

ETFS Long USD Short GBP

Investment Objective

ETFS Long USD Short GBP (GBUS) is designed to provide investors with exposure to US Dollars ("USD") relative to Pounds Sterling ("GBP") by tracking the MSFXSM Long US Dollar/GBP Index (TR)(the "Index"), which aims to reflect the performance of a position in forward contracts which are rolled on a daily basis.

GBUS 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 daily 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: (i) a 'long' exposure to USD relative to GBP. For example, if USD were to rise in value relative to GBP, the Index (tracked by the ETC) would rise in value. Conversely if USD were to decrease in value relative to GBP, the Index would also decrease in value; and (ii) an interest rate differential reflecting the difference between the USD and the GBP exchange rates.

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

Product Information	
Product Name	ETFS Long USD Short GBP
Issuer	ETFS Foreign Exchange Limited
Legal Form	Debt security
UCITS Eligible	Yes
Domicile	Jersey
Listing Date	21 June 2010
Base Currency	GBP
Management Fee	0.39% 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 Long US Dollar/GBP Index (TR)
Index Provider	MSFX
Base Currency	GBP
Bloomberg Code	MSCEGUL

Trading Information

Exchange	ISIN	Exchange Code	Currency (Trading)	Bloomberg Code	Reuters Code
London Stock Exchange	JE00B3WPFZ34	GBUS	GBX	GBUS LN	GBUS.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 Long US Dollar/GBP Index (TR) and Spot USDGBP 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 Long US Dollar/GBP Index (TR)	7.3%	5.3%	2.5%	7.6%	29.4%
Spot USDGBP	7.4%	6.0%	3.5%	8.9%	30.2%

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.

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.

United States Information

This document is not, and under no circumstances is to be construed as, an advertisement or any other step in furtherance of a public offering of shares in the United States or any province or territory thereof, where none of the Issuer or any securities issued by it are authorised or registered for distribution and where no prospectus of the Issuer has been filed with any securities commission or regulatory authority. Neither this document nor any copy hereof should be taken, transmitted or distributed (directly or indirectly) into the United States. Neither the Issuer nor any securities issued by it have been or will be registered under the United States Securities Act of 1933 or the Investment Company Act of 1940 or qualified under any applicable state securities statutes.

No guarantee of accuracy

This document may contain independent market commentary prepared by ETF UK based on publicly available information. ETF UK does not warrant, guarantee or otherwise confirm the accuracy or correctness of any information contained herein and any opinions related to product or market activity may change. Any third party data providers used to source the information in this financial promotion make no warranties or claims of any kind relating to such data.

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

Securities issued by the Issuer are direct, limited recourse obligations of the Issuer alone and are not obligations of or guaranteed by any of Morgan Stanley & Co International plc, Morgan Stanley & Co. Incorporated, any of their affiliates or anyone else or any of their affiliates. Each of Morgan Stanley & Co International plc and Morgan Stanley & Co. Incorporated disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) which it might have in respect of this document or its contents otherwise arising in connection herewith.

The Morgan Stanley Indices are the exclusive property of Morgan Stanley & Co. Incorporated ("Morgan Stanley"). Morgan Stanley and the Morgan Stanley index names are service mark(s) of Morgan Stanley or its affiliates and have been licensed for use for certain purposes by ETF Securities Limited in respect of the securities issued by FXL. The securities issued by FXL are not sponsored, endorsed, or promoted by Morgan Stanley, and Morgan Stanley bears no liability with respect to any such financial securities. The prospectus of FXL contains a more detailed description of the limited relationship Morgan Stanley has with FXL and any related financial securities. No purchaser, seller or holder of securities issued by FXL, or any other person or entity, should use or refer to any Morgan Stanley trade name, trademark or service mark to sponsor, endorse, market or promote this product without first contacting Morgan Stanley to determine whether Morgan Stanley's permission is required. Under no circumstances may any person or entity claim any affiliation with Morgan Stanley without the prior written permission of Morgan Stanley.



ETF Securities (UK) Limited

3 Lombard Street
London EC3V 9AA
United Kingdom

T +44 (0)20 7448 4330
E info@etfsecurities.com
W etfsecurities.com