



Fremdwährungen als Asset Klasse

-Investmentchancen mittels ETCs

7. Frankfurter Investmenttag

26. Mai 2010

Inhalt

- Einführung ETF Securities
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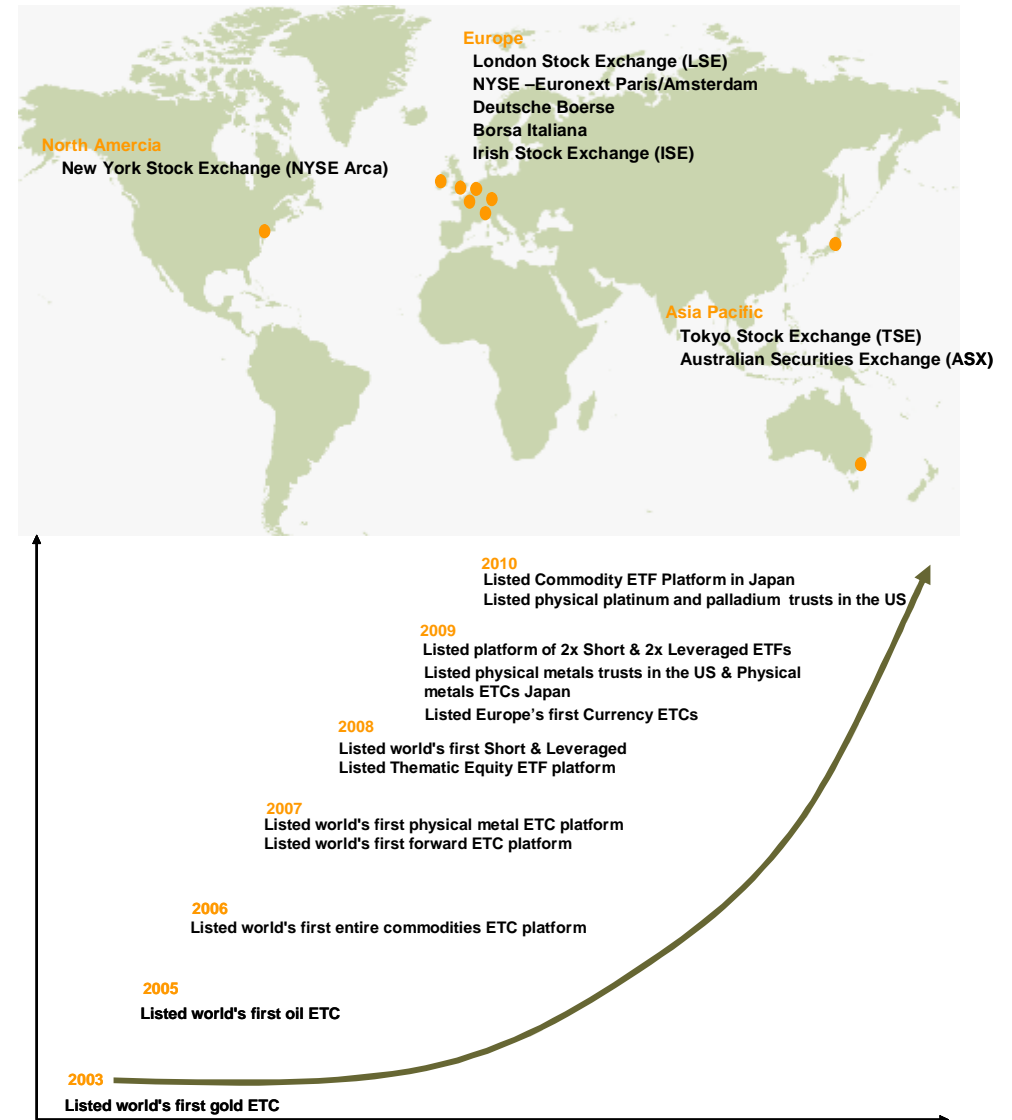
Einführung: ETF Securities

