

ETFS Short INR Long USD

Investment Objective

ETFS Short INR Long USD (SINR) is designed to track the MSFXSM Short Indian Rupee Index (TR)

ETFS Short INR Long USD is an Exchange Traded Currency ("ETC") that can be created and redeemed on demand (by market makers). It trades on exchange just like an equity and its pricing and tracking operates similarly to an Exchange Traded Fund.

The ETC is backed by contracts (unfunded swaps) with a counterparty. Counterparty risk is minimised by way of daily mark-to-market payments, and cash is used to enter into daily repo transactions with the counterparty in exchange for eligible collateral. The eligible collateral is held by the collateral manager The Bank of New York Mellon in a custody account and valued daily. Details of the collateral held are available at: www.etfsecurities.com/en/securities/etfs_collateral.asp.

About the Index

MSFXSM Short Indian Rupee Index (TR) is a total return index. It provides short exposure to (i) movements in exchange rates between the local currency INR and USD and (ii) local interest rates based on those implied in forward contract prices.

The Index also provides a Daily Collateral Yield. The index seeks to deliver this through replicating the performance of a fully collateralised position in currency forward contracts which are rolled on a daily basis.

The methodology which Morgan Stanley & Co Inc. uses in order to calculate the index is set out in the MSFXSM Indices Manual available at: <http://www.morganstanley.com/institutional/research/msfx.html>. Historical index data are available on the website as well as on Bloomberg: <ALLX> <MSCE> <GO>.

Product Information

Product Name	ETFS Short INR Long USD
Issuer	ETFS Foreign Exchange Limited
Leveraged	-1x
Legal Form	Debt security
UCITS Eligible	Yes
Domicile	Jersey
Listing Date	21 June 2010
Base Currency	USD
MER	0.59% p.a.
Replication	Swap backed
Collateralised	Yes
Counterparties	Morgan Stanley & Co. International plc
Trustee	The Law Debenture Trust Corporation p.l.c.
Collateral Manager	The Bank of New York Mellon
SIPP Eligible (UK)	Yes
ISA Eligible (UK)	Yes
UK Reporting Fund Status	Yes
EU Passport	Austria, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Portugal, Spain, Sweden

Index Information

Index Name	MSFX SM Short Indian Rupee Index (TR)
Index Provider	MSFX
Base Currency	USD
Bloomberg Code	MSCEINRS

Trading Information

Exchange	ISIN	Exchange Code	Currency (Trading)	Bloomberg Code	Reuters Code
London Stock Exchange	JE00B66M5T54	SINR	USD	SINR LN	SINR.L
London Stock Exchange	JE00B66M5T54	SINP	GBX	SINP LN	SINP.L
Deutsche Börse (Xetra)	DE000A1EK0N9	XBJH	EUR	XBJH GY	XBJH.DE

Simulated Historical Performances

MSFXSM Short Indian Rupee Index (TR) and Spot INRUSD historical performance

Period Considered: 2 April 2007 to 30 March 2012



Index	YTD	3 Years	5 Years
MSFX SM Short Indian Rupee Index (TR)	-8.9%	-20.5%	-20.2%
Spot INRUSD	-4.4%	0.4%	17.7%

The index performance shown here is the back tested performance of the corresponding MSFXSM Total Return Index and not the performance of the security. Please refer to the Historical Performance Disclaimer on the following page.
Source: Bloomberg, Morgan Stanley Research

Risks of Short Currency ETCs

The Short ETC price will fall when the currency relative to USD increases.

Returns measured over periods longer than one day may differ from minus one times the underlying currency return over that period (even after adjusting by the interest rate components).

Short ETCs are only suitable for investors who understand the risks and benefits of an inverse strategy.

Please see the Prospectus for a more complete list of risks.

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