

Leveraged ETCs are only intended for investors who understand the risks involved in investing in a product with leveraged exposure and who intend to invest on a short term basis. Potential losses from leveraged ETCs may be magnified in comparison to products that provide an unleveraged exposure. Please refer to the section entitled "Risk Factors" in the relevant prospectus for further details of these and other risks.



ETFS 3x Short JPY Long USD

Investment Objective

ETFS 3x Short JPY Long USD (SJP3) is designed to provide investors with a 'leveraged short' exposure to Japanese Yen ("JPY") relative to US Dollars ("USD") by tracking the MSFXSM Triple Short Japanese Yen Index (TR) (the "Index"), which aims to reflect three times the performance of a position in forward contracts which are rolled on a daily basis.

SJP3 is an exchange traded currency ("ETC"). Its securities can be created and redeemed on demand by authorised participants and traded on exchange just like shares in a company.

The ETC obtains exposure to the Index by entering into unfunded swaps with a counterparty. There is no upfront cash payment by the Issuer to the counterparty when an unfunded swap is created. However, daily cash payments are made between the Issuer and the counterparty to reflect the movements in the value of the Index.

Separately, the Issuer uses the cash it holds to purchase eligible collateral from the counterparty under a daily reverse repurchase agreement ("reverse repo"), an agreement whereby the counterparty agrees to repurchase such eligible collateral from the Issuer the following day. The eligible collateral is held by the custodian in a custody account.

About the Index

The Index provides a 3x leveraged 'short' exposure to: (i) JPY relative to USD. For example, if JPY were to rise in value relative to USD, the Index (tracked by the ETC) would decrease in value by three times the same amount. Conversely if JPY were to decrease in value relative to USD, the Index would increase in value by three times the same amount; and (ii) an interest rate differential reflecting the difference between the JPY and the USD exchange rates.

The Index is a total return index, which means that it also provides a collateral yield.

| Product Information | |
|--------------------------|--|
| Product Name | ETFS 3x Short JPY Long USD |
| Issuer | ETFS Foreign Exchange Limited |
| Leveraged | -3x |
| Legal Form | Debt security |
| UCITS Eligible | Yes |
| Domicile | Jersey |
| Listing Date | 8 November 2010 |
| Base Currency | USD |
| Management Fee | 0.98% p.a. |
| Replication | Synthetic - unfunded swap backed by collateral |
| Collateralised | Yes |
| Counterparties | Morgan Stanley & Co. International plc |
| Trustee | The Law Debenture Trust Corporation p.l.c. |
| SIPP Eligible (UK) | Yes |
| ISA Eligible (UK) | Yes |
| UK Reporting Fund Status | Yes |
| Registered in | Austria, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Portugal, Spain, Sweden, United Kingdom, Norway |

| Index Information | |
|-------------------|---|
| Index Name | MSFXSM Triple Short Japanese Yen Index (TR) |
| Index Provider | MSFX |
| Base Currency | USD |
| Bloomberg Code | MSCEJPUS |

Trading Information

| Exchange | ISIN | Exchange Code | Currency (Trading) | Bloomberg Code | Reuters Code |
|-----------------------|--------------|---------------|--------------------|----------------|--------------|
| London Stock Exchange | JE00B3WFMB84 | SJP3 | USD | SJP3 LN | SJP3.L |

Please see the glossary on page 3 for further explanations of the above terms. Investments may go up or down in value and you may lose some or all of the amount invested. You should consult an independent investment adviser prior to making any investment in order to determine its suitability to your circumstances.

Simulated Historical Performances

MSFXSM Triple Short Japanese Yen Index (TR) and Spot JPYUSD historical performance (i.e. the spot exchange rate between the two currencies).

Period Considered: 1 August 2008 to 31 July 2013



| Index | YTD | 2 Years | 3 Years | 4 Years | 5 Years |
|---|-------|---------|---------|---------|---------|
| MSFXSM Triple Short Japanese Yen Index (TR) | 34.2% | 60.9% | 26.5% | -14.7% | -44.5% |
| Spot JPYUSD | 12.8% | 21.6% | 13.8% | 2.0% | -8.7% |

The index performance shown here is the back tested performance of the corresponding MSFXSM Total Return Index and not the performance of the product. Please refer to the Benchmark Considerations box on the right and the Important Information on the following page for further information.
Source: Bloomberg, Morgan Stanley Research

Risks

General investment risk: An investment in an ETC involves a significant degree of risk. Any decision to invest should be based on the information contained in the relevant prospectus. Prospective investors should obtain independent accounting, tax and legal advice and should consult their professional advisers to ascertain the suitability of this ETC as an investment to their own circumstances. The value of securities in this ETC is directly affected by increases and decreases in the value of the Index. Accordingly, the value of a security may go up or down and a security holder may lose some or all of the amount invested.