- Der unabhängiger ETP Emittent in Europa
 - Kein Vermögensverwalter, kein Swap Anbieter, kein Market Maker... oder ein Mix aus beiden
 - Wir emitieren und notieren nur ETPs
- Vorreiter und Erfinder von ETCs
- Weltweit erste Aktien ETF-Plattform der 3. Generation
- Europas erste Währungs ETC-Plattform
- Partnerschaften und Expertise durch: HSBC, Royal Dutch Shell, UBS, Morgan Stanley und dem World Gold Council



Ergebniss:

- Verwaltetes Vermögen über € 15 Milliarden
 - Nr. 4 in Europa und Top 10* Global

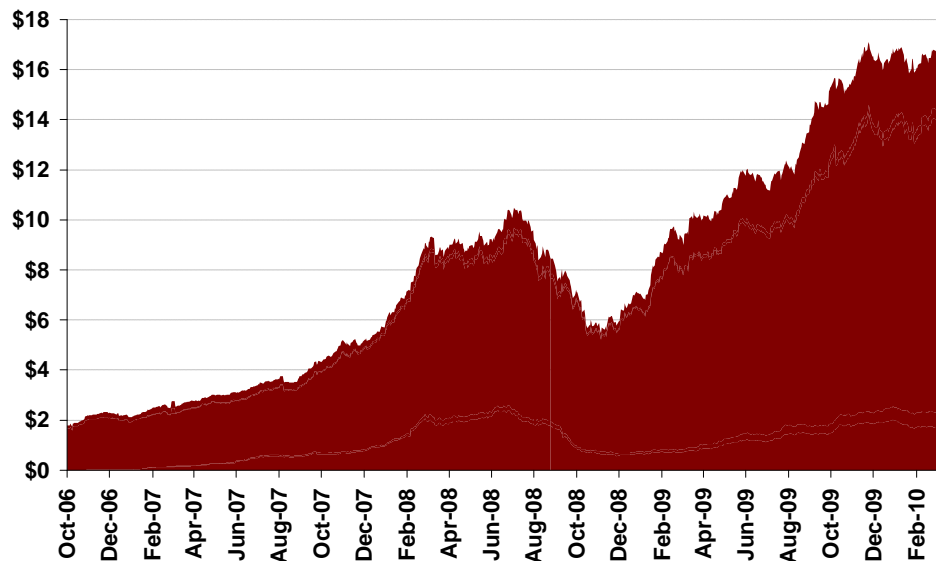


ETF Securities – Wachstum Verwaltetes Vermögen

- ETFS Physical Platinum und ETFS Agriculture mit stärkstem Wachstum in den letzten 12 Monaten; ETFS Short Oil verzeichnet stark steigende Handelsaktivität

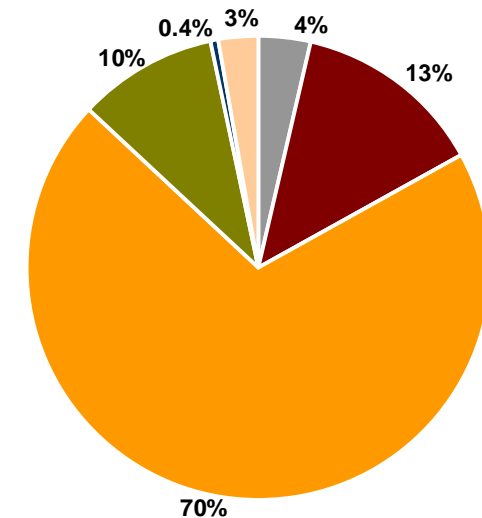
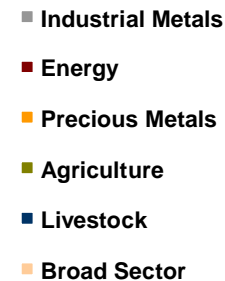
ETF Securities' Asset Growth

