.7	0.6	3.7
Other	1.0	1.2	2.6	-3.0	-2.3	-0.2	0.7
Total	**45.6**	**76.9**	**327.6**	**19.6**	**37.1**	**-68.5**	**-11.5**

Source: Strategic Insight Simfund Global.

In Asia Pacific (ex-Japan), ETFs have seen US$3.9 Bn net inflows YTD to May 2011 according to data from Strategic Insight. Equity funds were the most popular with US$3.7 Bn net inflows.

Figure 102: Asia Pacific (ex-Japan) ETF fund flows



Exposure (US$ Bn)	2005	2006	2007	2008	2009	2010	YTD May-11
Equity	0.3	1.7	0.2	15.5	2.4	8.1	3.7
Bond	1.8	0.3	0.1	0.0	0.9	0.6	-0.1
Mixed	0.1	0.2	-0.2	0.0	0.0	0.0	0.0
Money market	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Real estate	-0.1	0.0	0.0	0.0	0.1	0.0	0.0
Guaranteed	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.2	-0.1	0.2	0.3	0.2
Total	**2.1**	**2.2**	**0.4**	**15.5**	**3.6**	**9.1**	**3.9**

Source: Strategic Insight Simfund Global.

Japan

At the end of H1 2011, the Japanese ETF industry had 86 ETFs with 90 listings and assets of US$31.2 Bn, from seven providers on three exchanges. This compares to 71 ETFs with 74 listings and assets of US$25.4 Bn from six providers on two exchanges at the end of H1 2010.

YTD through the end of H1 2011, assets have decreased by 3.0% from US$32.2 Bn to US$31.2 Bn, less than the 4.8% decrease in the MSCI Japan Index in US dollar terms. This compares to a 3.1% increase in assets over the same period in 2010.

In 2011 YTD, the number of ETFs increased by 7.5% with six new ETFs launched. This compares to a 4.4% increase over the same period in 2010, when three new ETFs launched.

In the first six months of 2011, the ETF average daily trading volume in US dollars increased by 11.3% to US$0.2 Bn in June 2011. This compares to an average daily trading volume of US$0.1 Bn in June 2010.

Nomura Asset Management is the largest ETF provider in terms of assets, with US$16.0 Bn in 34 ETFs, reflecting 51.4% market share; Nikko Asset Management is second with 20 ETFs, assets of US$6.9 Bn, and 22.1% market share; followed by Daiwa Asset Management with 22 ETFs, assets of US$6.1 Bn and 19.6% market share at the end of H1 2011.

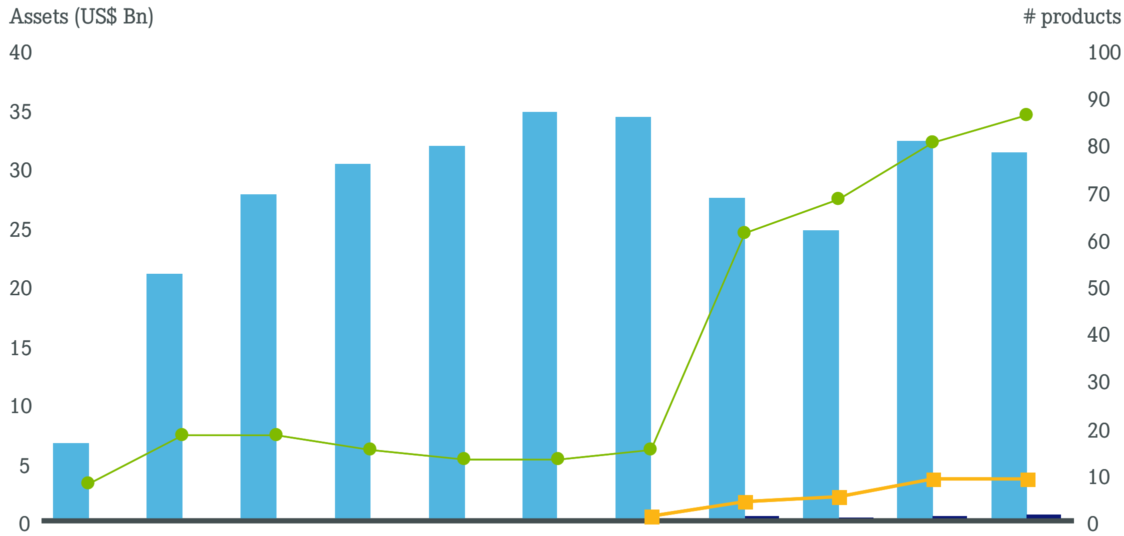
Additionally, there were nine other ETPs, 20 cross listings and assets of US$0.6 Bn from four providers on two exchanges. This compares to five ETPs with 20 cross listings and assets of US$0.3 Bn from three providers on two exchanges at the end of H1 2010.

Figure 103: ETF listings in Japan, as at end H1 2011

1 Japan	
P listings:	86
T listings:	90
Providers:	7
AUM:	US$31.2 Bn

Note: P listings = # primary listings. T listings = # total listings. Providers = # primary ETF providers. Assets = Assets Under Management in primary listings only.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 104: Japanese listed ETF and ETP asset growth, as at end H1 2011



Assets (US$ Bn)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	H1-11
ETF assets	$6.6	$21.0	$27.6	$30.3	$31.8	$34.6	$34.2	$27.4	$24.6	$32.2	$31.2
ETP assets							$0.0	$0.3	$0.3	$0.4	$0.6
ETF/ETP total	**$6.6**	**$21.0**	**$27.6**	**$30.3**	**$31.8**	**$34.6**	**$34.2**	**$27.8**	**$24.9**	**$32.6**	**$31.8**
# ETFs	8	18	18	15	13	13	15	61	68	80	86
# ETPs							1	4	5	9	9
# ETFs/ETPs total	**8**	**18**	**18**	**15**	**13**	**13**	**16**	**65**	**73**	**89**	**95**

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

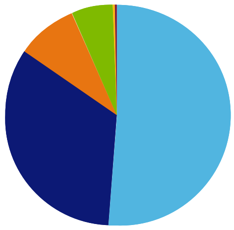
Figure 105: ETF providers in Japan ranked by AUM, as at end H1 2011

	H1-11						YTD change				
Provider	**# ETFs**	**# total listings**	**AUM (US$ Bn)**	**% total**	**ADV (US$ Mn)**	**# planned**	**# ETFs**	**% ETFs**	**AUM (US$ Bn)**	**% AUM**	**% market share**
Nomura Asset Management	34	34	$16.0	51.4%	$82.2	0	2	6.3%	-$0.4	-2.4%	0.3%
Nikko Asset Management	20	20	$6.9	22.1%	$55.1	0	3	17.6%	$0.3	5.1%	1.7%
Daiwa Asset Management	22	22	$6.1	19.6%	$13.7	0	0	0.0%	-$0.8	-11.0%	-1.8%
Mitsubishi UFJ Asset Management	6	6	$2.1	6.6%	$9.9	0	1	20.0%	-$0.2	-8.5%	-0.4%
iShares	1	1	$0.1	0.2%	$0.2	0	0	0.0%	$0.0	43.0%	0.1%
Simplex Asset Management	2	2	$0.0	0.1%	$0.2	0	0	0.0%	$0.0	-6.2%	0.0%
Kokusai Asset Management	1	1	$0.0	0.1%	$0.4	0	0	0.0%	$0.0	177.2%	0.0%
EasyETF	-	1	-	-	$0.0	-	-	-	-	-	-
Samsung Investment Trust Management	-	1	-	-	$0.0	-	-	-	-	-	-
State Street Global Advisors	-	2	-	-	$0.3	-	-	-	-	-	-
Total	**86**	**90**	**$31.2**	**100.0%**	**$162.0**	**0**	**6**	**7.5%**	**-$1.0**	**-3.0%**	

Note: To avoid double counting, assets shown above refer only to primary listings.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 106: Top five Japanese ETF providers by average daily US dollar turnover, as at end H1 2011

Provider	Average daily turnover (US$ Mn) Dec-10	% market share	Jun-11	% market share	Change (US$ Mn)	% change
Nomura AM	$89.0	61.2%	$82.2	50.8%	-$6.8	-7.6%
Nikko AM	$34.3	23.6%	$55.1	34.0%	$20.8	60.6%
Daiwa AM	$17.8	12.2%	$13.7	8.5%	-$4.1	-23.1%
Mitsubishi UFJ AM	$4.0	2.8%	$9.9	6.1%	$5.8	143.8%
Kokusai AM	$0.0	0.0%	$0.4	0.2%	$0.4	100.0%
Others	$0.3	0.2%	$0.7	0.4%	$0.4	131.6%
Total	**$145.5**	**100.0%**	**$162.0**	**100.0%**	**$16.5**	**11.3%**



- Nomura Asset Management 50.8%
- Nikko Asset Management 34.0%
- Daiwa Asset Management 8.5%
- Mitsubishi UFJ Asset Management 6.1%
- Kokusai Asset Management 0.2%
- Others 0.4%

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

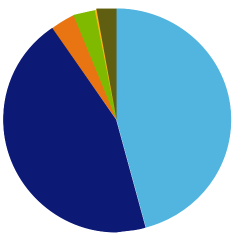
Figure 107: ETP providers in Japan ranked by assets, end H1 2011

Provider	H1-11 # ETPs	# total listings	Assets (US$ Bn)	% total	ADV (US$ Mn)	# planned	YTD change # ETPs	% ETPs	Assets (US$ Bn)	% assets	% market share
Mitsubishi UFJ Trust & Banking Corp	4	4	$0.3	60.6%	$3.1	0	0	0.0%	$0.2	156.5%	26.9%
Nomura Asset Management	3	3	$0.2	29.8%	$0.7	0	0	0.0%	$0.0	-17.0%	-21.4%
Simplex Asset Management	1	1	$0.0	8.8%	$0.7	0	0	0.0%	$0.0	-4.4%	-4.3%
Mizuho Asset Management	1	1	$0.0	0.8%	$0.0	0	0	0.0%	$0.0	-43.0%	-1.2%
ETF Securities	0	19	$0.0	0.0%	$0.2	0	0	0.0%	$0.0	0.0%	0.0%
State Street Global Advisors	0	1	$0.0	0.0%	$2.6	0	0	0.0%	$0.0	0.0%	0.0%
Other (planned ETP)	-	-	-	-		1	-	-	-	-	-
Total	**9**	**29**	**$0.6**	**100.0%**	**$7.3**	**1**	**0**	**0.0%**	**$0.2**	**42.7%**	

Note: To avoid double counting, assets shown above refer only to primary listings.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 108: Japanese ETF assets by type of exposure, as at end H1 2011

Exposure	H1-11 # ETFs	AUM (US$ Bn)	% total	ADV (US$ Mn)	YTD change # ETFs	% ETFs	AUM (US$ Bn)	% AUM	% market share
Nikkei 225	5	$14.3	45.8%	$118.5	0	0.0%	$0.3	2.4%	2.4%
TOPIX	8	$14.0	44.8%	$31.1	0	0.0%	-$0.6	-3.8%	-0.4%
Japanese Sectors	43	$1.1	3.5%	$2.8	0	0.0%	-$0.2	-17.9%	-0.6%
International	20	$0.9	3.0%	$2.7	5	33.3%	$0.0	4.7%	0.2%
Nikkei 300	1	$0.1	0.3%	$0.0	0	0.0%	$0.0	14.9%	0.1%
Small Cap	1	$0.0	0.1%	$0.0	0	0.0%	$0.0	1.0%	0.0%
Growth	1	$0.0	0.0%	$0.0	0	0.0%	$0.0	3.1%	0.0%
Other	7	$0.8	2.5%	$6.5	1	16.7%	-$0.6	-42.5%	-1.7%
Total	**86**	**$31.2**	**100.0%**	**$161.7**	**6**	**7.5%**	**-$1.0**	**-3.0%**	



- Nikkei 225 45.8%
- TOPIX 44.8%
- Japanese Sectors 3.5%
- International 3.0%
- Nikkei 300 0.3%
- Small Cap 0.1%
- Growth 0.0%
- Other 2.5%

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 109: Top 20 ETFs in Japan by AUM, as at end H1 2011

ETF	Ticker	AUM (US$ Mn)	ADV ('000 shares)	ADV (US$ Mn)
TOPIX ETF	1306 JP	$7,337.1	2,175	$23.6
NIKKEI 225 ETF	1321 JP	$7,223.7	438	$54.4
Listed Index Fund 225	1330 JP	$3,204.7	390	$48.8
Listed Index Fund TOPIX	1308 JP	$3,191.6	460	$4.9
Daiwa ETF TOPIX	1305 JP	$2,916.0	172	$1.9
Daiwa ETF NIKKEI 225	1320 JP	$2,911.5	95	$11.8
MAXIS NIKKEI225 ETF	1346 JP	$893.2	27	$3.3
MAXIS S&P Mitsubishi Group ETF	1670 JP	$603.5	4,436	$5.7
SSE 50 Index Linked ETF	1309 JP	$330.1	4	$0.9
TOPIX Banks Exchange Traded Fund	1615 JP	$323.1	972	$1.4
MAXIS TOPIX ETF	1348 JP	$322.4	59	$0.6
TOPIX Core 30 Exchange Traded Fund	1311 JP	$181.1	26	$0.1
MAXIS TOPIX Core30 ETF	1344 JP	$181.0	8	$0.0
NEXT FUNDS Ibovespa Linked ETF	1325 JP	$134.6	98	$0.3
Nikkei 300 Stock Index Listed Fund	1319 JP	$100.2	14	$0.0
NEXT FUNDS Tokyo Stock Exchange REIT Index ETF	1343 JP	$94.7	23	$0.3
Listed Index Fund China A Share (Panda) CSI 300	1322 JP	$85.9	4	$0.2
Daiwa ETF TOPIX Core 30	1310 JP	$81.5	1	$0.0
Listed Index Fund International Emerging Countries Equity	1681 JP	$74.6	18	$0.3
Listed Index Fund J-REIT Bi-Monthly Dividend Payment	1345 JP	$67.0	20	$0.3

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 110: Top 20 ETFs in Japan by average daily US dollar trading volume, as at end H1 2011[1]

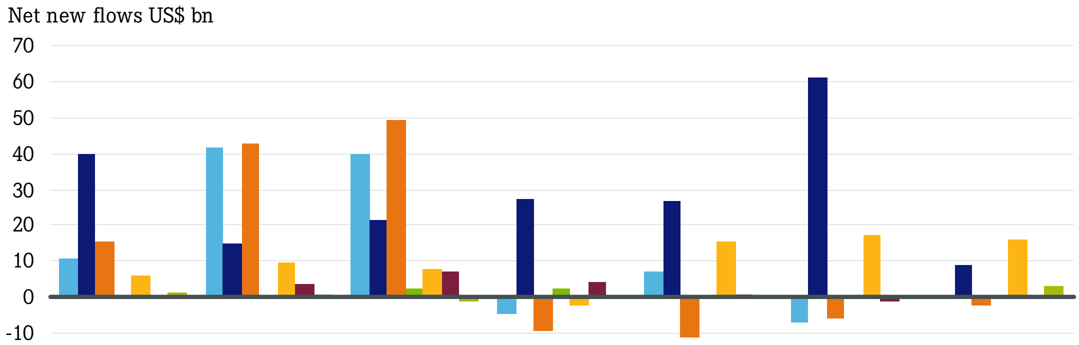
ETF	Ticker	ADV (US$ Mn)	ADV ('000 shares)	AUM (US$ Mn)
NIKKEI 225 ETF	1321 JP	$54.4	438	$7,223.7
Listed Index Fund 225	1330 JP	$48.8	390	$3,204.7
TOPIX ETF	1306 JP	$23.6	2,175	$7,337.1
Daiwa ETF NIKKEI 225	1320 JP	$11.8	95	$2,911.5
MAXIS S&P Mitsubishi Group ETF	1670 JP	$5.7	4,436	$603.5
Listed Index Fund TOPIX	1308 JP	$4.9	460	$3,191.6
MAXIS NIKKEI225 ETF	1346 JP	$3.3	27	$893.2
Daiwa ETF TOPIX	1305 JP	$1.9	172	$2,916.0
TOPIX Banks Exchange Traded Fund	1615 JP	$1.4	972	$323.1
SSE 50 Index Linked ETF	1309 JP	$0.9	4	$330.1
MAXIS TOPIX ETF	1348 JP	$0.6	59	$322.4
Kokusai S&P500 VIX Short-Term Futures Index ETF	1552 JP	$0.4	4	$21.3
NEXT FUNDS Ibovespa Linked ETF	1325 JP	$0.3	98	$134.6
NEXT FUNDS Tokyo Stock Exchange REIT Index ETF	1343 JP	$0.3	23	$94.7
Listed Index Fund International Bond Monthly Dividend	1677 JP	$0.3	1	$60.0
Listed Index Fund J-REIT Bi-Monthly Dividend Payment Type	1345 JP	$0.3	20	$67.0
Listed Index Fund International Emerging Countries Equity	1681 JP	$0.3	18	$74.6
NEXT FUNDS TOPIX-17 Electric Power & Gas ETF	1627 JP	$0.3	3	$6.3
SPDR S&P 500	1557 JP	$0.2	2	$92,053.3
iShares Nikkei 225	1329 JP	$0.2	2	$66.0

1. For ETFs cross listed into Japan from the US, AUM reflects total fund AUM (which is not counted in previous totals). ADV reflects US dollar volume of the specific exchange listing shown.

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

In Japan, open-end mutual funds (excluding ETFs) saw US$25.1 Bn net new inflows YTD to May 2011, according to data from Strategic Insight. Real estate funds were the most popular with US$16.1 Bn net inflows, followed by bond funds with US$9.3 Bn, while mixed asset class funds experienced net outflows of US$2.3 Bn.

Figure 111: Mutual fund flows in Japan (excluding ETFs)

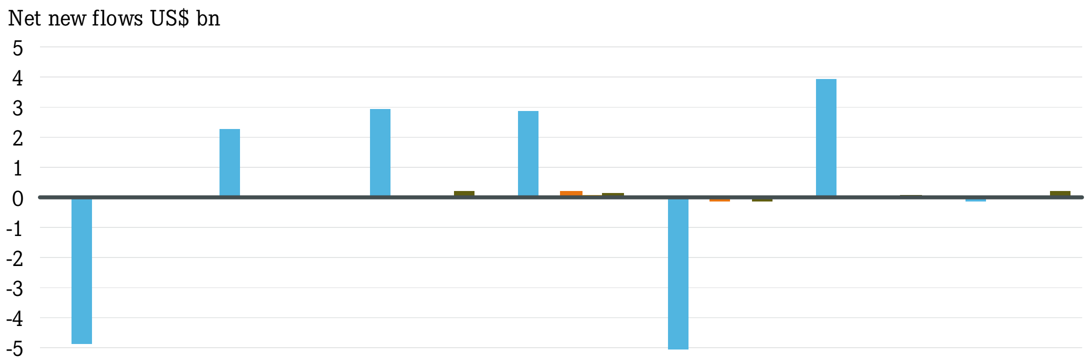


Exposure (US$ Bn)	2005	2006	2007	2008	2009	2010	YTD May-11
Equity	10.5	41.4	40.0	-4.7	7.0	-6.8	-0.7
Bond	40.0	14.8	21.4	27.3	26.6	61.2	9.3
Mixed	15.3	42.8	49.5	-9.3	-11.1	-5.7	-2.3
Money market	0.3	0.0	2.4	2.6	0.1	-0.2	-0.3
Real estate	6.2	9.7	7.7	-2.1	15.2	17.4	16.1
Guaranteed	0.2	3.8	7.4	4.3	0.6	-1.1	0.0
Other	1.4	0.7	-1.3	-0.4	0.4	0.3	3.0
Total	**73.9**	**113.2**	**127.1**	**17.7**	**38.8**	**65.1**	**25.1**

Source: Strategic Insight Simfund Global.

YTD to May 2011, ETFs in Japan saw US$0.1 Bn net inflows according to data from Strategic Insight. Equity ETFs experienced US$0.1 Bn net outflows.

Figure 112: ETF flows in Japan

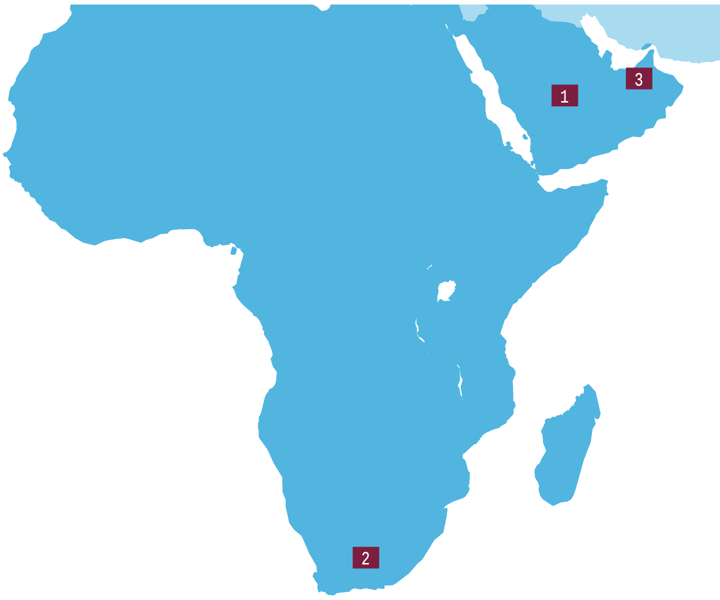


Exposure (US$ Bn)	2005	2006	2007	2008	2009	2010	YTD May-11
Equity	-4.9	2.3	2.9	2.9	-5.1	3.9	-0.1
Bond	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mixed	0.0	0.0	0.0	0.2	-0.2	0.0	0.0
Real estate	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Other	0.0	0.0	0.2	0.2	-0.1	0.1	0.2
Total	**-4.9**	**2.3**	**3.1**	**3.3**	**-5.3**	**4.0**	**0.1**

Source: Strategic Insight Simfund Global.

Middle East and Africa

Figure 113: ETF listings in the Middle East and Africa, as at end H1 2011



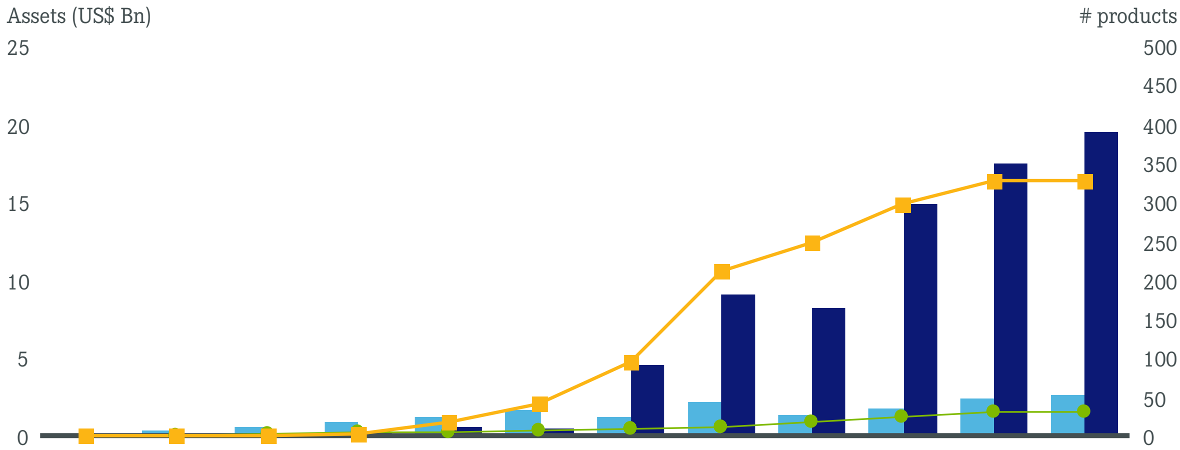
1 Saudi Arabia	
P listings:	2
T listings:	2
Providers:	1
AUM:	US$0.0 Bn

2 South Africa	
P listings:	26
T listings:	26
Providers:	8
AUM:	US$2.6 Bn

3 UAE	
P listings:	1
T listings:	1
Providers:	1
AUM:	US$0.0 Bn

Note: P listings = # primary listings. T listings = # total listings. Providers = # primary ETF providers. Assets = Assets Under Management in primary listings only.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 114: Middle East and Africa listed ETF and ETP asset growth, as at end H1 2011



Assets (US$ Bn)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	H1-11
ETF assets	-	$0.3	$0.6	$0.8	$1.2	$1.6	$1.2	$2.2	$1.2	$1.8	$2.3	$2.6
ETP assets	$0.0	$0.1	$0.1	$0.2	$0.5	$0.4	$4.5	$9.1	$8.1	$14.8	$17.3	$19.4
# ETFs	-	1	3	4	5	7	8	11	17	23	29	29
# ETPs	1	1	1	3	18	41	94	211	246	297	327	326

Source: BlackRock Investment Institute – ETF Research, Bloomberg, Bank of Israel.

Figure 115: ETF providers in the Middle East and Africa ranked by AUM, as at end H1 2011

	H1-11						YTD change				
Provider	# ETFs	# listings	AUM (US$ Bn)	% total	ADV (US$ Mn)	# planned	# ETFs	% ETFs	AUM (US$ Bn)	% AUM	% market share
Satrix Managers	7	7	$1.5	59.5%	$6.6	1	0	0.0%	-$0.1	-4.5%	-10.1%
STANLIB	2	2	$0.4	16.4%	$0.0	3	0	0.0%	$0.4	922.3%	14.6%
db x-trackers	5	5	$0.2	9.1%	$0.3	0	0	0.0%	$0.0	22.5%	0.8%
Bips Investment Managers	2	2	$0.2	7.8%	$4.8	0	0	0.0%	$0.0	19.7%	0.5%
Absa Capital	7	7	$0.1	2.6%	$0.1	0	0	0.0%	-$0.1	-64.5%	-5.6%
Fortress Asset Managers	1	1	$0.0	1.8%	$0.0	1	0	0.0%	$0.0	-4.3%	-0.3%
Investec Fund Management	1	1	$0.0	1.3%	$0.1	0	0	0.0%	$0.0	-3.3%	-0.2%
Falcom Financial Services	2	2	$0.0	1.1%	$0.0	0	0	0.0%	$0.0	52.6%	0.3%
Nedgroup Beta Solutions	1	2	$0.0	0.2%	$0.0	0	0	0.0%	$0.0	-1.8%	0.0%
National Bank of Abu Dhabi	1	1	$0.0	0.2%	$0.0	2	0	0.0%	$0.0	2.9%	0.0%
Al Mal Capital	-	-	-	-	-	1	-	-	-	-	-
Gaon Investment House	-	-	-	-	-	2	-	-	-	-	-
HSBC/Hang Seng	-	-	-	-	-	1	-	-	-	-	-
Other (planned)	-	-	-	-	-	12	-	-	-	-	-
Total	**29**	**30**	**$2.6**	**100.0%**	**$12.0**	**23**	**0**	**0.0%**	**$0.3**	**11.7%**	

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 116: ETP providers in the Middle East and Africa ranked by assets, as at end H1 2011

	H1-11					YTD change				
Provider	# ETPs	Assets (US$ Bn)	% total	ADV (US$ Mn)	# planned	# ETPs	% ETPs	Assets (US$ Bn)	% Assets	% market share
Israeli ETP Providers[1]	317	$17.0	87.9%	$114.0	0	-2	-0.6%	$2.0	13.4%	1.3%
Harel	21	NA	NA	$5.8	0	0	0.0%	NA	NA	NA
Index	20	NA	NA	$7.6	0	0	0.0%	NA	NA	NA
KSM	101	NA	NA	$40.0	0	0	0.0%	NA	NA	NA
Meitav	73	NA	NA	$14.9	0	-1	-1.4%	NA	NA	NA
Psagot	52	NA	NA	$16.8	0	0	0.0%	NA	NA	NA
Tachlit	50	NA	NA	$28.8	0	-1	-2.0%	NA	NA	NA
Absa Capital	1	$2.3	12.1%	$38.0	3	0	0.0%	$0.0	1.0%	-1.3%
Dubai Commodities Asset Management	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	5.8%	0.0%
Rand Merchant Bank	2	$0.0	0.0%	$0.0	0	1	100.0%	$0.0	0.0%	0.0%
Clade Investment Management	1	$0.0	0.0%	$0.0	0	0	0.0%	$0.0	0.0%	0.0%
Standard Bank	4	$0.0	0.0%	$0.1	0	0	0.0%	$0.0	0.0%	0.0%
Deutsche Bank	-	-	-	-	1	-	-	-	-	-
?Other (planned ETP)	-	-	-	-	1	-	-	-	-	-
Total	**326**	**$19.4**	**100.0%**	**$152.1**	**5**	**-1**	**-0.3%**	**$2.0**	**11.8%**	

1. Individual assets of Israeli providers are temporarily unavailable. An aggregate value for Israeli ETPs has been included in the total assets. Latest data for Israel ETP assets from Bank of Israel is May 2011.

Source: BlackRock Investment Institute – ETF Research, Bloomberg, Bank of Israel.

