



# NYSE Arca WEEKLY BULLETIN

June 20, 2008 WB-08-25

The Bylaws and Rules of NYSE Arca<sup>sm</sup> Exchange ("Exchange"), in certain specific instances, require the Exchange to provide notice to all OTP Firms and OTP Holders (collectively "OTPs") and ETP Holders ("ETPs"). To satisfy this requirement, a copy of the *Weekly Bulletin*, including *Regulatory Bulletins*, is provided to all OTPs and ETPs on a weekly basis.

Pursuant to Exchange Rules, all OTPs and ETPs are reminded to promptly report business, home and mailing address changes, telephone number changes, and e-mail address changes to [crs@nyx.com](mailto:crs@nyx.com) or Client Registration Services at (888) 689-7739, option 3.



**NEWLY APPROVED ETP HOLDERS\***  
Elm Trading LP

**NEWLY APPROVED MARKET MAKER/ETP HOLDERS**  
(none)

**TERMINATED ETP HOLDERS**  
(none)

**ETP HOLDER NAME CHANGES**  
(none)

**NEWLY APPROVED OTP FIRMS AND HOLDERS\***  
(none)

**TERMINATED OTP FIRMS AND HOLDERS**

**OTP FIRM NAME CHANGES**

<b>Total ETP Holders</b>	<b>600</b>
<b>Total MM/ETP Holders</b>	<b>38</b>
<b>Total OTP Holders</b>	<b>94</b>
<b>Total MM/OTP Holders</b>	

\* for current week (as of 8 a.m. today)

## REPORTS DUE TO THE EXCHANGE

### Focus Report Due Dates – SEC Rules 17a-5(a) & 17a-10

*FOCUS Reports must be submitted electronically and received by the NYSE Arca Financial & Operational Compliance Department on or before the following due dates:*

**Monthly FOCUS Reports** are required from all NYSE Arca Market Makers and NYSE Arca Lead Market Makers:

**May 2008 Monthly FOCUS Report**  
**Due: Tuesday, June 24, 2008**

**Quarterly FOCUS Reports** are required from all Clearing OTPs and DEA Broker-Dealers subject to the SEC Net Capital Rule:

**2<sup>nd</sup> Quarter 2008 FOCUS Report**  
**Due: Thursday, July 24, 2008**

### Annual Audited Financial Statements – SEC Rule 17a-5(d)

*OTPs and ETPs are reminded to file their Annual Reports with the NYSE Arca Financial & Operational Compliance Department by the following due dates:*

OTPs and ETPs with FYE April 30, 2008.....June 30, 2008

OTPs and ETPs with FYE May 31, 2008 ..... July 30, 2008

OTPs and ETPs are reminded to submit Annual Audited Financial Statements, Material Change Forms, Financial Arrangement Disclosures, and SIPC payments to the following address:

NYSE Euronext  
Attn: [Firm's NYSE Coordinator]  
20 Broad Street, 21<sup>st</sup> Floor  
New York, NY 10005  
Fax: (212) 656-5748

## IMM ASSIGNMENTS

IMM assignment for QQQQ: J18J J18-SLWTO 6/23 to 6/27

IMM assignment for IWM: M02 A38-PRDGA 6/23 to 6/27

For more information visit:

[http://www.nyse.com/pdfs/Issues\\_No\\_LMM.pdf](http://www.nyse.com/pdfs/Issues_No_LMM.pdf)

For updated information regarding NYSE Arca Options plan for the OCC Symbology Initiative visit: [www.nyse.com/optionssymbology](http://www.nyse.com/optionssymbology)

## REGULATORY BULLETINS/NOTICES IN THIS ISSUE

<b>RB-08-66</b> NETS ISEQ Index Fund (Ireland).....	<b>2</b>
<b>RB-08-65</b> Barclays Asian & Gulf Currency Revaluation ETNs.....	<b>9</b>
<b>RB-08-64</b> First Trust ISE Global Wind Energy Index Fund.....	<b>14</b>
<b>RB-08-63</b> PowerShares DB Crude Oil & base Metals ETNs.....	<b>21</b>

## OTP POSTINGS

The following applicants have applied for OTP status at the Exchange and are being posted for a period of three business days, during which time interested OTPs may submit written comments with respect to the qualifications of the applicants. Admission of applicants will become effective after applicants have been cleared and approved for OTP status pursuant to the policies of the Exchange.

(none)



**REGULATORY  
INFORMATION  
BULLETIN**

**RB-08-66  
June 18, 2008**

**TO: ETP Holders**

**SUBJECT: NETS™ ISEQ 20™ Index Fund (Ireland)**

Compliance and supervisory personnel should note that, among other things, this Information Bulletin discusses the need to deliver a prospectus to customers purchasing shares (“Shares”) of the exchange-traded fund (“Fund”) listed below and issued by the NETS Trust. Please forward this Information Bulletin to other interested persons within your organization.

The following security has been approved for Listing on NYSE Arca and will commence trading on June 19, 2008:

**Exchange-Traded Fund**

**Symbol**

NETS™ ISEQ 20™ Index Fund (Ireland)

IQE

**Background Information on the Fund**

As more fully explained in the Registration Statement (Nos. 811-22140 and 333-147077) for the Trust, the Trust is an open-end management investment company registered under the Investment Company Act of 1940, as amended (“1940 Act”), and currently consists of eighteen separate investment portfolios, including the Funds.

The NETS™ ISEQ 20™ Index Fund (Ireland) seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of publicly-traded securities in the aggregate in the Irish market, as represented by the ISEQ 20™ (the “Underlying Index”). The Underlying Index consists of 20 of the most liquid and largest stocks traded on the Irish Stock Exchange. As of March 13, 2008, the Underlying Index’s three largest stocks were CRH plc, Allied Irish Banks plc and Bank of Ireland and its three largest industries were financials, industrials and consumer non-cyclical. As of March 13, 2008, the capitalization of companies in the Underlying Index ranged from approximately \$356.0 million to \$19.9 billion. The Fund uses a representative sampling strategy in seeking to track the Underlying Index. A “Representative Sampling” is investing in a representative sample of securities in the Underlying Index.

Northern Trust Investments, N.A. is the investment adviser for the Fund. Foreside Fund Services, LLC is the distributor for the Fund (“Distributor”). J.P. Morgan Investor Services Co. is the administrator for the Fund. JPMorgan Chase Bank, N.A. is the custodian and fund accounting and transfer agent for the Fund.

As described more fully in the Trust’s prospectus (“Prospectus”) and Statement of Additional Information (“SAI”), the Fund will issue and redeem shares on a continuous basis at their net asset value (“NAV”) only in large blocks of 100,000 Shares (each a, “Creation Unit”). Creation Units will be issued and redeemed principally in-kind for securities included in the underlying index. Except when aggregated in Creation Units, the Shares may not be redeemed with the Funds.

Dividends from net investment income, if any, will be distributed to shareholders annually. Net capital gains, if any, will be distributed to shareholders at least annually. Dividends may be declared and paid more frequently.