From October 2006 to March 2010, in billion USD



ETF Securities' Assets by Sector

On 26/03/2010



Unterschied von ETCs und ETFs

- Gemeinsamkeiten zu ETFs:
 - Wertpapiere ohne Laufzeitende
 - Bilden einen unterliegenden Index ab
 - 100% besichert
 - Buy & hold: Kein Management oder Instandhaltung notwendig
 - Notieren an der Börse, handelbar wie Aktien
 - Niedrige Gebühren – 0,39% p.a.
 - Fähige Investments für UCITS
 - Können verkauft werden und sind mit allen Order-Ausführungsarten wie bei Aktien handelbar
- Einziger unterschied zu ETFs:
 - ETCs sind besicherte Wertpapiere, kein Sondervermögen

Produktuniversum

Rohstoff ETCs

Diversifiziert
Agrar
Industrie Metalle
Energie
Lebend Vieh
Edelmetalle

Long

Short (-1x)

Gehebelt (2x)

Physisch

Forward

Währungs ETCs

G10 Währungen

Long

Short (-1x)

Aktien ETFs

US Aktien-
Europäische Aktien-
Themenbasierte Aktien-
Indizes

Long

Zweifach-Short (-2x)

Gehebelt (2x)

Boersennotierungen in: London, New York, Tokyo, Frankfurt, Amsterdam, Paris, Sydney, Milan and Dublin

Währungs-ETC Plattform

- Europas erste Währungs ETC-Plattform
- 74 ETCs bilden die MSFXSM Currency Indizes ab
- 28 gelistet, 14 Long und 14 Short, USD- und EUR-basiert
- 100% besichert*
- Exposure gegenüber Währungskurschwankungen und lokalen Zinssätzen
- Robuste ETC Struktur
- UCITS, und Sparplanfähig

**Currency ETCs are fully collateralised. The total value of Currency ETCs outstanding is backed by between 100% and 110% of Eligible Collateral held in a segregated Custody Account with BNY Mellon. The value of the Currency ETCs and Eligible Collateral are marked to market daily so that at the end of the previous trading day, all Currency ETCs are fully backed to minimise counterparty risks.*

Währungs ETC Plattform – Gelistete Produkte

G-10 Währungen vs. USD – London Stock Exchange

- ETFS Long AUD Short USD
- ETFS Long GBP Short USD
- ETFS Long CAD Short USD
- ETFS Long EUR Short USD
- ETFS Long JPY Short USD
- ETFS Long NZD Short USD
- ETFS Long NOK Short USD
- ETFS Long SEK Short USD
- ETFS Long CHF Short USD

- ETFS Short AUD Long USD
- ETFS Short GBP Long USD
- ETFS Short CAD Long USD
- ETFS Short EUR Long USD
- ETFS Short JPY Long USD
- ETFS Short NZD Long USD
- ETFS Short NOK Long USD
- ETFS Short SEK Long USD
- ETFS Short CHF Long USD

G-10 Währungen vs. EUR – Deutsche Börse (Xetra)

- ETFS Long CHF Short EUR
- ETFS Long GBP Short EUR
- ETFS Long JPY Short EUR
- ETFS Long NOK Short EUR
- ETFS Long SEK Short EUR

- ETFS Short CHF Long EUR
- ETFS Short GBP Long EUR
- ETFS Short JPY Long EUR
- ETFS Short NOK Long EUR
- ETFS Short SEK Long EUR

Was sind Währungs ETCs?