Figure 117: Top 10 ETFs in the Middle East and Africa by AUM, as at end H1 2011

ETF	Country listed	Ticker	AUM (US$ Mn)	ADV ('000 shares)	ADV (US$ Mn)
SATRIX40	South Africa	STX40 SJ	$953.8	1,038	$4.4
STANLIB SWIX 40 Fund	South Africa	STANSX SJ	$331.3	28	$0.0
Satrix Dividend Plus	South Africa	STXDIV SJ	$165.8	956	$0.2
Bips Government Inflation Linked Bond Fund	South Africa	BIPINF SJ	$125.4	45	$0.1
SATRIX Financials	South Africa	STXFIN SJ	$102.1	79	$0.1
SATRIX Industrials	South Africa	STXIND SJ	$97.0	157	$0.6
STANLIB Top 40 Fund	South Africa	STAN40 SJ	$93.5	0	$0.0
SATRIX RAFI 40 Total Return	South Africa	STXRAF SJ	$87.2	164	$0.2
Bips Top 40	South Africa	BIPS40 SJ	$77.4	1,113	$4.7
db x-trackers MSCI World	South Africa	DBXWD SJ	$76.3	64	$0.1

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 118: Top 10 ETFs in the Middle East and Africa by average daily US dollar trading volume, as at end H1 2011

ETF	Country listed	Ticker	ADV (US$ Mn)	ADV ('000 shares)	AUM (US$ Mn)
Bips Top 40	South Africa	BIPS40 SJ	$4.7	1,113	$77.4
SATRIX40	South Africa	STX40 SJ	$4.4	1,038	$953.8
SATRIX RESI	South Africa	STXRES SJ	$0.9	114	$67.4
SATRIX Industrials	South Africa	STXIND SJ	$0.6	157	$97.0
Satrix Dividend Plus	South Africa	STXDIV SJ	$0.2	956	$165.8
SATRIX RAFI 40 Total Return	South Africa	STXRAF SJ	$0.2	164	$87.2
Zshares GOVI	South Africa	ZGOVI SJ	$0.1	70	$33.4
SATRIX SWIX TOP 40	South Africa	STXSWX SJ	$0.1	125	$67.0
Bips Government Inflation Linked Bond Fund	South Africa	BIPINF SJ	$0.1	45	$125.4
SATRIX Financials	South Africa	STXFIN SJ	$0.1	79	$102.1

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 119: Top 10 ETFs in the Middle East and Africa by change in AUM, as at end H1 2011

ETF	Country listed	Ticker	AUM (US$ Mn) Jun-11	AUM (US$ Mn) Dec-10	Change (US$ Mn)
STANLIB SWIX 40 Fund	South Africa	STANSX SJ	$331.3	$5.1	$326.2
NewRand ETF	South Africa	NRD SJ	$10.3	$130.6	-$120.3
STANLIB Top 40 Fund	South Africa	STAN40 SJ	$93.5	$36.4	$57.0
SATRIX40	South Africa	STX40 SJ	$953.8	$999.9	-$46.1
SATRIX SWIX TOP 40	South Africa	STXSWX SJ	$67.0	$108.4	-$41.4
Bips Government Inflation Linked Bond Fund	South Africa	BIPINF SJ	$125.4	$94.1	$31.2
Satrix Dividend Plus	South Africa	STXDIV SJ	$165.8	$138.4	$27.4
db x-trackers MSCI World	South Africa	DBXWD SJ	$76.3	$50.3	$26.0
SATRIX Financials	South Africa	STXFIN SJ	$102.1	$125.1	-$23.0
db x-trackers MSCI Japan	South Africa	DBXJP SJ	$29.5	$23.0	$6.5

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Latin America

At the end of H1 2011, the Latin American ETF industry had 27 ETFs, with 409 listings and assets of US$11.3 Bn, from four providers on three exchanges. This compares to 21 ETFs, with 257 listings and assets of US$8.4 Bn from three providers on three exchanges at the end of H1 2010.

YTD through the end of H1 2011, ETF assets have increased by 11.6% from US$10.1 Bn to US$11.3 Bn, compared to the 3.3% decrease in the MSCI EM Latin America Index in US dollar terms. This compares to a 14.3% decrease in assets over the same period in 2010.

In the first half of 2011, the ETF average daily trading volume in US dollars increased by 176.0% to US$0.4 Bn in June 2011. This compares to an average daily trading volume of US$0.3 Bn in June 2010.

iShares is the largest ETF provider in terms of assets with US$8.7 Bn, in 18 ETFs, reflecting 77.3% market share; BBVA Asset Management is second with US$1.4 Bn in five ETFs and 12.0% market share at the end of H1 2011.

There were 332 ETFs cross listed in Mexico, 305 ETFs registered for sale in Chile and 294 ETFs registered for sale in Peru at the end of H1 2011.

The first ETF to launch in Latin America was the NAFTRAC, designed to track the Mexican Bolsa Index. Since its launch in Mexico by Nacional Financiera during 2002, it became the largest ETF in the region with US$7.2 Bn in AUM at end of H1 2011. It was acquired by iShares on 14 May 2009 and has since been renamed iShares NAFTRAC.

Figure 120: ETF listings in Latin America, as at end H1 2011

1 Brazil	
P listings:	8
T listings:	8
Providers:	2
AUM:	US$1.8 Bn

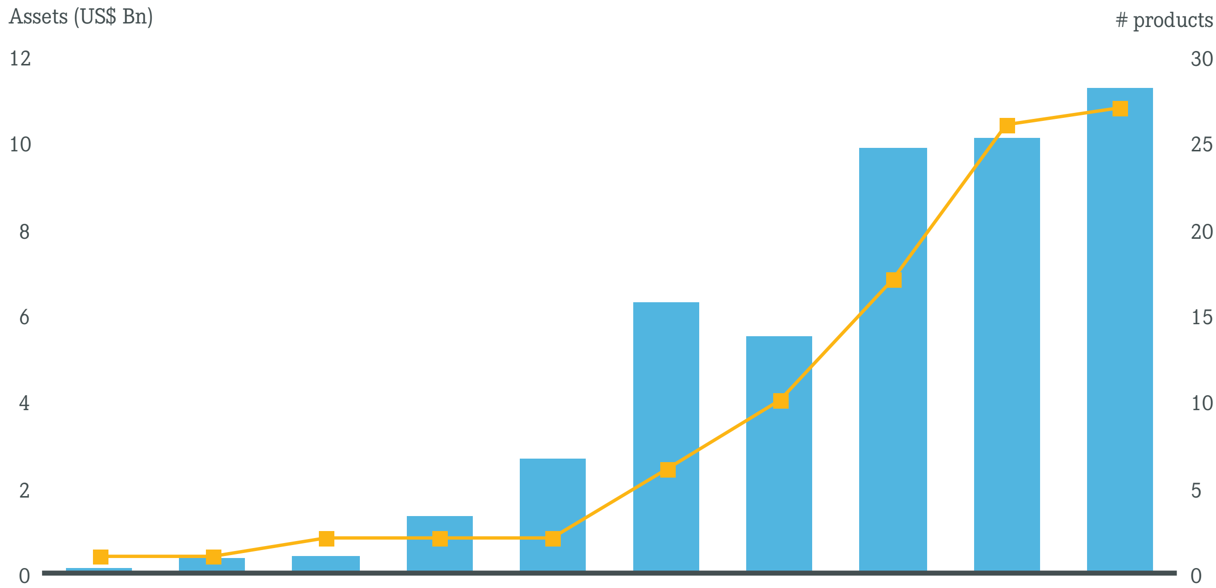
2 Chile	
# registrations[1]:	305
P listings:	–
T listings:	50
Providers:	–
AUM:	–

3 Mexico	
P listings:	19
T listings:	351
Providers:	3
AUM:	US$9.5 Bn

4 Peru	
# registrations[1]:	294

1. ETFs registered for sale in Peru and Chile are only available as admissible investments for pension funds.
Note: P listings = # primary listings. T listings = # total listings. Providers = # primary ETF providers. Assets = Assets Under Management in primary listings only.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 121: Latin America ETF asset growth, as at end H1 2011



Assets (US$ Bn)	2002	2003	2004	2005	2006	2007	2008	2009	2010	H1-11
ETF assets	$0.1	$0.4	$0.4	$1.3	$2.7	$6.3	$5.5	$9.8	$10.1	$11.3
# ETFs	1	1	2	2	2	6	10	17	26	27

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 122: ETF providers in Latin America ranked by AUM, as at end H1 2011

Provider	# ETFs	# cross listings in Mexico	# cross listings in Chile	# registered for sale in Chile[1]	# registered for sale in Peru[1]	AUM (US$ Bn)	% total	ADV (US$ Mn)	# planned new ETFs
iShares	18	154	50	169	196	$8.7	77.3%	$332.5	2
BBVA Asset Management	5	5	-	-	-	$1.4	12.0%	$6.1	-
Itau Unibanco	2	-	-	-	-	$1.2	10.5%	$1.3	1
Protego	2	-	-	-	-	$0.0	0.1%	$0.5	-
Direxion Shares	-	4	-	-	-	-	-	$22.1	-
EasyETF	-	9	-	4	5	-	-	$0.1	-
Global X Funds	-	3	-	-	-	-	-	$0.0	-
Lyxor Asset Management	-	4	-	42	-	-	-	$0.0	-
PowerShares	-	39	-	-	1	-	-	$2.0	-
ProShares	-	18	-	-	-	-	-	$6.6	-
State Street Global Advisors	-	28	-	24	24	-	-	$16.3	-
Van Eck Associates Corp	-	19	-	12	16	-	-	$0.7	-
Vanguard	-	39	-	30	39	-	-	$1.2	-
WisdomTree Investments	-	10	-	9	-	-	-	$0.3	-
Amundi ETF	-	-	-	1	2	-	-	-	-
db x-trackers	-	-	-	13	2	-	-	-	-
Bank of New York	-	-	-	-	2	-	-	-	-
Credit Suisse Asset Management	-	-	-	-	2	-	-	-	-
Fidelity Management & Research	-	-	-	-	1	-	-	-	-
Rydex SGI	-	-	-	-	1	-	-	-	-
UBS Global Asset Management	-	-	-	-	2	-	-	-	-
XACT Fonder	-	-	-	-	2	-	-	-	-
Total	**27**	**332**	**50**	**305**	**294**	**$11.3**	**100.0%**	**$389.8**	**3**

1. ETFs registered for sale in Peru and Chile are only available as admissible investments for pension funds. AUM reflects only the assets in the locally domiciled ETFs to avoid double counting.

Source: BlackRock Investment Institute – ETF Research, Bloomberg, Comision Clasificadora de Riesgo (CCR); Superintendencia de Banca (SBS).

Figure 123: Top 10 ETFs in Latin America by AUM, as at end H1 2011

ETF	Country listed	Ticker	AUM (US$ Mn)	ADV ('000 shares)	ADV (US$ Mn)
iShares NAFTRAC	Mexico	NAFTRAC MM	$7,181.6	85,626	$267.9
PIBB FUNDO INDICE BRASIL 50	Brazil	PIBB11 BZ	$1,182.2	20	$1.1
BRTRAC 10	Mexico	BRTRAC MM	$948.7	601	$1.8
iShares IPC Large Cap Total Return TRAC	Mexico	ILCTRAC MM	$496.2	1,481	$4.2
iShares Ibovespa Fundo de Índice	Brazil	BOVA11 BZ	$495.6	408	$16.0
MEXTRAC	Mexico	MEXTRAC MM	$398.0	605	$4.4
iShares LATixx Mexico UDITRAC	Mexico	UDITRAC MM	$154.8	9	$0.1
iShares Mexico Corporate Bond TRAC	Mexico	CORPTRC MM	$141.3	140	$0.1
iShares IPC Mid Cap Total Return TRAC	Mexico	IMCTRAC MM	$72.4	3	$0.0
iShares LATixx Mexico CETETRAC	Mexico	CETETRC MM	$57.5	0	$0.0

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 124: Top 10 ETFs in Latin America by average US dollar trading volume, as at end H1 2011[1]

ETF	Country listed	Ticker	ADV (US$ Mn)	ADV ('000 shares)	AUM (US$ Mn)
iShares NAFTRAC	Mexico	NAFTRAC MM	$267.9	85,626	$7,181.6
iShares Ibovespa Fundo de Índice	Brazil	BOVA11 BZ	$16.0	408	$495.6
Direxion Daily Emerging Markets Bull 3x	Mexico	EDC* MM	$11.0	291	$432.4
iShares MSCI Brazil Index Fund	Mexico	EWZ* MM	$10.3	141	$12,781.2
iShares Barclays 1-3 Year Treasury Bond	Mexico	SHY* MM	$8.7	103	$8,379.4
SPDR S&P 500	Mexico	SPY* MM	$8.4	64	$92,053.3
Direxion Daily Emerging Markets Bear 3x	Mexico	EDZ* MM	$8.2	470	$77.6
MEXTRAC	Mexico	MEXTRAC MM	$4.4	605	$398.0
iShares IPC Large Cap Total Return TRAC	Mexico	ILCTRAC MM	$4.2	1,481	$496.2
iShares MSCI Japan Index Fund	Mexico	EWJ* MM	$3.3	311	$7,278.1

1. For ETFs cross listed into Latin America from the United States, AUM reflects total fund AUM (which is not counted in previous totals). ADV reflects US dollar volume of the specific exchange listing shown.

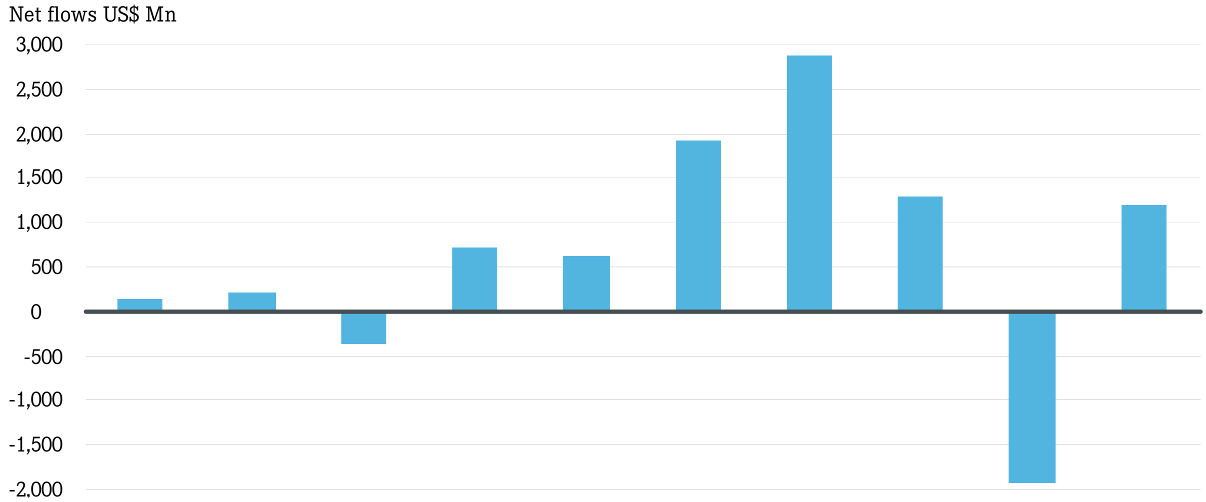
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 125: Top 10 ETFs in Latin America with largest change in AUM, as at end H1 2011

ETF	Country listed	Ticker	AUM (US$ Mn) Jun-11	AUM (US$ Mn) Dec-10	Change (US$ Mn)
iShares NAFTRAC	Mexico	NAFTRAC MM	$7,181.6	$5,472.5	$1,709.1
BRTRAC 10	Mexico	BRTRAC MM	$948.7	$1,347.9	-$399.2
PIBB FUNDO INDICE BRASIL 50	Brazil	PIBB11 BZ	$1,182.2	$1,294.7	-$112.5
iShares IPC Large Cap Total Return TRAC	Mexico	ILCTRAC MM	$496.2	$595.7	-$99.4
iShares LATixx Mexico CETETRAC	Mexico	CETETRC MM	$57.5	$3.3	$54.1
MEXTRAC	Mexico	MEXTRAC MM	$398.0	$370.6	$27.4
iShares Mexico Corporate Bond TRAC	Mexico	CORPTRC MM	$141.3	$158.8	-$17.5
iShares BM&FBovespa Small Cap Fundo de Índice	Brazil	SMAL11 BZ	$43.1	$55.5	-$12.4
iShares BM&FBOVESPA de Consumo Index Fund	Brazil	CSMO11 BZ	$18.6	$10.1	$8.5
iShares Indice BM&FBOVESPA Imobiliario Index	Brazil	MOBI11 BZ	$17.1	$8.7	$8.3

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

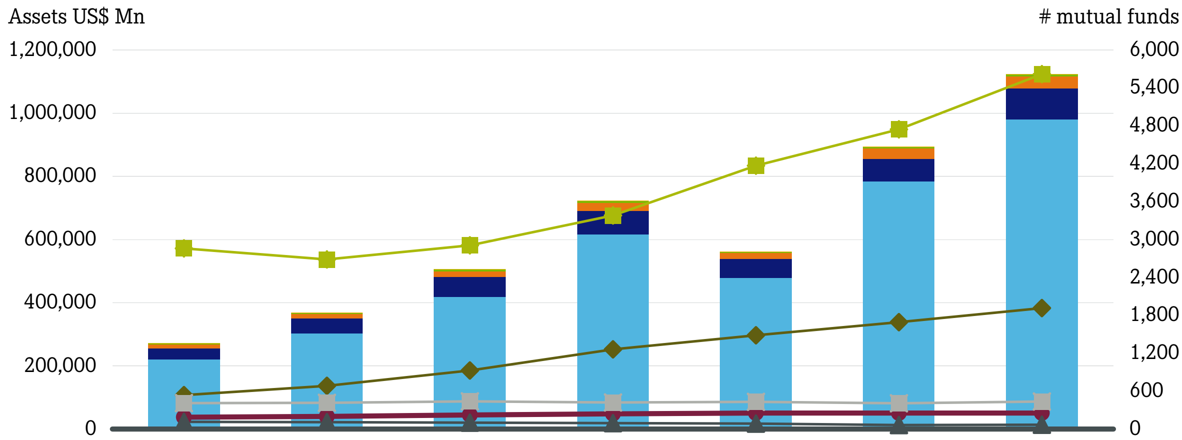
Figure 126: Latin America net new ETF assets



Net Flows (US$ Mn)	2002	2003	2004	2005	2006	2007	2008	2009	2010	H1-11
ETF net flows	$148.7	$209.2	($360.2)	$720.3	$619.4	$1,919.7	$2,876.2	$1,301.9	($1,926.4)	$1,199.9

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 127: Latin America mutual fund industry



	2004	2005	2006	2007	2008	2009	2010
Mutual fund assets (US$ Mn)							
Latin America total	**$271,739**	**$368,579**	**$506,256**	**$723,229**	**$562,308**	**$894,635**	**$1,123,434**
Argentina	$2,355	$3,626	$6,153	$6,789	$3,867	$4,470	$5,179
Brazil	$220,586	$302,927	$418,771	$615,365	$479,321	$783,970	$980,448
Chile	$12,588	$13,969	$17,700	$24,444	$17,587	$34,227	$38,243
Costa Rica	$1,053	$804	$1,018	$1,203	$1,098	$1,309	$1,470
Mexico	$35,157	$47,253	$62,614	$75,428	$60,435	$70,659	$98,094
# mutual funds							
Latin America total	**4,108**	**4,094**	**4,593**	**5,395**	**6,422**	**7,158**	**8,286**
Argentina	186	200	223	241	253	252	254
Brazil	2,859	2,685	2,907	3,381	4,169	4,744	5,618
Chile	537	683	926	1,260	1,484	1,691	1,912
Costa Rica	115	110	100	93	85	64	68
Mexico	411	416	437	420	431	407	434

Source: Investment Company Institute (ICI).

Implementing asset allocation with ETFs

Investment applications

ETFs have many investment applications. ETFs on broad-based indices can serve as diversified core holdings, while style and sector ETFs can be used to complete parts of a portfolio or for tactical strategies.

Due to their targeted exposure to specific market segments, ETFs generally work well within the macro asset allocation and sector emphasis models developed by equity strategists. They also help provide efficient ways to gain international diversification.

Another benefit of ETFs is that they are complimentary to many other investment products. They can be used together with common stocks, private asset managers, and other fund products. Investors may buy ETFs to diversify their assets. Most ETFs are passively managed portfolios designed to provide relatively low-cost investments in broad-based or proprietary indices.

Some ETFs offer relatively low-risk, broadly diversified portfolios, which many investors may find attractive as the core equity components of their portfolios. Others offer diversified investments in particular styles, sectors, industries, regions, or countries.

ETFs based on broad-market indices serve as core holdings, which is essential, especially in today's environment of increased market volatility. Since no single sector, style, or stock consistently outperforms its peers, having core holdings invested in broad-market indices not only helps reduce volatility but also can achieve competitive returns for the overall portfolio.

ETFs work well with strategic asset-allocation models. In our view, asset-allocation models have two primary applications for investors:

- **As the framework for an entire portfolio:** investors desiring a complete asset allocation strategy may find this appealing, as they merely have to purchase appropriate investments for each market segment in their proper weightings and occasionally rebalance their portfolios.
- **As the core portion of a portfolio:** those seeking an approach with more active trading may find a core/satellite investment strategy appropriate. In this case, the model can serve as a core. In an effort to increase returns, shorter-term tactical strategies, such as stock, sector, style or country overweights may then be employed as satellite investments. Core holdings can help ensure that a portfolio's performance does not deviate widely from established benchmarks, while satellite investments constitute active plays in an effort to increase returns.

ETFs can be used for targeted sector exposure. Sector ETFs can be used for the tactical portion of a portfolio or to gain exposure to underrepresented sectors in a portfolio. They can also serve as the building blocks for a sector model.

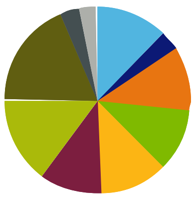
Figure 128: Sector weights and YTD performance

World, emerging markets

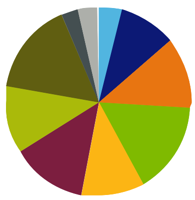
Sector	MSCI World # stocks	MSCI World % weight	MSCI World % YTD return	MSCI Emerging Markets # stocks	MSCI Emerging Markets % weight	MSCI Emerging Markets % YTD return
Consumer discretionary	239	10.6%	5.8%	83	7.6%	9.3%
Consumer staples	121	9.9%	6.2%	66	7.2%	4.0%
Energy	120	11.4%	7.2%	49	14.3%	2.1%
Financials	327	19.4%	0.2%	190	24.4%	-2.6%
Healthcare	117	9.8%	11.5%	20	1.0%	-3.0%
Industrials	267	11.5%	5.2%	116	7.5%	-3.0%
Information technology	148	11.3%	0.4%	85	12.3%	-5.7%
Materials	161	8.2%	0.5%	123	14.9%	-1.6%
Telecommunications	50	4.1%	5.0%	44	7.2%	1.7%
Utilities	87	3.7%	0.8%	50	3.5%	2.6%
Total	**1,637**	**100.0%**	**4.0%**	**826**	**100.0%**	**-0.4%**

United States

Sector	S&P 500 # stocks	S&P 500 % weight	S&P 500 % YTD return
Consumer discretionary	42	12.4%	10.4%
Consumer staples	30	3.6%	2.6%
Energy	60	11.0%	6.9%
Financials	78	10.7%	7.6%
Healthcare	41	11.2%	6.3%
Industrials	52	11.5%	12.7%
Information technology	81	14.9%	-3.7%
Materials	75	18.6%	1.6%
Telecommunications	8	3.0%	4.3%
Utilities	33	3.3%	6.7%
Total	**500**	**100.0%**	**5.0%**



Sector	DJ US Total Market # stocks	DJ US Total Market % weight	DJ US Total Market % YTD return
Basic materials	69	3.8%	2.3%
Consumer goods	122	10.3%	6.9%
Consumer services	193	12.0%	7.8%
Financials	258	15.8%	-2.0%
Healthcare	123	10.9%	12.8%
Industrials	243	13.1%	7.3%
Oil and gas	92	11.8%	10.7%
Technology	165	15.8%	1.1%
Telecommunications	21	3.0%	4.8%
Utilities	73	3.6%	7.2%
Total	**1,359**	**100.0%**	**5.4%**



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Note: Index returns are for illustrative purposes only and do not represent actual fund performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results. YTD returns reflect US dollar price performance only from 31 December 2010 to 30 June 2011. Index weights captured from Bloomberg on 18 July 2011.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 128: Sector weights and YTD performance (continued)

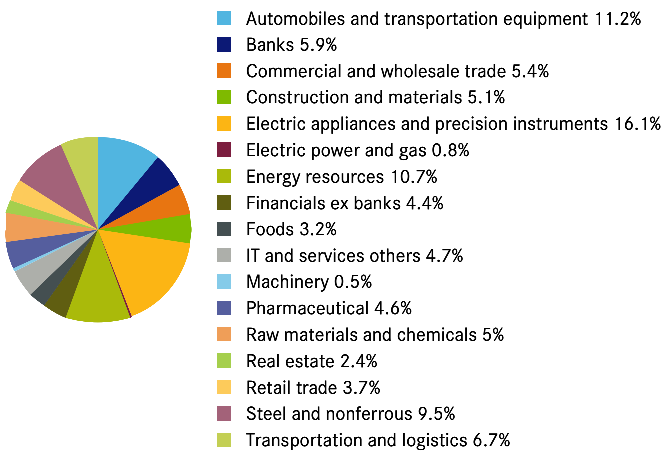
Europe

Sector	STOXX Europe 600			EURO STOXX		
	# stocks	% weight	% YTD return	# stocks	% weight	% YTD return
Automobiles and parts	14	2.8%	19.3%	13	5.7%	19.2%
Banks	49	13.4%	2.6%	32	13.3%	8.2%
Basic resources	32	5.4%	-2.2%	15	2.3%	-1.0%
Chemicals	23	4.8%	13.8%	16	8.3%	15.3%
Construction and materials	25	2.6%	8.3%	17	3.9%	12.4%
Financial services	30	1.5%	4.9%	9	1.1%	15.9%
Food and beverage	27	7.0%	8.0%	15	5.5%	10.1%
Healthcare	34	10.1%	13.3%	13	4.5%	26.9%
Industrial goods and services	97	10.4%	9.0%	46	11.0%	11.6%
Insurance	33	5.6%	14.2%	14	6.8%	18.6%
Media	30	2.3%	5.9%	19	2.7%	3.9%
Oil and gas	33	8.9%	6.7%	14	7.3%	10.4%
Personal and household goods	29	5.5%	8.1%	13	4.3%	7.2%
Real estate	22	1.3%	15.2%	10	1.2%	12.9%
Retail	25	3.2%	2.5%	12	2.8%	3.9%
Technology	24	3.1%	8.4%	16	4.4%	3.9%
Telecommunications	21	5.4%	5.1%	11	6.3%	7.6%
Travel and leisure	21	1.2%	0.7%	7	1.0%	2.1%
Utilities	31	5.3%	5.9%	22	7.8%	4.7%
Total	**600**	**100.0%**	**7.4%**	**314**	**100.0%**	**10.5%**

Sector	MSCI Europe		
	# stocks	% weight	% YTD return
Consumer discretionary	63	8.9%	10.5%
Consumer staples	39	12.5%	7.1%
Energy	26	10.9%	6.6%
Financials	101	20.9%	6.0%
Healthcare	27	10.4%	12.8%
Industrials	87	11.4%	7.2%
Information technology	18	3.0%	8.1%
Materials	51	10.7%	4.0%
Telecommunications	22	6.2%	5.4%
Utilities	29	5.1%	5.9%
Total	**463**	**100.0%**	**7.2%**

Japan

Sector	TOPIX-17		
	# stocks	% weight	% YTD return
Automobiles and transportation equipment	73	11.2%	1.7%
Banks	83	5.9%	-13.4%
Commercial and wholesale trade	143	5.4%	-3.0%
Construction and materials	160	5.1%	3.7%
Electric appliances and precision instruments	180	16.1%	-7.6%
Electric power and gas	17	0.8%	-41.8%
Energy resources	17	10.7%	8.8%
Financials ex banks	48	4.4%	-12.0%
Foods	70	3.2%	0.7%
IT and services others	238	4.7%	-1.3%
Machinery	118	0.5%	2.2%
Pharmaceutical	36	4.6%	-1.4%
Raw materials and chemicals	170	5.0%	-2.3%
Real estate	44	2.4%	-10.4%
Retail trade	146	3.7%	-2.2%
Steel and nonferrous	59	9.5%	-10.5%
Transportation and logistics	65	6.7%	-11.0%
Total	**1,667**	**100.0%**	**-6.3%**



Note: Index returns are for illustrative purposes only and do not represent actual fund performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results. YTD returns reflect US dollar price performance only from 31 December 2010 to 30 June 2011. Index weights captured from Bloomberg on 18 July 2011.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 129: Macro asset allocation strategies

ETFs can be used to implement the country and regional allocations suggested by strategists and analysts.