The Depository Trust Company (“DTC”) serves as securities depository for the Shares, which may be held only in book-entry form; stock certificates will not be issued. DTC, or its nominee, is the record or registered owner of all outstanding Shares.

The NAV per Share for the fund will be determined as of the close of trading (normally, 4:00 p.m. Eastern Standard Time (“ET”)) on each day that the New York Stock Exchange is open for business (a “Business Day”). The NAV is calculated by dividing the value of the net assets of a Fund (i.e., the value of its total assets less total liabilities) by the total number of Shares outstanding, rounded to the nearest cent. NAV will be available from the Distributor and will also be available to National Securities Clearing Corporation (“NSCC”) participants through data made available from NSCC.

The Trust’s registration statement describes the various fees and expenses for the Fund’s Shares. For a more complete description of the Fund and the Index, visit [www.netsetfs.com](http://www.netsetfs.com).

#### Purchases and Redemptions in Creation Unit Size

ETP Holders are hereby informed that procedures for purchases and redemptions of Shares in Creation Units are described in the Trust’s Prospectus and Statement of Additional Information and that Shares are not individually redeemable but are redeemable only in Creation Unit aggregations or multiples thereof.

#### Principal Risks

Interested persons are referred to the Prospectuses for a description of risks associated with an investment in the Shares. These risks include the risk that the Fund’s return may not match the return of the Index for a number of reasons including the incursion by the Fund of operating expenses and costs not applicable to the Index. In addition, as noted in the Prospectus, the Shares may trade at market prices that may differ from their NAV. The NAV of the Shares will fluctuate

with changes in the market value of the Fund's holdings. The market prices of the Shares will fluctuate in accordance with changes in NAV as well as the supply and demand for the Share.

#### Exchange Rules Applicable to Trading in the Shares

The Shares are considered equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities.

#### Trading Hours

The value of the Indexes underlying the Shares will be disseminated to data vendors every 15 seconds during the Exchange's Core Trading Session. The Shares will trade on NYSE Arca in the Opening, Core and Late trading sessions or from 4:00 a.m. ET until 8:00 p.m. ET in accordance with NYSE Arca Equities Rule 7.34(a). The trading increment for the Fund's Shares will be \$0.01.

#### Extended Hours Trading

ETP Holders are reminded of NYSE Arca Equities Rule 7.34(e) regarding Customer Disclosure and that trading in the Funds Shares during the Exchanges Opening and Late Trading Sessions may result in additional trading risks which include: (1) that the current underlying index value may not be updated during the Opening and Late Sessions, (2) the intraday indicative value may not be updated during the Opening and Late Trading Sessions, (3) lower liquidity in the Opening or Late Trading Sessions may impact pricing, (5) higher volatility in the Opening or Late Trading Sessions may impact pricing, (6) wider spreads may occur in the Opening or Late Trading Sessions, and (7), since the intraday indicative value is not calculated or widely disseminated during the Opening and Late Trading Sessions, an investor who is unable calculate an implied value for an ETF in those sessions may be at a disadvantage to market professionals.

#### Trading Halts

The Exchange will halt trading in the Shares for a regulatory halt similar to a halt based on NYSE Arca Equities Rule 7.12 and/or a halt because dissemination of the intraday indicative value of the Shares and/or the underlying value of the index has ceased. Further, the Exchange will halt trading in the Shares in accordance with NYSE Arca Equities Rule 7.12 ("Trading Halts Due to Extraordinary Market Volatility"). The Shares will be traded following a trading halt in accordance with NYSE Arca Equities Rule 7.35(f) ("Re-Opening After Trading Halts").

#### Delivery of a Prospectus

Consistent with the requirements of the Securities Act and the rules thereunder, investors purchasing Shares in the initial public offering and anyone purchasing Shares directly from a Fund (by delivery of the designated securities) must receive a Prospectus. In addition, ETP Holders are required to deliver a Prospectus to all purchasers of newly-issued Shares (i.e. during the initial public offering). ETP Holders purchasing shares from a Fund for resale to investors will deliver a Prospectus to such investors.

Prospectuses may be obtained through the Fund's website. The Prospectus does not contain all of the information set forth in the Registration Statement (including the exhibits to the Registration Statement), parts of which have been omitted in accordance with the rules and regulations of the Commission. For further information about a Fund, please refer to the Registration Statement.

In the event that a Fund relies upon an order by the Commission exempting the Shares from certain Prospectus delivery requirements under Section 24(d) of the 1940 Act and makes available a written product description, NYSE Arca Equities Rule 5.2(j)(3) Commentary .01(h) requires that ETP Holders provide to all purchasers of Shares a written description of the terms and characteristics of such securities, in a form prepared by the Trust, no later than the time a confirmation of the first transaction in the Shares, is delivered to such purchaser. In addition, ETP Holders shall include such a written description with any sales material relating to the Shares that is provided to customers or the public. Any other written materials provided by a ETP Holder to customers or the public making specific reference to the ETF Shares as an investment vehicle must include a statement in substantially the following form: "A circular describing the terms and characteristics of ETF Shares of the Fund has been prepared by the Trust and is available from your broker. It is recommended that you obtain and review such circular before purchasing Shares of the Fund. In addition, upon request you may obtain from your broker a prospectus for Shares of the Fund."

An ETP Holder carrying an omnibus account for a non-ETP Holder is required to inform such non-ETP Holder that execution of an order to purchase Shares for such omnibus account will be deemed to constitute agreement by the non-ETP Holder to make such written description available to its customers on the same terms as are directly applicable to ETP Holders under this rule.

Upon request of a customer, ETP Holders shall also provide a copy of the Prospectus.

#### Exemptive, Interpretive and No-Action Relief Under Federal Securities Regulations

The Commission has issued letters dated November 21, 2005 and October 24, 2006 (together, the "No-Action Letters") granting exemptive, interpretive and no-action relief from certain provisions of and rules under the Securities Exchange Act of 1934 for exchange-traded funds listed and traded on a registered national securities exchange that meet certain criteria. The Fund qualifies for the relief granted in the No-Action Letters, a description of which follows.

#### Regulation M Exemptions

Generally, Rules 101 and 102 of Regulation M prohibit any "distribution participant" and its "affiliated purchasers" from bidding for, purchasing, or attempting to induce any person to bid for or purchase any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to

underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities.

The Commission issued a No-Action Letter by which persons participating in a distribution of shares of a fund may engage in secondary market transactions in such shares during their participation in such a distribution, despite the requirements of from Rule 101 under Regulation M. In addition, the SEC has permitted persons who may be deemed to be participating in the distribution of shares of a fund (i) to purchase securities for the purpose of purchasing creation unit aggregations of fund shares and (ii) to tender securities for redemption in Creation Unit Aggregations. Further, the Commission has clarified that the tender of fund shares to the Fund for redemption does not constitute a bid for or purchase of any of the Funds' securities during the restricted period of Rule 101. The Commission has issued a No-Action Letter to paragraph (e) of Rule 102 under Regulation M which allow the redemption of fund shares in creation unit aggregations during the continuous offering of shares.

