



## **ISE Signs Licensing Agreement with KSM, the Largest Israeli ETF Issuer *KSM ETF will Track ISE Water Index***

**NEW YORK, March 18, 2013** – The International Securities Exchange (ISE), a leading U.S. options exchange, announced today a licensing agreement with [KSM](#) Sal Indices Certificates Ltd., the largest ETF issuer in Israel. The agreement licenses the [ISE Water Index](#) to KSM for its Water Fund. The ISE Water Index is recognized by Morgan Stanley Smith Barney's [Global Investment Committee](#) as the best investment idea for 2012, and has been named one of its top investment ideas for 2013.

"Our international partnership with KSM represents a range of expansion and the pursuit of international growth opportunities that ISE has taken in the ETF industry," said Kris Monaco, Head of ISE ETF Ventures. "KSM's track record of ETF management complements the recent success and recognition of the ISE Water Index and we look forward to working with KSM to introduce this product to a broadened investor pool."

"We are excited about this new cooperation with ISE, which expands KSM's product suite via exposure to the professional expertise and methodology provided by the ISE Water Index," said Mr. Avner Hadad, CEO of KSM. "KSM always aims to lead innovation and actively develop the ETF market in Israel and is delighted to have ISE among its international partners."

This is ISE's first licensing agreement with an Israeli ETF issuer, and will mark the 20th exchange traded product (ETP) based on a proprietary ISE Index. To learn more about ISE's ETF Ventures team, visit [www.ise.com/etfventures](http://www.ise.com/etfventures). To learn more about KSM, visit [www.ksmc.co.il/default\\_eng.asp](http://www.ksmc.co.il/default_eng.asp).

### **About ISE ETF Ventures**

The ISE ETF Ventures team is dedicated to creating and supporting innovative indexes that track growing industries, emerging technologies and markets, and packaged trading strategies. Their index design expertise includes a diverse range of asset classes and instrument types including global equities, fixed income, currencies, futures and options. ISE ETF Ventures partners with issuers to launch unique exchange traded products (ETPs) such as exchange traded funds (ETFs), exchange traded notes (ETNs) and other similar product types. They also provide capital for the start-up and ongoing backstopping of new ETPs. Partners are able to leverage ISE's global experience and broad network of industry participants in order to grow their ETP presence as well as reduce risk and increase product issuance.

As part of the International Securities Exchange (ISE), a leading U.S. options exchange, ISE ETF Ventures' indexing experts are nimble, flexible and entrepreneurial with a track record of creating distinctive, out-of-the-box ideas. ISE currently has a portfolio of over 30 proprietary indexes with 20 ETPs based on them.

Learn more at [www.ise.com/etfventures](http://www.ise.com/etfventures).

### **About KSM**

KSM is the leading index-linked certificate (ILC) manager in the Israeli market. ILCs are the Israeli equivalent of ETFs. The company manages over 130 ILCs, tracking diverse commodities, currencies, and leading equity and bond indices in Israel and globally, as well as Reverse (Short) Israeli Indices Certificates and Daily Delta Inverse Certificates.

ILCs have been traded since 2003 and have made a substantial contribution towards improving the liquidity in the Israeli Capital Market. The Certificates have increased the daily traded volume in market indices such as: Mid Cap 50 ("Yeter 50"), Real Estate 15, and TA BlueTech-50, and were the first to

enable investors to invest in reverse ILCs on Israeli indices. To learn more about KSM, visit [www.ksmc.co.il/default\\_eng.asp](http://www.ksmc.co.il/default_eng.asp).

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