MSCI World	# stocks	% weight	% YTD return
Australia	71	3.8%	2.0%
Austria	8	0.1%	6.8%
Belgium	13	0.4%	6.6%
Canada	101	5.3%	1.8%
Denmark	13	0.5%	2.8%
Finland	17	0.4%	-8.1%
France	75	4.6%	13.5%
Germany	52	4.0%	12.9%
Greece	8	0.1%	-5.0%
Hong Kong	41	1.2%	-2.8%
Ireland	4	0.1%	16.1%
Israel	14	0.3%	-8.8%
Italy	30	1.2%	9.7%
Japan	319	9.2%	-4.8%
Netherlands	22	1.1%	4.1%
New Zealand	5	0.1%	14.0%
Norway	11	0.4%	2.9%
Portugal	8	0.1%	6.4%
Singapore	32	0.8%	-0.1%
Spain	28	1.6%	14.0%
Sweden	33	1.4%	3.4%
Switzerland	37	3.8%	6.5%
United Kingdom	104	9.6%	4.1%
United States	591	49.8%	5.2%
Total	**1,637**	**100.0%**	**4.0%**

MSCI Europe	# stocks	% weight	% YTD return
Austria	8	0.5%	6.8%
Belgium	13	1.4%	6.6%
Denmark	13	1.6%	2.8%
Finland	17	1.5%	-8.1%
France	75	15.6%	13.5%
Germany	52	13.7%	12.9%
Greece	8	0.3%	-5.0%
Ireland	4	0.4%	16.1%
Italy	30	4.1%	9.7%
Netherlands	22	3.8%	4.1%
Norway	11	1.4%	2.9%
Portugal	8	0.4%	6.4%
Spain	28	5.3%	14.0%
Sweden	33	4.8%	3.4%
Switzerland	37	12.7%	6.5%
United Kingdom	104	32.5%	4.1%
Total	**463**	**100.0%**	**7.2%**

MSCI GCC Countries ex SA	# stocks	% weight	% YTD return
Bahrain	3	1.0%	-27.7%
Kuwait	14	52.9%	15.0%
Oman	8	5.5%	-3.0%
Qatar	13	23.6%	25.2%
UAE	11	17.0%	-8.7%
Total	**49**	**100.0%**	**10.3%**

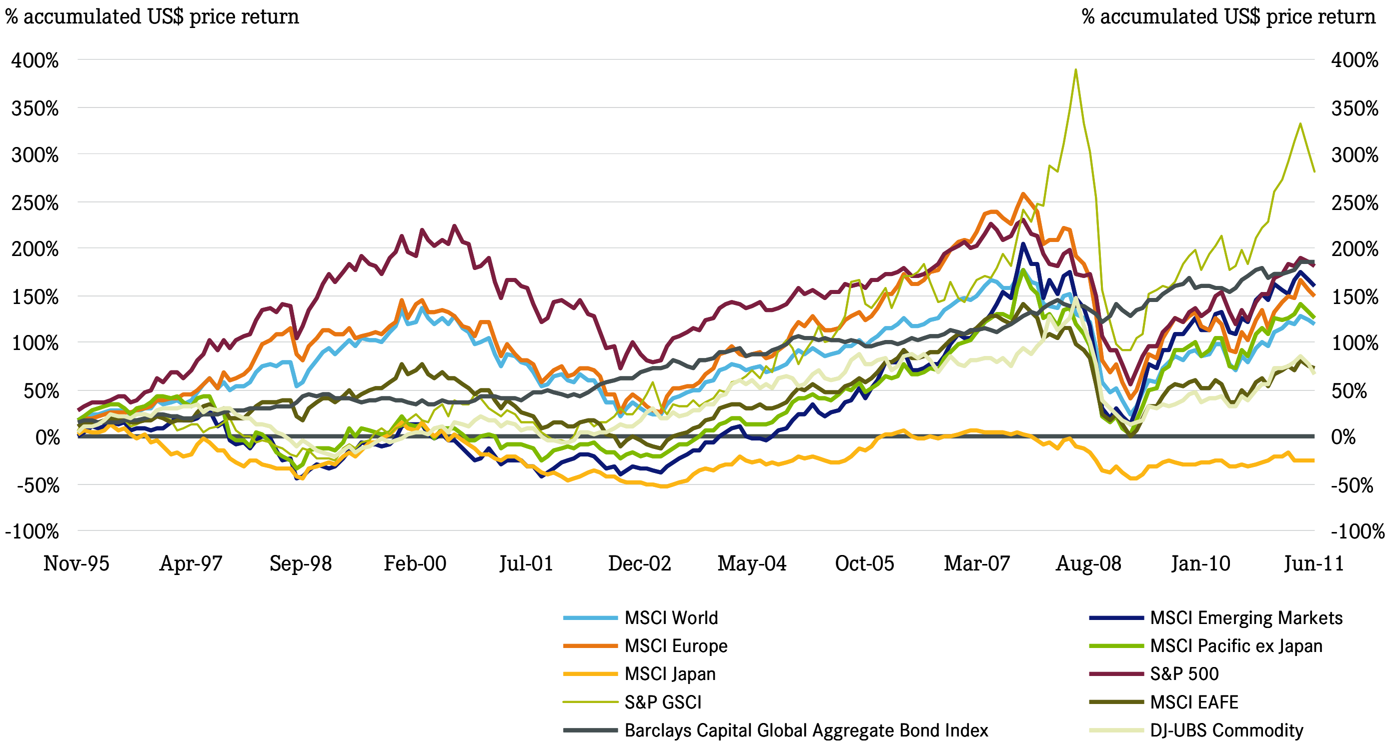
MSCI Emerging Markets	# stocks	% weight	% YTD return
Brazil	83	15.9%	-3.4%
Chile	18	1.7%	-1.7%
China	147	17.2%	-0.8%
Colombia	9	0.8%	5.2%
Czech Republic	3	0.4%	19.7%
Egypt	9	0.3%	-26.1%
Hungary	4	0.4%	20.5%
India	72	7.3%	-8.9%
Indonesia	25	2.6%	11.1%
Malaysia	42	3.1%	6.5%
Mexico	23	4.3%	-0.8%
Morocco	3	0.2%	-0.1%
Peru	3	0.5%	-28.1%
Philippines	15	0.6%	-2.1%
Poland	21	1.7%	10.2%
Russia	27	6.7%	8.1%
South Africa	49	7.2%	-5.4%
South Korea	104	15.0%	6.8%
Taiwan	123	11.1%	-3.7%
Thailand	22	1.7%	0.4%
Turkey	22	1.3%	-10.9%
Total	**824**	**100.0%**	**-0.4%**

MSCI Frontier Markets	# stocks	% weight	% YTD return
Argentina	6	8.2%	-11.9%
Bahrain	3	0.5%	-7.8%
Bangladesh	18	4.4%	-30.1%
Bulgaria	2	0.2%	15.3%
Croatia	4	2.7%	4.9%
Estonia	2	0.4%	-5.8%
Jordan	4	0.9%	-13.5%
Kazakhstan	3	3.7%	-2.8%
Kenya	7	2.4%	-12.6%
Kuwait	14	27.9%	-15.5%
Lebanon	4	2.0%	-9.8%
Lithuania	2	0.3%	-5.2%
Mauritius	3	1.2%	18.1%
Nigeria	7	6.6%	-1.5%
Oman	8	2.9%	-14.6%
Pakistan	12	4.1%	-0.1%
Qatar	13	12.4%	-0.4%
Romania	4	1.3%	25.5%
Serbia	2	0.4%	30.7%
Slovenia	4	2.5%	2.4%
Sri Lanka	8	2.3%	-11.5%
Tunisia	3	0.8%	-9.0%
UAE	11	9.0%	-5.5%
Ukraine	7	0.9%	5.2%
Vietnam	10	2.1%	-10.9%
Total	**161**	**100.0%**	**-9.2%**

Note: Index returns are for illustrative purposes only and do not represent actual fund performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results. YTD returns reflect US dollar price performance only from 31 December 2010 to 30 June 2011. Index weights captured from Bloomberg on 18 July 2011.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 130: Index performance (annual US dollar price performance)

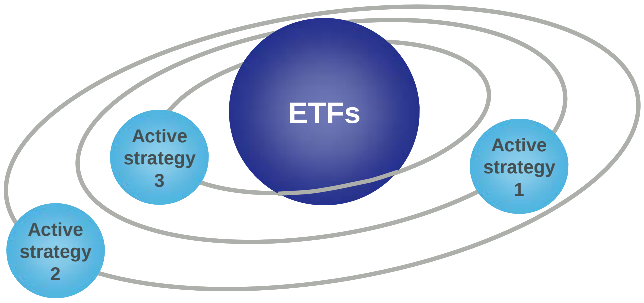
Index	Ticker	# members	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	H1-11
MSCI World	MXWO	1,636	23.6%	-14.1%	-17.8%	-21.1%	30.8%	12.8%	7.6%	18.0%	7.1%	-42.1%	27.0%	9.6%	4.0%
MSCI Emerging Markets	MXEF	824	63.7%	-31.8%	-4.9%	-8.0%	51.6%	22.4%	30.3%	29.2%	36.5%	-54.5%	74.5%	16.4%	-0.4%
MSCI Europe	MXEU	462	15.3%	-9.9%	-21.3%	-20.0%	34.1%	18.0%	7.2%	29.8%	10.6%	-47.9%	30.6%	0.8%	7.2%
MSCI Pacific ex Japan	MXPCJ	149	39.3%	-17.5%	-12.2%	-9.0%	41.3%	24.6%	10.2%	28.0%	27.2%	-52.2%	65.9%	12.7%	0.7%
MSCI Japan	MXJP	319	61.9%	-28.9%	-29.9%	-10.7%	34.3%	15.0%	24.2%	5.1%	-6.4%	-29.6%	4.9%	11.6%	-4.8%
S&P 500	SPX	500	19.5%	-10.1%	-13.0%	-23.4%	26.4%	9.0%	3.0%	13.6%	3.5%	-38.5%	23.5%	12.8%	5.0%
MSCI EAFE	MXEA	944	25.3%	-15.2%	-22.6%	-17.5%	35.3%	17.6%	10.9%	23.5%	8.6%	-45.1%	27.7%	4.9%	3.0%
S&P GSCI	SPGCCI	-	46.2%	26.9%	-31.5%	39.0%	10.8%	19.2%	39.1%	0.4%	40.7%	-42.8%	50.3%	20.4%	5.9%
DJ-UBS Commodity	DJUBS	-	18.6%	24.2%	-22.3%	23.9%	22.7%	7.6%	17.5%	-2.7%	11.1%	-36.6%	18.7%	16.7%	-2.6%
Barclays Capital Global Aggreg. Bond Index	LEGATRUU	13,739	-5.1%	3.1%	1.6%	16.5%	12.5%	9.1%	-4.4%	6.6%	9.5%	4.8%	6.9%	5.5%	4.4%



Note: Index returns are for illustrative purposes only and do not represent actual fund performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.
Source: BlackRock Investment Institute – ETF Research, Bloomberg. Number of constituents captured from Bloomberg on 18 July 2011.

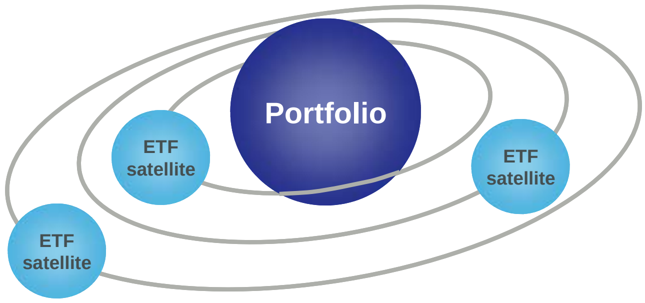
Figure 131: Core/satellite applications

ETFs in the core



- A broad market index.
- Exposure to diversified baskets of securities.
- Optimised core: sector, style or country indices.

ETFs in the satellite



- Concentrated, focused ETFs.
- Sector and style.
- Individual countries and regions.
- Alternative asset class.

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

ETFs also offer a way to gain exposure to international and emerging market equities. They provide access to baskets of stocks in specific countries or regions in the form of an individual listed security.

Most ETFs are well diversified and thus typically provide a less volatile way to obtain exposure to given countries than the purchase of individual stocks or GDRs. They also provide convenient investments in markets and securities that otherwise might be inaccessible.

Investors can use ETFs as a cash management tool. They can purchase ETFs to 'equitise' cash inflows that could eventually be invested in stocks. Equitising cash simply refers to investing cash in a way that provides exposure to the performance of an equity security or index. This can be done in relatively small increments – ETFs typically trade in round lots with the price of a share ranging from approximately US$7 to US$205.

As an alternative to futures, ETFs can be bought in smaller sizes, do not require any special documentation or accounts, and do not have roll costs or margin requirements. In addition, the current array of ETFs covers many benchmarks for which there is no futures contract.

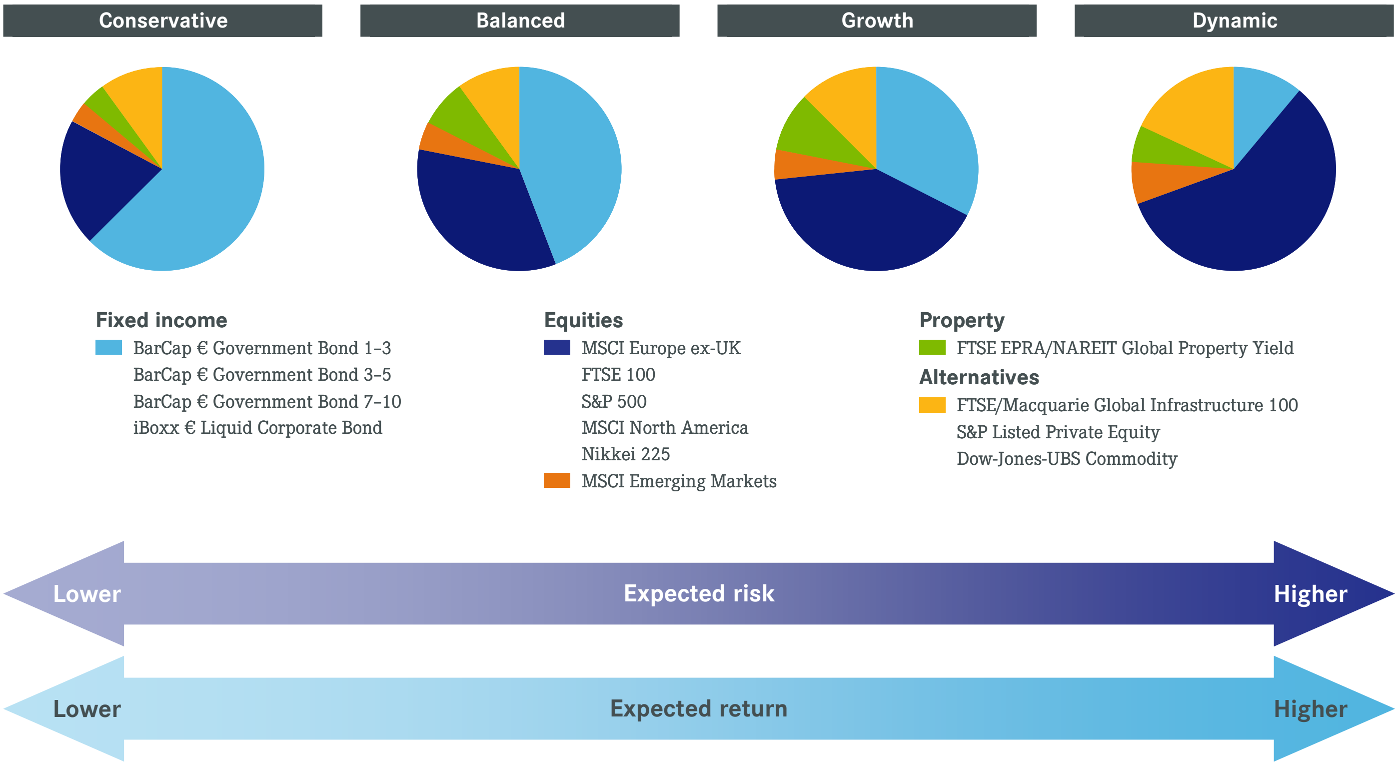
ETFs can be sold short to hedge a portfolio of stocks, bonds, commodities, closed-end funds or open-end mutual funds. This allows an investor to preserve a portfolio while protecting it from overall market losses.

In a market decline, profits on an ETF short position could offset some of the losses incurred by the portfolio[1]. Listed options are available on certain ETFs and can be used for income-producing, risk-reducing, and speculative strategies. Listed options also exist for many of the same indices on which ETFs are based, allowing for additional hedging and arbitrage strategies.

ETFs provide low-cost, liquid trading vehicles. They can be used by market timers wishing to gain or reduce exposure to entire market segments or sectors throughout the trading day. They also can be used for targeted asset allocation or sector rotation strategies. ETFs can be shorted throughout the trading day subject to the availability of applicable stock borrows.

1. With short sales, an investor faces the potential for unlimited losses as the security's price rises.

Figure 132: ETF portfolios



Sample portfolios are for illustrative purposes only and should not be construed as a recommendation to purchase or sell, or an offer to sell, or a solicitation of an offer to buy any security.
Source: BlackRock.

Figure 133: Why use ETFs?

Transparency	▸ Investors can generally see the ETF composition at any given time.
Liquidity	▸ ETFs offer two sources of liquidity: ▸ Traditional liquidity measured by secondary market trading volume. ▸ The liquidity of the underlying assets via the creation and redemption process.
Diversification	▸ ETFs offer immediate exposure to a basket or group of securities for instant diversification. ▸ Broad range of asset classes including equities, bonds, commodities, investment themes etc.
Flexibility	▸ ETFs are listed on exchanges and can be traded at any time the market is open. ▸ Pricing is continuous throughout the day.
Cost effectiveness	▸ ETFs offer a cost effective route to diversified market exposure. ▸ The average TER for equity ETFs in Europe is 41 bps versus 96 bps per annum for the average equity index tracking fund and 187 bps per annum for the average active equity fund[1].
Securities lending	▸ ETF units and underlying assets can be lent out to potentially offset holding costs.

1. Source: Strategic Insight Simfund Global, BlackRock Investment Institute – ETF Research, data as at end January 2011.

Figure 134: How can ETFs be used?

Strategic	‣ Market exposure: Implement a wide variety of investment strategies using a broad range of market exposures. ‣ Directional views: Establish broad directional market position, use long and short trades to implement market view(s). ‣ Core satellite: Achieve strategic focus. ‣ Rebalancing: Adjust drift in a portfolio's asset allocation or style. ‣ Completion: Add uncorrelated instruments and/or asset classes to strategy.
Tactical	‣ Interim beta: Maintain exposure to given market while searching for specific market opportunity. ‣ Cash management: Invest cash rapidly and cost effectively to gain desired market exposures. ‣ Derivatives alternative: Broad opportunity set of Delta 1 exposures with single line cash-based settlement. ‣ Exposure management: Shift portfolio emphasis by adjusting exposures (e.g. duration, credit). ‣ Thematic: Implement thematic exposures (e.g. dividends, alternatives).

Figure 135: ETFs can offer solutions for a range of portfolio strategies[1]

Portfolio construction	‣ Fill allocations required by investment strategy. ‣ Improve diversification. ‣ Gain exposure to size, style, yield, sector, geography.
Portfolio management	‣ Implement short-/long-term and/or neutral market views: ‣ Hard to access asset classes, themes, sector, country. ‣ Tactical asset allocations.
Strategic asset allocations	‣ Establish core holdings. ‣ Establish single country or sector satellites.
Risk management	‣ Active risk budgeting. ‣ Combine ETFs in managing total portfolio volatility or duration adjustments in fixed income portfolios.
Cash equitisation	‣ Manage inflows, outflows, transitions. ‣ Obtain a wider exposure than offered by other Delta 1 products.
Exposure	‣ Exposures to markets or asset classes where one has no expertise or operational capabilities.

1. The strategies discussed are strictly for illustrative and educational purposes and should not be construed as a recommendation to purchase or sell, or an offer to sell or a solicitation of an offer to buy any security. There is no guarantee that any strategies discussed will be effective.

Factors to consider when selecting an ETF

Objectives: assess your financial goals.

Strategy: look for the right ETF to complement your portfolio. Ensure you read the prospectus and other documentation published by the ETF provider prior to investing.

Risks: the value of your investment may go up or down. Check the specific risks (i.e. political, economic and currency risks when investing in an ETF providing exposure to an emerging market, country or region) and tax implications.

The index: even ETFs with very similar sounding names can be based on very different constituents. Index providers have different index methodologies which will determine the holdings, weights and rebalance frequency, which will result in different risk and reward characteristics. Understanding the index is an important step in the process.

The structure: regulatory changes and innovations in structures have seen ETPs move beyond the conventional open-ended fund structure of an ETF. Additionally, open-ended funds can, in many jurisdictions, embrace the use of swaps and other derivatives, which may change the risk characteristics and may limit the product's transparency compared to traditional physical ETFs, particularly in relation to the fund's list of holdings. The size of the ETF in terms of AUM will often dictate how much certain investors can invest in an ETF.

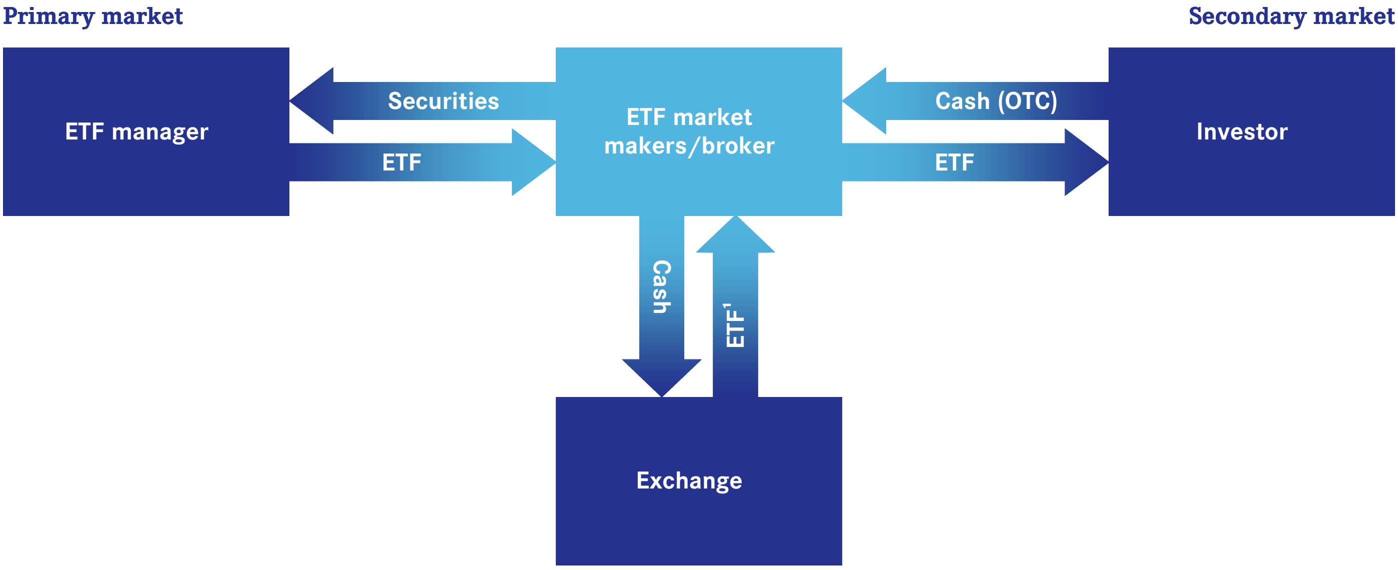
Total costs: the fund's TER, not just the Management Expense Ratio (MER), is a major consideration when comparing costs between ETFs. Trading costs, tracking risk, registrations, trading currency, dividend withholding rates and securities lending within the fund and lending of the ETF should all be considered.

Liquidity: ETFs afford investors two forms of liquidity. The first is through trading the shares on a secondary basis on-exchange. The second is on a primary basis via the unique 'creation' process, whereby an AP purchases the underlying basket of securities in the local market and deposits the basket 'in kind' into the ETF, creating more shares in that ETF. The unique creation/redemption process means that the liquidity in the ETF is driven by the liquidity in the underlying securities. Similar indices can have different liquidity profiles based on their index methodology.

ETF provider: the type and amount of information provided on their ETFs, index construction and methodology, tax and index management knowledge, as well as the level and type of support provided to investors, intermediaries and brokers varies based on the size, scale and expertise of the provider.

Divergence in the performance of an ETF, relative to the index it tracks, is possible. Differences tend to be caused by fund fees and expenses, tracking error when optimisation strategies are used to track the index, rebalancing due to corporate actions and index changes, or the dividend reinvestment policy of the fund.

Figure 136: Typical ETF trading process



1. ETF or Creation Basket.

Investment concerns

ETFs possess risks related to the securities in their underlying indices. ETFs are subject to risks applicable to any investment in portfolios of common stocks or bonds, including that of generally lower prices and the chance that they may underperform more concentrated or actively managed portfolios. By targeting performance in line with indices, investors are also foregoing opportunities to outperform.

ETFs are subject to 'tracking error' risks. Factors such as expenses, imperfect correlation between an ETF's stocks and those in its underlying index and regulatory policies may cause an ETF's return to deviate from its underlying index. Six major sources of tracking error are summarised below:

- **Fees and expenses:** expenses of all fund products reduce total return. Although ETFs have the low expense ratios, fees will cause an ETF to underperform its index over time.
- **Premiums/discounts:** on any date, the closing price of an ETF may be at a premium or discount to its NAV due to supply and demand factors. This will affect reported performance of the ETF versus its index.
- **Dividend reinvestment:** some ETFs hold dividends in cash and only pay them out to investors on a periodic basis. In contrast, some ETFs can reinvest dividends daily. A lag in dividend reinvestment can cause small underperformance in rising markets.
- **Optimised replication:** many ETFs use computer optimisation techniques to design portfolios to closely track the index while minimising transaction costs. Under this technique, the ETF omits or underweights some stocks (usually the less liquid or smaller-cap stocks). This technique, if properly used, should have only a minor effect on tracking.
- **Rebalancing:** ETFs are required to make changes in the composition of their portfolios when stocks are added to or dropped from the index. The timing, market impact, and transaction costs of the changes can affect performance.
- **Nonconcurrent trading hours:** some ETFs trade in the United States when their underlying markets are closed. For example, the Japanese market is closed while an ETF tracking the Japanese market is trading on NYSE Arca. Given increased correlation between markets, ETFs based on the Japanese market may appear to be at a premium prior to the start of the trading day in Japan when the United States' market is up in anticipation that the Japanese market will rally. Similarly, on a down day in the United States, the ETFs on the Japanese market may appear to trade at a discount.

Many European investors prefer ETFs that are UCITS funds from a regulatory and dividend withholding point of view. Some European investors are only allowed to invest in UCITS funds. For European and Asian investors, dividend withholding may be higher when investing in US listed ETFs as they may suffer dividend withholding within the ETFs as well as on dividends paid out of the ETF.

Basic ETF structures

ETFs have distinctive features. Each ETF is designed to track a specific index. They provide access to investment styles, asset classes, markets, and different sectors. They are structured as open-end funds which are domiciled and registered in many countries around the world. The assets of ETFs are held by custodians in a ring fenced structure.

Most ETFs purchase the underlying securities in the index with the majority fully replicating their underlying index, many have the capacity to employ optimisation and sampling techniques. These ETFs may exclude certain securities and deviate from their benchmark constituent weights, which could lead to tracking error.

The open-end structure typically allows funds to lend stock, which may generate extra income. In addition, these funds can hold other securities and financial instruments, including cash and equivalents and futures. Dividends are typically paid out quarterly, semi-annually or annually, although some ETFs do reinvest dividends in the fund.

In Europe, a new approach is being used to create funds and ETFs which utilise a total return swap plus a basket of securities to comply with the diversification rules under UCITS III to deliver index performance rather than purchasing the underlying securities in the index.

Investors who are expressing concerns over counterparty risk, transparency and liquidity when using structured products, swaps, certificates, and notes are showing a preference for ETFs where the structure is a fund, and often, more specifically for ETFs which purchase the underlying securities in the index.

ETFs tend to trade at or close to the NAV of the underlying basket of shares. Arbitrageurs would take advantage of significant premium or discount relative to the underlying index. An arbitrageur would typically buy or sell the ETF and place an offsetting buy or sell transaction in the underlying basket of component stocks or futures.

ETF providers have continued to expand their product ranges in more specialised areas to cater for the growing number of professional and retail investors using ETFs as advanced portfolio construction tools.

The increasing availability of these highly-specialised ETFs across the full spectrum of equities, fixed-income and alternative investments now ensures that investors can use ETFs to instantly reallocate capital to take advantage of new investment opportunities as market conditions stabilise.

Today the ETF toolbox is well stocked with a wide array of products:

Figure 137: ETF/ETP toolbox

Equity
- Global
- Capitalisation
  - e.g. large, mid, small…
- Sectors
- Broad markets
- Emerging markets
- Countries
- Inverse/leveraged
- Styles
  - Active
  - Dividend
  - Fundamental
  - Infrastructure
  - Real estate
  - Shariah
  - Thematic
  - Private equity
  - Value
  - Growth

Fixed income
- Government
- Corporate
- Credit
- Inflation
- High yield
- Mortgage backed
- Emerging markets

Cash
- EONIA, SONIA
- Fed funds

Alternatives
- Hedge funds
- Carbon
- Volatility

2,825 ETFs with 6,229 ETF listings

1,162 ETPs[1] with 1,798 listings

Total: 3,987 products with 8,027 listings

Currency
- Developed currencies
- Emerging market currencies
- Inverse/leveraged
- Strategy
  - e.g. carry, momentum…

Commodities
- Broad
  - e.g. S&P, GSCI, DJUBS, RICI, CRB…
- Sub-indices
  - e.g. energy, livestock, precious metals, industrial metals, agriculture…
- Individual commodities
- Based on physically held assets
  - e.g. gold, silver, platinum, palladium…
- Based on futures
- Based on forwards
- Inverse/leveraged

1. ETPs include HOLDRs, Exchange Traded Commodities (ETCs), Exchange Traded Currency Products, and ETNs, as at end H1 2011.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

ETFs cover many well known blue-chip indices such as S&P 500, CAC, DAX, FTSE 100, Hang Seng, Nikkei etc. Recently there has been a proliferation of new indices from index providers which they hope will form the basis of new ETFs. Many of the new indices use diverse weighting methodologies, including market capitalisation, equal weight, price, dividend and other fundamental factors.

As an example the FTSE RAFI Index Series is weighted using four fundamental factors; total cash dividends, free cash flow, total sales and book equity value rather than traditional market capitalisation. WisdomTree has created dividend-weighted indices where the stock's weight is based on either the amount of cash dividend or the dividend yield of the companies in each index.

Commodity ETFs: the first commodity ETF was launched in Canada in March 2001. Commodities as an asset class typically exhibit low correlation to equity indices, and the advent of commodity ETFs allows investors to satisfy asset allocation and diversification requirements, hedge inflation or speculate on commodity indices such as the S&P GSCI. Trading commodity indices as a single exchange traded product avoids the need to manage futures rolls, provides investors with deep underlying liquidity pools, and allows investors who are restricted from using derivatives or other commodity vehicles to gain exposure in an equity vehicle.

Dividend ETFs: the first dividend weighted ETF was launched in November 2003. Several ETF providers have structured ETFs by selecting and weighting the constituents based on dividend yield or absolute dividend payments. Some research suggests that dividend weighted indices generate higher cumulative returns with lower volatility than comparable standard market cap weighted indices over the long term. There are many ETFs providing dividend weighted global, regional, single country and emerging markets exposure with TERs ranging from 0.20% to 0.88%.

Source: Various ETF providers, exchanges, BlackRock Investment Institute – ETF Research, as at year end 2010.

Emerging market ETFs: the first emerging market ETF was launched in March 1996. Emerging market countries are typically characterised by rapid economic growth, volatility, immature institutions and political instability. ETFs that track global emerging market indices such as the MSCI Emerging Markets Index provide investors with diversified exposure to 21 emerging market countries. There are many ETFs providing global, regional, and single country emerging market exposure with TERs ranging from 0.06% to 1.90%.

Fixed income ETFs: the first fixed income ETF was launched in Canada in November 2000. A broad array of government, corporate, credit, high yield, emerging market, inflation protected and money market fixed income products are available to investors within the flexibility of an ETF wrapper, allowing investors to implement income generating strategies, fund future liabilities, hedge inflation and enhance portfolio risk-adjusted returns. There are global, regional and single country fixed income ETFs with TERs ranging from 0.05% to 1.35%.

Fundamental ETFs: the first fundamental factor weighted ETF was launched in May 2000. Fundamental factors such as sales, cash flow, book value, dividends, earnings, and employees, are increasingly being used to create new indices. It has been argued that traditional market cap weighted indices are systematically inefficient by overweighting overvalued stocks and underweighting undervalued stocks.

Global ETFs: the first global ETF was launched in August 1997 in New Zealand. Global ETFs allow investors to gain diversified exposure to broad developed markets such as MSCI World which tracks the performance of 24 developed countries. International diversification can minimise the impact of economic downturns within individual countries or regions and reduce overall risk. There are global ETFs with TERs ranging from 0.20% to 1.14%.

Infrastructure ETFs: the first infrastructure ETF was launched in January 2007. Infrastructure indices provide diversified exposure to three infrastructure clusters: energy (oil and gas, storage and transportation), transportation (airport services, highways and railroads, marine ports and services) and utilities (electric, gas, water, multi-utilities).

Inverse/leveraged ETFs: the first inverse or leveraged ETF was launched in February 2005. Leveraged ETFs are designed to provide up to 300% daily upside performance while the inverse range of ETFs provide one, two or three times daily reverse (short) index performance. These ETFs can be used to magnify returns, hedge portfolios and manage risk without the need for a margin account or margin calls. TERs for these ETFs range from 0.14% to 1.90%.