#### Customer Confirmations for Creation or Redemption of Fund Shares (SEC Rule 10b-10)

Broker-dealers who handle purchases or redemptions of Fund shares in Creation Units for customers will be permitted to provide such customers with a statement of the number of Creation Unit Aggregations created or redeemed without providing a statement of the identity, number and price of shares of the individual securities tendered to the Fund for purposes of purchasing creation unit aggregations ("Deposit Securities") or the identity, number and price of shares to be delivered by the Trust to the redeeming holder ("Redemption Securities"). The composition of the securities required to be tendered to the Fund for creation purposes and of the securities to be delivered on redemption will be disseminated each business day and will be applicable to requests for creations or redemption, as the case may be, on that day. This exemptive relief under Rule 10b-10 with respect to creations and redemptions is subject to the following conditions:

- (1) Confirmations to customers engaging in creations or redemptions must state that all information required by Rule 10b-10 will be provided upon request;
- (2) Any such request by a customer for information required by Rule 10b-10 will be filed in a timely manner, in accordance with Rule 10b-10(c);
- (3) Except for the identity, number and price of shares of the component securities of the Deposit Securities and Redemption Securities, as described above, confirmations to customers must disclose all other information required by Rule 10b-10(a).

#### SEC Rule 14e-5

The Commission has permitted any person acting as a dealer-manager of a tender offer for a component security of fund (1) to redeem fund shares in creation unit aggregations from the issuer that may include a security subject to such tender offer and (2) to purchase fund shares during such tender offer. In addition, a No-Action has been issued under Rule 14e-5 states that if a broker-dealer acting as a dealer-manager of a tender offer for a security of the Fund purchases or arranges

to purchase such securities in the secondary market for the purpose of tendering such securities to purchase one or more creation unit aggregations of shares, it must be made in conformance with the following:

- (i) such bids or purchases are effected in the ordinary course of business, in connection with a basket of 20 or more securities in which any security that is the subject of a distribution, or any reference security, does not comprise more than 5% of the value of the basket purchased; or
- (ii) purchases are effected as adjustments to such basket in the ordinary course of business as a result of a change in the composition of the underlying index; and
- (iii) such bids or purchases are not effected for the purpose of facilitating such tender offer.

Section 11(d)(1); SEC Rules 11d1-1 and 11d1-2

Section 11(d)(1) of the Act generally prohibits a person who is both a broker and a dealer from effecting any transaction in which the broker-dealer extends credit to a customer on any security which was part of a new issue in the distribution of which he participated as a member of a selling syndicate or group within thirty days prior to such transaction. The Commission has clarified that Section 11(d)(1) does not apply to broker-dealers that are not authorized participants (and, therefore, do not create creation unit aggregations) that engage in both proprietary and customer transactions in shares of a fund in the secondary market, and for broker-dealer authorized participants that engage in creations of creation unit aggregations. This relief is subject to specific conditions, including the condition that such broker-dealer (whether or not an authorized participant) does not, directly or indirectly, receive from the fund complex any payment, compensation or other economic incentive to promote or sell the shares of a fund to persons outside the fund complex, other than non-cash compensation permitted under NASD Rule 2830 (I)(5)(A), (B) or (C). See letter dated November 22, 2005 from Brian A Bussey, Assistant Chief Counsel, SEC Division of Market Regulation, to Barclays Global Investors, N.A., dated November 22, 2005. The Commission has issued a No-Action Letter under Section 11(d)(1) of the Act states that broker-dealers may treat shares of a fund, for purposes of Rule 11d1-2, as "securities issued by a registered open-end investment company as defined in the Investment Company Act" and thereby extend credit or maintain or arrange for the extension or maintenance of credit on shares that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

SEC Rule 15c1-5 and 15c1-6

The Commission has issued a No-Action letter with respect to Rule 15c1-5 and Rule 15c1-6 as to the required disclosure of control by a broker or dealer with respect to creations and redemptions of fund shares and secondary market transactions therein.

**This Information Bulletin is not a statutory Prospectus. ETP Holders should consult the Trust's Registration Statements, SAI, Prospectuses and the Fund's website for relevant information.**

Inquiries regarding this Information Bulletin should be directed to Timothy J. Malinowski, Director, ETF's and Indexes, at (312) 442-7886.



**REGULATORY  
INFORMATION  
BULLETIN**

**RB-08-65  
June 17, 2008**

**TO: ETP Holders**

**SUBJECT: Barclays Asian and Gulf Currency Revaluation Exchange-Traded Notes**

Compliance and supervisory personnel should note that, among other things, this Information Bulletin discusses customer suitability. Please forward this Information Bulletin to other interested persons within your organization.

The following exchange-traded note (“ETN”) has been approved for Listing on NYSE Arca and will commence trading on June 18, 2008:

<u>Exchange-Traded Notes</u>	<u>Symbol</u>
Barclays Asian and Gulf Currency Revaluation Exchange Traded Notes due February 4, 2038	PGD

Background on the Securities

As more fully explained in the Registration Statement (No. 333-145845) for the Barclays Asian and Gulf Currency Revaluation Exchange Traded Notes due February 4, 2038 (the “Securities”) are linked to the Barclays Global Emerging Markets Strategy (GEMS) Pegged Currency Index™ (“Index”) and do not guarantee any return of principal at maturity. For a more complete description of the Securities and the payment at maturity, early repurchase provisions, early repurchase mechanics, valuation, fees and risk factors, consult the prospectus (“Prospectus”).

The return on the Securities is linked to the performance of the Index (Bloomberg page BXIIGEMP). The goal of the Index is to provide investors with exposure to local currencies in specified Middle Eastern and Asian markets through short-term, liquid and diversified instruments. The Index is intended to replicate a diversified, multi-national money markets strategy in the five Middle Eastern and Asian market currencies—the Chinese Yuan, the Hong Kong dollar, the Saudi Arabia riyal, the Singapore dollar and the United Arab Emirates dirham—that the Index comprises, by reflecting the total return (including both exchange rate movements and implied local deposit rates) of U.S. dollar investments in the index constituent currencies.

The ETNs will initially be issued in denominations of \$50.

### Valuation of the Securities

According to the Prospectuses, an intraday “Indicative Value” meant to approximate the intrinsic economic value of the ETNs will be published under the Bloomberg, as noted below:

<u>Exchange-Traded Note</u>	<u>Indicative Value</u>
Barclays Asian and Gulf Currency Revaluation Exchange Traded Notes	PGDIV

The actual trading price of the Securities may vary significantly from their Indicative Value.

### Early Redemption

According to the Prospectus, the Securities may be redeemed prior to maturity. Offers to repurchase at least 50,000 Securities (or an integral multiple of 50,000 securities in excess thereof) on any redemption date through January 28, 2038. For a complete description of the redemption procedures and the payment upon redemption, see the Prospectus.