- **Transparent:**
 - Designed um die MSFXSM Währungs Indizes abzubilden
- **Partizipations-Möglichkeit an der Kursbewegung und Zinsraten:**
 - Der Total Return Index bietet die Möglichkeit an den Währungskursbewegungen und an den Zinsraten zu partizipieren.
- **100% besichert:**
 - 100% durch Währungsgeschäfte gedeckt
 - Das Kontrahentenrisiko wird durch tägliche Zahlungen zum Handelsschlusskurs minimiert, die Barmittel werden für Repo-Geschäfte gegen Sicherheiten genutzt
 - Sicherheiten werden von BNY Mellon in einem Treuhandkonto verwahrt und täglich bewertet
- **Einfach:**
 - Maximales Verlustrisiko ist nur das eingesetzte Kapital
 - Kein eigenständiges Rollen ist notwendig
 - Keine Derivate-Kenntnisse sind nötig
 - Einfach an der Börse Handelbar (Xetra oder LSE)
 - Zugang zu einer voll transparenten Plattform

MSFXSM Währungs Indizes – Return Composition

	MSFX SM Long Index	MSFX SM Short Index
<i>FX Return</i> <i>durch ungedeckte Währungs</i> <i>Forward Position</i>	FX Spot	Inverse of FX Spot
	+	-
<i>Zinsrate</i>	Zinsrate Differenz*	Zinsrate Differenz*
	+	+
<i>Zusatzertrag</i> <i>von</i> <i>Sicherheiten –</i> <i>investierte</i> <i>Barmittel</i>	Risikofreie Rate	Risikofreie Rate
<i>Total Return</i>	FX Spot + Zinsrate Differenz + Zusatzertrag von Sicherheiten	Inverse of FX Spot - Zinsrate Differenz + Zusatzertrag von Sicherheiten

*(Local O/N rate – O/N USD bzw. EUR Interest Rate)

Warum Währungs ETCs einsetzen?

Größter und liquidester Markt der Welt: liquide, transparent und kostengünstig

- Niedrige Korrelation zu anderen Anlageklassen:
 - Ein diversifiziertes Portfolio profitiert von niedriger Korrelation und bringt so, langfristig gesehen, risiko-adjustierte Gewinne
- Cash Management:
 - Abhängig von der Grundwährung des Anlegers, kann die Position in Währungs ETCs entweder Long oder Short sein
- Effizientes und liquide-taktisches & strategisches „Asset Allocation“ Tool
- Hedging / Fremdwährungs Risiko Management:
 - Kaufen oder verkaufen von Long und Short Währungs ETCs kann für das Hedging oder zum Risiko Management von Fremdwährungen im Portfolio zu Nutzen sein

Währungen als Anlage Klasse: Verhältnismäßig starke Gewinne

- Die Währungsindizes welche von ETFS Long Währungs ETCs abgedeckt werden und Short USD sind, haben im Durchschnitt starke Gewinne erzielt, verhältnismäßig zu standard Aktienindizes als Benchmark, über einen Zeitraum von 1,3 und 5 Jahren
- Die breite Auswahl an Long und Short Währungs ETCs ermöglicht Anlegern eine Vielfalt an gewinnbringenden und volatilitätsabhängigen Partizipationsmöglichkeiten einzelner Währungen