Private equity ETFs: the first private equity ETF was launched in October 2006. Private equity firms raise capital primarily from institutional investors such as pension funds, banks, insurance companies, endowments, family offices, funds of funds and foundations to invest in venture capital, buy-outs and special situations (distressed companies). Typically, private equity companies invest in high growth, start-up companies or acquire businesses where superior efficiencies could be achieved.

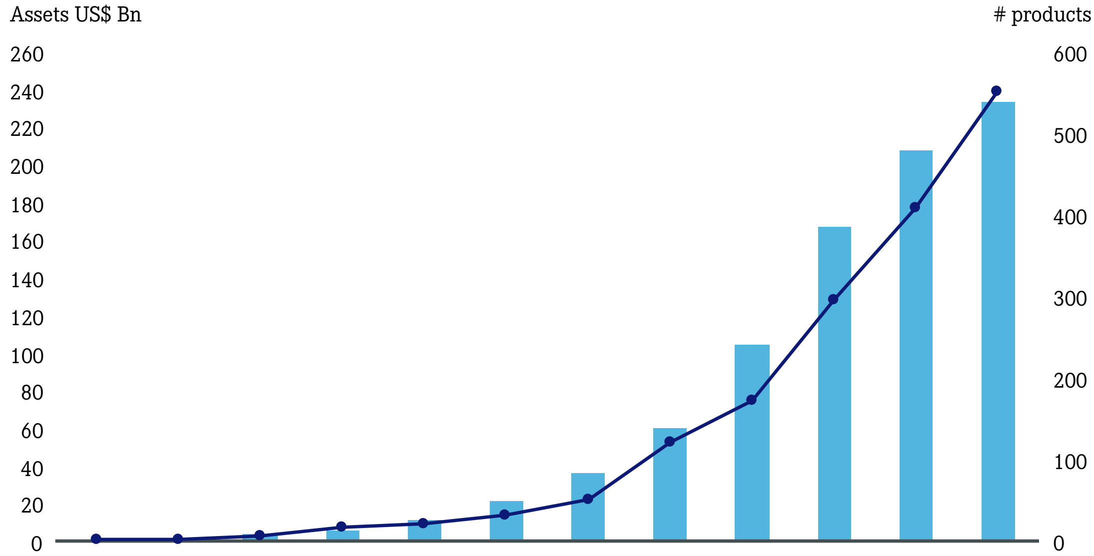
Real estate ETFs: the first real estate ETF was launched in the United States in June 2000. The existing range of real estate ETFs include listed real estate companies and Real Estate Investment Trusts (REITs) which own and usually actively manage income-producing commercial real estate. REITs are typically required to pay out at least 90% of all taxable income, providing dividend income to investors, along with the potential for long term share price appreciation. There are several ETFs available allowing investors to gain global, regional or single country REIT exposure.

Sector ETFs: the first sector ETFs were launched in December 1998. These covered nine United States economic sectors and allowed investors to gain United States sector exposure or implement sector rotation strategies. Certain sectors outperform in particular stages of the economic cycle. Sector rotation strategies are designed to beat the market by rotating the investment into the sector which is expected to outperform in the given stage of the economic cycle. There are many ETFs providing global, regional, and single country sector exposure with TERs ranging from 0.15% to 1.49%.

Shari'ah ETFs: the first Shari'ah compliant ETF was launched in January 2007. Shari'ah compliance means compliance with certain Shari'ah principles that are derived from the Qur'an and other sources of Islamic law, as determined by Shari'ah scholars. Methodologies exclude representation in the index by shares issued by producers of alcohol and pork-related products, providers of conventional financial services and providers of entertainment services (e.g. hotels, casinos/gambling, cinema etc.). Tobacco manufacturers, defence and weapons companies, although not strictly forbidden under Shari'ah law, are also excluded. In addition to excluding companies from certain sectors, Shari'ah compliant indices also exclude companies that employ excessive leverage or generate excessive interest income.

Source: Various ETF providers, exchanges, BlackRock Investment Institute – ETF Research, as at year end 2010.

Figure 138: Fixed income ETF and ETP asset growth



Assets (US$ Bn)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	H1-11
ETF/ETP assets	\$0.1	\$0.1	\$4.0	\$5.9	\$11.1	\$21.7	\$35.9	\$60.0	\$103.9	\$167.1	\$207.4	\$233.2
# ETFs/ETPs	2	2	6	17	22	31	51	122	173	295	409	552

Note: Data as at end H1 2011.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 139: Comparison of fixed income index trading characteristics

- Understanding index methodology is the key to selecting and using ETFs.
- Investors must understand the differences in pricing sources[1], frequency of pricing updates and what prices are being captured:
  - Where (one bank or consortium...)
  - When (intraday, daily, weekly...)
  - What (bid, mid, dirty…)

Barclays Capital	Citigroup	eb.rexx	EuroMTS	FTSE	JPMorgan	Markit
Government	Government	Government	Government	Gilt	Emerging market	Government
Aggregate		Corporate	Inflation-linked			Corporate
Corporate		Asset backed				Asset backed
Inflation-linked						Inflation-linked
						Credit
						Emerging market

Index family	Exposure	Index calculation	Price source	Price contribution	Price type
Barclays Capital	Aggregate	Barclays Capital	About 80% comes from Barclays Capital traders	Daily	Bid prices (non-government bonds) Mid prices (government bonds)
	Government – term	Barclays Capital	Barclays Capital traders	Daily	Mid prices
	Government – short treasury	Barclays Capital	About 80% comes from Barclays Capital traders. The rest comes from third party vendors	Daily	Mid prices
	Corporate	Barclays Capital	About 80% comes from Barclays Capital traders	Daily	Bid prices
	Inflation-linked	Barclays Capital	Barclays Capital traders	Daily	Mid prices
	Inflation-linked world	Barclays Capital	Euro government, United States TIPS, United Kingdom linkers and Japanese linkers come from Barclays Capital. Prices for Australian linkers are taken from ABN Amro. Canadian linker prices are taken from RBC Dominion and Swedish linker prices are taken from PMI Exchange	Daily	Mid prices
Citigroup		Citigroup	Individual Citigroup trader pricing	Daily	Bid prices (Japan mid prices)
eb.rexx		Deutsche Börse	Eurex Bonds	Intraday 9:00 am – 5:00 pm CET	Traded price data
EuroMTS		EuroMTS	MTS Markets	Intraday 9:00 am – 5:30 pm CET	Bid prices
FTSE		FTSE	Gilt-Edged Market Makers Association (GEMMA) via Reuters	Daily	Mid prices
JP Morgan		JP Morgan	JP Morgan traders	Daily	Bid prices
Markit iBoxx	Covered	Markit Indices	Markit iBoxx consortium of up to 10 dealers	Intraday for EUR and GBP indices, all others are end of day	Bid prices
	Government – liquid capped and corporate	Markit Indices	Markit iBoxx consortium of up to 10 dealers	Intraday for EUR and GBP indices, all others are end of day	Bid prices
	$ corporate	Markit Indices	Markit iBoxx consortium of up to 10 dealers	Intraday for EUR and GBP indices, all others are end of day	Bid prices

1. A fund may price a security using a different pricing source than used by the index provider itself.

Source: Fixed Income Index Guide, BlackRock, Markit.

Advantages of fixed income products

- Government, corporate, credit, inflation, interest rate indices.
- **Security:** government issued fixed income products are usually considered risk free. Corporate debt is also considered to be lower risk than the company's equity. In the event of liquidation, bondholders are ranked above shareholders in the claim on company assets.
- **Return of capital:** the redemption value of bonds is pre-determined at the time of purchase.
- **Income:** the coupon rate of bonds is known before investing and provides the investor with a reliable income stream.
- **Diversification:** a diversified portfolio contains multiple asset classes and eliminates the concentration risk embedded in a single asset class portfolio.
- **Benefit from falling interest rates:** interest rates can be locked in for a defined period. The inverse relationship between bond prices and interest rates allows investors to benefit from rising bond prices during falling interest rate environments.
- **Speculation:** fixed income products provide investors with additional tolls to speculate on future prices of interest rates.

Figure 140: Fixed income exhibits low historical correlation with almost all asset classes potentially providing diversification benefits to a portfolio

Asset class	Global bonds[1]	Global equities[2]	Global property[3]	Cash[4]	Emerging markets[5]	Commodities[6]
Global bonds[1]	1.00	–	–	–	–	–
Global equities[2]	0.08	1.00	–	–	–	–
Global property[3]	0.15	0.84	1.00	–	–	–
Cash[4]	0.04	-0.02	-0.05	1.00	–	–
Emerging markets[5]	0.15	0.84	0.77	-0.01	1.00	–
Commodities[6]	0.25	0.44	0.41	-0.04	0.50	1.00

1. Barclays Capital Global Aggregate Bond Total Return Index.
2. MSCI World Net Total Return Index.
3. FTSE EPRA/NAREIT Developed Net Total Return Index.
4. USD LIBOR 3M Total Return Index.
5. MSCI Emerging Markets Net Total Return Index.
6. Dow Jones-UBS Commodity Total Return Index.

Note: Index returns are for illustrative purposes only and do not represent actual fund performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results. YTD returns reflect US dollar performance from 2 November 2001 to 25 February 2011.

Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Shorting and hedging with ETFs[7]

ETFs can be sold short to hedge a portfolio of stocks, bonds, commodities or funds. This allows an investor to potentially preserve a portfolio while protecting it from overall market losses. In a market decline, profits on an ETF short position could offset some of the losses incurred by the portfolio. Options are available on most ETFs in the United States which can be used for a number of strategies.

Securities lending revenue on ETFs can be attractive for investors who own ETF shares. The lending revenue that can be earned on ETFs, may at times and for some ETFs, more than cover the annual TER. Investors can also use inverse (short) and leverage inverse ETFs to implement hedges and short economic exposure.

There are currently 89 inverse/inverse leveraged ETFs in the United States and 119 inverse/inverse leveraged ETFs listed on exchanges outside the United States. Short interest is often considered an indication of the level of scepticism in the market[8].

Short interest data is captured for United States listed securities on the 15th of each month, or the next business day, and reflects the number of shares that have yet to be repurchased to give back to lenders. The higher the short interest, the more investors are expecting a downturn. Short positions fall in value as stocks rise, and vice versa.

The rules on shorting ETFs on financial indices and the use of inverse and leveraged inverse ETFs on financial indices in the various markets are continually being updated as regulators react to market conditions and the actions of other regulators – so the position is quite fluid.

7. With short sales, the investor risks paying more for a security than the investor received from the sale.
8. Data as at end H1 2011. Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Commodities in your portfolio

Portfolio diversification: commodity returns have historically displayed low correlation with equities or other asset classes. As equities and other traditional assets perform well, commodities have tended to underperform these asset classes. However, as other asset classes decreased in value, commodities have sometimes provided positive returns for investors. Commodities are often used to help reduce portfolio risk by adding diversification.

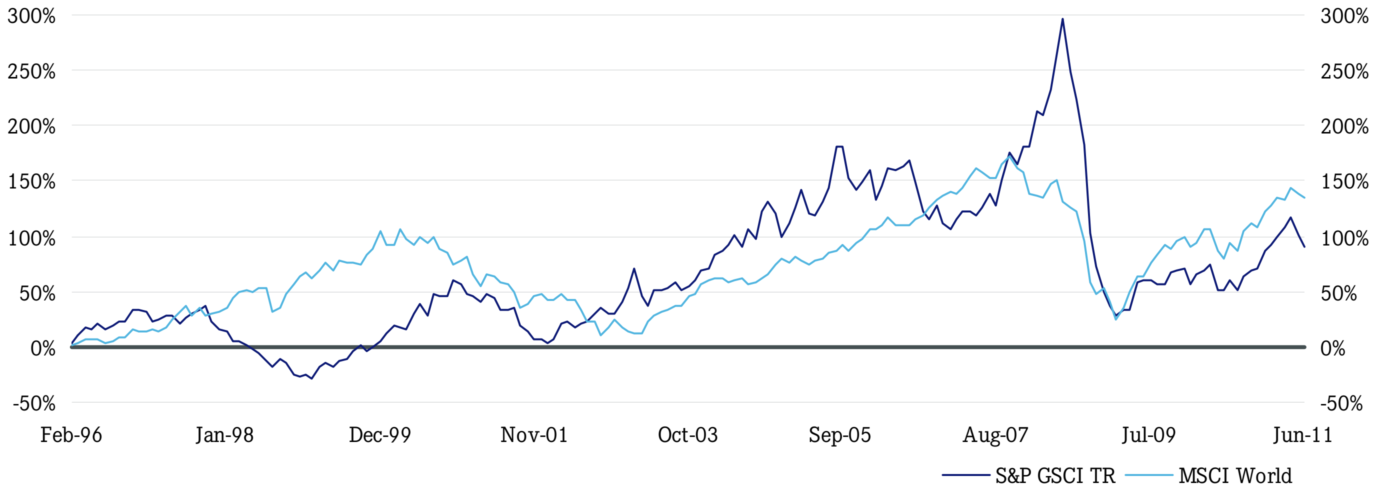
Potential portfolio protection: historically, commodities are one of the few asset classes to have benefited from rising inflation. As demand for goods and services increases, prices of those goods and services usually also rise, as do the prices of the commodities used in their production. Because commodity prices tend to rise in periods of inflation, investing in commodities can potentially provide some portfolio protection against accelerating inflation.

In addition, commodities have often proved more resilient than other asset classes to geopolitical and macro-economic shocks. For example, political crises in emerging markets have sometimes tripped up stock markets but left the commodity market relatively unaffected.

Indices are a convenient way to access a group of commodities. Indices can represent the asset class as a whole or a particular sub-sector, such as energy, agriculture or precious metals.

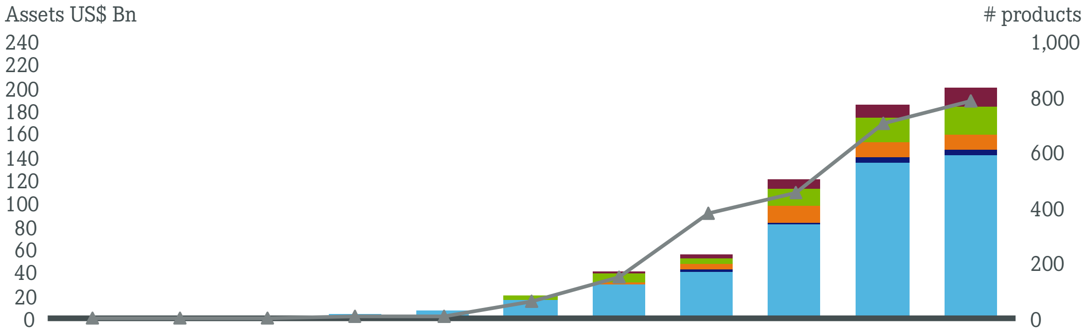
Commodity indices differ in the rules used to gain exposure to the asset class. Does the index track futures prices or spot prices? How often is the index rebalanced? Are there minimum and maximum weightings for different sectors or individual commodities? Investors should be aware of these rules before investing in structured products linked to indices. This section describes the components and methodologies of some of the main commodity indices. Some of the key features are outlined below.

Figure 141: S&P GSCI USD TR Index versus MSCI World USD TR



Note: Index returns are for illustrative purposes only and do not represent actual fund performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results. Data as at end June 2011.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 142: Global commodity ETF and ETP asset growth



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	H1-11
Assets (US$ Bn)											
Agriculture	-	-	-	-	-	$0.0	$2.9	$3.0	$7.7	$11.6	$15.7
Alternative	-	-	-	-	-	-	-	$0.0	$0.0	$0.0	$0.0
Broad	-	-	-	-	$0.4	$3.5	$7.6	$5.1	$14.8	$20.7	$23.9
Energy	-	-	-	-	$0.1	$1.0	$1.5	$5.1	$14.6	$13.5	$12.9
Livestock	-	-	-	-	-	$0.0	$0.0	$0.2	$0.2	$0.2	$0.3
Industrial metals	-	-	-	-	-	$0.0	$0.4	$0.3	$1.9	$4.2	$4.9
Broad	-	-	-	-	-	$0.0	$0.1	$0.1	$1.0	$1.4	$1.9
Aluminium	-	-	-	-	-	$0.0	$0.0	$0.0	$0.1	$0.3	$0.3
Copper	-	-	-	-	-	$0.0	$0.0	$0.0	$0.3	$1.1	$1.3
Lead	-	-	-	-	-	-	-	$0.0	$0.0	$0.1	$0.1
Lithium	-	-	-	-	-	-	-	-	-	$0.1	$0.2
Nickel	-	-	-	-	-	$0.0	$0.0	$0.0	$0.1	$0.3	$0.3
Steel	-	-	-	-	-	$0.0	$0.3	$0.1	$0.4	$0.3	$0.3
Tin	-	-	-	-	-	-	-	$0.0	$0.0	$0.0	$0.0
Uranium	-	-	-	-	-	-	-	-	-	$0.2	$0.3
Zinc	-	-	-	-	-	$0.0	$0.0	$0.0	$0.0	$0.3	$0.3
Precious metals	$0.0	$0.1	$0.3	$2.6	$6.5	$15.5	$28.8	$41.4	$80.9	$135.0	$141.4
Broad	-	-	-	-	-	-	$0.1	$0.2	$0.5	$1.2	$1.5
Gold	$0.0	$0.1	$0.3	$2.6	$6.5	$13.9	$25.6	$37.7	$71.5	$112.1	$116.7
Silver	-	-	-	-	-	$1.6	$2.7	$3.1	$7.2	$17.3	$18.6
Palladium	-	-	-	-	-	-	$0.1	$0.1	$0.4	$1.8	$1.6
Platinum	-	-	-	-	-	-	$0.3	$0.3	$1.2	$2.6	$2.9
Rhodium	-	-	-	-	-	-	-	-	-	-	$0.0
ETF/ETP total	**$0.0**	**$0.1**	**$0.3**	**$2.6**	**$7.0**	**$20.1**	**$41.3**	**$55.0**	**$120.1**	**$185.1**	**$199.0**
# ETFs/ETPs											
Agriculture	-	-	-	-	-	10	27	87	98	139	150
Alternative	-	-	-	-	-	-	-	3	2	2	2
Broad	-	-	-	-	1	15	31	53	63	100	119
Energy	-	-	-	-	1	12	39	84	98	143	158
Livestock	-	-	-	-	-	3	7	21	21	25	26
Industrial metals	-	-	-	-	-	6	12	55	65	103	118
Broad	-	-	-	-	-	1	5	16	19	29	33
Aluminium	-	-	-	-	-	1	1	7	8	14	17
Copper	-	-	-	-	-	1	2	7	8	19	22
Lead	-	-	-	-	-	-	-	6	7	7	9
Lithium	-	-	-	-	-	-	-	-	-	1	1
Nickel	-	-	-	-	-	1	2	7	8	12	13
Steel	-	-	-	-	-	1	1	3	4	4	5
Tin	-	-	-	-	-	-	-	3	4	5	5
Uranium	-	-	-	-	-	-	-	-	-	2	2
Zinc	-	-	-	-	-	1	1	6	7	10	11
Precious metals	1	1	2	5	7	15	36	77	106	192	213
Broad	-	-	-	-	-	-	2	9	11	17	20
Gold	1	1	2	5	7	11	23	41	58	92	101
Silver	-	-	-	-	-	4	7	15	22	40	44
Palladium	-	-	-	-	-	-	2	2	3	13	15
Platinum	-	-	-	-	-	-	2	10	12	30	32
Rhodium	-	-	-	-	-	-	-	-	-	-	1
ETF/ETP total	**1**	**1**	**2**	**5**	**9**	**61**	**152**	**380**	**453**	**704**	**786**

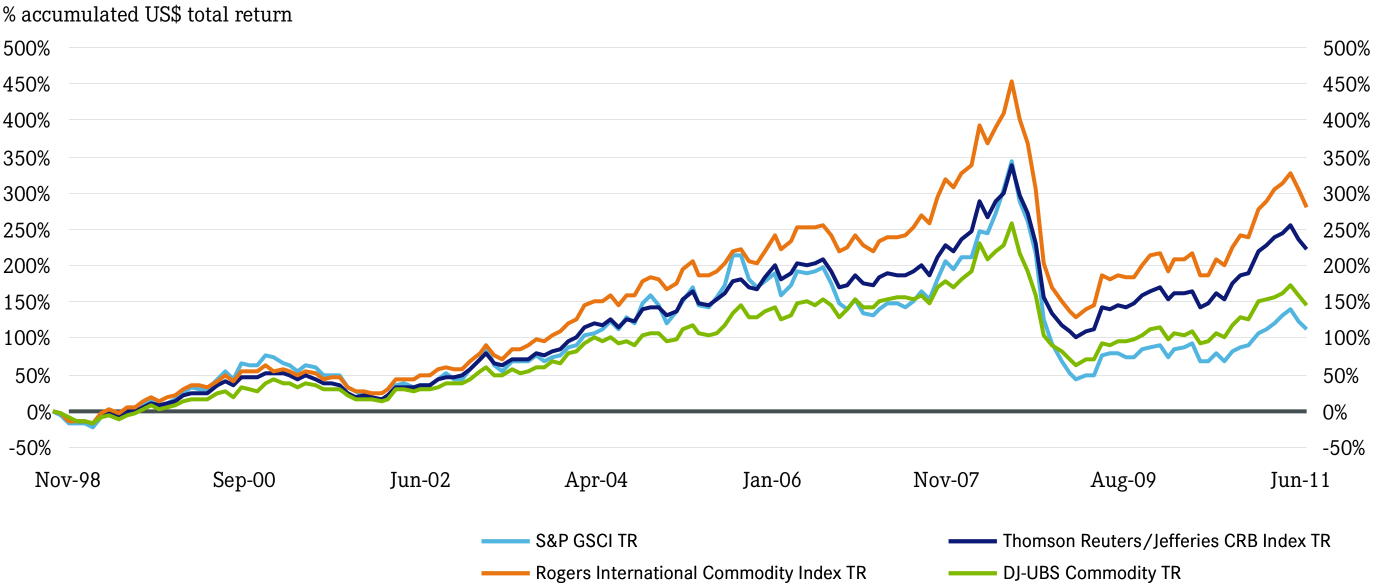
Note: Data as at end H1 2011.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 143: Why include commodities in your portfolio?

Strategic	‣ A long-only passive investment in commodities can provide investors with significant portfolio benefits. ‣ Counter cyclical with stocks and bonds. ‣ Diversification. ‣ Macro Economic Hedge against rising growth. ‣ Potential for high equity-like returns.
Tactical	‣ Outlook for commodity investment returns can be both cyclically and secularly bullish. ‣ Severe capacity constraints due to lack of infrastructure investment. ‣ Significant benefits are expected to come from backwardation in the energy markets.

Figure 144: Commodity index performance comparison

Index	# of commodities	Weighting method	Recomposition frequency
S&P GSCI	24	World production	Monthly
Rogers International Commodity Index	36	Discretion of Committee	Annual
Thomson Reuters/Jefferies CRB Index	19	Equal Weighted within broad sectors	Irregular
Dow Jones UBS Commodity Index	19	Liquidity and Production	Annual



Note: Index returns are for illustrative purposes only and do not represent actual fund performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results. Data as at end June 2011.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 145: Types of commodity exposure

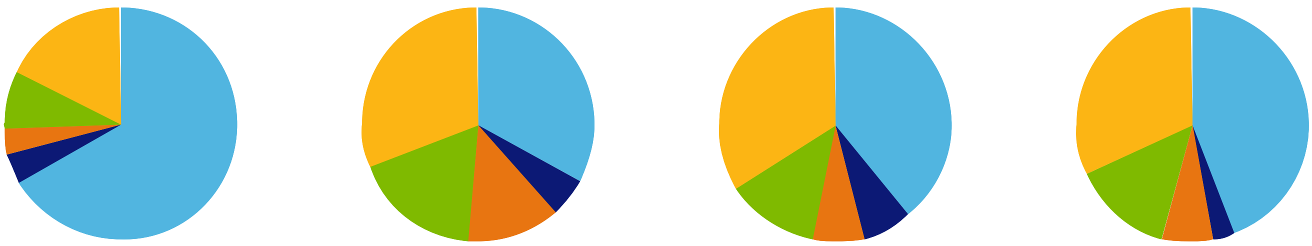
ETFs providing exposure to 'Commodities' can be based on different types of underlying investments/vehicles which can lead to significant difference in performance:

Shares	▸ Price is based on the exchange traded share price of listed companies. ▸ For example: gold miners, steel product producers, coal miners, and companies engaged in agriculture/farming activities.
Physical commodities	▸ Price is based on the traded price of the physical underlying commodity. ▸ The commodity is typically stored in a vault. ▸ For example: gold, silver, platinum, and palladium.
Futures	▸ Price is based on an index level which is derived from underlying futures contracts. ▸ Typically used for exposures that cannot be physically stored or represent a basket of commodities. ▸ For example: agriculture, energy, industrial metals, and ivestock.

Source: BlackRock Investment Institute – ETF Research.

Figure 146: Commodity index comparison

S&P Goldman Sachs Commodity Index	Dow Jones UBS Commodity Index	Thomson Reuters Jefferies CRB Index	Rogers International Commodity Index (RICI)



S&P Goldman Sachs Commodity Index	Dow Jones UBS Commodity Index	Thomson Reuters Jefferies CRB Index	Rogers International Commodity Index (RICI)
Energy 66.5%	Energy 32.7%	Energy 39.0%	Energy 44.0%
Livestock 4.3%	Livestock 5.7%	Livestock 7.0%	Livestock 3.0%
Precious metals 3.4%	Precious metals 12.9%	Precious metals 7.0%	Precious metals 7.1%
Industrial metals 8.3%	Industrial metals 17.6%	Industrial metals 13.0%	Industrial metals 14.0%
Agriculture 17.4%	Agriculture 31.1%	Agriculture 34.0%	Agriculture 31.9%

Commodity	Measure	S&P GSCI (%)	DJ UBS Commodity Index (%)	Thomson Reuters Jefferies CRB (%)	Rogers Commodity Index (RICI) Internat'l (%)
Energy		**66.5%**	**32.7%**	**39.0%**	**44.0%**
WTI crude oil	$/barrel	34.6%	14.6%	23.0%	21.0%
Brent crude oil	$/barrel	14.3%	-	-	14.0%
Rbob gasoline	$cents/ gallon	4.3%	3.5%	5.0%	3.0%
Heating oil	$cents/ gallon	4.5%	3.8%	5.0%	1.8%
Gasoil	$/metric ton	5.5%	-	-	1.2%
Natural gas	$/mmBtu	3.2%	10.9%	6.0%	3.0%
Livestock		**4.3%**	**5.7%**	**7.0%**	**3.0%**
Live cattle	$cents/ pound	2.5%	3.5%	6.0%	2.0%
Feeder cattle	$cents/ pound	0.4%	-	-	-
Lean hogs	$cents/ pound	1.4%	2.3%	1.0%	1.0%
Precious metals		**3.4%**	**12.9%**	**7.0%**	**7.1%**
Gold	$/troy oz	2.9%	9.8%	6.0%	3.0%
Silver	$/troy oz	0.5%	3.1%	1.0%	2.0%
Palladium	$/troy oz	-	-	-	0.3%
Platinum	$/troy oz	-	-	-	1.8%
Industrial metals		**8.3%**	**17.6%**	**13.0%**	**14.0%**
Aluminium	$/metric ton	2.4%	5.0%	6.0%	4.0%
Copper	$/metric ton	4.0%	7.5%	6.0%	4.0%
Lead	$/metric ton	0.5%	-	-	2.0%
Nickel	$/metric ton	0.8%	2.4%	1.0%	1.0%
Tin	$/metric ton	-	-	-	1.0%
Zinc	$/metric ton	0.6%	2.7%	-	2.0%

Commodity	Measure	S&P GSCI (%)	DJ UBS Commodity Index (%)	Thomson Reuters Jefferies CRB (%)	Rogers Commodity Index (RICI) Internat'l (%)
Agriculture		**17.4%**	**31.1%**	**34.0%**	**31.9%**
Wheat	$cents/bushels	3.8%	4.7%	1.0%	4.8%
Kansas wheat	$cents/bushels	0.8%	-	-	1.0%
Corn	$cents/bushels	4.3%	7.4%	6.0%	4.8%
Soybeans	$cents/bushels	2.7%	7.8%	6.0%	3.4%
Soybean oil	$cents/pound	-	2.9%	-	2.0%
Soybean meal	$/short ton	-	-	-	0.8%
Cotton	$cents/pound	1.8%	2.3%	5.0%	4.2%
Sugar	$cents/pound	2.8%	3.6%	5.0%	2.0%
Coffee	$cents/pound	1.0%	2.4%	5.0%	2.0%
Cocoa	$/metric ton	0.3%	-	5.0%	1.0%
Orange juice	$cents/pound	-	-	1.0%	0.6%
Rubber	JPY/kilogram	-	-	-	1.0%
Lumber	$/1k board fleet	-	-	-	1.0%
Milling wheat	$cents/bushels	-	-	-	1.0%
Canola	CAD/metric ton	-	-	-	0.8%
Rice	$/cwt	-	-	-	0.8%
Oats	$cents/bushels	-	-	-	0.5%
Rapeseed	EUR/metric ton	-	-	-	0.3%
Azuki beans	JPY/bag	-	-	-	0.2%
Greasy wool	AUD/kilogram	-	-	-	0.1%
Total		**100.0%**	**100.0%**	**100.0%**	**100.0%**
	Data as at:	*Dec-10*	*Jan-11*	*Dec-10*	*Jan-11*

Source: BlackRock Investment Institute – ETF Research, S&P, Dow Jones, Jefferies, RICI Handbook 2011.