### Investment Risks

The Notes are unsecured promises of Barclays Bank PLC and are not secured debt. The Notes are riskier than ordinary unsecured debt securities. As stated in the Prospectus, an investment in the Securities includes, but are not limited to, the following risks:

- Investor returns on the Notes will not reflect the return of an investment directly linked to the Index;
- Even if the value of the Index at maturity or upon redemption exceeds the initial Index level, holders may receive less than the principal amount of their Securities. Holders will not benefit from any increase in the value of the Index if such increase is not reflected in the value of the Index on the applicable valuation date;
- There are restrictions on the minimum number of Securities a holder may redeem and on the dates on which a holder may redeem them;
- The market value of the Securities may be influenced by many unpredictable factors, including the exchange rates between the index constituent currencies and the U.S. dollar;
- None of the Index constituent Currencies float freely;
- Changes in Barclays’ credit ratings may affect the market value of the Securities;
- There may not be an active trading market in the Notes; sales in the secondary market may result in significant losses;
- Trading and other transactions by Barclays Bank PLC or its affiliates in instruments linked to the Index or Index components may impair the market value of the Notes;
- The liquidity of the market for the Securities may vary materially over time;
- Barclays’ business activities may create conflicts of interest;

- The policies of the index sponsor and changes that affect the composition and valuation of the Index or the index constituent currencies could affect the amount payable on the Securities and their market value;
- If a market disruption event has occurred or exists on a valuation date, the calculation agent can postpone the determination of the value of the Index or the maturity date or a redemption date; and
- The U.S. tax consequences of an investment in the Securities are unclear.

### Prospectus Delivery

ETP Holders are advised to consult the “Plan of Distribution” in the Prospectus regarding prospectus delivery requirements.

### Exchange Rules Applicable to Trading in the Securities

The ETN’s are considered equity securities, thus rendering trading in the Securities subject to the Exchange’s existing rules governing the trading of equity securities.

### Trading Hours

The Securities will trade on NYSE Arca in the Opening, Core and Late trading sessions or from 4:00 a.m. ET until 8:00 p.m. ET in accordance with NYSE Arca Equities Rule 7.34(a).

### Extended Hours Trading

ETP Holders are reminded of NYSE Arca Equities Rule 7.34(e) regarding Customer Disclosure and that trading in the Securities during the Exchanges Opening and Late Trading Sessions may result in additional trading risks which include: (1) that the current underlying Indicative Value may not be updated during the Opening and Late Sessions, (2) the Indicative Value may not be updated during the Opening and Late Trading Sessions, (3) lower liquidity in the Opening or Late Trading Sessions may impact pricing, (5) higher volatility in the Opening or Late Trading Sessions may impact pricing, (6) wider spreads may occur in the Opening or Late Trading Sessions, and (7), since the Indicative Value is not calculated or widely disseminated during the Opening and Late Trading Sessions, an investor who is unable calculate an implied value for the Securities in those sessions may be at a disadvantage to market professionals.

### Suitability

ETP Holders are reminded of their obligations under NYSE Arca Rule 9.2(a)-(b) whereby the ETP holder shall use due diligence to learn the essential facts relative to every customer prior to trading the ETN or recommending a transaction in the ETN that an investment in the ETN is suitable for the customer. ETP Holders should adopt appropriate procedures for the opening and maintaining of accounts, including the maintaining of records prescribed by any applicable

regulatory organization and by the rules and regulations of the Securities and Exchange Commission.

### No-Action Relief Under Federal Securities Regulations

The Securities and Exchange Commission has issued no-action relief from certain provisions of and rules under the Securities Exchange Act of 1934 (the “Exchange Act”), regarding trading in Barclays iPath Exchange Traded Notes (SEC Letter dated July 27, 2006) and Deutsche Bank AG Exchange-Traded Notes (SEC Letter dated October 17, 2007) for securities with structures similar to that of the securities described herein (the “Letters”). As what follows is only a summary of the relief outlined in the Letters, the Exchange also advises interested members to consult the Letters, for more complete information regarding the matters covered therein.

### Regulation M Exemptions

Generally, Rules 101 and 102 of Regulation M is an anti-manipulation regulation that, subject to certain exemptions, prohibits a “distribution participant” and the issuer or selling security holder, in connection with a distribution of securities, from bidding for, purchasing, or attempting to induce any person to bid for or purchase, any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities, and affiliated purchasers of such persons.

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Rule 101 of Regulation M against persons who may be deemed to be participating in a distribution of the notes to bid for or purchase the notes during their participation in such distribution.

Rule 102 of Regulation M prohibits issuers, selling security holders, or any affiliated purchaser of such person from bidding for, purchasing, or attempting to induce any person to bid for or purchase a covered security during the applicable restricted period in connection with a distribution of securities effected by or on behalf of an issuer or selling security holder. Rule 100 of Regulation M defines “distribution” to mean any offering of securities that is distinguished from ordinary trading transactions by the magnitude of the offering and the presence of special selling efforts and selling methods.

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Rule 102 of Regulation M against Barclays and its affiliated purchasers who bid for or purchase or redeem notes during the continuous offering of the notes.

Section 11(d)(1) of the Exchange Act; Exchange Act Rule 11d1-2

Section 11(d)(1) of the Exchange Act generally prohibits a person who is both a broker and a dealer from effecting any transaction in which the broker-dealer extends credit to a customer on any security which was part of a new issue in the distribution of which he or she participated as a member of a selling syndicate or group within thirty days prior to such transaction.

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Section 11(d)(1) of the Exchange Act against broker-dealers who treat the notes, for purposes of Rule 11d1-2, as “securities issued by a registered . . . open-end investment company as defined in the Investment Company Act” and thereby, extend credit or maintain or arrange for the extension or maintenance of credit on the notes that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

**This Information Bulletin is not a statutory Prospectus.**



## REGULATORY INFORMATION BULLETIN

**RB-08-64**  
**June 17, 2008**

**TO: ETP Holders**

**SUBJECT: First Trust ISE Global Wind Energy Index Fund**

Compliance and supervisory personnel should note that, among other things, this Information Bulletin discusses the need to deliver a prospectus to customers purchasing shares ("Shares") of the exchange-traded fund ("Fund") issued by the First Trust Exchange-Traded Fund II (Trust). Please forward this Information Bulletin to other interested persons within your organization.

The following security has been approved for Listing on NYSE Arca and will commence trading on June 18, 2008:

### **Exchange-Traded Funds**

### **Symbol**

First Trust ISE Global Wind Energy Index Fund

FAN

### **Background Information on the Fund**

As more fully explained in the Registration Statement (Nos. 333-143964 and 811-21944) for the Trust, the Trust is a open-end management investment company registered under the Investment Company Act of 1940, as amended ("1940 Act"), and currently consists of separate exchange-traded "index funds," including the Fund.

