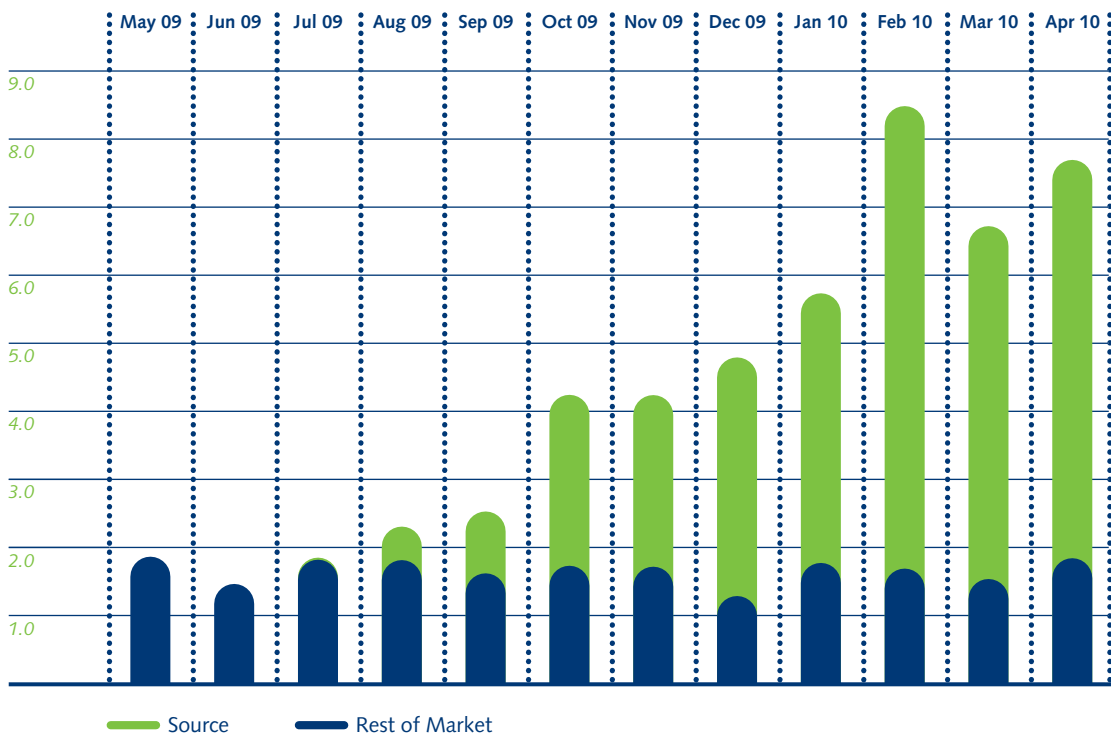


Options on Source ETFs – Optimised Underlyings for the Eurex ETF Segment

On June 1, 2010, Eurex launched seven new options on Source Exchange Traded Funds. One new contract is based on the STOXX® Europe Mid 200 Source ETF, the further six options are based on the STOXX® Europe 600 Optimised Supersector Source ETFs covering the European sectors Banks, Basic Resources, Industrial Goods & Services, Oil & Gas, Telecommunications and Utilities.

The underlying optimised sector indices have been created by STOXX Ltd. and Source to deliberately enhance trading liquidity by addressing concentration and securities lending concerns. Since their launch in July 2009, Source Optimised Supersector ETFs have gained increasing popularity, capturing 20 percent European sector ETF market share and over 75 percent of total European sector ETF Cascade turnover since February 2010.

European Sector ETFs: Monthly Cascade Volume (in EUR billion)



The Success Story of ETFs in the U.S. and Europe

ETFs were initially developed in the U.S., before finding followers in Europe. The first exchange traded index funds were introduced by AMEX in 1993, ideal to track a broad index in a simple and cost efficient means. Today, assets managed in ETFs are in excess of USD 1 trillion.

ETFs on EURO STOXX 50® and STOXX® Europe 50 were first listed and traded in Europe on Xetra® in 2000. The assets under management of ETFs listed on Xetra® have grown by an average of 89 percent and are currently at EUR 120 billion.

Source Optimised Sector ETFs

The majority of existing European investable sector products reflected the lack of liquidity in a number of the underlying stocks included in the STOXX® Europe 600 Supersector indices. By optimising them to reduce exposure to illiquid constituents, the products linked to the indices can be significantly more efficient. As a result, Source and STOXX created the Optimised Supersector indices. On July 14, 2009, STOXX launched the STOXX® Europe 600 Optimised Supersector index family. Having collaborated with STOXX on creating the new indices, on July 27, 2009, Source launched 18 new Exchange Traded Funds tracking the STOXX® Europe 600 Optimised Supersector indices.

Opportunity

The STOXX® Europe 600 Optimised Supersector indices are constructed deliberately to deliver optimal sector exposure rather than carving up a larger index by sector classification. They address three main concerns: concentration, liquidity and securities lending constraints.

- **Concentration**

Where excessive exposure to individual stocks has skewed the performance of a public benchmark, many institutional investors have chosen to trade custom baskets instead.

- **Liquidity**

Existing benchmarks have ignored liquidity when determining index constituents. Replicating sectors which require trading of illiquid positions can be expensive and difficult.

- **Securities Lending Liquidity**

Existing sector benchmarks do not take into account ability to short shares included in the benchmark. High borrow costs, plus risk premia for broker error on their hedge, makes shares that cannot be borrowed inefficient index constituents.