	Returns*					
	1 week	1 month	YTD	1 Yr	3 Yr	5 Yr
MSFX Total Return Indices						
Long Australian Dollar Index (TR)	-0.4%	-1.6%	33.5%	39.9%	33.6%	55.1%
Long Canadian Dollar Index (TR)	-0.4%	-0.9%	15.7%	17.5%	15.5%	31.1%
Long Swiss Franc Index (TR)	-2.1%	-2.6%	3.1%	14.2%	18.4%	15.8%
Long Euro Index (TR)	-1.8%	-2.4%	5.0%	10.0%	17.4%	22.7%
Long British Pound Index (TR)	-1.8%	-2.1%	11.6%	8.4%	-9.4%	1.1%
Long Japanese Yen Index (TR)	0.4%	0.3%	0.7%	1.9%	29.0%	15.6%
Long Norwegian Krone Index (TR)	-1.8%	-3.1%	22.3%	21.1%	17.2%	23.4%
Long New Zealand Dollar Index (TR)	0.9%	-2.0%	28.1%	34.7%	24.2%	39.2%
Long Swedish Krona Index (TR)	-2.4%	-4.4%	9.4%	11.9%	2.1%	4.7%
Average Long	-0.9%	-1.8%	15.0%	18.5%	18.2%	25.5%
Average Short						
Short Australian Dollar Index (TR)	0.4%	1.5%	-27.2%	-30.8%	-24.6%	-25.7%
Short Canadian Dollar Index (TR)	0.4%	0.8%	-15.8%	-17.3%	-8.4%	-7.2%
Short Swiss Franc Index (TR)	2.1%	2.6%	-4.3%	-14.3%	-8.6%	6.8%
Short Euro Index (TR)	1.8%	2.5%	-6.0%	-10.7%	-7.9%	1.1%
Short British Pound Index (TR)	1.8%	2.0%	-12.3%	-10.1%	18.1%	21.3%
Short Japanese Yen Index (TR)	-0.5%	-0.5%	-2.2%	-3.6%	-16.3%	7.1%
Short Norwegian Krone Index (TR)	1.8%	3.0%	-20.4%	-20.0%	-10.6%	-3.6%
Short New Zealand Dollar Index (TR)	-1.0%	1.8%	-24.7%	-28.9%	-17.7%	-16.6%
Short Swedish Krona Index (TR)	2.4%	4.5%	-12.2%	-14.5%	1.8%	13.2%
Average Short	1.1%	2.2%	-13.0%	-14.6%	-5.4%	3.8%
Equity Indices						
FTSE 100	-2.7%	-1.7%	37.9%	34.9%	-20.2%	14.5%
Dow Jones STOXX 50	-3.5%	-2.5%	29.6%	31.4%	-16.7%	16.9%
S&P 500	0.1%	0.9%	25.4%	29.8%	-16.3%	3.4%

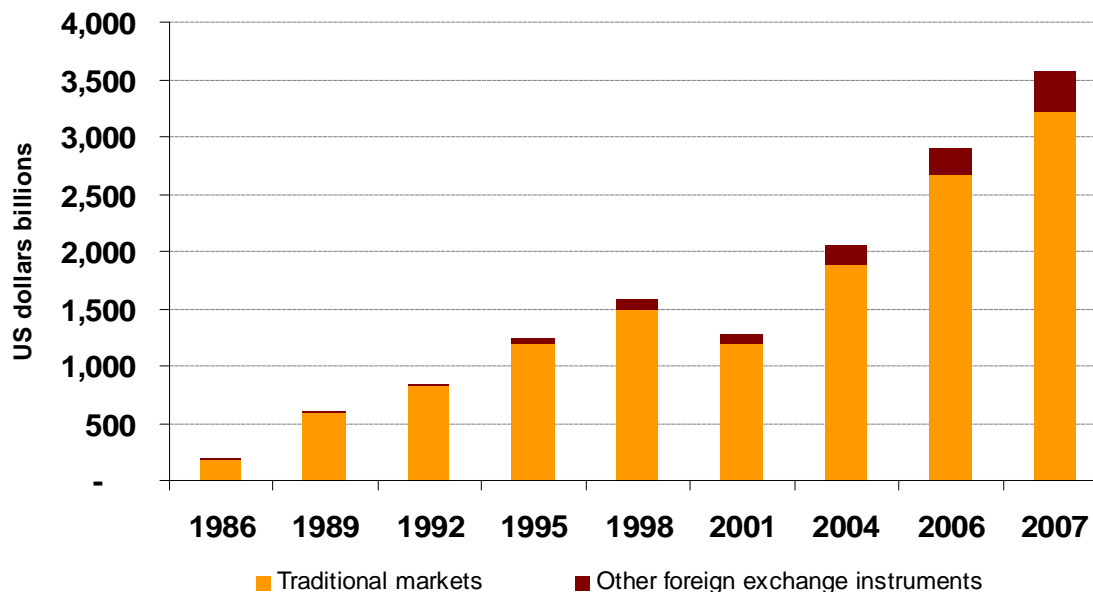
*Returns are in USD to 11 December 09 from: 11 December 04 (5 Yrs), 11 December 06 (3 Yrs), 11 December 08 (1 Yr).