Figure 147: Deciding on which product to use depends on many factors

Considerations

- Product structure
- Domicile
- Country registrations
- Portfolio holdings
- Assets Under Management
- Average daily trading volume
- ETF provider / manager
- Transparency
- Client service
- Product choice
- Liquidity

Questions

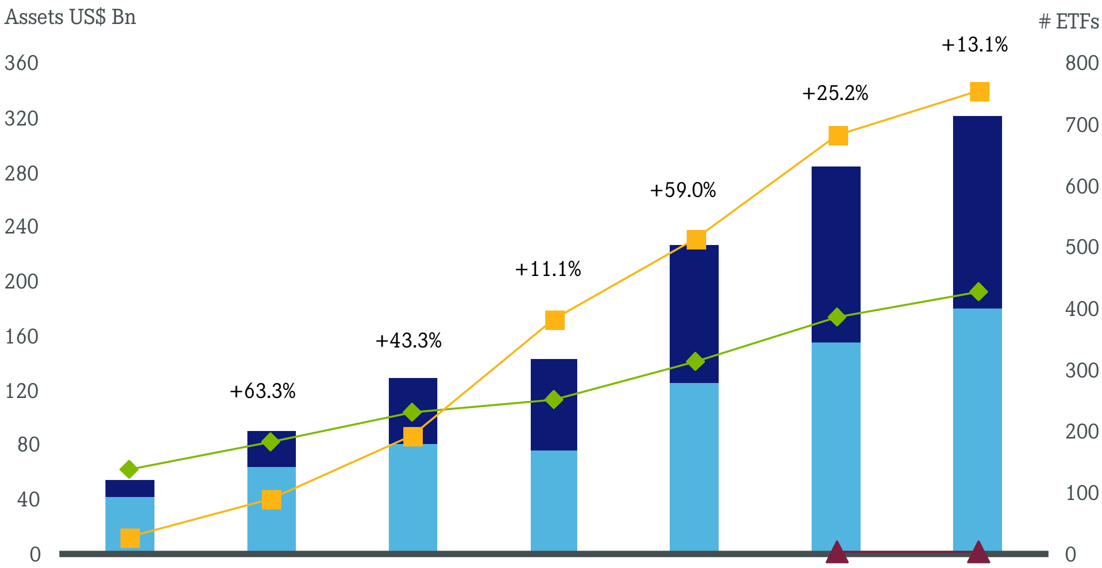
- What is my benchmark?
- What are my regulatory guidelines?
- What are my mandate constraints?
- What are my counterparty risk guidelines?
- What are my tracking risk guidelines?
- How can I gain long and/or short exposure?
- How can securities lending add value?
- What is my time horizon?
- What are the tax implications?
- What are my liquidity requirements?
- What costs are involved?

Products

- Portfolio trading
- ETFs
- ETNs
- ETPs
- Swaps
- Futures
- Options
- Securitised products: certificates, warrants, equity linked notes, local access products

Source: BlackRock Investment Institute – ETF Research.

Figure 148: European ETF asset growth: physical and synthetic replication



Assets (US$ Bn)	2005	2006	2007	2008	2009	2010	H1-11
Physical	$41.3	$64.1	$80.6	$76.4	$125.0	$155.1	$179.3
Synthetic	$13.6	$25.6	$48.0	$66.4	$101.9	$128.6	$141.7
Hybrid	-	-	-	-	-	$0.3	$0.3
ETF AUM total	**$54.9**	**$89.7**	**$128.5**	**$142.7**	**$226.9**	**$284.0**	**$321.2**
Physical	138	184	231	252	314	385	426
Synthetic	27	89	192	383	515	684	756
Hybrid	-	-	-	-	-	3	3
# ETFs total	**165**	**273**	**423**	**635**	**829**	**1,072**	**1,185**

Note: Synthetic replication refers to the use of derivatives to replicate the index performance such as swaps, futures, forwards, options etc. Physical replication refers to the use of physical securities such as stocks, bonds and commodities to generate the index performance. Hybrid replication refers to a combination of both physical and synthetic products. Data as at end H1 2011.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

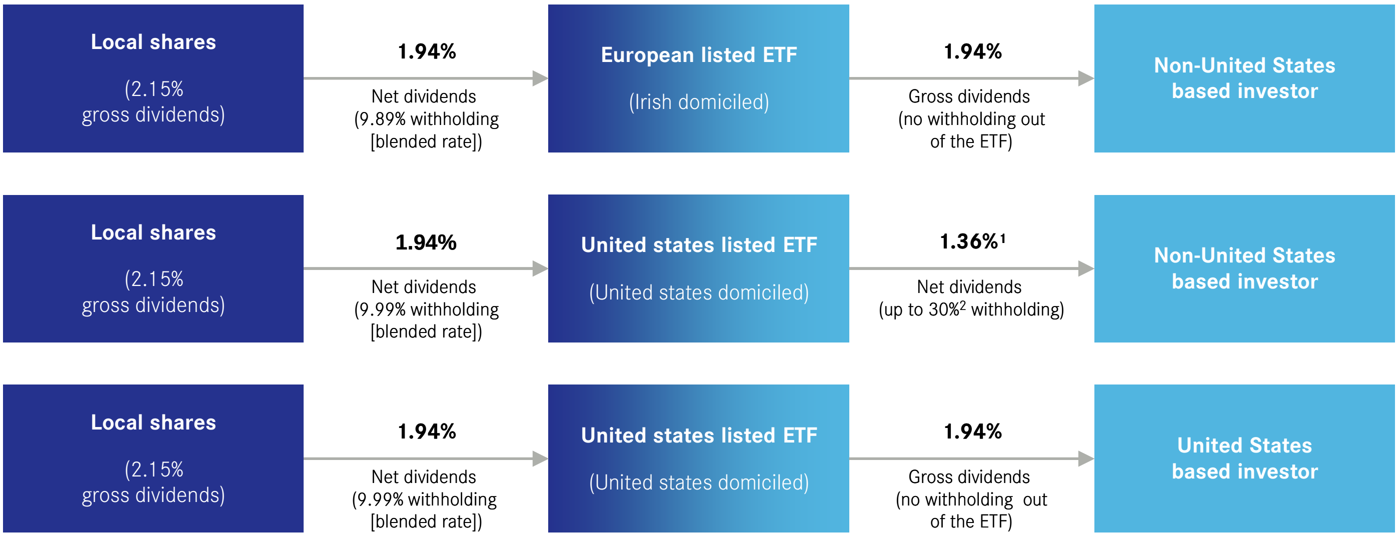
Figure 149: ETFs listed globally by type of replication method, as at end H1 2011

Region/ country listed	Exchange	# ETFs				# total listings				AUM (US$ Mn)			
		Physical	Synthetic	Hybrid	Total	Physical	Synthetic	Hybrid	Total	Physical	Synthetic	Hybrid	Total
Asia Pacific		**282**	**67**	**1**	**350**	**317**	**148**	**1**	**466**	**78,633.4**	**13,742.2**	**29.8**	**92,405.4**
Australia	Australian Securities Exchange	26	2	-	28	47	2	-	49	3,805.8	75.8	-	3,881.6
China	Shanghai Stock Exchange	20	-	-	20	20	-	-	20	7,389.2	-	-	7,389.2
	Shenzhen Stock Exchange	5	-	-	5	5	-	-	5	4,693.7	-	-	4,693.7
Hong Kong	Hong Kong Stock Exchange	24	23	-	47	27	49	-	76	17,619.0	9,673.6	-	27,292.7
India	Bombay Stock Exchange	2	-	-	2	2	-	-	2	8.6	-	-	8.6
	National Stock Exchange	17	-	-	17	17	-	-	17	444.4	-	-	444.4
Indonesia	Indonesia Stock Exchange	1	-	-	1	1	-	-	1	3.2	-	-	3.2
Japan	Osaka Securities Exchange	7	4	-	11	7	4	-	11	11,104.0	398.1	-	11,502.1
	Tokyo Stock Exchange	67	7	-	74	70	8	-	78	19,345.5	336.8	-	19,682.3
	Nagoya Stock Exchange	1	-	-	1	1	-	-	1	43.8	-	-	43.8
Malaysia	Bursa Malaysia Securities Berhad	4	-	-	4	5	-	-	5	385.9	-	-	385.9
New Zealand	New Zealand Stock Exchange	6	-	-	6	6	-	-	6	411.3	-	-	411.3
Singapore	Singapore Stock Exchange	7	18	-	25	12	71	-	83	872.2	2,317.5	-	3,189.7
South Korea	Korea Stock Exchange	78	12	1	91	78	12	1	91	6,766.5	930.7	29.8	7,727.0
Taiwan	Taiwan Stock Exchange	15	-	-	15	17	1	-	18	5,661.7	-	-	5,661.7
Thailand	Stock Exchange of Thailand	2	1	-	3	2	1	-	3	78.6	9.7	-	88.3
Americas		**1,017**	**222**	**22**	**1,261**	**1,400**	**257**	**26**	**1,683**	**991,266.1**	**33,966.5**	**1,221.2**	**1,026,453.8**
Brazil	BM&F Bovespa	8	-	-	8	8	-	-	8	1,781.0	-	-	1,781.0
Canada	Toronto Stock Exchange	119	56	20	195	153	58	24	235	38,133.0	2,441.2	1,125.1	41,699.3
Chile	Bolsa Comercio Santiago	-	-	-	-	50	-	-	50	-	-	-	-
Mexico	Mexican Stock Exchange	17	2	-	19	316	35	-	351	9,482.4	15.7	-	9,498.2
United States	NASDAQ	74	4	-	78	74	4	-	78	37,793.7	265.7	-	38,059.4
	NYSE Arca	799	160	2	961	799	160	2	961	904,076.0	31,243.9	96.1	935,415.9
Europe, Middle East and Africa (EMEA)		**449**	**762**	**3**	**1,214**	**1,479**	**2,597**	**4**	**4,080**	**181,618.2**	**141,893.9**	**321.9**	**323,833.9**
Austria	Wiener Borse	1	-	-	1	7	14	-	21	72.2	-	-	72.2
Belgium	NYSE Euronext Brussels	-	1	-	1	-	28	-	28	-	45.1	-	45.1
Botswana	Botswana Stock Exchange	-	-	-	-	1	-	-	1	-	-	-	-
Finland	NASDAQ OMX Helsinki	1	-	-	1	1	-	-	1	251.7	-	-	251.7
France	NYSE Euronext Paris	24	246	-	270	151	343	-	494	5,821.0	58,456.1	-	64,277.1
Germany	Boerse Stuttgart	-	-	-	-	174	232	-	406	-	-	-	-
	Deutsche Boerse	124	296	-	420	299	531	1	831	53,182.4	71,001.9	-	124,184.3
Greece	Athens Exchange	3	-	-	3	3	-	-	3	58.4	-	-	58.4
Hungary	Budapest Stock Exchange	1	-	-	1	1	-	-	1	19.7	-	-	19.7
Ireland	Irish Stock Exchange	1	13	-	14	1	13	-	14	26.7	380.1	-	406.8
Italy	Borsa Italiana	4	19	-	23	162	373	-	535	1,183.5	1,524.6	-	2,708.1
Netherlands	NYSE Euronext Amsterdam	10	6	-	16	81	34	-	115	243.6	115.7	-	359.3
Norway	Oslo Stock Exchange	2	5	-	7	2	13	-	15	392.4	460.7	-	853.1
Poland	Warsaw Stock Exchange	-	1	-	1	-	3	-	3	-	92.8	-	92.8
Portugal	NYSE Euronext Lisbon	1	2	-	3	1	2	-	3	46.4	30.1	-	76.4
Russia	RTS Stock Exchange	1	-	-	1	1	-	-	1	8.8	-	-	8.8
Saudi Arabia	Saudi Stock Exchange	2	-	-	2	2	-	-	2	27.2	-	-	27.2
Slovenia	Ljubljana Stock Exchange	1	-	-	1	1	-	-	1	4.6	-	-	4.6
South Africa	Johannesburg Stock Exchange	21	5	-	26	21	5	-	26	2,319.9	234.9	-	2,554.8
Spain	Bolsa de Madrid	8	4	-	12	8	59	-	67	1,256.9	194.9	-	1,451.7
	Latibex	-	-	-	-	1	-	-	1	-	-	-	-
Sweden	NASDAQ OMX Stockholm	3	20	-	23	9	54	-	63	1,943.8	1,090.6	-	3,034.4
	Burgundy	-	-	-	-	5	19	-	24	-	-	-	-
Switzerland	SIX Swiss Exchange	91	37	-	128	244	447	-	691	43,617.5	3,723.2	-	47,340.8
Turkey	Istanbul Stock Exchange	12	-	-	12	12	-	-	12	168.9	-	-	168.9
UAE	Abu Dhabi	-	1	-	1	-	1	-	1	-	5.2	-	5.2
United Kingdom	London Stock Exchange	138	106	3	247	291	426	3	720	70,972.7	4,537.9	321.9	75,832.5
Total		**1,748**	**1,051**	**26**	**2,825**	**3,196**	**3,002**	**31**	**6,229**	**1,251,517.7**	**189,602.6**	**1,572.9**	**1,442,693.1**

Note: Data as at end H1 2011.
Source: BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 150: Key tax considerations

Example: iShares MSCI Emerging Markets: European versus United States listed funds

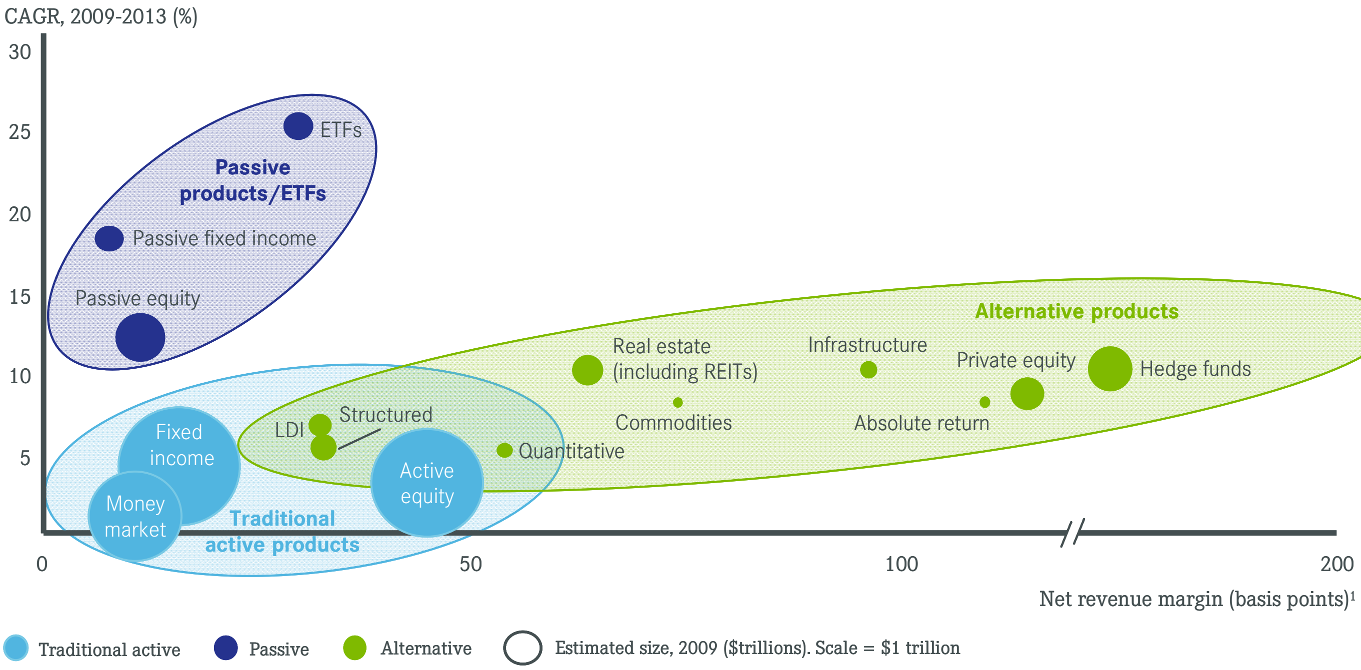


1. Assumes impact of maximum rate.
2. Maximum rate, lower rate may apply based on local tax treaties with United States.

Note: The information given does not constitute tax or legal advice and prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of shares under the laws of the jurisdiction in which they may be subject to tax. Tax legislation may change.

Source: BlackRock, February 2011.

Figure 151: Alternative and passive products are expected to keep growing faster than traditional active products



1. Management fees net of distribution costs.

Note: This analysis assumes a conservative scenario of 5% annual growth of equity markets.

Source: BCG Global Asset Management 2010, 'In Search of Stable Growth' report, July 2010, Projections 2009-2013.

Figure 152: ETF launches in 2011

ETF name	Ticker (BB)	Region/ country	Launch date
June 2011			
Ossiam ETF iSTOXX Europe Minimum Variance NR	OSX4 GY	Europe	27-Jun-11
Ossiam ETF EURO STOXX 50 Equal Weight NR	OSX5 GY	Europe	27-Jun-11
Ossiam ETF STOXX Europe 600 Equal Weight NR	OSX6 GY	Europe	27-Jun-11
Ossiam ETF US Minimum Variance NR (EUR)	OSX2 GY	Europe	27-Jun-11
Ossiam ETF US Minimum Variance NR (USD)	OSX1 GY	Europe	27-Jun-11
UBS ETF CMCI Agriculture SF (USD)	CAUSIS SW	Europe	27-Jun-11
UBS ETF CMCI Agriculture SF (CHF)	CACHIS SW	Europe	27-Jun-11
UBS ETF CMCI Agriculture SF (EUR)	CAEUIS SW	Europe	27-Jun-11
UBS ETF MSCI Emerging Markets TRN INDEX SF	EGUSIS SW	Europe	27-Jun-11
FTSE Emerging EMEA 40 Source ETF	EM40 LN	Europe	24-Jun-11
UBS Index Solutions - Silver (CHF) hedged ETF A	SVCHAH SW	Europe	23-Jun-11
Meidell Tactical Advantage ETF	MATH US	US	23-Jun-11
EGShares Consumer Services GEMS ETF	VGEM US	US	23-Jun-11
EGShares Utilities GEMS ETF	UGEM US	US	23-Jun-11
EGShares Telecom GEMS ETF	TGEM US	US	23-Jun-11
EGShares Technology GEMS ETF	QGEM US	US	23-Jun-11
EGShares Industrials GEMS ETF	IGEM US	US	23-Jun-11
EGShares Health Care GEMS ETF	HGEM US	US	23-Jun-11
EGShares Consumer Goods GEMS ETF	GGEM US	US	23-Jun-11
EGShares Basic Materials GEMS ETF	LGEM US	US	23-Jun-11
HSBC FTSE EPRA/NAREIT Developed ETF	HPRO LN	Europe	22-Jun-11
iShares Barclays Capital Emerging Market Local Govt Bond	SEML LN	Europe	21-Jun-11
KINDEX Fundamental Large ETF (Equity)	143460 KS	South Korea	21-Jun-11
Madrona Forward Domestic ETF	FWDD US	US	21-Jun-11
Madrona Forward International ETF	FWDI US	US	21-Jun-11
Madrona Forward Global Bond ETF	FWDB US	US	21-Jun-11
PowerShares Fundamental High Yield Corporate Bond (CAD Hedged) ETF	PFH CN	Canada	21-Jun-11
Religare Nifty Exchange Traded Fund	RGNIFTY IN	India	17-Jun-11
PIMCO 0-5 Year High Yield Corporate Bond Index Fund	HYS US	US	17-Jun-11
iShares Floating Rate Note ETF	FLOT US	US	17-Jun-11
PowerShares Fundamental Pure Large Growth Portfolio	PXLG US	US	16-Jun-11
PowerShares Fundamental Pure Large Value Portfolio	PXLV US	US	16-Jun-11
PowerShares Canadian Dividend Index ETF	PDC CN	Canada	16-Jun-11
PowerShares Canadian Preferred Share Index ETF	PPS CN	Canada	16-Jun-11
PowerShares QQQ (CAD Hedged) Index ETF	QQC CN	Canada	16-Jun-11
PIMCO Sterling Short Maturity Source ETF	QUID LN	Europe	15-Jun-11
Direxion Daily Total Market Bear 1x Shares	TOTS US	US	15-Jun-11
Direxion Daily Basic Materials Bear 3x Shares	MATS US	US	15-Jun-11
Direxion Daily Basic Materials Bull 3x Shares	MATL US	US	15-Jun-11
Direxion Daily Healthcare Bull 3x Shares	CURE US	US	15-Jun-11
Direxion Daily Healthcare Bear 3x Shares	SICK US	US	15-Jun-11
PowerShares 1-5 Year Laddered Investment Grade Corporate Bond Index	PSB CN	Canada	15-Jun-11

ETF name	Ticker (BB)	Region/ country	Launch date
June 2011 (continued)			
PowerShares Ultra DLUX Long Term Government Bond Index	PGL CN	Canada	15-Jun-11
IQ US Real Estate Small Cap ETF	ROOF US	US	14-Jun-11
db x-trackers MSCI CHILE TRN INDEX ETF	XMCL LN	Europe	14-Jun-11
db x-trackers MSCI EM Eastern Europe 10/40 TRN Index ETF	XMEE LN	Europe	14-Jun-11
db x-trackers Russell Midcap Index ETF	XRUM LN	Europe	14-Jun-11
db x-trackers MSCI EFM Africa Top 50 Capped TRN Index ETF	XMAF LN	Europe	14-Jun-11
db x-trackers MSCI Emerging Markets Consumer Discretionary TRN Index ETF	XMEC LN	Europe	14-Jun-11
db x-trackers MSCI Emerging Markets Consumer Staples TRN Index ETF	XECS LN	Europe	14-Jun-11
db x-trackers MSCI Emerging Markets Energy TRN Index ETF	XMEY LN	Europe	14-Jun-11
db x-trackers MSCI Emerging Markets Financials TRN Index ETF	XMEF LN	Europe	14-Jun-11
db x-trackers MSCI Emerging Markets Healthcare TRN Index ETF	XMEH LN	Europe	14-Jun-11
db x-trackers MSCI Emerging Markets Industrials TRN Index ETF	XMEI LN	Europe	14-Jun-11
db x-trackers MSCI Emerging Markets Information Technology TRN Index ETF	XMET LN	Europe	14-Jun-11
db x-trackers MSCI Emerging Markets Materials TRN Index ETF	XEMM LN	Europe	14-Jun-11
db x-trackers MSCI Emerging Markets Telecommunication Services TRN Index ETF	XMEN LN	Europe	14-Jun-11
db x-trackers MSCI Emerging Markets Utilities TRN Index ETF	XEUT LN	Europe	14-Jun-11
Claymore Advantaged Convertible Bond ETF	CVD CN	Canada	10-Jun-11
db-x MSCI Japan Currency-Hedged Equity Fund	DBJP US	US	09-Jun-11
db-x MSCI Brazil Currency-Hedged Equity Fund	DBBR US	US	09-Jun-11
db-x MSCI Canada Currency-Hedged Equity Fund	DBCN US	US	09-Jun-11
db-x MSCI EAFE Currency-Hedged Equity Fund	DBEF US	US	09-Jun-11
db-x MSCI Emerging Markets Currency-Hedged Equity Fund	DBEM US	US	09-Jun-11
Global X SuperDividend ETF	SDIV US	US	09-Jun-11
Guggenheim ABC High Dividend ETF	ABCS US	US	08-Jun-11
Lion SSE Emerging Industries Index ETF	510260 CH	China	08-Jun-11
SSE Non-Cyclical Industry 100 ETF	510120 CH	China	08-Jun-11
Canadian Convertible Liquid Universe ETF	CXF CN	Canada	07-Jun-11
Can-Financials Income ETF	FXF CN	Canada	06-Jun-11
SPDR Barclays Capital US Aggregate Bond ETF	SYBU GY	Europe	06-Jun-11
SPDR Barclays Capital US Treasury Bond ETF	SYBT GY	Europe	06-Jun-11
SPDR Barclays Capital Sterling Aggregate Bond ETF	SYBP GY	Europe	06-Jun-11
Can-Materials Income ETF	MXF CN	Canada	03-Jun-11
iShares Barclays Capital Asia Local Currency Bond Index ETF	N6L SP	Singapore	02-Jun-11
iShares J.P. Morgan USD Asia Credit Bond Index ETF	N6M SP	Singapore	02-Jun-11

continued…

Figure 152: ETF launches in 2011 (continued)

ETF name	Ticker (BB)	Region/ country	Launch date
June 2011 (continued)			
IQ Japan Mid Cap ETF	RSUN US	US	02-Jun-11
Global X Farming ETF	BARN US	US	02-Jun-11
Can-60 Income ETF	LXF CN	Canada	01-Jun-11
Can-Energy Income ETF	OXF CN	Canada	01-Jun-11
May 2011			
Russell 2000 Low Volatility ETF	SLVY US	US	27-May-11
Russell 1000 Low Beta ETF	LBTA US	US	27-May-11
Russell 1000 High Beta ETF	HBTA US	US	27-May-11
Russell 1000 High Momentum ETF	HMTM US	US	27-May-11
Russell 1000 High Volatility ETF	HVOL US	US	27-May-11
Russell 2000 High Volatility ETF	SHVY US	US	27-May-11
Russell 2000 Low Beta ETF	SLBT US	US	27-May-11
Russell 2000 High Momentum ETF	SHMO US	US	27-May-11
Russell 2000 High Beta ETF	SHBT US	US	27-May-11
Russell 1000 Low Volatility ETF	LVOL US	US	27-May-11
Vanguard Australian Shares High Yield	VHY AU	Australia	26-May-11
Vanguard MSCI Australian Large Companies ETF	VLC AU	Australia	26-May-11
Vanguard MSCI Australian Small Companies ETF	VSO AU	Australia	26-May-11
Global X Fertilizers/Potash ETF	SOIL US	US	26-May-11
PowerShares Convertible Securities Portfolio	CVRT US	US	26-May-11
Global X Canada Preferred ETF	CNPF US	US	25-May-11
Direxion Daily Agribusiness Bull 3x	COWL US	US	25-May-11
Direxion Daily Agribusiness Bear 3X	COWS US	US	25-May-11
Direxion Daily Russia Bear 3x Shares	RUSS US	US	25-May-11
Direxion Daily Russia Bull 3x Shares	RUSL US	US	25-May-11
Lyxor ETF CAC MID 60	CACM FP	Europe	25-May-11
SPDR Barclays Capital Euro Government Bond ETF	SYBB GY	Europe	24-May-11
SPDR Barclays Capital Euro Corporate Bond ETF	SYBC GY	Europe	24-May-11
SPDR Barclays Capital Euro Aggregate Bond ETF	SYBA GY	Europe	24-May-11
Guotai Shanghai Stock Exchange 180 Financial Index ETF	510230 CH	China	23-May-11
iShares Global Inflation-Linked	GTIP US	US	20-May-11
iShares International Inflation-Linked	ITIP US	US	20-May-11
Global X Auto ETF	VROM US	US	19-May-11
Russell Growth at a Reasonable Price	GRPC US	US	19-May-11
Russell Low P/E ETF	LWPE US	US	19-May-11
Russell Aggressive Growth ETF	AGRG US	US	19-May-11
Russell Contrarian ETF	CNTR US	US	19-May-11
Russell Consistent Growth ETF	CONG US	US	19-May-11
Russell Equity Income ETF	EQIN US	US	19-May-11
IQ Hong Kong Small Cap ETF	HKK US	US	18-May-11
Hanwha Arirang KRX100 Equal Weight	141250 KS	South Korea	18-May-11
SPDR MSCI ACWI IMI ETF	SPYI GY	Europe	18-May-11
SPDR MSCI EM Latin America ETF	SPYL GY	Europe	18-May-11
SPDR MSCI ACWI ETF	SPYY GY	Europe	18-May-11
SPDR MSCI Emerging Markets ETF	SPYM GY	Europe	18-May-11
SPDR Barclays Capital Emerging Markets Local Bond ETF	SYBM GY	Europe	18-May-11
SPDR MSCI EM Europe ETF	SPYB GY	Europe	18-May-11
SPDR MSCI EM Asia ETF	SPYA GY	Europe	18-May-11
SPDR MSCI Emerging Markets Small Cap	SPYX GY	Europe	18-May-11
HANWHA Arirang KOSPI100 Equal Weight ETF (Equity)	141240 KS	South Korea	18-May-11
ComStage ETF SPI TR	C029 GY	Europe	17-May-11
ComStage ETF DivDAX TR	C003 GY	Europe	17-May-11

ETF name	Ticker (BB)	Region/ country	Launch date
May 2011 (continued)			
ComStage ETF ShortDAX TR	C004 GY	Europe	17-May-11
ComStage ETF SDAX TR	C005 GY	Europe	17-May-11
Horizons AlphaPro Enhanced Income Financials ETF	HEF CN	Canada	16-May-11
Market Vectors LatAm Aggregate Bond	BONO US	US	12-May-11
Polaris MSCI Taiwan Index ETF	006203 TT	Taiwan	12-May-11
NEXT FUNDS FTSE Bursa Malaysia KLCI Exchange Traded Fund	1560 JP	Japan	12-May-11
NEXT FUNDS Thai Stock SET50 Exchange Traded Fund	1559 JP	Japan	12-May-11
First Trust Mega Cap AlphaDEX Fund	FMK US	US	12-May-11
First Trust NASDAQ Global Auto	CARZ US	US	10-May-11
Horizons AlphaPro Income Plus ETF	HAP CN	Canada	09-May-11
iShares NASDAQ 100 Index Fund (CAD-Hedged)	XQQ CN	Canada	09-May-11
PowerShares S&P 500 High Beta Portolio	SPHB US	US	05-May-11
Global X Mexico Small-Cap ETF	MEXS US	US	05-May-11
IQ Global Oil Small Cap ETF	IOIL US	US	05-May-11
PowerShares S&P 500 Low Volatility Portfolio	SPLV US	US	05-May-11
Global X Fishing Industry ETF	FISN US	US	04-May-11
BetaShares Gold Bullion ETF ($A Hedged)	QAU AU	Australia	04-May-11
UBS ETF - MSCI CANADA TRN INDEX SF	CACDIS SW	Europe	03-May-11
UBS ETF - MSCI Japan TRN INDEX SF	JPJYIS SW	Europe	03-May-11
Global X Food ETF	EATX US	US	03-May-11
Amundi ETF Euro Corporate Ex Financials IBOXX	AXFI FP	Europe	03-May-11
Amundi ETF Euro Corporate Financials IBOXX	AFIN FP	Europe	03-May-11
Amundi ETF MSCI EM Latin America	ALAT FP	Europe	03-May-11
Amundi ETF MSCI EM ASIA	AASI FP	Europe	03-May-11
Kyobo AXA Power K100 ETF (Equity)	140950 KS	South Korea	03-May-11
UBS ETF – MSCI EMU TRN INDEX SF	EMEUIS SW	Europe	03-May-11
Lyxor ETF Daily Double Short BTP	BTPS FP	Europe	02-May-11
Lyxor ETF Daily Leveraged BTP	BTPL FP	Europe	02-May-11
Lyxor ETF Daily Leveraged Bund	DLB FP	Europe	02-May-11
April 2011			
db x-trackers MSCI Philippines IM TRN	N2E SP	Singapore	27-Apr-11
db x-trackers MSCI AC Asia ex Japan High Dividend Yield Index ETF	N2F SP	Singapore	27-Apr-11
Samsung KODEX Insurance ETF (Equity)	140700 KS	South Korea	26-Apr-11
Samsung KODEX Transportation ETF	140710 KS	South Korea	26-Apr-11
Market Vectors Investment Grade Floating Rate Bond ETF	FLTR US	US	26-Apr-11
Lyxor ETF S&P 500 VIX Futures Enhanced Roll	LVOL FP	Europe	26-Apr-11
UBS ETF-DJ-UBS Commodity Index (CHF)	DCCHIS SW	Europe	20-Apr-11
UBS ETF-DJ-UBS Commodity Index (GBP)	DCGBIS SW	Europe	20-Apr-11
UBS ETF-DJ-UBS Commodity Index (EUR)	DCEUIS SW	Europe	20-Apr-11
First Trust Small Cap Value AlphaDEX	FYT US	US	19-Apr-11
First Trust Small Cap Growth AlphaDEX	FYC US	US	19-Apr-11
First Trust Mid Cap Growth AlphaDEX	FNY US	US	19-Apr-11
First Trust Mid Cap Value AlphaDEX Fund	FNK US	US	19-Apr-11
First Trust South Korea AlphaDEX Fund	FKO US	US	19-Apr-11
First Trust Latin America AlphaDEX Fund	FLN US	US	19-Apr-11
First Trust Asia Pacific ex-Japan AlphaDEX Fund	FPA US	US	19-Apr-11

continued…

Figure 152: ETF launches in 2011 (continued)