Currency exchange rate risks: Currency exchange rates can be extremely volatile and such volatility may adversely impact the returns on an investment in the ETC.

Leveraged risks: You should understand that investments in leveraged ETCs held for a period of longer than one day may not provide returns equivalent to the return from the relevant unleveraged investment multiplied by the relevant leverage factor.

Potential losses in leveraged ETCs may be magnified in comparison to investments that do not incorporate these strategies.

Leveraged exchange-traded products are only intended for investors who understand the risks involved in investing in a product with leveraged exposure and who intend to invest on a short-term basis. Any investment in leveraged products should be monitored on a daily basis to ensure consistency with your investment strategy.

Liquidity risk: There can be no certainty that securities can always be bought or sold on a stock exchange or that the market price at which the securities may be traded on a stock exchange will always accurately reflect the performance of the Index.

Counterparty risk: The Issuer is reliant on there being counterparties available to enter into swap agreements with on a continuing basis and, if no counterparties are willing to do so, the ETC will not be able to achieve its investment policy of tracking the performance of the Index.

Credit risk: The Issuer is subject to the risk that third party service providers may fail to return property belonging to the Issuer or pay money due to the Issuer.

Benchmark Considerations

Data in this chart is simulated and should not be interpreted as an indication of actual or future performance.

The benchmark information shown here is denominated in the base currency and does not reflect 1) the effect of fees and expenses and 2) any movements in the exchange rate between the base currency and any other currency that may be used by an investor. Exchange rate risk should always be considered when analysing performance denominated in another currency. Past performance is not a reliable indicator of future results.

| Glossary | |
|-------------------------------|---|
| Authorised participant | Banks or other financial institutions that act as intermediaries between issuers of securities and other investors or intermediaries. Authorised participants subscribe for and redeem securities directly with the Issuer and buy and sell those securities to investors/intermediaries either directly or via stock exchanges. |
| Eligible Collateral | Cash from creations is used by the Issuer to purchase securities that meet certain eligibility criteria from the counterparty under a reverse repo. Such eligible collateral is held by the Issuer in an account in its name with the custodian. |
| Collateral yield | The collateral yield is the hypothetical interest that an investor would have received on cash equal in value to the underlying forward contracts. |
| Counterparty | A Counterparty is a bank or financial institution with whom the Issuer enters into swaps or other similar transactions. |
| Forward Contract | A currency forward contract is an agreement to purchase an amount of one currency with another currency at a certain date in the future ("maturity"). At maturity, a new currency forward contract is purchased with the cash proceeds from the last contract (a process known as "rolling") so that continuous exposure to the exchange rate is maintained. |
| Swap or swap agreement | This is where the Issuer enters into contracts with one or more counterparties whereby the Issuer receives payments from the counterparty when the Index (tracked by the relevant ETC) goes up and the Issuer makes payments to the counterparty when the Index goes down. By using swaps, the ETC can efficiently track the upward or downward performance of the Index without having to enter into the underlying currency forward contracts that make up the Index. |
| Unfunded swap | This is a swap whereby the cash from investors is not transferred by the Issuer to the swap counterparties but is retained by the Issuer for use as collateral. |

Important Information

General

This financial promotion has been issued and approved for the purpose of section 21 of the Financial Services and Markets Act 2000 by ETF Securities (UK) Limited ("ETF UK") which is authorized and regulated by the United Kingdom Financial Services Authority ("FSA"). The products discussed in this document are issued by ETF Foreign Exchange Limited (the "Issuer"). The Issuer is regulated by the Jersey Financial Services Commission.

This communication constitutes an advertisement within the meaning of Section 31 para. 2 of the German Securities Trading Act (Wertpapierhandelsgesetz - WpHG); it is not a financial analysis pursuant to Section 34b WpHG and consequently does not meet all legal requirements to warrant the objectivity of a financial analysis and is also not subject to the ban on trading prior to the publication of a financial analysis.