Globaler Währungsmarkt FX

- Größter und liquidester Markt der Welt
 - Der tägliche Umsatz ist 10x so hoch wie der kombinierte Umsatz des globalen Aktien Marktes¹
 - 90% aller Trades werden OTC abgewickelt, mit einem täglichen Umsatz von \$3.5 Trillion²
 - Der Markt ist 24 Stunden geöffnet und bietet liquidität rund um die Uhr.

Average Daily Turnover of Global Foreign Exchange

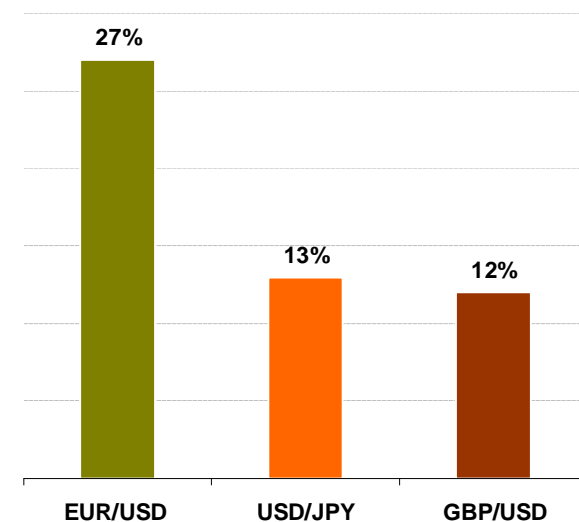
Source: Bank for International Settlements, April 2007



1 About USD280bn Source: World Federation of Exchanges aggregate 2006

2. Source: BIS Triennial Survey 2007

Most Traded Currency Pairs



Source: BIS Triennial Survey 2007

Zusammenfassung

Track Record

- Das Management von ETFS ist der Vorreiter im Bereich ETCs

Einfach

- Einfacher Zugang zum globalen Devisenmarkt und lokalen Zinssätzen

Sicher

- Voll besichert

Liquide

- Mindestens so liquide wie der zugrunde-liegende Devisenmarkt

Transparent

- Preisbasis:MSFXSM Währungs-Indizes (Morgan Stanley)

Zugänglich

- Börsenlisting - deshalb kann jeder ETCs handeln

Auswahl

- Verschiedene Devisenpaare mit Long- und Short-Engagements



Appendix

ETF Securities & Market Maker Contacts

ETFS Research Capabilities

Currency ETCs – Investment Process

Currency ETCs vs Other FX Investment Vehicles

ETCs – Transparent Pricing

Non USD Investment Scenarios

ETF Securities & Market Maker Contacts

- ETF Securities contact

- +44 20 7448 4330 (UK Representative)
- info@etfsecurities.com
- www.etfsecurities.com

- LSE: www.londonstockexchange.com/etcs
- NYSE: www.nyse.com/about/listed/funds.html
- Deutsche Boerse: www.deutsche-boerse.com/etcs
- NYSE-Euronext: www.euronext.com/etcs
- Borsa Italiana: www.borsaitaliana.it/etf
- Irish Stock Exchange: www.ise.ie/etf
- TSE: www.tse.or.jp

- Market Maker & Authorised Participant contacts:

Flow Traders	+31 (0)207 996 777	Citigroup	+44 (0)207 986 2355	Susquehanna	+353 (0)1802 8018
Nyenburgh	+31 (0)205 213 934	LaBranche	+44 (0)207 710 0111	Winterflood	+44 (0)203 100 0105
Morgan Stanley	+44 (0)207 425 6365	Merrill Lynch	+44 (0)207 996 1034	Societe Generale	+44 (0)207 762 5450
UniCredit HVB	+49 8937815094	JP Morgan	+44 (0)207 779 3161	Commerzbank	+49 (0)69 136 22088
Barclays Capital	+44 (0)203 134 8302	RBS	+44 (0)207 678 9218	Knight Capital	+44 (0)207 997 2072
All Options	+31 20 7 977 229	HSBC	+44 (0)207 991 5950	Bluefin Europe LLP	+44 (0) 207 509 7059
UBS	+44 (0)207 568 8416	Banca IMI	+39 02 7261 5367	Credit Suisse	+44 (0)207 888 0782
Jane Street Capital	+44 (0)207 965 4602	Nomura Intl plc	+44 (0) 207 103 4493	KBC Peel Hunt	+44 (0)207 614 6014

ETFs Research Capabilities

- 4 strong multi-asset research team
- Bi-weekly conference calls

Date	UK/European Calls
6 th April	Agriculture Commodities vs Agribusiness Equities: What's the Best Way to Invest in Agriculture?
8 th April	The Outlook for Oil: Contango, Backwardation and Futures Curve Dynamics
13 th April	Will the World Cup Have an Impact on Metals Prices?
15 th April	Nuclear - External Speaker
20 th April	What's Driving the Gold Price and Can it Be Sustained?
22 nd April	Using Currencies as an Asset Class in a Dollar-Bullish World
27 th April	UCITS III and Permitted Investments
28 th April	The Euro and British Pound: Are Risks Already Priced In?
29 th April	How to Beat Contango: Strategies for playing Commodity Futures Curves Using ETCs

- Weekly ETC & ETF performance & flow reports
- Bi-annual commodities review reports
- Further information, data, analysis available please contact: info@etfsecurities.com

Commodities Review 2008 - Update
Data to 31 December 2008

Executive Summary

- Commodities substantially outperformed equities over 2008 as equity markets fell sharply in the wake of the credit crisis. Although down, commodities have generally weathered the financial storm better than their equity counterparts. The DJ-AIGCI P3 All-Commodity Index™ returns vs. 70% and 272% over 5 and 10 year horizons. The CBOE VIX is down 30% and 13% over the last 5 and 10 years respectively.
- Gold has outperformed heavily an increasing risk aversion over 2008, up 44% and 111% in GBP and Euro terms respectively in 2008. Gold is up 4% in USD over the same period – despite an 8% appreciation in the USD TWI.
- 2008 was a year of extremes: market demand, supply shortages, issues of many commodities led to the severity of the US slowdown growth became increasingly apparent.
- As we move into 2009, safe havens are being tested with the US industrial sector seeing a sharp decline to be seen when the investor sentiment.
- The commodities market high returns in 2008 in the hope that investors in making well-informed.

Contents

- Asset Class Performance
- ETC: Flow and Trends
- Diversified Commodity Index Per
- Energy
- Precious Metals
- Industrial Metals
- Agriculture
- Livestock

Special Focus

- Box 1: The Global Credit Crisis
- Box 2: Agriculture: Supply Short

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ETFs Inflows into Long Oil ETCs up 500% as Oil Price Drops Below \$40/bbl