ETF name	Ticker (BB)	Region/ country	Launch date
April 2011 (continued)			
First Trust Emerging Markets AlphaDEX	FEM US	US	19-Apr-11
First Trust Europe AlphaDEX Fund	FEP US	US	19-Apr-11
First Trust Developed Markets ex-US AlphaDEX Fund	FDT US	US	19-Apr-11
First Trust Brazil AlphaDEX Fund	FBZ US	US	19-Apr-11
First Trust China AlphaDEX Fund	FCA US	US	19-Apr-11
First Trust Japan AlphaDEX Fund	FJP US	US	19-Apr-11
HSBC ETFs Trust - HSBC MSCI Hong Kong ETF	3000 HK	Hong Kong	18-Apr-11
HSBC ETFs Trust - HSBC MSCI Golden Dragon ETF	3088 HK	Hong Kong	18-Apr-11
HSBC ETFs Trust - HSBC MSCI Taiwan	3083 HK	Hong Kong	18-Apr-11
HSBC ETFs Trust - HSBC MSCI China ETF	3033 HK	Hong Kong	18-Apr-11
iShares S&P/TSX Capped Consumer Staples Index Fund	XST CN	Canada	18-Apr-11
iShares S&P/TSX Equity Income Index	XEI CN	Canada	18-Apr-11
iShares S&P/TSX Capped Utilities Index	XUT CN	Canada	18-Apr-11
iShares S&P Global Healthcare Index	XHC CN	Canada	18-Apr-11
iShares J.P. Morgan USD Emerging Markets Bond Index Fund	XEB CN	Canada	18-Apr-11
iShares S&P/TSX Global Base Metals Index Fund	XBM CN	Canada	18-Apr-11
db x-trackers FTSE 100 Super Short Daily ETF	XULS LN	Europe	18-Apr-11
db x-trackers MSCI BRIC TRN Index ETF	XBRD LN	Europe	18-Apr-11
Euro Stoxx Banks Optimised Source ETF	S7XE GY	Europe	15-Apr-11
Nomura Voltage Mid-Term Source ETF	VOLT LN	Europe	15-Apr-11
KB KStar Exporter Securities ETF (Equity)	140570 KS	South Korea	15-Apr-11
KB KStar Prime Industry Securities ETF (Equity)	140580 KS	South Korea	15-Apr-11
KB KStar Credit Bond Securities ETF	136340 KS	South Korea	15-Apr-11
SPDR Nuveen S&P High Yield Municipal Bond ETF	HYMB US	US	14-Apr-11
ProShares Ultra High Yield	UJB US	US	14-Apr-11
ProShares Ultra Investment Grade Corporate	IGU US	US	14-Apr-11
Market Vectors Russia Small-Cap	RSXJ US	US	14-Apr-11
Think Global Equity Tracker	TGET NA	Europe	14-Apr-11
Think Global Real Estate Tracker	TRET NA	Europe	14-Apr-11
Think iBoxx Corporate Bond Tracker	TCBT NA	Europe	14-Apr-11
Think iBoxx Government Bond	TGBT NA	Europe	14-Apr-11
Global X Waste Management ETF	WSTE US	US	13-Apr-11
SPDR S&P/ASX 200 Financials Ex A-REIT Fund	OZF AU	Australia	13-Apr-11
SPDR S&P/ASX 200 Resources	OZR AU	Australia	13-Apr-11
SPDR S&P/ASX Small Ordinaries	SSO AU	Australia	13-Apr-11
Horizons AlphaPro Enhanced Income Gold Producers ETF	HEP CN	Canada	12-Apr-11
Horizons AlphaPro Enhanced Income Energy ETF	HEE CN	Canada	12-Apr-11
Mirae Asset MAPS TIGER Metal Futures	139310 KS	South Korea	08-Apr-11
Mirae Asset MAPS TIGER Bluechip30 ETF	139300 KS	South Korea	08-Apr-11
Mirae Asset MAPS TIGER Gold & Silver Futures ETF	139320 KS	South Korea	08-Apr-11
Horizons U.S. Dollar Currency ETF	DLR CN	Canada	07-Apr-11
HSBC MSCI Korea ETF	HKOD LN	Europe	07-Apr-11
SPDR Barclays Capital Issuer Scored Corporate Bond ETF	CBND US	US	07-Apr-11
UBS IS-SXI Real Estate ETF (CHF) A	SRFCHA SW	Europe	06-Apr-11
Mirae Asset MAPS Tiger Consumer Staples ETF	139280 KS	South Korea	06-Apr-11
Mirae Asset MAPS Tiger Steels & Materials ETF	139240 KS	South Korea	06-Apr-11

ETF name	Ticker (BB)	Region/ country	Launch date
April 2011 (continued)			
Mirae Asset MAPS Tiger Shipbuilding & Transportation ETF	139230 KS	South Korea	06-Apr-11
Mirae Asset MAPS Tiger IT ETF	139260 KS	South Korea	06-Apr-11
Mirae Asset MAPS Tiger Energy & Chemicals ETF	139250 KS	South Korea	06-Apr-11
Mirae Asset MAPS Tiger Financials	139270 KS	South Korea	06-Apr-11
Mirae Asset MAPS Tiger Consumer Discretionary ETF	139290 KS	South Korea	06-Apr-11
Mirae Asset MAPS Tiger Construction & Machinery ETF	139220 KS	South Korea	06-Apr-11
ProShares UltraShort 3-7 Year Treasury	TBZ US	US	05-Apr-11
ProShares Short 7-10 Year Treasury	TBX US	US	05-Apr-11
Market Vectors Germany Small-Cap	GERJ US	US	05-Apr-11
It Now IFNC Index Fund	FIND11 BZ	Brazil	04-Apr-11
Woori KOSEF USD Futures Inverse	139660 KS	South Korea	01-Apr-11
March 2011			
iShares MSCI China Index Fund	MCHI US	US	31-Mar-11
iShares High Dividend Equity Fund	HDV US	US	31-Mar-11
Motilal Oswal MOSt Shares NASDAQ-100 ETF	MOSTNDX IN	India	31-Mar-11
UBS ETF HFRX Global Hedge Fund Index SF (CHF) A	UIQB GY	Europe	31-Mar-11
UBS ETF HFRX Global Hedge Fund Index SF (GBP) A	UIQD GY	Europe	31-Mar-11
iShares Markit iBoxx £ Corp Bond 1-5	IS15 LN	Europe	30-Mar-11
HSBC MSCI Taiwan ETF	HTWN LN	Europe	30-Mar-11
HSBC MSCI Indonesia ETF	HIDR LN	Europe	30-Mar-11
HSBC MSCI Malaysia ETF	HMYR LN	Europe	30-Mar-11
Focus Morningstar Financial Services	FFL US	US	30-Mar-11
Focus Morningstar US Market Index ETF	FMU US	US	30-Mar-11
Focus Morningstar Large Cap Index ETF	FLG US	US	30-Mar-11
Focus Morningstar Mid Cap Index ETF	FMM US	US	30-Mar-11
Focus Morningstar Small Cap Index ETF	FOS US	US	30-Mar-11
Focus Morningstar Basic Materials	FBM US	US	30-Mar-11
Focus Morningstar Communication Services Index ETF	FCQ US	US	30-Mar-11
Focus Morningstar Consumer Cyclical	FCL US	US	30-Mar-11
Focus Morningstar Consumer Defensive	FCD US	US	30-Mar-11
Focus Morningstar Energy Index ETF	FEG US	US	30-Mar-11
Focus Morningstar Health Care	FHC US	US	30-Mar-11
Focus Morningstar Industrials Index ETF	FIL US	US	30-Mar-11
Focus Morningstar Real Estate Index ETF	FRL US	US	30-Mar-11
Focus Morningstar Technology Index ETF	FTQ US	US	30-Mar-11
Focus Morningstar Utilities Index ETF	FUI US	US	30-Mar-11
ProShares Short Investment Grade Corp	IGS US	US	29-Mar-11
Amundi ETF FTSE 250	A250 FP	Europe	29-Mar-11
Huatai-PineBridge SSE Mid & Small Cap	510220 CH	China	28-Mar-11
Fullgoal SCI Index ETF	510210 CH	China	25-Mar-11
Direxion Daily 7-10 Year Treasury Bear 1x Shares	TYNS US	US	23-Mar-11
Direxion Daily 20+ Year Treasury Bear 1x	TYBS US	US	23-Mar-11
Direxion Daily Total Bond Market Bear 1x	SAGG US	US	23-Mar-11
IQ Global Agribusiness Small Cap ETF	CROP US	US	22-Mar-11
ProShares Short High Yield	SJB US	US	22-Mar-11
ETFlab iBoxx € Liquid Non-Financials Diversified	EFQ8 GY	Europe	22-Mar-11
XACT Sweden Repo	XACTREPO SS	Europe	21-Mar-11
XACT Sweden All Bond	XACTOBLI SS	Europe	21-Mar-11

continued…

Figure 152: ETF launches in 2011 (continued)

ETF name	Ticker (BB)	Region/ country	Launch date
March 2011 (continued)			
Russell Australian Value ETF	RVL AU	Australia	18-Mar-11
db x-trackers Stiftungs-ETF Wachstum	XS7W GY	Europe	17-Mar-11
db x-trackers Stiftungs-ETF Stabilitat	XSBT GY	Europe	17-Mar-11
Horizons AlphaPro Enhanced Income	HEX CN	Canada	17-Mar-11
Global X S&P/TSX Venture 30 Canada	TSXV US	US	17-Mar-11
WisdomTree Asia Local Debt Fund	ALD US	US	17-Mar-11
SpotR OMXS30	SPOTROMX SS	Europe	16-Mar-11
SpotR Bull OMXS30	SPBULOMX SS	Europe	16-Mar-11
SpotR Bear OMXS30	SPBEAOMX SS	Europe	16-Mar-11
XACT Oil Service	XACTOILS NO	Europe	15-Mar-11
Global X Pure Gold Miners ETF	GGGG US	US	15-Mar-11
Market Vectors Colombia ETF	COLX US	US	15-Mar-11
Global X Oil Equities ETF	XOIL US	US	15-Mar-11
db x-trackers FTSE EPRA/NAREIT Global Real Estate ETF	XGPD LN	Europe	14-Mar-11
HSBC MSCI EM Latin America ETF	HMLD LN	Europe	11-Mar-11
Mirae Asset MAPS TIGER Hyundai Motor Group+ ETF	138540 KS	South Korea	10-Mar-11
Mirae Asset MAPS TIGER LG Group+ ETF	138530 KS	South Korea	10-Mar-11
Nikko Listed Index Fund Nikkei China Related 50	1556 JP	Japan	10-Mar-11
Nikko Listed Index Fund Australian REIT S&P/ASX200 A-REIT	1555 JP	Japan	09-Mar-11
Nikko Listed Index Fund World Equity MSCI ACWI ex Japan	1554 JP	Japan	08-Mar-11
Mirae Asset MAPS TIGER Samsung Group ETF	138520 KS	South Korea	07-Mar-11
HSBC MSCI Mexico Capped ETF	HMEX LN	Europe	04-Mar-11
PowerShares Senior Loan Portfolio	BKLN US	US	03-Mar-11
Global X FTSE Argentina 20 ETF	ARGT US	US	03-Mar-11
UBS-ETF CMCI Composite SF (EUR) I	CCEUIS SW	Europe	02-Mar-11
UBS-ETF CMCI Composite SF (CHF) I	CCCHIS SW	Europe	02-Mar-11
ETFX Dow Jones Brookfield Emerging Markets Infrastructure Fund	BIEM LN	Europe	01-Mar-11
ETFX Dow Jones Brookfield Global Infrastructure Fund	BGIT LN	Europe	01-Mar-11
ETFX Dow Jones Global Select Dividend	GDIV LN	Europe	01-Mar-11
Claymore Short Duration High Income	CSD CN	Canada	01-Mar-11
February 2011			
ETFX-BofAML IVSTOXX ETF	VSTX LN	Europe	28-Feb-11
iShares Dow Jones Europe Sustainability Screened fund	IESE LN	Europe	28-Feb-11
iShares Dow Jones Global Sustainability Screened fund	IGSG LN	Europe	28-Feb-11
China Merchants SSE Consumer 80 Total Return Index ETF	510150 CH	China	25-Feb-11
Woori KOSEF USD Futures ETF	138230 KS	South Korea	24-Feb-11
SPDR Barclays Capital Emerging Markets Local Bond ETF	EBND US	US	24-Feb-11
SPDR S&P Emerging Markets Dividend	EDIV US	US	24-Feb-11
HSBC MSCI Canada ETF	HCAN LN	Europe	24-Feb-11
PIMCO US Dollar Enhanced Short Maturity Source ETF	MINT LN	Europe	24-Feb-11
Dacheng SZSE Growth 40 Index ETF	159906 CH	China	23-Feb-11
Horizons GMP Junior Oil and Gas Index	HJE CN	Canada	23-Feb-11
AMUNDI ETF FTSE UK DIVIDEND PLUS	AUKD FP	Europe	22-Feb-11
AMUNDI ETF MSCI EUROPE EX UK	AEXK FP	Europe	22-Feb-11
MAXIS S&P Tokai ETF	1553 JP	Japan	22-Feb-11
First Trust NASDAQ CEA Smartphone	FONE US	US	18-Feb-11
Global X FTSE ASEAN 40 ETF	ASEA US	US	17-Feb-11
RBS Market Access S&P GSCI Capped Component 35/20 2x Inverse Monthly	M9SR GY	Europe	17-Feb-11

ETF name	Ticker (BB)	Region/ country	Launch date
February 2011 (continued)			
RBS Market Access S&P 500 EUR Hedged Index ETF	M9SW GY	Europe	17-Feb-11
RBS Market Access TOPIX EUR Hedged	M9SQ GY	Europe	17-Feb-11
RBS Market Access EuroStoxx 50 Monthly Double Short Index ETF	M9SI GY	Europe	17-Feb-11
RBS Market Access S&P GSCI Capped Component 35/20 2x Leverage Monthly	M9SS GY	Europe	17-Feb-11
RBS Market Access EuroStoxx 50 Monthly Leverage Index ETF	M9SL GY	Europe	17-Feb-11
RBS Market Access Leveraged FTSE MIB Monthly Index ETF	M9SP GY	Europe	16-Feb-11
RBS Market Access LevDAX X2 Monthly	M9SM GY	Europe	16-Feb-11
RBS Market Access Leveraged FTSE 100 Monthly Index ETF	M9SN GY	Europe	16-Feb-11
RBS Market Access Short FTSE MIB Monthly Index ETF	M9SU GY	Europe	16-Feb-11
RBS Market Access ShortDAX x2 Monthly Index ETF	M9SV GY	Europe	16-Feb-11
RBS Market Access Short FTSE 100 Monthly Index ETF	M9ST GY	Europe	16-Feb-11
HSBC MSCI South Africa ETF	HZAR LN	Europe	16-Jan-11
MIDAS KOSPI200 Covered Call ETF	137930 KS	South Korea	15-Feb-11
CS ETF IE on Credit Suisse Global Alternative Energy	CSAE SW	Europe	10-Feb-11
CS ETF IE on CS on EONIA	CSEO SW	Europe	10-Feb-11
CS ETF IE on Fed Funds Effective Rate	CSFF SW	Europe	10-Feb-11
CS ETF IE on MSCI World	CSWD SW	Europe	10-Feb-11
ProShares UltraShort TIPS	TPS US	US	10-Feb-11
UBS ETF S&P 500 Index SF A	UIQN GY	Europe	09-Feb-11
UBS ETF MSCI USA TRN INDEX SF-A	UIQM GY	Europe	09-Feb-11
Horizons BetaPro COMEX Copper ETF	HUK CN	Canada	09-Feb-11
ETFlab Deutsche Borse EUROGOV France	ETFFS11 GY	Europe	08-Feb-11
ETFlab Deutsche Borse EUROGOV France 1-3	ETFFS13 GY	Europe	08-Feb-11
ETFlab Deutsche Borse EUROGOV France 3-5	ETFFS35 GY	Europe	08-Feb-11
ETFlab Deutsche Borse EUROGOV France 5-10	ETFFS51 GY	Europe	08-Feb-11
Motilal Oswal MOSt Shares M100 ETF	MOST100 IN	India	04-Feb-11
Global X FTSE Andean 40 ETF	AND US	US	03-Feb-11
BMO Agriculture Commodity ETF	ZCA CN	Canada	03-Feb-11
BMO Base Metals Commodity ETF	ZCB CN	Canada	03-Feb-11
BMO Energy Commodity ETF	ZCE CN	Canada	03-Feb-11
BMO Precious Metals Commodity ETF	ZCP CN	Canada	03-Feb-11
BMO Monthly Income ETF	ZMI CN	Canada	03-Feb-11
BMO Covered Call Canadian Banks ETF	ZWB CN	Canada	03-Feb-11
BMO 2013 Corporate Target Maturity	ZXA CN	Canada	03-Feb-11
BMO 2015 Corporate Target Maturity	ZXB CN	Canada	03-Feb-11
BMO 2020 Corporate Target Maturity	ZXC CN	Canada	03-Feb-11
BMO 2025 Corporate Target Maturity	ZXD CN	Canada	03-Feb-11
BetaShares US Dollar ETF	USD AU	Australia	01-Feb-11
January 2011			
MAN GLG Europe Plus Source ETF	MPFE GY	Europe	31-Jan-11
ESG Shares Europe Asia Pacific Sustainability Index ETF	EAPS US	US	28-Jan-11
Vanguard Total International Stock Index	VXUS US	US	28-Jan-11
HSBC MSCI China ETF	HMCH LN	Europe	28-Jan-11
Polaris Taiwan Government Bond ETF	006202 TT	Taiwan	27-Jan-11

continued…

Figure 152: ETF launches in 2011 (continued)

ETF name	Ticker (BB)	Region/ country	Launch date
January 2011 (continued)			
Polaris Taiwan GreTai 50 ETF	006201 TT	Taiwan	27-Jan-11
Active Bear ETF	HDGE US	US	27-Jan-11
SPDR S&P Transportation ETF	XTN US	US	27-Jan-11
SPDR S&P Telecom ETF	XTL US	US	27-Jan-11
SPDR S&P Healthcare Equipment ETF	XHE US	US	27-Jan-11
KTB GREAT GREEN ETF	138210 KS	South Korea	27-Jan-11
Mirae Asset Maps TIGER Green ETF	137990 KS	South Korea	27-Jan-11
HSBC S&P BRIC 40 ETF	HSBR LN	Europe	26-Jan-11
GTJA Allianz SSE Commodity Equity	510170 CH	China	25-Jan-11
Guggenheim Bulletshares 2012 High Yield Corporate Bond ETF	BSJC US	US	25-Jan-11
Guggenheim Bulletshares 2013 High Yield Corporate Bond ETF	BSJD US	US	25-Jan-11
Guggenheim Bulletshares 2014 High Yield Corporate Bond ETF	BSJE US	US	25-Jan-11
Guggenheim Bulletshares 2015 High Yield Corporate Bond ETF	BSJF US	US	25-Jan-11
Global X Russell Emerging Markets Value ETF	EMVX US	US	25-Jan-11
Global X Russell Emerging Markets Growth ETF	EMGX US	US	25-Jan-11
iShares MSCI Poland	SPOL LN	Europe	24-Jan-11
Lyxor ETF iBoxx $ Liquid Emerging Markets Sovereigns	LEMB FP	Europe	20-Jan-11
Lyxor ETF iBoxx Liquid High Yield 30	YIEL FP	Europe	20-Jan-11
BBVA-Accion iBoxx Euro Sovereigns 3-5 years Short Index ETF	IBOXI SM	Europe	19-Jan-11
BBVA-Accion Ibex 35 Inverso ETF	IBEXI SM	Europe	19-Jan-11
db x-trackers DB Equity Strategies Hedge Fund Index ETF	XHFE LN	Europe	19-Jan-11
UBS HFRX GLOBAL HEDGE (USD) SF A	UIQE GY	Europe	19-Jan-11
Mirae Asset TIGER KOSPI 200 ETF	2835 HK	Hong Kong	17-Jan-11
PIMCO European Advantage Government Bond Index Source ETF	PJS2 GY	Europe	14-Jan-11
PIMCO Euro Enhanced Short Maturity Source ETF	PJS1 GY	Europe	14-Jan-11
Schwab US REIT ETF	SCHH US	US	13-Jan-11
Schwab US Mid-Cap ETF	SCHM US	US	13-Jan-11
Rydex MSCI ACWI Equal Weight ETF	EWAC US	US	12-Jan-11
Mirae Asset Maps TIGER Agriculture Futures ETF	137610 KS	South Korea	11-Jan-11
World Index Shares ETFs – CSI HK Listed Mainland Consumption Tracker	2817 HK	Hong Kong	11-Jan-11
World Index Shares ETFs – CSI HK Listed Mainland Real Estate Tracker	2839 HK	Hong Kong	11-Jan-11
ICBC Credit Suisse Shenzhen Stock Exchange Dividend Price Index ETF	159905 CH	China	11-Jan-11
HuaAn Longtou Enterprise ETF	510190 CH	China	10-Jan-11
DJ-UBS Commodity Index SF	DCUSIS SW	Europe	05-Jan-11
UBS ETFs CMCI Composite SF	CCUSIS SW	Europe	05-Jan-11
Global X Aluminum ETF	ALUM US	US	05-Jan-11
WisdomTree Managed Futures Strategy Fund	WDTI US	US	05-Jan-11

Source: Various ETF providers, exchanges, BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 153: ETF de-listings/mergers in 2011

ETP name	Ticker (BB)	Region/ country	Launch date
June 2011			
Horizons AlphaPro Managed S&P/TSX 60 ETF	HAX CN	Canada	7-Jan-09
May 2011			
ThaiDEX FTSE SET Large Cap ETF	TFTSE TB	Thailand	13-Dec-06
April 2011			
OMXS30 Double Long ETF	OMXDL SS	Europe	14-Oct-09
OMXS30 Double Short ETF	OMXDS SS	Europe	14-Oct-09
NASDAQ 100 ETF	N100ETF SS	Europe	17-Dec-09
HQ Fastighet ETF	HQFASTIG SS	Europe	18-Jun-10
HQ Finans ETF	HQFINANS SS	Europe	21-Jun-10
HQ Material ETF	HQMATERI SS	Europe	22-Jun-10
HQ Verkstad ETF	HQVERKST SS	Europe	27-May-10
EasyETF STOXX EUROPE 50	ETN FP	Europe	25-Apr-01
March 2011			
iShares STOXX Europe 600 Automobiles & Parts Swap (DE)	SXAREX GY	Europe	6-Mar-06
iShares STOXX Europe 600 Banks Swap (DE)	SX7REX GY	Europe	6-Mar-06
iShares STOXX Europe 600 Basic Resources Swap (DE)	SXPREX GY	Europe	6-Mar-06
iShares STOXX Europe 600 Chemicals Swap (DE)	SX4REX GY	Europe	6-Mar-06
iShares STOXX Europe 600 Construction & Materials Swap (DE)	SXOREX GY	Europe	6-Mar-06
iShares STOXX Europe 600 Financial Services Swap (DE)	SXFREX GY	Europe	6-Mar-06
iShares STOXX Europe 600 Food & Beverage Swap (DE)	SX3REX GY	Europe	6-Mar-06
iShares STOXX Europe 600 Health Care Swap (DE)	SXDREX GY	Europe	6-Mar-06
iShares STOXX Europe 600 Industrial Goods & Services Swap (DE)	SXNREX GY	Europe	6-Mar-06
iShares STOXX Europe 600 Insurance Swap (DE)	SXIREX GY	Europe	6-Mar-06
iShares STOXX Europe 600 Media Swap (DE)	SXMREX GY	Europe	6-Mar-06
iShares STOXX Europe 600 Oil & Gas Swap (DE)	SXEREX GY	Europe	6-Mar-06
iShares STOXX Europe 600 Personal & Household Goods Swap (DE)	SXQREX GY	Europe	6-Mar-06
iShares STOXX Europe 600 Retail Swap (DE)	SXRREX GY	Europe	6-Mar-06
iShares STOXX Europe 600 Technology Swap (DE)	SX8REX GY	Europe	6-Mar-06
iShares STOXX Europe 600 Telecommunications Swap (DE)	SXKREX GY	Europe	6-Mar-06
iShares STOXX Europe 600 Travel & Leisure Swap (DE)	SXTREX GY	Europe	6-Mar-06
iShares STOXX Europe 600 Utilities Swap (DE)	SX6REX GY	Europe	6-Mar-06

Source: Various ETP providers, exchanges, BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 154: ETP launches in 2011

ETP name	Ticker (BB)	Region/ country	Launch date
June 2011			
Morgan Stanley S&P 500 Crude Oil Linked ETN	BARL US	US	29-Jun-11
db Physical Gold SGD Hedged ETC	XGLI LN	Europe	21-Jun-11
UBS E-TRACS Oil Futures Contango ETN	OILZ US	US	16-Jun-11
ETRACS Natural Gas Futures Contango ETN	GASZ US	US	16-Jun-11
May 2011			
UBS ETRACS 2x Leveraged Long Wells Fargo Business Development Company	BDCL US	US	25-May-11
PowerShares DB 3x Short US Dollar Index Futures ETN	UDNT US	US	24-May-11
db Brent Crude Oil Booster ETC (EUR)	XCTL GY	Europe	25-May-11
PowerShares DB 3x Long US Dollar Index Futures ETN	UUPT US	US	24-May-11
db Physical Rhodium ETC	XRH0 LN	Europe	24-May-11
Birla Sun Life Gold ETF	BSLGOLD IN	India	20-May-11
RMB Coal ETN	COLRMB SJ	South Africa	05-May-11
ETFS Physical Aluminium	PHAL LN	Europe	03-May-11
ETFS Physical Lead	PHPB LN	Europe	03-May-11
ETFS Physical Zinc	PHZN LN	Europe	03-May-11
April 2011			
E-TRACS Wells Fargo Business Development Company Index ETN	BDCS US	US	28-Apr-11
iPath Pure Beta Broad Commodity ETN	BCM US	US	21-Apr-11
iPath Pure Beta S&P GSCI-Weighted ETN	SBV US	US	21-Apr-11
iPath Pure Beta Cocoa ETN	CHOC US	US	21-Apr-11
iPath Pure Beta Coffee ETN	CAFE US	US	21-Apr-11
iPath Pure Beta Cotton ETN	CTNN US	US	21-Apr-11
iPath Pure Beta Sugar ETN	SGAR US	US	21-Apr-11
iPath Pure Beta Aluminum ETN	FOIL US	US	21-Apr-11
iPath Pure Beta Copper ETN	CUPM US	US	21-Apr-11
iPath Pure Beta Lead ETN	LEDD US	US	21-Apr-11
iPath Pure Beta Nickel ETN	NINI US	US	21-Apr-11
iPath Pure Beta Crude Oil ETN	OLEM US	US	21-Apr-11
iPath Pure Beta Seasonal Natural Gas ETN	DCNG US	US	21-Apr-11
iPath Pure Beta Agriculture ETN	DIRT US	US	21-Apr-11
iPath Pure Beta Grains ETN	WEET US	US	21-Apr-11
iPath Pure Beta Softs ETN	GRWN US	US	21-Apr-11
iPath Pure Beta Industrial Metals ETN	HEVY US	US	21-Apr-11
iPath Pure Beta Energy ETN	ONG US	US	21-Apr-11
iPath Pure Beta Livestock ETN	LSTK US	US	21-Apr-11
iPath Pure Beta Precious Metals ETN	BLNG US	US	21-Apr-11
Physical Platinum Source P-ETC	SPPT LN	Europe	15-Apr-11
Physical Palladium Source P-ETC	SPAL LN	Europe	15-Apr-11
Physical Silver Source P-ETC	SSLV LN	Europe	15-Apr-11
db Agriculture Booster GBP Hedged ETC	XCTS LN	Europe	14-Apr-11
db Brent Crude Oil Booster GBP Hedged ETC	XCTO LN	Europe	14-Apr-11
db Physical Gold GBP Hedged ETC	XGLS LN	Europe	14-Apr-11
db Physical Silver GBP Hedged ETC	XSIH LN	Europe	14-Apr-11
iShares Physical Platinum ETC	SPLT LN	Europe	11-Apr-11
iShares Physical Gold ETC	SGLN LN	Europe	11-Apr-11
iShares Physical Silver ETC	SSLN LN	Europe	11-Apr-11
iShares Physical Palladium ETC	SPDM LN	Europe	11-Apr-11
PowerShares DB 3x Italian Treasury Futures	ITLT US	US	23-Mar-11
PowerShares DB Italian Treasury Futures	ITLY US	US	23-Mar-11
PowerShares DB 3x Japanese Govt Futures	JGBT US	US	23-Mar-11
April 2011 (continued)			
PowerShares DB Japanese Govt Bond Futures	JGBL US	US	23-Mar-11
PowerShares DB 3x German Bund Futures	BUNT US	US	23-Mar-11
PowerShares DB German Bund Futures ETN	BUNL US	US	23-Mar-11
Morgan Stanley Cushing MLP High Income	MLPY US	US	17-Mar-11
Samsung KODEX Soybeans Futures Special	138920 KS	South Korea	15-Mar-11
Samsung KODEX Copper Futures Special	138910 KS	South Korea	15-Mar-11
Credit Suisse Merger Arbitrage Liquid 2X	CSMB US	US	08-Mar-11
February 2011			
FactorShares 2X: Oil Bull/S&P500 Bear	FOL US	US	24-Feb-11
FactorShares 2X: TBond Bull/S&P500 Bear	FSA US	US	24-Feb-11
FactorShares 2X: S&P500 Bull/TBond Bear	FSE US	US	24-Feb-11
FactorShares 2X: Gold Bull/S&P500 Bear	FSG US	US	24-Feb-11
FactorShares 2X: S&P500 Bull/ USD Bear	FSU US	US	24-Feb-11
Teucrium Crude Oil Fund	CRUD US	US	23-Feb-11
RBS Gold Trendpilot ETN	TBAR US	US	22-Feb-11
ETFS 3x Long AUD Short EUR	EAU3 IM	Europe	10-Feb-11
ETFS 3x Long CAD Short EUR	ECA3 IM	Europe	10-Feb-11
ETFS 3x Long CHF Short EUR	ECH3 IM	Europe	10-Feb-11
ETFS 3x Long GBP Short EUR	EGB3 IM	Europe	10-Feb-11
ETFS 3x Long JPY Short EUR	EJP3 IM	Europe	10-Feb-11
ETFS 3x Long USD Short EUR	EUS3 IM	Europe	10-Feb-11
ETFS 3x Short AUD Long EUR	AUE3 IM	Europe	10-Feb-11
ETFS 3x Short CAD Long EUR	CAE3 IM	Europe	10-Feb-11
ETFS 3x Short CHF Long EUR	CHE3 IM	Europe	10-Feb-11
ETFS 3x Short GBP Long EUR	GBE3 IM	Europe	10-Feb-11
ETFS 3x Short JPY Long EUR	JPE3 IM	Europe	10-Feb-11
ETFS 3x Short USD Long EUR	USE3 IM	Europe	10-Feb-11
Teucrium Natural Gas Fund	NAGS US	US	01-Feb-11
January 2011			
RBS US Mid Cap Trendpilot ETN	TRNM US	US	27-Jan-11
UBS CMCI Active CHF ETC	CCMAM SW	Europe	17-Jan-11
iPath Inverse January 2021 S&P 500 VIX Short-Term Futures ETN	IVO US	US	14-Jan-11
ETFs Asian Gold Trust	AGOL US	US	14-Jan-11
UBS CMCI Active EUR ETC	ECMAM SW	Europe	13-Jan-11
ProShares VIX Mid-Term Futures ETF	VIXM US	US	04-Jan-11
ProShares VIX Short-Term Futures ETF	VIXY US	US	04-Jan-11