The Fund seeks investment results that correspond generally to the price and yield (before the Fund's fees and expenses) of an equity index called the ISE Global Wind Energy Index. The Fund will normally invest at least 90% of its assets in common stocks that comprise the Index or in depositary receipts that may include American Depositary Receipts ("ADRs"), Global Depositary Receipts ("GDRs"), European Depositary Receipts ("EDRs"), New York shares or global shares (collectively "Depositary Receipts") representing securities in the Index.

First Trust Advisors, L.P. ("Adviser") serves as investment adviser and portfolio manager of the Fund. First Trust Portfolios, L.P., is the distributor for the Fund ("Distributor"). The Bank of New York Mellon is the administrator, custodian and fund accounting and transfer agent for the Fund ("Custodian").

As described more fully in the Trust's prospectus and statement of additional information ("SAI"), the Fund offers and issues shares at their net asset value ("NAV") only in aggregations of 100,000 Shares (each, a "Creation Unit"), generally in exchange for a basket of equity securities included in the underlying index, together with the deposit of a specified cash payment. The Shares will trade on NYSE Arca at market prices that may differ from the Shares' NAV. The Shares are redeemable only in Creation Unit aggregations, and, generally, in exchange for portfolio securities and a specified cash payment. Except when aggregated in Creation Units, the Shares may not be redeemed with the Fund.

Dividends from net investment income, if any, are declared and paid semi-annually. The Fund distributes its net realized capital gains, if any, to shareholders annually.

The Depository Trust Company ("DTC") serves as securities depository for the Shares, which are held only in book-entry form; stock certificates will not be issued. DTC, or its nominee, is the record or registered owner of all outstanding Shares of the Funds. The Fund calculates NAV once each business day as of the regularly scheduled close of normal trading of the New York Stock Exchange (the "NYSE") (normally, 4:00 p.m. Eastern Standard Time) every day that the NYSE is open for business (a "Business Day"). The NAV is available from the Distributor and is also available to National Securities Clearing Corporation ("NSCC") participants through data made available from NSCC.

The Trust's registration statement describes the various fees and expenses for the Fund's shares. For a more complete description of the Fund and the underlying index, visit [www.ftportfolios.com](http://www.ftportfolios.com).

### Principal Risks

Interested persons are referred to the Prospectus for a description of risks associated with an investment in the Shares. These risks include the risk that a Fund's return may not match the return of its index for a number of reasons including the incursion by a Fund of operating expenses and costs not applicable to its index. In addition, as noted in the Prospectus, the Shares may trade at market prices that may differ from their NAV. The NAV of the Shares will fluctuate with changes in the market value of the Fund's holdings. The market prices of the Shares will fluctuate in accordance with changes in NAV as well as the supply and demand for the Shares on the Exchange.

### Exchange Rules Applicable to Trading in the Shares

The Shares are considered equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities.

### Trading Hours

The value of the Index underlying the Shares will be disseminated to data vendors every 15 seconds during the Exchange's Core Trading Sessions or from 9:30 a.m. ET until 4:00 p.m. ET.

The Shares will trade on NYSE Arca in the Opening, Core and Late trading Sessions or from 4:00 a.m. ET until 8:00 p.m. ET in accordance with NYSE Arca Equities Rule 7.34(a). The trading increment for the Fund's Shares will be \$0.01.

#### Extended Hours Trading

ETP Holders are reminded of NYSE Arca Equities Rule 7.34(e) regarding Customer Disclosure and that trading in the Fund's Shares during the Exchanges Opening and Late Trading Sessions may result in additional trading risks which include: (1) that the current underlying index value may not be updated during the Opening and Late Sessions, (2) the intraday indicative value may not be updated during the Opening and Late Trading Sessions, (3) lower liquidity in the Opening or Late Trading Sessions may impact pricing, (5) higher volatility in the Opening or Late Trading Sessions may impact pricing, (6) wider spreads may occur in the Opening or Late Trading Sessions, and (7), since the intraday indicative value is not calculated or widely disseminated during the Opening and Late Trading Sessions, an investor who is unable calculate an implied value for an ETF in those sessions may be at a disadvantage to market professionals.

#### Suitability

ETP Holders are reminded of their obligations under NYSE Arca Equities Rule 9.2(a)-(b) whereby the ETP holder shall use due diligence to learn the essential facts relative to every customer prior to trading the Shares or recommending a transaction in the Shares that an investment in the Shares is suitable for the customer. ETP Holders should adopt appropriate procedures for the opening and maintaining of accounts, including the maintaining of records prescribed by any applicable regulatory organization and by the rules and regulations of the Commission.

#### Trading Halts

The Exchange will halt trading in the Shares for a regulatory halt similar to a halt based on NYSE Arca Equities Rule 7.12 and/or a halt because dissemination of the intraday indicative value of the Shares and/or the underlying value of the index has ceased. Further, the Exchange will halt trading in the Shares in accordance with NYSE Arca Equities Rule 7.12 ("Trading Halts Due to Extraordinary Market Volatility"). The Shares will be traded following a trading halt in accordance with NYSE Arca Equities Rule 7.35(f) ("Re-Opening After Trading Halts").

#### Delivery of a Prospectus

Consistent with the requirements of the Securities Act and the rules thereunder, investors purchasing Shares in the initial public offering and anyone purchasing Shares directly from a Fund (by delivery of the designated securities) must receive a Prospectus. In addition, ETP Holders are required to deliver a Prospectus to all purchasers of newly-issued Shares (i.e. during the initial public offering). ETP Holders purchasing shares from a Fund for resale to investors will deliver a Prospectus to such investors.

Prospectuses may be obtained through the Fund's website. The Prospectus does not contain all of the information set forth in the Registration Statement (including the exhibits to the Registration Statement), parts of which have been omitted in accordance with the rules and regulations of the Commission. For further information about a Fund, please refer to the Registration Statement.

In the event that a Fund relies upon an order by the Commission exempting the Shares from certain Prospectus delivery requirements under Section 24(d) of the 1940 Act and makes available a written product description, NYSE Arca Equities Rule 5.2(j)(3) Commentary .01(h) requires that ETP Holders provide to all purchasers of Shares a written description of the terms and characteristics of such securities, in a form prepared by the Trust, no later than the time a confirmation of the first transaction in the Shares, is delivered to such purchaser. In addition, ETP Holders shall include such a written description with any sales material relating to the Shares that is provided to customers or the public. Any other written materials provided by a ETP Holder to customers or the public making specific reference to the Shares as an investment vehicle must include a statement in substantially the following form: "A circular describing the terms and characteristics of Shares of the Fund has been prepared by the Trust and is available from your broker. It is recommended that you obtain and review such circular before purchasing Shares of the Fund. In addition, upon request you may obtain from your broker a prospectus for Shares of the Fund."