Index Methodology

The starting point for construction of the optimised sectors is the STOXX® Europe 600 (SXXP) universe with the following adjustments:

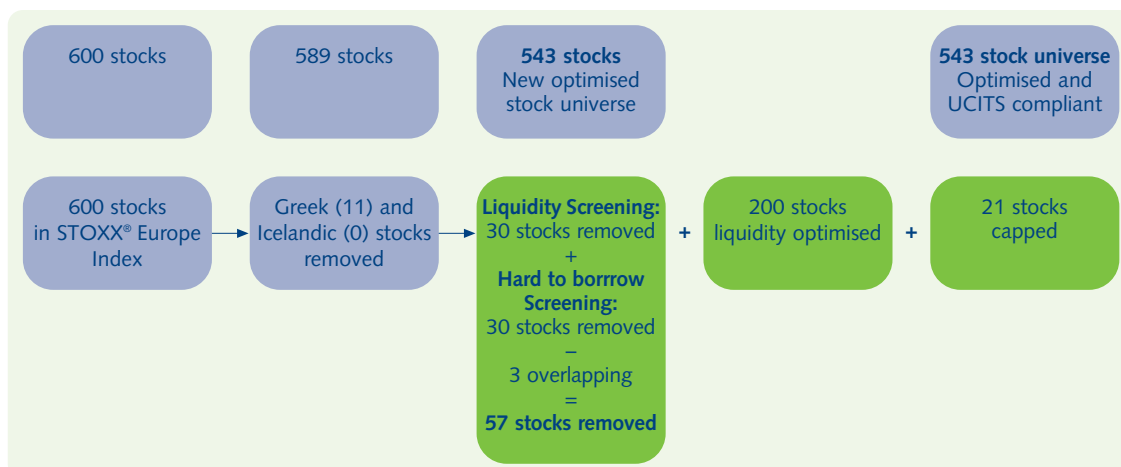
- Greek and Icelandic stocks are removed due to the lack of an efficient stock lending market in those countries.
- The 30 least liquid stocks are removed
- Up to 30 additional names are removed due to persistent lack of available shares to borrow in the stock lending market. This is determined based on independent third party stock loan data provided to STOXX by DataExplorers.

Liquidity optimisation at individual sector level reduces the weighting of companies whose stock has a lower than sector average turnover relative to its market cap. An individual stock weighting cap is then applied which limits the maximum weight of any individual constituent to either 20%, 15% or 10%, depending on the number of stocks in the sector. This ensures that the sectors remain UCITS compliant.

Note that stocks will not be removed from the sector if the number of companies drops below 10 or if the excluded companies comprise more than 20% of the free float market capitalisation of the sector.

The STOXX® Europe 600 Optimised Supersector indices are reviewed and re-weighted quarterly in March, June, September and December in line with the schedule for the original STOXX® Europe 600 Supersector indices.

STOXX® Europe 600 Optimised Supersector Index Methodology (As of Rebalancing in March 2010)



Options on Source ETFs

Sector and size indices have become more important in the asset allocation of institutional investors, which is reflected in the strong asset growth. Monthly turnover in Source European Sector ETFs exceeded EUR 5 billion since February 2010 (according to Cascade), providing a liquid underlying for the extension of the range of ETF derivatives at Eurex. With these new products Eurex offers ETF and derivatives users innovative means to further fine-tune and manage their investments.

Options on Source ETFs – Contract Specifications

Underlying & Eurex Product Code	1) STOXX® Europe 600 Optimised Banks Source ETF (SC0U) 2) STOXX® Europe 600 Optimised Basic Resources Source ETF (SC0W) 3) STOXX® Europe 600 Optimised Industrial Goods & Services Source ETF (SC0S) 4) STOXX® Europe 600 Optimised Oil & Gas Source ETF (SC0V) 5) STOXX® Europe 600 Optimised Telecommunication Source ETF (SC0Q) 6) STOXX® Europe 600 Optimised Utilities Source ETF (SC0Z) 7) STOXX® Europe Mid 200 Source ETF (SC0G)
Currency	EUR
Contract Size	100 index funds of the respective underlying
Settlement	Physical delivery, three exchange days after the Final Settlement Day.
Minimum Price Change	EUR 0.01
Contract Months	Up to 24 months: the next three successive calendar months, the three following quarterly months of the March, June, September and December cycle and the next two following semi-annual months of the June and December cycle thereafter.
Last Trading Day/ Final Settlement Day	The third Friday of each expiration month. Last Trading Day is the Final Settlement Day.
Daily Settlement Price	The Daily Settlement Price is established by Eurex, determined through the binomial model of Cox/Ross/Rubinstein.
Exercise	American-style, that is exercise on any exchange day during the life-time of the option (with the exception of the day preceding the dividend payment, respectively the tax distribution)
Trading Hours	Order Book: 08:50–17:30 CET OTC Block Trading: 07:50–19:00 CET
OTC Block Trade	The Minimum OTC Block Trade size is 100 contracts.
Fees	Order Book: EUR 0.30 (Non-MM) / EUR 0.15 (PMM) / EUR 0.08 (AMM) OTC: EUR 0.40 (Non-MM) / EUR 0.20 (PMM) / EUR 0.10 (AMM)

Vendor Codes Bloomberg

Underlying	Bloomberg
STOXX® Europe 600 Optimised Banks Source ETF	X7PS GY <Equity> OMON
STOXX® Europe 600 Optimised Basic Resources Source ETF	XPPS GY <Equity> OMON
STOXX® Europe 600 Optimised Industrial Goods & Services Source ETF	XNPS GY <Equity> OMON
STOXX® Europe 600 Optimised Oil & Gas Source ETF	XEPS GY <Equity> OMON
STOXX® Europe 600 Optimised Telecommunication Source ETF	XKPS GY <Equity> OMON
STOXX® Europe 600 Optimised Utilities Source ETF	X6PS GY <Equity> OMON
STOXX® Europe Mid 200 Source ETF	SDJMID GY <Equity> OMON

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