Source: Various ETP providers, exchanges, BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 155: Planned new ETFs

ETF name
Europe
db x-trackers
db x-trackers CSI 300 ETF
db x-trackers FTSE EPRA/NAREIT DEVELOPED EUROPE REAL ESTATE ETF
db x-trackers HSI Leveraged Daily Index ETF
db x-trackers IBEX 35 Index ETF
db x-trackers II Australia Money Market ETF
db x-trackers II IBOXX £ GILTS 5+ TOTAL RETURN INDEX ETF
db x-trackers II Maxblue Money Market ETF
db x-trackers MSCI CHILE TRN INDEX ETF
db x-trackers MSCI Japan TRG Short Daily Index ETF
db x-trackers MSCI Korea Mid-Cap TRN Index ETF
db x-trackers MSCI WORLD TRN INDEX ETF
db x-trackers RUSSELL 2000 ETF
db x-trackers S&P 500 ETF
db x-trackers STI Leveraged Daily Index ETF
Hinduja Bank
Hinduja Bank Sensex
HSBC/Hang Seng
HSBC Euro Overnight Index Average ETF
HSBC FTSE EPRA/NAREIT Developed Index ETF
HSBC MSCI Russia Capped ETF
iShares
iShares Barclays Global Aggregate Bond
PowerShares
PowerShares Nasdaq OMX Ireland
Qbasis Invest
Qbasis Futures Fund
RBS
RBS UK Small Cap ETF
Source Markets
CAC Source ETF
CECE Source ETF
DJ EURO STOXX Mid Cap Source ETF
DJ EURO STOXX Small Cap Source ETF
Dow Jones Industrial Average Source ETF
EONIA Source ETF
EPRA Eurozone Source ETF
MDAX Source ETF
MSCI BRIC Source ETF
MSCI Mexico Source ETF
MSCI North America Source ETF
MSCI Pacific ex Japan Source ETF
MSCI Turkey Source ETF
S&P/MIB Source ETF
SMI Source ETF
State Street Global Advisors
SPDR Barclays Capital UK Gilt ETF
SPDR Barclays Capital Global Aggregate Bond ETF
SPDR Barclays Capital Sterling Corporate Bond ETF
SPDR Barclays Capital US Aggregate Bond ETF
SPDR Barclays Capital US Corporate Bond ETF
United States
AdvisorShares
Accuvest Global Opportunities ETF
Madrona Forward Domestic ETF
Madrona Forward Global Bond ETF
Madrona Forward International ETF
Meidell Tactical Advantage ETF
Rockledge SectorSAM ETF

ETF name
United States (continued)
AdvisorShares (continued)
SiM Dynamic Allocation Diversified Income ETF
SiM Dynamic Allocation Growth Income ETF
TrimTabs Float Shrink ETF
AllianceBernstein
AllianceBernstein Active ETF – U.S. Quantitative Strategy
ALPS ETF Trust
Agricultural Producers ETF
Alerian Plus MLP Infrastructure ETF
Commodity Producers Composite ETF
Energy Producers ETF
Industrial Metals Producers ETF
Precious Metals Producers ETF
RiverFront Strategic Income Fund
US Equity Reverse Convertible Index Fund
Arrow Investment Advisors
Alternative ETFs
Charles Schwab Investment Management
Schwab U.S. Aggregate Bond ETF
Columbia Management Investment Advisers
Columbia Emerging Markets Fixed Income ETF
Columbia International Equity ETF
Columbia Ultra Short Duration ETF
DBX Strategic Advisors
Fortress Large Cap Enhanced BuyWrite
Haverford Quality 250
StateShares California 50
StateShares Colorado 50
StateShares Composite
StateShares Connecticut 50
StateShares Florida 50
StateShares Georgia 50
StateShares Illinois 50
StateShares Indiana 50
StateShares Maryland 50
StateShares Massachusetts 50
StateShares Michigan 50
StateShares Minnesota 50
StateShares Missouri 50
StateShares New Jersey 50
StateShares New York 50
StateShares North Carolina 50
StateShares Ohio 50
StateShares Pennsylvania 50
StateShares Tennessee 50
StateShares Texas 50
StateShares Virginia 50
StateShares Washington 50
Wilder Asian Emerging Markets
Wilder Brazil
Wilder China
Wilder Diversified Healthcare
Wilder Healthy Lifestyle
Wilder Israel
Wilder Latin America
Wilder Worldwide Emerging Markets
XShares Elliott Wave

continued…

Figure 155: Planned new ETFs (continued)

ETF name
United States (continued)
Direxion Shares
5-Year Treasury Bear 3X Shares
5-Year Treasury Bull 3X Shares
Clean Energy Bear 3X Shares
Clean Energy Bull 3X Shares
Commodity Bear 3X Shares
Commodity Bull 3X Shares
Direxion Auto Shares Fund
Direxion Daily Brazil Bear 3X Shares
Direxion Daily Brazil Bull 3X Shares
Direxion Daily Canada Bear 3X Shares
Direxion Daily Canada Bull 3X Shares
Direxion Daily Commodity Related Bear 3X Shares
Direxion Daily Commodity Related Bull 3X Shares
Direxion Daily Consumer Discretionary Bear 3X Shares
Direxion Daily Consumer Discretionary Bull 3X Shares
Direxion Daily Consumer Staples Bear 3X Shares
Direxion Daily Consumer Staples Bull 3X Shares
Direxion Daily Corporate Bond Bear 1X Shares
Direxion Daily Corporate Bond Bear 3X Shares
Direxion Daily Corporate Bond Bull 3X Shares
Direxion Daily Dollar Bear 3X Shares
Direxion Daily Dollar Bull 3X Shares
Direxion Daily Euro Bear 3X Shares
Direxion Daily Euro Bull 3X Shares
Direxion Daily Global Infrastructure Bear 3X Shares
Direxion Daily Global Infrastructure Bull 3X Shares
Direxion Daily Gold Bear 3X Shares
Direxion Daily Gold Bull 3X Shares
Direxion Daily Gold Miners Bear 3X Shares
Direxion Daily Gold Miners Bull 3X Shares
Direxion Daily High Yield Bear 3X Shares
Direxion Daily High Yield Bull 3X Shares
Direxion Daily Home Construction Bear 3X Shares
Direxion Daily Home Construction Bull 3X Shares
Direxion Daily Indonesia Bear 3X Shares
Direxion Daily Indonesia Bull 3X Shares
Direxion Daily Japanese Yen Bear 3X Shares
Direxion Daily Japanese Yen Bull 3X Shares
Direxion Daily Large Cap Growth Bear 3X Shares
Direxion Daily Large Cap Growth Bull 3X Shares
Direxion Daily Large Cap Value Bear 3X Shares
Direxion Daily Large Cap Value Bull 3X Shares
Direxion Daily Malaysia Bear 3X Shares
Direxion Daily Malaysia Bull 3X Shares
Direxion Daily Municipal Bond Bear 3X Shares
Direxion Daily Municipal Bond Bull 3X Shares
Direxion Daily Natural Gas Related Bear 3X Shares
Direxion Daily Natural Gas Related Bull 3X Shares
Direxion Daily Regional Banks Bear 3X Shares
Direxion Daily Regional Banks Bull 3X Shares
Direxion Daily S&P 500 Bear 3x Shares
Direxion Daily S&P 500 Bull 3x Shares
Direxion Daily S&P 500 Dynamic VEQTOR Shares
Direxion Daily Silver Bear 3X Shares
Direxion Daily Silver Bull 3X Shares
Direxion Daily South Korea Bear 3X Shares
Direxion Daily South Korea Bull 3X Shares
Direxion Daily Taiwan Bear 3X Shares

ETF name
United States (continued)
Direxion Shares (continued)
Direxion Daily Taiwan Bull 3X Shares
Direxion Daily Thailand Bear 3X Shares
Direxion Daily Thailand Bull 3X Shares
Direxion Daily TIPs Bear 3X Shares
Direxion Daily TIPs Bull 3X Shares
Direxion Daily Total Bond Market Bear 3X Shares
Direxion Daily Total Bond Market Bull 3X Shares
Direxion Daily Utilities Bear 3X Shares
Direxion Daily Utilities Bull 3X Shares
Direxion Daily Water Bear 3X Shares
Direxion Daily Water Bull 3X Shares
Direxion Daily Wind Energy Bear 3X Shares
Direxion Daily Wind Energy Bull 3X Shares
Direxion Monthly 10-Year Treasury Bear 2X Shares
Direxion Monthly 10-Year Treasury Bear 3X Shares
Direxion Monthly 10-Year Treasury Bull 2X Shares
Direxion Monthly 10-Year Treasury Bull 3X Shares
Direxion Monthly 2-Year Treasury Bear 2X Shares
Direxion Monthly 2-Year Treasury Bear 3X Shares
Direxion Monthly 2-Year Treasury Bull 2X Shares
Direxion Monthly 2-Year Treasury Bull 3X Shares
Direxion Monthly 30-Year Treasury Bear 2X Shares
Direxion Monthly 30-Year Treasury Bear 3X Shares
Direxion Monthly 5-Year Treasury Bear 2X Shares
Direxion Monthly 5-Year Treasury Bear 3X Shares
Direxion Monthly 5-Year Treasury Bull 2X Shares
Direxion Monthly 5-Year Treasury Bull 3X Shares
Direxion Monthly BRIC Bear 2X Shares
Direxion Monthly BRIC Bear 3X Shares
Direxion Monthly BRIC Bull 2X Shares
Direxion Monthly BRIC Bull 3X Shares
Direxion Monthly China Bear 2X Shares
Direxion Monthly China Bear 3X Shares
Direxion Monthly China Bull 2X Shares
Direxion Monthly China Bull 3X Shares
Direxion Monthly Clean Energy Bear 2X Shares
Direxion Monthly Clean Energy Bear 3X Shares
Direxion Monthly Clean Energy Bull 2X Shares
Direxion Monthly Clean Energy Bull 3X Shares
Direxion Monthly Developed Markets Bear 2X Shares
Direxion Monthly Developed Markets Bear 3X Shares
Direxion Monthly Developed Markets Bull 2X Shares
Direxion Monthly Developed Markets Bull 3X Shares
Direxion Monthly Emerging Markets Bear 2X Shares
Direxion Monthly Emerging Markets Bear 3X Shares
Direxion Monthly Emerging Markets Bull 2X Shares
Direxion Monthly Emerging Markets Bull 3X Shares
Direxion Monthly Energy Bear 2X Shares
Direxion Monthly Energy Bear 3X Shares
Direxion Monthly Energy Bull 2X Shares
Direxion Monthly Energy Bull 3X Shares
Direxion Monthly Financial Bear 2X Shares
Direxion Monthly Financial Bear 3X Shares
Direxion Monthly Financial Bull 2X Shares
Direxion Monthly Financial Bull 3X Shares

continued…

Figure 155: Planned new ETFs (continued)

ETF name
United States (continued)
Direxion Shares (continued)
Direxion Monthly Homebuilders Bear 2X Shares
Direxion Monthly Homebuilders Bear 3X Shares
Direxion Monthly Homebuilders Bull 2X Shares
Direxion Monthly Homebuilders Bull 3X Shares
Direxion Monthly India Bear 2X Shares
Direxion Monthly India Bear 3X Shares
Direxion Monthly India Bull 2X Shares
Direxion Monthly India Bull 3X Shares
Direxion Monthly Large Cap Bear 2X Shares
Direxion Monthly Large Cap Bear 3X Shares
Direxion Monthly Large Cap Bull 2X Shares
Direxion Monthly Large Cap Bull 3X Shares
Direxion Monthly Latin America Bear 2X Shares
Direxion Monthly Latin America Bear 3X Shares
Direxion Monthly Latin America Bull 2X Shares
Direxion Monthly Latin America Bull 3X Shares
Direxion Monthly Mid Cap Bear 2X Shares
Direxion Monthly Mid Cap Bear 3X Shares
Direxion Monthly Mid Cap Bull 2X Shares
Direxion Monthly Mid Cap Bull 3X Shares
Direxion Monthly Real Estate Bear 2X Shares
Direxion Monthly Real Estate Bull 2X Shares
Direxion Monthly Small Cap Bear 2X Shares
Direxion Monthly Small Cap Bear 3X Shares
Direxion Monthly Small Cap Bull 2X Shares
Direxion Monthly Small Cap Bull 3X Shares
Direxion Monthly Technology Bear 2X Shares
Direxion Monthly Technology Bear 3X Shares
Direxion Monthly Technology Bull 2X Shares
Direxion Monthly Technology Bull 3X Shares
Direxion Monthly Total Market Bear 2X Shares
Direxion Monthly Total Market Bear 3X Shares
Direxion Monthly Total Market Bull 2X Shares
Direxion Monthly Total Market Bull 3X Shares
Direxion NASDAQ-100 Equal Weighted Index Shares
Direxion Wireless Communications Shares
Dow 30 Bear 3X Shares
Dow 30 Bull 3X Shares
Homebuilders Bear 3X Shares
Homebuilders Bull 3X Shares
IndiaShares Consumer Shares
IndiaShares Energy & Utility Shares
IndiaShares Financial Shares
IndiaShares Fixed Income Shares
IndiaShares Industrial Shares
IndiaShares Infrastructure Shares
IndiaShares Materials Shares
IndiaShares Mid & Small Cap Shares
IndiaShares Technology & Telecommunication Shares
Japan Bear 3X Shares
Japan Bull 3X Shares
NASDAQ Volatility Index Shares
Nasdaq-100 Bear 3X Shares
Nasdaq-100 Bull 3X Shares
Quantum-ISE Enhanced Large-Cap Shares ETF
Real Estate Bear 3X Shares
Real Estate Bull 3X Shares
Technology Bear 3X Shares

ETF name
United States (continued)
Direxion Shares (continued)
Technology Bull 3X Shares
Total Market Bear 3X Shares
Total Market Bull 3X Shares
Dreyfus Corp
Dreyfus Corp ETF
Eaton Vance
Eaton Vance Enhanced Short Maturity ETF
Eaton Vance Government Limited Maturity ETF
Eaton Vance Intermediate Municipal Bond ETF
Eaton Vance Prime Limited Maturity ETF
Eaton Vance Short Term Municipal Bond ETF
Emerging Global Advisors
Emerging Global Shares Dow Jones Emerging Markets Basic Materials Titans Index Fund
Emerging Global Shares Dow Jones Emerging Markets Basic Resources Titans Index Fund
Emerging Global Shares Dow Jones Emerging Markets Consumer Goods Titans Index Fund
Emerging Global Shares Dow Jones Emerging Markets Consumer Services Titans Index Fund
Emerging Global Shares Dow Jones Emerging Markets Health Care Titans Index Fund
Emerging Global Shares Dow Jones Emerging Markets Industrials Titans Index Fund
Emerging Global Shares Dow Jones Emerging Markets Oil and Gas Titans Index Fund
Emerging Global Shares Dow Jones Emerging Markets Technology Titans Index Fund
Emerging Global Shares Dow Jones Emerging Markets Telecommunications Titans Index Fund
Emerging Global Shares Dow Jones Emerging Markets Utilities Titans Index Fund
Emerging Global Shares Emerging Markets Food and Agriculture ETF
Emerging Global Shares Emerging Markets High Income Low Beta ETF
Emerging Global Shares India Basic Materials ETF
Emerging Global Shares India Consumer ETF
Emerging Global Shares India Energy ETF
Emerging Global Shares India Financials ETF
Emerging Global Shares India Health Care ETF
Emerging Global Shares India High Income Low Beta ETF
Emerging Global Shares India Industrials ETF
Emerging Global Shares India Technology ETF
Emerging Global Shares India Telecom ETF
Emerging Global Shares India Utilities ETF
Emerging Global Shares INDXX Brazil Mid Cap Index Fund
Emerging Global Shares INDXX China Mid Cap Index Fund
Emerging Global Shares INDXX Growing Asia Large Cap Index Fund
Emerging Global Shares INDXX India Mid Cap Index Fund
Exchange Traded Spreads Trust
ETSpreads High Yield CDS Tighten Fund
ETSpreads High Yield CDS Widen Fund
ETSpreads Investment Grade CDS Tighten Fund
ETSpreads Investment Grade CDS Widen Fund
ETSpreads TIPS ETF
FactorShares
FactorETF 2x Anti-Equity Premium Shares
FactorETF 2x Emerging Factor Shares
FactorETF 2x Equity Premium Shares
FactorETF 2x Falling Credit Spread Factor Shares
FactorETF 2x Falling Inflation Factor Shares
FactorETF 2x Financial Factor Shares
FactorETF 2x Flattening Yield Curve Factor Shares

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Figure 155: Planned new ETFs (continued)

ETF name
United States (continued)
FactorShares (continued)
FactorETF 2x Gold Factor Shares
FactorETF 2x Growth Factor Shares
FactorETF 2x Large Factor Shares
FactorETF 2x Momentum Factor Shares
FactorETF 2x Non-Emerging Factor Shares
FactorETF 2x Non-US Developed Factor Shares
FactorETF 2x REIT Factor Shares
FactorETF 2x Reversal Factor Shares
FactorETF 2x Rising Credit Spread Factor Shares
FactorETF 2x Rising Inflation Factor Shares
FactorETF 2x Small Factor Shares
FactorETF 2x Steepening Yield Curve Factor Shares
FactorETF 2x Technology Factor Shares
FactorETF 2x US Developed Factor Shares
FactorETF 2x Value Factor Shares
First Trust Advisors
First Trust Dow Jones Corporate Bond Index Fund
First Trust Global IPO Index Fund
First Trust ISE Cloud Computing Index Fund
First Trust ISE Global Oil Refiners Index Fund
First Trust North American Energy Infrastructure Fund ETF
Firsthand Capital
Firsthand Technology
Florentez Investment
FTSE Sharia USA Index ETF
FocusShares
Progressive Principal Protection 2015 Target Date Index
Progressive Principal Protection 2020 Target Date Index
Progressive Principal Protection 2025 Target Date Index
Progressive Principal Protection 2030 Target Date Index
Progressive Principal Protection 2035 Target Date Index
Progressive Principal Protection 2040 Target Date Index
Forum Investment Advisors
Undisclosed ETFs
Georgetown Investment Management
Georgetown Emerging Markets ETF
Georgetown International ETF
Georgetown Prime 1-5 Year Bond ETF
Georgetown U.S. Large Cap ETF
Georgetown U.S. Small-Mid Cap ETF
Global X Funds
Global X Brazil Industrials ETF
Global X Brazil Materials ETF
Global X Brazil Utilities ETF
Global X China Mid Cap ETF
Global X Emerging Africa ETF
Global X Farming ETF
Global X FTSE Denmark 30 ETF
Global X FTSE Egypt 30 ETF
Global X FTSE Finland 30 ETF
Global X FTSE Peru 20 ETF
Global X FTSE Philippines 30
Global X FTSE Poland 30 ETF
Global X FTSE United Arab Emirates 20 ETF
Global X Germany Small Cap ETF
Global X Hong Kong Small Cap ETF
Global X MLP Infrastructure ETF
Global X MLP Natural Gas ETF

ETF name
United States (continued)
Global X Funds (continued)
Global X Next 11 ETF
Global X Pakistan KSE-30 ETF
Global X Platinum Miners ETF
Global X Rare Earth Metals ETF
Global X Shipping ETF
Global X Singapore Small-Cap ETF
Global X South Korea Small-Cap ETF
Global X Strategic Metals ETF
Global X SuperDividend ETF
Global X Taiwan Small-Cap ETF
Guggenheim Funds
Guggenheim Active National Municipal ETF
Guggenheim BMAC Commodity Producers ETF
Guggenheim BulletShares 2016 High Yield Corporate Bond ETF
Guggenheim BulletShares 2017 High Yield Corporate Bond ETF
Guggenheim BulletShares 2018 Corporate Bond ETF
Guggenheim BulletShares 2018 High Yield Corporate Bond ETF
Guggenheim BulletShares 2019 Corporate Bond ETF
Guggenheim BulletShares 2019 High Yield Corporate Bond ETF
Guggenheim BulletShares 2020 Corporate Bond ETF
Guggenheim BulletShares 2020 High Yield Corporate Bond ETF
Guggenheim China Yuan Bond ETF
Guggenheim Delta Global Agribusiness ETF
Guggenheim Delta Global Hard Assets ETF
Guggenheim Delta Global Infrastructure ETF
Guggenheim Enhanced Adjustable Rate Senior Loan ETF
Guggenheim Enhanced Core Bond ETF
Guggenheim Enhanced Short Duration High Yield Bond ETF
Guggenheim Enhanced Ultra-Short Bond ETF
Guggenheim International High Dividend ETF
Guggenheim Laffer MacroEconomic Global Equity ETF
Guggenheim Small-Mid Cap BRIC ETF
Guggenheim/AlphaShares China Consumer ETF
Guggenheim/AlphaShares China Infrastructure ETF
Guggenheim/S&P Commodity Trends Strategy ETF
Wilshire 5000 Equal-Weighted ETF
Wilshire Ex-U.S. Real Estate ETF
Wilshire Large-Cap ETF
Wilshire Large-Cap Growth ETF
Wilshire Large-Cap Value ETF
Wilshire Mid-Cap ETF
Wilshire Mid-Cap Growth ETF
Wilshire Mid-Cap Value ETF
Wilshire Small-Cap ETF
Wilshire Small-Cap Growth ETF
Wilshire Small-Cap Value ETF
Hartford
Active Investment Grade Debt ETF
Huntington Asset Advisors
Huntington Active Equity ETF
Huntington Ecological Strategy ETF
Huntington US Equity Rotation Strategy ETF
IndexIQ Advisors
IQ Asia Pacific ex-Japan Small Cap ETF
IQ Asian Tigers Consumer ETF
IQ Asian Tigers ETF

continued…

Figure 155: Planned new ETFs (continued)

ETF name
United States (continued)
IndexIQ Advisors (continued)
IQ Asian Tigers Small Cap ETF
IQ Australia Mid Cap ETF
IQ Canada Mid Cap ETF
IQ Emerging Markets Mid Cap ETF
IQ Global Gold Small Cap Equity ETF
IQ Global Infrastructure ETF
IQ Global Natural Gas Small Cap Equity ETF
IQ Global Precious Metals Small Cap ETF
IQ Global Real Estate ETF
IQ Hedge Absolute Return Tracker ETF
IQ Hedge Asset Weight Multi-Strategy Tracker ETF
IQ Hedge Convertible Arbitrage Tracker ETF
IQ Hedge Dedicated Short Bias Tracker ETF
IQ Hedge Distressed Tracker ETF
IQ Hedge Equal Weight Multi-Strategy Tracker ETF
IQ Hedge Event-Driven
IQ Hedge Inverse Multi-Strategy Tracker ETF
IQ Hedge Long/Short Equity
IQ Hedge Managed Futures Tracker ETF
IQ Hedge Market Directional Tracker ETF
IQ Hedge Market Neutral
IQ Hedge Relative Value Tracker ETF
IQ Indonesia Small Cap ETF
IQ Malaysia Small Cap ETF
IQ Mexico Small Cap ETF
IQ Singapore Small Cap ETF
IQ Thailand Small Cap ETF
iShares
iShares Active Equity Fund
iShares Active Fixed Income Fund
iShares Floating Rate Note Fund
iShares Genocide Free ETF
iShares MSCI All Country World Minimum Volatility Index Fund
iShares MSCI EAFE Minimum Volatility Index Fund
iShares MSCI Egypt Capped Investable Market Index Fund
iShares MSCI Emerging Markets Minimum Volatility Index Fund
iShares MSCI Emerging Markets Small Cap Index Fund
iShares MSCI Israel
iShares MSCI USA Minimum Volatility Index Fund
iShares S&P Global Listed Private Equity
Janus Capital Management
Janus Capital Management Active ETF
Jefferies Asset Management
Jefferies Natural Gas Equity ETF
Jefferies S&P 500 VIX Short-Term Futures ETF
John Hancock
John Hancock Global Balanced Fund
JP Morgan Asset Management
JP Morgan Investment Grade Corporate Bonds ETF
JP Morgan Investment Grade Municipal Bonds ETF
Legg Mason
Legg mason ETF
Macro Securities Depositor
MacroShares Medical Inflation Trust Down
MacroShares Medical Inflation Trust Up
Millington Securities
Millington MAVINS ETF

ETF name
United States (continued)
Neuberger Berman
Neuberger Berman Active ETF
Next Investments
Maxis Nikkei 225 Index Fund
S&P 500 SPDR ETF
Northern Trust
FlexShares Emerging Markets Core Equity Portfolio Fund
FlexShares Natural Resources Portfolio Fund
FlexShares US Equity Core Portfolio Fund
FlexShares US TIPS Portfolio Fund
FlexShares World ex-US Core Equity Portfolio Fund
OppenheimerFunds
OppenheimerFunds ETF
Pax World Management
ESG Shares FTSE Environmental Technologies Index ETF
PIMCO
PIMCO 0-1 Year U.S. Treasury Index Fund
PIMCO 0-3 Year Banking Sector Corporate Bond Index Fund
PIMCO 1-5 Year High Yield Corporate Bond Index Fund
PIMCO Emerging Markets Aggregate U.S.$ Denominated Bond Index Fund
Pimco Foreign Currency Strategy ETF
PIMCO Global Advantage Inflation-Linked Bond Strategy Fund
PIMCO Government Limited Maturity Strategy Fund
PIMCO High Yield Corporate Bond Index Fund
PIMCO Prime Limited Maturity Strategy Fund
PIMCO Total Return Exchange Traded Fund
PowerShares
PowerShares 1-10 Laddered Treasury
PowerShares 1-20 Laddered Treasury
PowerShares 1-5 Laddered Treasury
PowerShares Aggregate Bond
PowerShares Aggregate Preferred
PowerShares Alt-A Non-Agency RMBS Opportunity Fund
PowerShares Cohen & Steers Global Realty Majors
PowerShares Developed Markets Infrastructure
PowerShares DJIA BuyWrite
PowerShares Dynamic Internet Software & Services
PowerShares Dynamic QSG Australia
PowerShares Dynamic QSG Canada
PowerShares Dynamic QSG Developed International Growth
PowerShares Dynamic QSG Developed International Value
PowerShares Dynamic QSG France
PowerShares Dynamic QSG Germany
PowerShares Dynamic QSG Japan
PowerShares Dynamic QSG UK
PowerShares Financial Corporate Bond Portfolio
PowerShares FTSE RAFI Australia
PowerShares FTSE RAFI Brazil
PowerShares FTSE RAFI Canada
PowerShares FTSE RAFI China
PowerShares FTSE RAFI France
PowerShares FTSE RAFI Germany
PowerShares FTSE RAFI Hong Kong
PowerShares FTSE RAFI Latin America
PowerShares FTSE RAFI Mexico
PowerShares FTSE RAFI South Africa

continued…

Figure 155: Planned new ETFs (continued)

ETF name
United States (continued)
PowerShares (continued)
PowerShares FTSE RAFI South Korea
PowerShares FTSE RAFI Taiwan
PowerShares FTSE RAFI United Kingdom
PowerShares Fundamental Pure Large Growth Portfolio
PowerShares Fundamental Pure Large Value Portfolio
PowerShares Industrial Corporate Bond Portfolio
PowerShares Intermediate Build America Bond ETF
PowerShares Investment Grade Corporate Bond
PowerShares Ireland
PowerShares National Municipal Bond
PowerShares Prime Non-Agency RMBS Opportunity Fund
Powershares S&P 500 High Beta Portfolio
PowerShares S&P 500 High Momentum Portfolio
PowerShares S&P 500 High Volatility Portfolio
PowerShares S&P 500 Low Beta Portfolio
PowerShares S&P 500 Low Volatility Portfolio
PowerShares S&P SmallCap Telecommunication Services Portfolio
PowerShares Utilities Corporate Bond Portfolio
PowerShares Zacks Rank Large Cap
ProShares
ProShares Barron's 400
ProShares CDX North America High Yield
ProShares CDX North America Investment Grade
ProShares Hedge Replication ETF
ProShares Short 3-7 Year Treasury ETF
ProShares Short Biotechnology
ProShares Short Consumer Goods
ProShares Short Consumer Services
ProShares Short Dow Jones Select Biotechnology
ProShares Short Dow Jones Select Telecommunications
ProShares Short Gold Miners ETF
ProShares Short Health Care
ProShares Short iBoxx $ Liquid High Yield
ProShares Short iBoxx $ Liquid Investment Grade
ProShares Short Industrials
ProShares Short MSCI Canada
ProShares Short MSCI Japan
ProShares Short NASDAQ Biotechnology
ProShares Short NASDAQ Biotechnology Equal-Weighted
ProShares Short NASDAQ Clean Edge US Liquid Series
ProShares Short NASDAQ Composite
ProShares Short NASDAQ-100 Equal Weighted
ProShares Short Precious Metals
ProShares Short S&P MidCap 400/Citigroup Growth
ProShares Short S&P MidCap 400/Citigroup Value
ProShares Short S&P Retail ETF
ProShares Short S&P SmallCap 600/Citigroup Growth
ProShares Short S&P SmallCap 600/Citigroup Value
ProShares Short S&P500/Citigroup Growth
ProShares Short S&P500/Citigroup Value
ProShares Short Semiconductors
ProShares Short Technology
ProShares Short Telecommunications
ProShares Short TIPs
ProShares Short Utilities
ProShares Ultra 3-7 Year Treasury ETF
ProShares Ultra Biotechnology
ProShares Ultra DJ Wilshire Total Market