An ETP Holder carrying an omnibus account for a non-ETP Holder is required to inform such non-ETP Holder that execution of an order to purchase Shares for such omnibus account will be deemed to constitute agreement by the non-ETP Holder to make such written description available to its customers on the same terms as are directly applicable to ETP Holders under this rule.

Upon request of a customer, ETP Holders shall also provide a copy of the Prospectus.

#### Exemptive, Interpretive and No-Action Relief Under Federal Securities Regulations

The Commission has issued letters dated November 21, 2005 and October 24, 2006 (together, the "No- Action Letters") granting exemptive, interpretive and no-action relief from certain provisions of and rules under the Securities Exchange Act of 1934 for exchange-traded funds listed and traded on a registered national securities exchange that meet certain criteria. The Funds qualify for the relief granted in the No- Action Letters, a description of which follows.

#### Regulation M Exemptions

Generally, Rules 101 and 102 of Regulation M prohibit any "distribution participant" and its "affiliated purchasers" from bidding for, purchasing, or attempting to induce any person to bid for or purchase any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to

underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities.

The Commission issued a No-Action Letter by which persons participating in a distribution of shares of a fund may engage in secondary market transactions in such shares during their participation in such a distribution, despite the requirements of from Rule 101 under Regulation M. In addition, the SEC has permitted persons who may be deemed to be participating in the distribution of shares of a fund (i) to purchase securities for the purpose of purchasing creation unit aggregations of fund shares and (ii) to tender securities for redemption in Creation Unit Aggregations. Further, the Commission has clarified that the tender of fund shares to the Fund for redemption does not constitute a bid for or purchase of any of the Funds' securities during the restricted period of Rule 101. The Commission has issued a No-Action Letter to paragraph (e) of Rule 102 under Regulation M which allow the redemption of fund shares in creation unit aggregations during the continuous offering of shares.

#### Customer Confirmations for Creation or Redemption of Fund Shares (SEC Rule 10b-10)

Broker-dealers who handle purchases or redemptions of Fund shares in Creation Units for customers will be permitted to provide such customers with a statement of the number of Creation Unit Aggregations created or redeemed without providing a statement of the identity, number and price of shares of the individual securities tendered to the Fund for purposes of purchasing creation unit aggregations ("Deposit Securities") or the identity, number and price of shares to be delivered by the Trust to the redeeming holder ("Redemption Securities"). The composition of the securities required to be tendered to the Fund for creation purposes and of the securities to be delivered on redemption will be disseminated each business day and will be applicable to requests for creations or redemption, as the case may be, on that day. This exemptive relief under Rule 10b-10 with respect to creations and redemptions is subject to the following conditions:

- (1) Confirmations to customers engaging in creations or redemptions must state that all information required by Rule 10b-10 will be provided upon request;
- (2) Any such request by a customer for information required by Rule 10b-10 will be filed in a timely manner, in accordance with Rule 10b-10(c);
- (3) Except for the identity, number and price of shares of the component securities of the Deposit Securities and Redemption Securities, as described above, confirmations to customers must disclose all other information required by Rule 10b-10(a).

#### SEC Rule 14e-5

The Commission has permitted any person acting as a dealer-manager of a tender offer for a component security of fund (1) to redeem fund shares in creation unit aggregations from the issuer that may include a security subject to such tender offer and (2) to purchase fund shares during such tender offer. In addition, a No-Action has been issued under Rule 14e-5 states that if a broker-

dealer acting as a dealer-manager of a tender offer for a security of the Fund purchases or arranges to purchase such securities in the secondary market for the purpose of tendering such securities to purchase one or more creation unit aggregations of shares, it must be made in conformance with the following:

- (i) such bids or purchases are effected in the ordinary course of business, in connection with a basket of 20 or more securities in which any security that is the subject of a distribution, or any reference security, does not comprise more than 5% of the value of the basket purchased; or
- (ii) purchases are effected as adjustments to such basket in the ordinary course of business as a result of a change in the composition of the underlying index; and
- (iii) such bids or purchases are not effected for the purpose of facilitating such tender offer.

Section 11(d)(1); SEC Rules 11d1-1 and 11d1-2

Section 11(d)(1) of the Act generally prohibits a person who is both a broker and a dealer from effecting any transaction in which the broker-dealer extends credit to a customer on any security which was part of a new issue in the distribution of which he participated as a member of a selling syndicate or group within thirty days prior to such transaction. The Commission has clarified that Section 11(d)(1) does not apply to broker-dealers that are not authorized participants (and, therefore, do not create creation unit aggregations) that engage in both proprietary and customer transactions in shares of a fund in the secondary market, and for broker-dealer authorized participants that engage in creations of creation unit aggregations. This relief is subject to specific conditions, including the condition that such broker-dealer (whether or not an authorized participant) does not, directly or indirectly, receive from the fund complex any payment, compensation or other economic incentive to promote or sell the shares of a fund to persons outside the fund complex, other than non-cash compensation permitted under NASD Rule 2830 (I)(5)(A), (B) or (C). See letter dated November 22, 2005 from Brian A Bussey, Assistant Chief Counsel, SEC Division of Market Regulation, to Barclays Global Investors, N.A., dated November 22, 2005. The Commission has issued a No-Action Letter under Section 11(d)(1) of the Act states that broker-dealers may treat shares of a fund, for purposes of Rule 11d1-2, as "securities issued by a registered open-end investment company as defined in the Investment Company Act" and thereby extend credit or maintain or arrange for the extension or maintenance of credit on shares that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

SEC Rule 15c1-5 and 15c1-6

The Commission has issued a No-Action letter with respect to Rule 15c1-5 and Rule 15c1-6 as to the required disclosure of control by a broker or dealer with respect to creations and redemptions of fund shares and secondary market transactions therein.

**This Information Bulletin is not a statutory Prospectus. ETP Holders should consult the Trust's Registration Statement, SAI, Prospectus and the Fund's website for relevant information.**

Inquiries regarding this Information Bulletin should be directed to Timothy J. Malinowski, Director, ETF's and Indexes, at (312) 442-7886.



## REGULATORY INFORMATION BULLETIN

**RB-08-63**  
**June 17, 2008**

**TO: ETP Holders**

**SUBJECT: PowerShares DB Crude Oil and Base Metals ETNs**

Compliance and supervisory personnel should note that, among other things, this Information Bulletin discusses customer suitability. Please forward this Information Bulletin to other interested persons within your organization.