No investment advice

ETF UK is required by the FSA to clarify that it is not acting for you in any way in relation to the investment or investment activity to which this financial promotion relates. In particular, ETF UK will not provide any investment services to you and or advise you on the merits of, or make any recommendation to you in relation to, the terms of any transaction. No representative of ETF UK is authorised to behave in any way which would lead you to believe otherwise. ETF UK is not, therefore, responsible for providing you with the protections afforded to its clients and you should seek your own independent legal, investment and tax or other advice as you see fit.

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Historical performance is no indication of future performance

Any historical performance included in this document may be based on back testing. Back testing is the process of evaluating an investment strategy by applying it to historical data to simulate what the performance of such strategy would have been. However, back tested performance is purely hypothetical and is provided in this document solely for informational purposes. Back tested data does not represent actual performance and should not be interpreted as an indication of actual or future performance. Historical performance is not an indication of or a guide to future performance.

No offer for sale

The information contained in this financial promotion is neither an offer for sale nor a solicitation of an offer to buy securities. This financial promotion should not be used as the basis for any investment decision.

Risk Warnings

Securities issued by the Issuer are products involving a significant degree of risk and may not be suitable for all types of investor. Any decision to invest should be based on the information contained in the prospectus of the Issuer (or any supplements thereto) which includes, inter alia, information on certain risks associated with an investment. The price of any securities may go up or down and an investor may not get back the amount invested. Securities are priced in US Dollars and the value of the investment in other currencies will be affected by exchange rate movements.

Leveraged exchange-traded products are only intended for investors who understand the risks involved in investing in a product with leveraged exposure and who intend to invest on a short-term basis. Any investment in leveraged products should be monitored on a daily basis to ensure consistency with your investment strategy. You should understand that investments in leveraged exchange-traded products held for a period of longer than one day may not provide returns equivalent to the return from the relevant unleveraged investment multiplied by the relevant leverage

factor. Potential losses in leveraged exchange-traded products may be magnified in comparison to investments that do not incorporate these strategies. Please refer to the section entitled "Risk Factors" in the relevant prospectus for further details of these and other risks associated with an investment in leveraged exchange-traded products. You should consult an independent investment adviser prior to making an investment in a leveraged exchange-traded product in order to determine its suitability to your circumstances.

Prospectus

Investors should refer to the section entitled "Risk Factors" in the relevant prospectus for further details of these and other risks associated with an investment in the securities offered by the Issuer.

The FSA has delivered to the regulators listed below certificates of approval attesting that the prospectus of the Issuer has been drawn up in accordance with European Directive 2003/71/EC as amended by European Directive 2010/73/EU.

The prospectus (and any supplements thereto) of the Issuer has been passported from the United Kingdom into Austria, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain and Sweden and has been filed with the competent authority in Austria, the *Osterreichische Finanzmarktaufsicht* (Austrian Financial Market Authority), the competent authority in Denmark, the *Finanstilsynet* (Financial Supervisory Authority), the competent authority in Finland, the *Finanssivalvonta* (Finnish Financial Supervisory Authority), the competent authority in France, the *Autorité des Marchés Financiers* (Authority for the Financial Markets), the competent authority in Germany, the *Bundesanstalt für Finanzdienstleistungsaufsicht* (the Federal Financial Supervisory Authority), the competent authority in Italy, the *Commissione Nazionale per le Società e la Borsa* (CONSOB), the competent authority in the Netherlands, the *Autoriteit Financiële Markten* (Authority for the Financial Markets), the competent authority in Portugal, the *Comissão do Mercado de Valores Mobiliários* (Portuguese Securities Market Commission), the competent authority in Spain, the *Comisión Nacional del Mercado de Valores* (Securities Market Commission), the competent authority in Sweden, *Finansinspektionen* (Financial Supervisory Authority), the competent authority in Ireland, the Central Bank of Ireland, and the competent authority in Norway, the *Kreditilsynet* (Norwegian Financial Supervision Authority).

Copies of the prospectus and related regulatory documentation, including annual reports, can be obtained in France from HSBC France, 103, Avenue des Champs Elysées, 75008 Paris, (t) + 33 (0) 1 49 52 20 00 or (f) + 33 (0) 1 49 52 20 00, in Germany from HSBC Trinkaus & Burkhardt AG, Konsortialgeschäft, Königsallee 21/23, 40212 Düsseldorf, in the Netherlands from AMN Amro Bank (Nederland) N.V. (t) +31 20 527 2467 or (f) +31 20 527 1928 and in Italy from www.etfsecurities.com.

Passporting is where a prospectus that has been approved in the UK is automatically approved in certain other countries without such prospectus having to go through the approval process again.

Third Parties

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