ETF name
United States (continued)
ProShares
ProShares Ultra Dow Jones Select Biotechnology
ProShares Ultra Dow Jones Select Telecommunications
ProShares Ultra Gold Miners fund
ProShares Ultra MSCI Canada
ProShares Ultra NASDAQ Biotechnology Equal-Weighted
ProShares Ultra NASDAQ Clean Edge US Liquid Series
ProShares Ultra NASDAQ Composite
ProShares Ultra NASDAQ-100 Equal Weighted
ProShares Ultra Precious Metals
ProShares Ultra S&P MidCap 400 Citigroup Value
ProShares Ultra S&P MidCap 400/Citigroup Growth
ProShares Ultra S&P Retail ETF
ProShares Ultra S&P SmallCap 600/Citigroup Growth
ProShares Ultra S&P SmallCap 600/Citigroup Value
ProShares Ultra S&P500/Citigroup Growth
ProShares Ultra S&P500/Citigroup Value
ProShares Ultra Short S&P Retail ETF
ProShares Ultra Tips ETF
ProShares UltraPro 20+ Year Treasury
ProShares UltraPro 3-7 Year Treasury ETF
ProShares UltraPro 7-10 Year Treasury
ProShares UltraPro MSCI EAFE
ProShares UltraPro MSCI Emerging Markets
ProShares UltraPro Short 20+ Year Treasury
ProShares UltraPro Short 3-7 Year Treasury
ProShares UltraPro Short 7-10 Year Treasury
ProShares UltraPro Short MSCI EAFE
ProShares UltraPro Short MSCI Emerging Markets
ProShares UltraShort CDX North America High Yield
ProShares UltraShort CDX North America Investment Grade
ProShares UltraShort DJ Wilshire Total Market
ProShares UltraShort Dow Jones Select Biotechnology
ProShares UltraShort Dow Jones Select Telecommunications
ProShares UltraShort iBoxx $ Liquid High Yield
ProShares UltraShort iBoxx $ Liquid Investment Grade
ProShares UltraShort KBW Regional Banking
ProShares UltraShort MSCI Australia
ProShares UltraShort MSCI BRIC
ProShares UltraShort MSCI Canada
ProShares UltraShort MSCI Latin America
ProShares UltraShort MSCI South Korea
ProShares UltraShort MSCI Taiwan
ProShares UltraShort NASDAQ Biotechnology Equal-Weighted
ProShares UltraShort NASDAQ Clean Edge US Liquid Series
ProShares UltraShort NASDAQ Composite
ProShares UltraShort NASDAQ-100 Equal Weighted
ProShares UltraShort Precious Metals
ProShares UltraShort S&P Europe 350
ProShares UltraShort S&P MidCap 400/Citigroup Growth
ProShares UltraShort S&P MidCap 400/Citigroup Value
ProShares UltraShort S&P SmallCap 600/Citigroup Growth
ProShares UltraShort S&P SmallCap 600/Citigroup Value
ProShares UltraShort S&P500/Citigroup Growth
ProShares UltraShort S&P500/Citigroup Value
ProSharesUltraShort Gold Miners ETF

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Figure 155: Planned new ETFs (continued)

ETF name
United States (continued)
QuantShares
QuantShares U.S. Market Neutral Anti-Beta Factor Fund
QuantShares U.S. Market Neutral Anti-Momentum Factor Fund
QuantShares U.S. Market Neutral Beta Factor Fund
QuantShares U.S. Market Neutral Momentum Factor Fund
QuantShares U.S. Market Neutral Quality Factor Fund
QuantShares U.S. Market Neutral Small Size Factor Fund
QuantShares U.S. Market Neutral Value Factor Fund
RevenueShares
RevenueShares Consumer Discretionary
RevenueShares Consumer Staples
RevenueShares Energy
RevenueShares Health Care
RevenueShares Industrial
RevenueShares Information Technology Sector Fund
RevenueShares Materials
RevenueShares Utilities
RiverPark Advisors
RiverPark Short Term High Yield ETF
RiverPark Small Cap Growth ETF
RiverPark/Gravity Long-Biased Fund
RP Energy ETF
Russell investments
Balanced ETF
Global Fixed Income ETF
Russell Bond ETF
Russell Developed ex-U.S. Large Cap ETF
Russell Emerging Markets Large Cap ETF
Russell Global Opportunity ETF
Russell Inflation ETF
Russell One World All Cap ETF
Russell One World All Cap Growth ETF
Russell One World All Cap Value ETF
Russell One World ex-U.S. All Cap ETF
Russell One World ex-U.S. All Cap Growth ETF
Russell One World ex-U.S. All Cap Value ETF
Russell One World ex-U.S. Large Cap ETF
Russell One World ex-U.S. Large Cap Growth ETF
Russell One World ex-U.S. Large Cap Value ETF
Russell One World ex-U.S. Small Cap ETF
Russell One World ex-U.S. Small Cap Growth ETF
Russell One World ex-U.S. Small Cap Value ETF
Russell One World Large Cap ETF
Russell One World Large Cap Growth ETF
Russell One World Large Cap Value ETF
Russell One World Small Cap ETF
Russell One World Small Cap Growth ETF
Russell One World Small Cap Value ETF
Russell Small Cap Defensive Value ETF
Russell Small & Mid Cap Defensive Value ETF
Rydex SGI
Rydex Dynamic Consumer Discretionary
Rydex Dynamic Consumer Staples
Rydex Dynamic Industrials
Rydex Dynamic Inverse Consumer Discretionary
Rydex Dynamic Inverse Consumer Staples
Rydex Dynamic Inverse Industrials
Rydex Dynamic Inverse Materials
Rydex Dynamic Inverse NASDAQ 100

ETF name
United States (continued)
Rydex SGI (continued)
Rydex Dynamic Inverse NASDAQ Biotech
Rydex Dynamic Inverse Russell 1000
Rydex Dynamic Inverse Russell 1000 Growth
Rydex Dynamic Inverse Russell 1000 Value
Rydex Dynamic Inverse Russell 2000 Growth
Rydex Dynamic Inverse Russell 2000 Value
Rydex Dynamic Inverse Russell 3000
Rydex Dynamic Inverse Russell 3000 Growth
Rydex Dynamic Inverse Russell 3000 Value
Rydex Dynamic Inverse Russell MidCap
Rydex Dynamic Inverse Russell MidCap Growth
Rydex Dynamic Inverse Russell MidCap Value
Rydex Dynamic Inverse S&P 500 Growth
Rydex Dynamic Inverse S&P 500 Value
Rydex Dynamic Inverse S&P MidCap 400 Growth
Rydex Dynamic Inverse S&P MidCap 400 Value
Rydex Dynamic Inverse S&P SmallCap 600
Rydex Dynamic Inverse S&P SmallCap 600 Growth
Rydex Dynamic Inverse S&P SmallCap 600 Value
Rydex Dynamic Inverse Utilities
Rydex Dynamic Materials
Rydex Dynamic NASDAQ 100
Rydex Dynamic NASDAQ Biotech
Rydex Dynamic Russell 1000
Rydex Dynamic Russell 1000 Growth
Rydex Dynamic Russell 1000 Value
Rydex Dynamic Russell 2000 Growth
Rydex Dynamic Russell 2000 Value
Rydex Dynamic Russell 3000
Rydex Dynamic Russell 3000 Growth
Rydex Dynamic Russell 3000 Value
Rydex Dynamic Russell MidCap
Rydex Dynamic Russell MidCap Growth
Rydex Dynamic Russell MidCap Value
Rydex Dynamic S&P 500 Growth
Rydex Dynamic S&P 500 Value
Rydex Dynamic S&P MidCap 400 Growth
Rydex Dynamic S&P MidCap 400 Value
Rydex Dynamic S&P SmallCap 600
Rydex Dynamic S&P SmallCap 600 Growth
Rydex Dynamic S&P SmallCap 600 Value
Rydex Dynamic Utilities
Rydex Inverse Consumer Discretionary
Rydex Inverse Consumer Staples
Rydex Inverse Energy
Rydex Inverse Financials
Rydex Inverse Health Care
Rydex Inverse Industrials
Rydex Inverse Materials
Rydex Inverse NASDAQ 100
Rydex Inverse NASDAQ Biotech
Rydex Inverse Russell 1000
Rydex Inverse Russell 1000 Growth
Rydex Inverse Russell 1000 Value
Rydex Inverse Russell 2000

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Figure 155: Planned new ETFs (continued)

ETF name
United States (continued)
Rydex SGI (continued)
Rydex Inverse Russell 2000 Growth
Rydex Inverse Russell 2000 Value
Rydex Inverse Russell 3000
Rydex Inverse Russell 3000 Growth
Rydex Inverse Russell 3000 Value
Rydex Inverse Russell MidCap
Rydex Inverse Russell MidCap Growth
Rydex Inverse Russell MidCap Value
Rydex Inverse S&P 500
Rydex Inverse S&P 500 Growth
Rydex Inverse S&P 500 Value
Rydex Inverse S&P MidCap 400
Rydex Inverse S&P MidCap 400 Growth
Rydex Inverse S&P MidCap 400 Value
Rydex Inverse S&P SmallCap 600
Rydex Inverse S&P SmallCap 600 Growth
Rydex Inverse S&P SmallCap 600 Value
Rydex Inverse Technology
Rydex Inverse Utilities
Rydex Russell 1000 Growth Equal Weight ETF
Rydex Russell 1000 Value Equal Weight ETF
Rydex Russell 2000 Growth Equal Weight ETF
Rydex Russell 2000 Value Equal Weight ETF
Rydex Russell 3000 Equal Weight ETF
Rydex Russell 3000 Growth Equal Weight ETF
Rydex Russell 3000 Value Equal Weight ETF
Rydex Russell BRIC Equal Weight ETF
Rydex Russell Emerging EMEA Large Cap Equal Weight ETF
Rydex Russell Emerging Markets Large Cap Equal Weight ETF
Rydex Russell Global 1000 Equal Weight ETF
Rydex Russell Global Ex-U.S. Large Cap Equal Weight ETF
Rydex Russell Greater China Large Cap Equal Weight ETF
Rydex S&P MidCap 400 Equal Weight ETF
Rydex S&P SmallCap 600 Equal Weight ETF
ShariahShares
ShariahShares FTSE Developed ex-U.S. Fund
ShariahShares FTSE USA Fund
State Street Global Advisors
SPDR Aerospace & Defense
SPDR AlphaSimplex Absolute Beta ETF
SPDR Barclays Capital CMBS ETF
SPDR Barclays Capital Corporate Financial Bond ETF
SPDR Barclays Capital Corporate Industrial Bond ETF
SPDR Barclays Capital Corporate Utilities Bond ETF
SPDR Barclays Capital Emerging Markets Government Bond ETF
SPDR Barclays Capital Long Term Corporate Bond
SPDR Barclays Capital Zero Coupon Bond ETF
SPDR Barclays Global TIPS
SPDR Building & Construction
SPDR Computer Hardware
SPDR Computer Software
SPDR Health Care Services
SPDR Ireland ETF
SPDR LeisureTime
SPDR Outsourcing & IT Consulting
SPDR S&P Agency Bond ETF
SPDR S&P Asia Pacific
SPDR S&P Brazil ETF

ETF name
United States (continued)
State Street Global Advisors (continued)
SPDR S&P Commercial Paper ETF
SPDR S&P Emerging Africa ETF
SPDR S&P Emerging GCC-Middle East ETF
SPDR S&P Emerging Markets South East Asia ETF
SPDR S&P EPAC
SPDR S&P Europe
SPDR S&P Food & Beverage ETF
SPDR S&P India ETF
T Rowe Price
Selected US Fixed Income ETFs
Van Eck Associates Corp
Market Vectors Active Africa ETF
Market Vectors Active Short Municiple ETF
Market Vectors All China All-Cap ETF
Market Vectors All China Consumer Discretionary Sector ETF
Market Vectors All China Consumer Staples Sector ETF
Market Vectors All China Energy Sector ETF
Market Vectors All China Financial Services Sector ETF
Market Vectors All China Healthcare Sector ETF
Market Vectors All China Industrials Sector ETF
Market Vectors All China Information Technology Sector ETF
Market Vectors All China Materials Sector ETF
Market Vectors All China Small Cap ETF
Market Vectors All China Utilities Sector ETF
Market Vectors Asia ex-Japan Aggregate Bond ETF
Market Vectors Business Development Company/Specialty Finance ETF
Market Vectors California Long Municipal Index ETF
Market Vectors CM Commodity Index ETF
Market Vectors European High Yield Bond ETF
Market Vectors GDP Emerging Markets Equity Index ETF
Market Vectors GDP Emerging Markets Small-Cap Equity ETF
Market Vectors GDP International Equity Index ETF
Market Vectors Germany Mid-Cap ETF
Market Vectors Kuwait Index ETF
Market Vectors Massachusetts Municipal Index ETF
Market Vectors MLP Index ETF
Market Vectors Mongolia ETF
Market Vectors Mortgage REIT ETF
Market Vectors New Jersey Municipal Index ETF
Market Vectors New York Long Municipal Index ETF
Market Vectors Nigeria ETF
Market Vectors Ohio Municipal Index ETF
Market Vectors Pennsylvania Municipal Index ETF
Market Vectors Sovereign Bond ETF
Market Vectors-Andean Equity ETF
Market Vectors-Emerging Europe
Market Vectors-Global Frontier
Market Vectors-High Yield Floating Rate ETF
Market Vectors-Municipal Index ETF
Vanguard
Vanguard TIPS ETF
WisdomTree Investments
WisdomTree Asia Emerging Markets High-Yielding Equity
WisdomTree Asia Emerging Markets Total Dividend

continued…

Figure 155: Planned new ETFs (continued)

ETF name
United States (continued)
WisdomTree Investments (continued)
WisdomTree Australia Total Dividend
WisdomTree Brazil Bond Fund
WisdomTree Canada Total Dividend
WisdomTree CEF Fixed Income Fund
WisdomTree China Total Dividend
WisdomTree Communications Sector
WisdomTree Developing Markets
WisdomTree DIPR (SM)
WisdomTree DIPR High-Yielding Equity
WisdomTree Dreyfus Australian Dollar Fund
WisdomTree Dreyfus BRIC Currency Fund
WisdomTree Dreyfus British Pound Sterling Fund
WisdomTree Dreyfus Canadian Dollar Fund
WisdomTree Dreyfus Chilean Peso Fund
WisdomTree Dreyfus Czech Koruna Fund
WisdomTree Dreyfus Developed Currency Fund
WisdomTree Dreyfus Emerging Asia Currency Fund
WisdomTree Dreyfus Emerging Europe Currency Fund
WisdomTree Dreyfus Emerging Latin America Currency Fund
WisdomTree Dreyfus Gulf Currency Fund
WisdomTree Dreyfus Hong Kong Dollar Fund
WisdomTree Dreyfus Hungarian Forint Fund
WisdomTree Dreyfus Icelandic Krona Fund
WisdomTree Dreyfus Indonesian Rupiah Fund
WisdomTree Dreyfus Israeli Shekel Fund
WisdomTree Dreyfus Malaysian Ringgit Fund
WisdomTree Dreyfus Mexican Peso Fund
WisdomTree Dreyfus Norwegian Krone
WisdomTree Dreyfus Oil Exporters Currency Fund
WisdomTree Dreyfus Polish Zloty Fund
WisdomTree Dreyfus Russian Ruble Fund
WisdomTree Dreyfus Singapore Dollar Fund
WisdomTree Dreyfus South Korean Won Fund
WisdomTree Dreyfus Swedish Krona
WisdomTree Dreyfus Swiss Franc Fund
WisdomTree Dreyfus Taiwan Dollar Fund
WisdomTree Dreyfus Thai Baht Fund
WisdomTree Dreyfus Turkish Lira Fund
WisdomTree EMEA Bond Fund
WisdomTree Emerging Markets Dividend Top 100
WisdomTree Emerging Markets Hedged Fund
WisdomTree Emerging Markets Total Dividend
WisdomTree Financial Sector
WisdomTree France Total Dividend
WisdomTree Germany Total Dividend
WisdomTree Global Dividend
WisdomTree Global Equity Income
WisdomTree Global Real Return Active ETF
WisdomTree Global SmallCap Dividend Fund
WisdomTree Hong Kong Total Dividend
WisdomTree India Total Dividend
WisdomTree International LargeCap Growth Fund
WisdomTree Israel Total Dividend
WisdomTree Latin America Bond Fund
WisdomTree Latin America Total Dividend
WisdomTree Long-Short Equity Fund
WisdomTree Malaysia Total Dividend
WisdomTree Real Return Fund

ETF name
United States (continued)
WisdomTree Investments (continued)
WisdomTree REIT Sector
WisdomTree Rising Dollar
WisdomTree Singapore Total Dividend
WisdomTree South Africa Total Dividend
WisdomTree South Korea Total Dividend
WisdomTree Taiwan Total Dividend
WisdomTree U.S. Cash Fund
WisdomTree U.S. Government Cash Fund
WisdomTree United Kingdom High-Yielding Equity
WisdomTree United Kingdom Total Dividend
WisdomTree Utilities Sector
Canada
BetaPro Management
Horizons BetaPro Australia Dollar Currency ETF
Horizons BetaPro COMEX Gold Inverse ETF
Horizons BetaPro COMEX Silver Inverse ETF
Horizons BetaPro COMEX Long Gold/Short Silver Spread ETF
Horizons BetaPro COMEX Long Silver/Short Gold Spread ETF
Horizons Gold Yield Fund
Horizons Enhanced U.S. Equity Income Fund
Horizons Morningstar Hedge Fund Replication Index ETF
Claymore Investments
Claymore Canadian Balanced Income CorePortfolio ETF
Claymore Conservative CorePortfolio ETF
Claymore Inverse Natural Gas Commodity ETF
Claymore Long-Term Natural Gas Commodity ETF
Claymore 1-10 Yr Laddered Government Bond ETF
Claymore 1-10 Yr Laddered Corporate Bond ETF
Claymore S&P U.S. Dividend Growers ETF
Claymore Small-Mid Cap BRIC ETF
Claymore Managed Futures ETF
iShares
iShares S&P/TSX Venture Index Fund
RBC Global Asset Management
RBC Target 2013 Corporate Bond ETF
RBC Target 2014 Corporate Bond ETF
RBC Target 2015 Corporate Bond ETF
RBC Target 2016 Corporate Bond ETF
RBC Target 2017 Corporate Bond ETF
RBC Target 2018 Corporate Bond ETF
RBC Target 2019 Corporate Bond ETF
RBC Target 2020 Corporate Bond ETF
Asia Pacific (ex-Japan)
Australia
BetaShares S&P/ASX 200 Bear Plus ETF
BetaShares S&P/ASX 200 Bull Plus ETF
SPDR Resources ETF
SPDR Financials ETF
SPDR Small-cap ETF
China
Allianz SE Chinese Commodity ETF
Bosera S&P 500 ETF
Bosera SSE Resource ETF
Bosera SZFI 200 ETF
China Asset Management: ABF China

continued…

Figure 155: Planned new ETFs (continued)

ETF name
Asia Pacific (ex-Japan) (continued)
China (continued(
China Merchants SZSE TMT50 Total Return Index ETF
ChinaAMC HSI ETF
Guangfa SZSE Small and Mid Cap Enterprises 300 Price Index ETF
Guotai SME 300 growth price Index ETF
Harvest Shenzhen F120 Index ETF
H-Share ETF
MSCI EAFE ETF
MSCI Emerging Markets ETF
MSCI USA ETF
Nasdaq-100 Index ETF
QDII ETF
Shanghai Gold Exchange Gold ETF
SHANGHAI SSE SECTOR ETFs
SHENZHEN TECH 100 ETF
SSE State-owned Enterprises 100 ETF
TOPIX Core 30 Index ETF
Hong Kong
CSI 100 Index
India
AXIS FMCG ETF
Axis Banking ETF
Axis Energy ETF
Axis Metal ETF
Benchmark Energy BeES
Benchmark FMCG BeES
Benchmark IT BeES
Benchmark Pharma BeEs
Benchmark Realty BeES
Benchmark Services BeES
Birla Sun Life Nifty ETF
MOSt Shares Midcap 100 ETF
MOSt Shares S&P 500 ETF
Reliance Liquid Exchange Traded Fund
Reliance MSCI Growth Exchange Traded Fund
Reliance MSCI India Exchange Traded Fund
Reliance MSCI Value Exchange Traded Fund
Tata CNX Banking
UTI-SSgA Global Navigator
Malaysia
India ETF
EasyETF DJ Islamic Market China / Hong Kong Titans
Islamic ETF
Philippines
GSIS ETF
Singapore
FTSE Shariah Japan 100
db x-trackers II Markit IBOXX ABF Indonesia Government ETF
db x-trackers II Markit IBOXX ABF Malaysia Government ETF
South Korea
China A Share ETF
Commodity ETF
Leveraged ETF
Long term bond ETF (10 years)
Sri Lanka
Colombo All-Share Index

ETF name
Asia Pacific (ex-Japan) (continued)
Taiwan
Fubon SSE 180 ETF
Global Semi33 Index
ISOCG (ISO Corporate Governance)
Polaris China A-share index-linked ETF
Latin America
Brazil
Brazilian Financial Sector
Colombia
iShares COLCAP
Mexico
IBMTRAC-ISHRS
Middle East & Africa
Egypt
CASE 30 Index ETF
Israel
British Pound Sterling ETF
Japanese Yen ETF
South Africa
Satrix FTSE/JSE Rafi 40
DJ Eurostoxx 50
Dow Jones Industrial Average
FTSE 250
Indweza (SA Money Market)
Itrix Global ETF
Itrix Japan ETF
Itrix North America ETF
PropTrax Ten ETF
Russell 1000
SA Government Bonds
STANLIB undisclosed ETF
STANLIB undisclosed ETF
STANLIB undisclosed ETF
TOPIX
United Arab Emirates
Al Mal UAE Falcon
Dow Jones GCC Titans 50 ETF
Global Fund ETF
HSBC Islamic ETF

Source: Various ETF providers, exchanges, BlackRock Investment Institute – ETF Research, Bloomberg.

Figure 156: Planned new ETPs

ETP name
Europe
Credit Suisse
CS ETC on Physical Aluminium
ETF Securities
ETFS 3x Long NOK Short EUR
ETFS 3x Long NZD Short EUR
ETFS 3x Long SEK Short EUR
ETFS 3x Short NOK Long EUR
ETFS 3x Short NZD Long EUR
ETFS 3x Short SEK Long EUR
ETFS Forward Aluminium
ETFS Forward Coffee
ETFS Forward Copper
ETFS Forward Corn
ETFS Forward Cotton
ETFS Forward Gasoline
ETFS Forward Gold
ETFS Forward Nickel
ETFS Forward Silver
ETFS Forward Soybean Oil
ETFS Forward Soybeans
ETFS Forward Sugar
ETFS Forward Wheat
ETFS Forward Zinc
GAM Holding
GAM Holding Aluminium
GAM Holding Copper
GAM Holding Nickel
GAM Holding Zinc
United States
Arrow Investment Advisors
Commodity ETNs
Barclays (iPath)
iPath Bear Barclays Capital 10Y US Treasury Futures Targeted Exposure IndexTM ETN
iPath Bear Barclays Capital Bund Futures Targeted Exposure IndexTM ETN
iPath Bear Barclays Capital Long Gilt Futures Targeted Exposure IndexTM ETN
iPath Bull Barclays Capital 10Y US Treasury Futures Targeted Exposure IndexTM ETN
iPath Bull Barclays Capital Bund Futures Targeted Exposure IndexTM ETN
iPath Bull Barclays Capital Long Gilt Futures Targeted Exposure IndexTM ETN
iPath DJ-AIG Ex-Energy Total Return Sub-Index ETN
iPath DJ-AIG Petroleum Total Return Sub-Index ETN
iPath DJ-AIG Softs Total Return Sub-Index ETN
iPath Dow Jones-UBS Agriculture Subindex Total Return Callable ETN
iPath Dow Jones-UBS Aluminum Subindex Total Return Callable ETN
iPath Dow Jones-UBS Cocoa Subindex Total Return Callable ETN
iPath Dow Jones-UBS Coffee Subindex Total Return Callable ETN
iPath Dow Jones-UBS Commodity Index Total Return Callable ETN
iPath Dow Jones-UBS Copper Subindex Total Return Callable ETN
iPath Dow Jones-UBS Cotton Subindex Total Return Callable ETN
iPath Dow Jones-UBS Energy Subindex Total Return Callable ETN
iPath Dow Jones-UBS Grains Subindex Total Return Callable ETN
iPath Dow Jones-UBS Industrial Metals Subindex Total Return Callable ETN
iPath Dow Jones-UBS Lead Subindex Total Return Callable ETN
iPath Dow Jones-UBS Livestock Subindex Total Return Callable ETN
iPath Dow Jones-UBS Natural Gas Subindex Total Return Callable ETN
iPath Dow Jones-UBS Nickel Subindex Total Return Callable ETN
iPath Dow Jones-UBS Platinum Subindex Total Return Callable ETN
iPath Dow Jones-UBS Precious Metals Subindex Total Return Callable ETN
iPath Dow Jones-UBS Softs Subindex Total Return Callable ETN

ETP name
United States (continued)
Barclays (iPath) (continued)
iPath Dow Jones-UBS Sugar Subindex Total Return Callable ETN
iPath Dow Jones-UBS Tin Subindex Total Return Callable ETN
ETF Securities
ETFS All Commodities
ETFS Composite Agriculture
ETFS Composite Energy
ETFS Composite Industrial Metals
ETFS Copper
ETFS ex-U.S. Oil
ETFS Leveraged Copper
ETFS Leveraged ex-U.S. Oil
ETFS Leveraged Gold
ETFS Leveraged Natural Gas
ETFS Leveraged Wheat
ETFS Natural Gas
ETFS Physical Aluminum Shares
ETFS Physical Copper Shares
ETFS Physical Lead Shares
ETFS Physical Nickel Shares
ETFS Physical Tin Shares
ETFS Physical Zinc Shares
ETFS Short Copper
ETFS Short ex-U.S. Oil
ETFS Short Gold
ETFS Short Natural Gas
ETFS Short Wheat
ETFS Wheat
iShares
iShares Carbon Emissions
iShares Copper Trust
Jefferies Asset Management
Jefferies Commodity Real Return ETF
Jefferies TR/J CRB Commodity Index ETF
JPMorgan Chase
JP Morgan Physical Copper Shares ETF
ProShares
ProShares Short Australian Dollar
ProShares Short British Pound
ProShares Short Canadian Dollar
ProShares Short Crude Oil
ProShares Short Dow Jones - AIG Agriculture
ProShares Short Dow Jones - AIG Commodity
ProShares Short Dow Jones - AIG Industrial Metals
ProShares Short Dow Jones - AIG Precious Metals
ProShares Short Euro
ProShares Short Gold
ProShares Short Japanese Yen
ProShares Short Mexican Peso
ProShares Short Natural Gas
ProShares Short Silver
ProShares Short Swedish Krona
ProShares Short Swiss Franc
ProShares Ultra Australian Dollar
ProShares Ultra British Pound
ProShares Ultra Canadian Dollar

continued…

Figure 156: Planned new ETPs (continued)

ETP name
United States (continued)
ProShares (continued)
ProShares Ultra Crude Oil
ProShares Ultra Dow Jones - AIG Agriculture
ProShares Ultra Dow Jones - AIG Industrial Metals
ProShares Ultra Dow Jones - AIG Precious Metals
ProShares Ultra Mexican Peso
ProShares Ultra Natural Gas
ProShares Ultra Swedish Krona
ProShares Ultra Swiss Franc
ProShares UltraShort Australian Dollar
ProShares UltraShort British Pound
ProShares UltraShort Canadian Dollar
ProShares UltraShort Crude Oil
ProShares UltraShort Dow Jones - AIG Agriculture
ProShares UltraShort Dow Jones - AIG Industrial Metals
ProShares UltraShort Dow Jones - AIG Precious Metals
ProShares UltraShort Mexican Peso
ProShares UltraShort Natural Gas
ProShares UltraShort Swedish Krona
ProShares UltraShort Swiss Franc
Rydex SGI
CurrencyShares Hong Kong Dollar Trust
CurrencyShares Singapore Dollar Trust
CurrencyShares South African Rand Trust
Rydex 2X GSCI Agricultural Fund
Rydex 2X GSCI Commodities Fund
Rydex 2X GSCI Energy Fund
Rydex 2X GSCI Industrial Metals Fund
Rydex 2X GSCI Precious Metals Fund
Rydex Inverse 2X GSCI Agricultural Fund
Rydex Inverse 2X GSCI Commodities Fund
Rydex Inverse 2X GSCI Energy Fund
Rydex Inverse 2X GSCI Industrial Metals Fund
Rydex Inverse 2X GSCI Precious Metals Fund
Teucrium Trading
Teucrium Agricultural Fund
Teucrium Soybean Fund
Teucrium Sugar Fund
Teucrium Wheat Fund
United States Commodity Funds
Diversified Commodities Index ETF
United States Agriculture Index Fund
United States Copper Index Fund
United States Metal Index Fund
WealthNotes Capital Management
WealthNotes S&P 500 130/30 Total Return Strategy ETN
Hong Kong
RUSAL Aluminium ETF
India
Benchmark Silver ETF
Bombay Bullion Association Gold ETF
Bombay Bullion Association Silver ETF
ING OptiMix Gold Fund
RiddiSiddhi Bullions Silver ETF
Tata Gold Fund
Japan
Silver ETC

ETP name
Malaysia
Islamic Gold ETF
South Africa
NewWave Commodity Index ETN
NewWave Platinum ETN
NewWave Silver ETN
Deutsche Bank ETNs
Thailand
Gold ETF
United Arab Emirates
Dubai Silver Shares

Source: Various ETP providers, exchanges, BlackRock Investment Institute – ETF Research, Bloomberg.

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