The following exchange-traded notes ("ETNs" or "Securities") have been approved for Listing on NYSE Arca and will commence trading on June 17, 2008:

<b><u>Exchange-Traded Notes</u></b>	<b><u>Symbol</u></b>
PowerShares DB Crude Oil Double Short Exchange Traded Notes due June 1, 2038	DTO
PowerShares DB Crude Oil Double Long Exchange Traded Notes due June 1, 2038	DXO
PowerShares DB Crude Oil Short Exchange Traded Notes due June 1, 2038	SZO
PowerShares DB Crude Oil Long Exchange Traded Notes due June 1, 2038	OLO
PowerShares DB Base Metals Double Short Exchange Traded Notes due June 1, 2038	BOM
PowerShares DB Base Metals Double Long Exchange Traded Notes due June 1, 2038	BDD
PowerShares DB Base Metals Short Exchange Traded Notes due June 1, 2038	BOS
PowerShares DB Base Metals Long Exchange Traded Notes due June 1, 2038	BDG

### **Background on the ETNs**

As more fully explained in the Registration Statement No. 333-137902, the ETN's do not guarantee any return of principal at maturity and do not pay any interest during their term. For each security, investors will receive a cash payment at maturity or upon repurchase by Deutsche Bank AG, London Branch ("Deutsche Bank"), if any, linked to the month over month performance of a relevant index, less an investor fee. The purpose of this Information Circular is to outline various rules and policies that will be applicable to trading the Securities. For a more complete description of the Securities and the underlying indexes, payment at maturity, early repurchase provisions, early repurchase mechanics, valuation, fees and risk factors, consult the applicable prospectus ("Prospectus").

### Crude Oil ETN's

For the PowerShares DB Crude Oil Double Short Exchange Traded Notes due June 1, 2038 (“Crude Oil Double Short ETNs”) and the PowerShares DB Crude Oil Short Exchange Traded Notes due June 1, 2038 (“Crude Oil Short ETNs,” and together with the Crude Oil Double Short ETNs, the “Short ETNs”), the Index is a total return version of the Deutsche Bank Liquid Commodity Index – Light Crude™. For the PowerShares DB Crude Oil Double Long Exchange Traded Notes due June 1, 2038 (“Crude Oil Double Long ETNs”) and the PowerShares DB Crude Oil Long Exchange Traded Notes due June 1, 2038 (“Crude Oil Long ETNs,” and together with the Crude Oil Double Long ETNs, the “Long ETNs”), the Index is a total return version of the Deutsche Bank Liquid Commodity Index – Optimum Yield Crude Oil™.

For each security, the return on the Index is derived by combining the returns on two component indices: the DB 3-Month T-Bill Index and the relevant crude oil index. For the Short ETNs, the relevant crude oil index will be the Deutsche Bank Liquid Commodity Index Light Crude™ Excess Return (the “DB benchmark crude oil index”). For the Long ETNs, the relevant crude oil index will be the Deutsche Bank Liquid Commodity Index– Optimum Yield Crude Oil™ Excess Return (the “DB optimum yield crude oil index). The Short ETNs offer investors short, or inverse, exposure to the DB benchmark crude oil index, meaning the value of the Short ETNs will increase with monthly depreciations and decrease with monthly appreciations of the DB benchmark crude oil index. The Long ETNs offer investors long exposure to the DB optimum yield crude oil index, meaning the value of the Long ETNs will increase with monthly appreciations and decrease with monthly depreciations in the DB optimum yield crude oil index. In addition, the Crude Oil Double Short ETNs and Crude Oil Double Long ETNs are two times leveraged with respect to the relevant crude oil index and, as a result, will benefit from two times any beneficial, but will be exposed to two times any adverse, monthly performance of the relevant crude oil index.

### Base Metals ETNs

The PowerShares DB Base Metal ETNs are linked to the month over month performance of a total return version of the Deutsche Bank Liquid Commodity Index – Optimum Yield Industrial Metals™ (“Index”), less an investor fee. The return on the Index is derived by combining the returns on two component indices: the DB 3-Month T-Bill Index and the Deutsche Bank Liquid Commodity Index – Optimum Yield Industrial Metals™ Excess Return (“Industrial Metals Index”). PowerShares DB Base Metals Double Short Exchange Traded Notes due June 1, 2038 (“Base Metals Double Short ETNs”) and PowerShares DB Base Metals Short Exchange Traded Notes due June 1, 2038 (“Base Metals Short ETNs”) offer investors short, or inverse, exposure to the Industrial Metals Index, meaning their value will increase with monthly depreciations and decrease with monthly appreciations of the Industrial Metals Index. PowerShares DB Base Metals Double Long Exchange Traded Notes due June 1, 2038 (“Base Metals Double Long ETNs”) and PowerShares DB Base Metals Long Exchange Traded Notes due June 1, 2038 (“Base Metals Long ETNs”) offer investors long exposure to the Industrial Metals Index, meaning their value will increase with monthly appreciations and decrease with monthly depreciations in the Industrial Metals Index. In addition, Base Metals Double Short ETNs and Base Metals Double Long ETNs

are two times leveraged with respect to the Industrial Metals Index and, as a result, will benefit from two times any beneficial, but will be exposed to two times any adverse, monthly performance of the Industrial Metals Index.

The ETNs will initially be issued in denominations of \$25.

### Valuation of the Securities

According to the Prospectuses, an intraday “Indicative Value” meant to approximate the intrinsic economic value of the ETNs will be published under the Bloomberg, as noted below:

<b><u>Exchange-Traded Note</u></b>	<b><u>Indicative Value</u></b>
PowerShares DB Crude Oil Double Short Exchange Traded Notes	DTOIV
PowerShares DB Crude Oil Double Long Exchange Traded Notes	DXOIV
PowerShares DB Crude Oil Short Exchange Traded Notes	SZOIV
PowerShares DB Crude Oil Long Exchange Traded Notes	OLOIV
PowerShares DB Base Metals Double Short Exchange Traded Notes	BOMIV
PowerShares DB Base Metals Double Long Exchange Traded Notes	BDDIV
PowerShares DB Base Metals Short Exchange Traded Notes	BOSIV
PowerShares DB Base Metals Long Exchange Traded Notes	BDGIV

The actual trading price of the Securities may vary significantly from their Indicative Value.

Additionally, the calculation agent will publish the daily repurchase value for each offering of securities on the following Bloomberg pages:

<b><u>Exchange-Traded Note</u></b>	<b><u>Repurchase Value</u></b>
PowerShares DB Crude Oil Double Short Exchange Traded Notes	DTORP
PowerShares DB Crude Oil Double Long Exchange Traded Notes	DXORP
PowerShares DB Crude Oil Short Exchange Traded Notes	SZORP
PowerShares DB Crude Oil Long Exchange Traded Notes	OLORP
PowerShares DB Base Metals Double Short Exchange Traded Notes	BOMRP
PowerShares DB Base Metals Double Long Exchange Traded Notes	BDDRP
PowerShares DB Base Metals Short Exchange Traded Notes	BOSRP
PowerShares DB Base Metals Long Exchange Traded Notes	BDGRP

According to the Prospectuses, the Repurchase value is *equal to* the current principal amount per security *times* applicable index factor on the trading day *times* applicable fee factor on the trading day.

### Repurchase

According to the Prospectus, the Securities may be repurchased prior to maturity. Offers to repurchase at least 200,000 securities (or an integral multiple of 50,000 securities in excess thereof) from a single offering or more to Deutsche Bank no later than 10:00 a.m., New York City time, beginning on the inception date and ending on the final valuation date. For a complete description of the repurchase procedures and the payment upon repurchase, see the Prospectus.

### Risk Factors Related to Investing in the ETNs

The ETNs are unsecured promises of Deutsche Bank and are not secured debt. The ETNs are riskier than ordinary unsecured debt securities. As stated in the Prospectus, an investment in the ETNs includes but is not limited to the following risks: carries certain risks:

- The principal of the securities is not protected and the ETNs may lose all or a significant portion of their value;
- Even if the relevant index and DB 3-Month TBill Index at maturity or upon repurchase by Deutsche Bank have moved beneficially relative to their initial levels, an investor may receive less than their initial investment in the securities
- The Crude Oil Double Short ETNs, Crude Oil Double Long ETNs, Base Metals Double Short ETNs and Base Metals Double Long ETNs, any adverse monthly performance will be leveraged, meaning an investor will lose an amount from the current principal amount at a rate of 2% for every 1% of adverse performance of the applicable index (subject to any positive return on the DB 3-Month TBill Index and to application of the fee factor);
- If the current principal amount increases above \$25, any subsequent adverse monthly performance will result in a larger dollar reduction from the current principal amount than if the current principal amount remained constant at \$25;
- If the current principal amount decreases below \$25, any subsequent beneficial monthly performance will result in a smaller dollar increase on the current principal amount than if the current principal amount remained constant at \$25;
- It is possible that the securities will be accelerated and the investment will be lost before the scheduled maturity of the securities;
- There are restrictions on the minimum number of securities that may be offer to Deutsche Bank for repurchase;
- A fee of up to \$0.03 per security will be charged upon a repurchase;
- The market value of the securities may be influenced by many unpredictable factors;
- The ETNs return will not reflect the return on a direct investment in relevant index;
- Changes in Deutsch Bank's credit ratings may affect the market value of the securities;

- An investor will not receive interest payments on the securities or have rights in the sub-index components;
- There may not be an active trading market in the securities; sales in the secondary market may result in significant losses;
- Suspension or disruptions of market trading in commodities and related futures may adversely affect the value of the securities;
- Concentration risks associated with the Index may adversely affect the value of the securities;
- Trading by Deutsche Bank and other transactions by Deutsche Bank and/or its affiliates in instruments linked to the sub-indices or index components may impair the market value of the securities;
- The liquidity of the market for the securities may vary materially over time;
- The business activities of Deutsche Bank may create conflicts of interest;
- If a market disruption event has occurred or exists on a valuation date or the final valuation date, the calculation agent can postpone the determination of the index factor for each offering of securities, the maturity date or a repurchase date; and
- The U.S. tax consequences of an investment in the ETNs are unclear.

#### Prospectus Delivery

ETP Holders are advised to consult the “Supplemental Plan of Distribution” in the Prospectus regarding prospectus delivery requirements.

#### Exchange Rules Applicable to Trading in the Securities

The ETN’s are considered equity securities, thus rendering trading in the Securities subject to the Exchange’s existing rules governing the trading of equity securities.

#### Trading Hours

The Securities will trade on NYSE Arca in the Opening, Core and Late trading sessions or from 4:00 a.m. ET until 8:00 p.m. ET in accordance with NYSE Arca Equities Rule 7.34(a).

#### Extended Hours Trading

ETP Holders are reminded of NYSE Arca Equities Rule 7.34(e) regarding Customer Disclosure and that trading in the Securities during the Exchanges Opening and Late Trading Sessions may result in additional trading risks which include: (1) that the current underlying indicative value may not be updated during the Opening and Late Sessions, (2) the Indicative Value may not be updated during the Opening and Late Trading Sessions, (3) lower liquidity in the Opening or Late Trading Sessions may impact pricing, (5) higher volatility in the Opening or Late Trading Sessions may impact pricing, (6) wider spreads may occur in the Opening or Late Trading Sessions, and (7), since the Indicative Value is not calculated or widely disseminated during the

Opening and Late Trading Sessions, an investor who is unable calculate an implied value for the Securities in those sessions may be at a disadvantage to market professionals.

### Suitability

ETP Holders are reminded of their obligations under NYSE Arca Rule 9.2(a)-(b) whereby the ETP holder shall use due diligence to learn the essential facts relative to every customer prior to trading the ETN or recommending a transaction in the ETN that an investment in the ETN is suitable for the customer. ETP Holders should adopt appropriate procedures for the opening and maintaining of accounts, including the maintaining of records prescribed by any applicable regulatory organization and by the rules and regulations of the Securities and Exchange Commission.

### No-Action Relief Under Federal Securities Regulations

The Securities and Exchange Commission has issued no-action relief from certain provisions of and rules under the Securities Exchange Act of 1934 (the "Exchange Act"), regarding trading in Barclays iPath Exchange Traded Notes (SEC Letter dated July 27, 2006) and Deutsche Bank AG Exchange-Traded Notes (SEC Letter dated October 17, 2007) for securities with structures similar to that of the securities described herein (the "Letters"). As what follows is only a summary of the relief outlined in the Letters, the Exchange also advises interested members to consult the Letters, for more complete information regarding the matters covered therein.

### Regulation M Exemptions

Generally, Rules 101 and 102 of Regulation M is an anti-manipulation regulation that, subject to certain exemptions, prohibits a "distribution participant" and the issuer or selling security holder, in connection with a distribution of securities, from bidding for, purchasing, or attempting to induce any person to bid for or purchase, any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities, and affiliated purchasers of such persons.

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Rule 101 of Regulation M against persons who may be deemed to be participating in a distribution of the notes to bid for or purchase the notes during their participation in such distribution.

Rule 102 of Regulation M prohibits issuers, selling security holders, or any affiliated purchaser of such person from bidding for, purchasing, or attempting to induce any person to bid for or purchase a covered security during the applicable restricted period in connection with a distribution of securities effected by or on behalf of an issuer or selling security holder. Rule 100 of Regulation M defines "distribution" to mean any offering of securities that is distinguished from

ordinary trading transactions by the magnitude of the offering and the presence of special selling efforts and selling methods.

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Rule 102 of Regulation M against Barclays and its affiliated purchasers who bid for or purchase or redeem notes during the continuous offering of the notes.

Section 11(d)(1) of the Exchange Act; Exchange Act Rule 11d1-2

Section 11(d)(1) of the Exchange Act generally prohibits a person who is both a broker and a dealer from effecting any transaction in which the broker-dealer extends credit to a customer on any security which was part of a new issue in the distribution of which he or she participated as a member of a selling syndicate or group within thirty days prior to such transaction.

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Section 11(d)(1) of the Exchange Act against broker-dealers who treat the notes, for purposes of Rule 11d1-2, as “securities issued by a registered . . . open-end investment company as defined in the Investment Company Act” and thereby, extend credit or maintain or arrange for the extension or maintenance of credit on the notes that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

**This Information Bulletin is not a statutory Prospectus.**