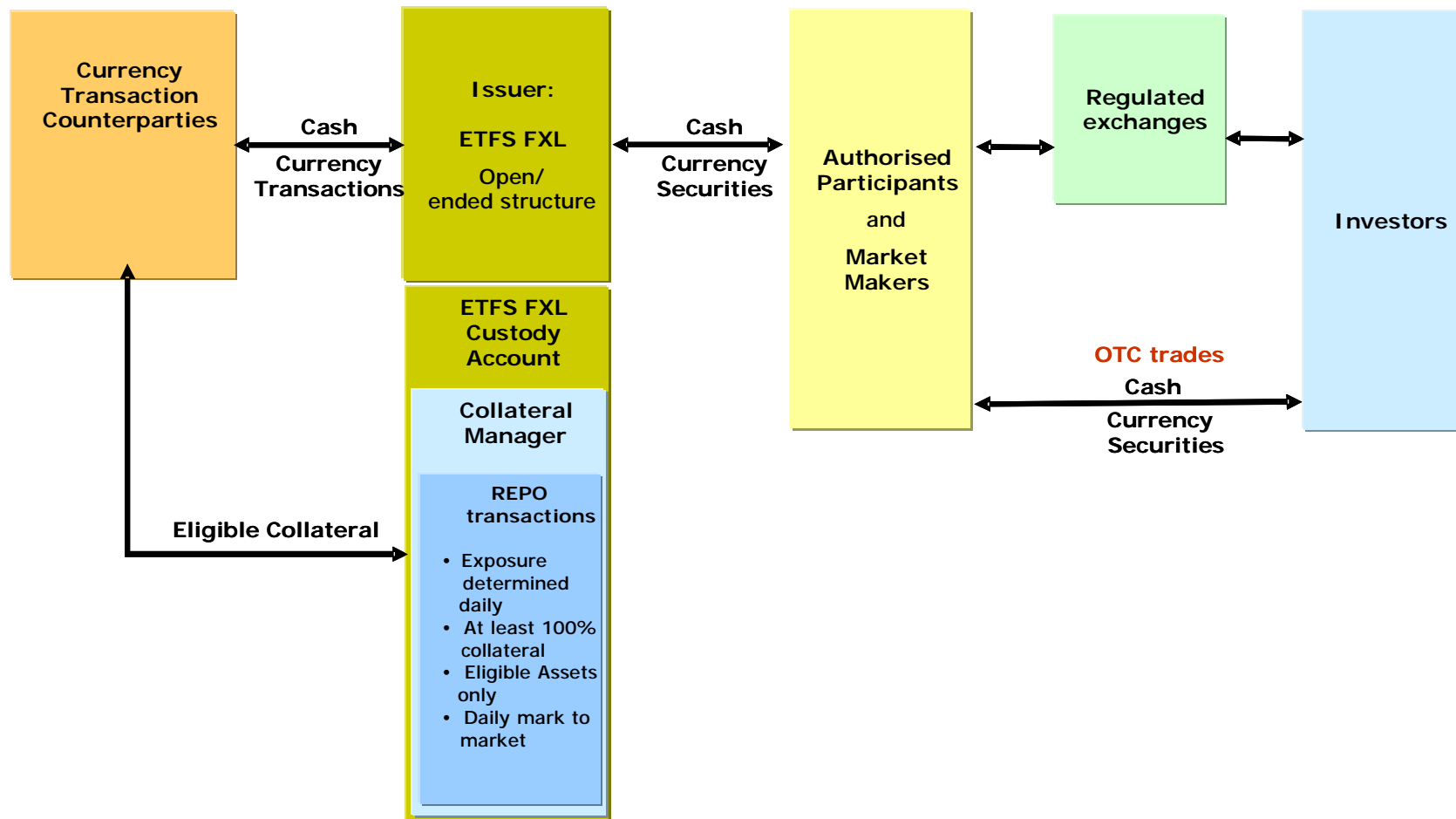
Highlights

- Long Oil Exchange Traded Commodity (ETC) inflows rose by 200% over the year, the largest rise since ETCs were first listed in 2005. Highlighting the increasing bullish investor stance towards oil as the oil price has dropped below the \$40/bbl level. In terms of shares outstanding, long oil ETCs have risen by 500%, from 5 million to 15 million in just over 3 weeks.
- Currently, the outstanding for ETCs Crude Oil (EOL), ETCs Brent Oil (EOLB), ETCs WTI Oil (EOLW) and ETCs Landed Oil (EOLC) are all at record highs. At the same time, ETCs Short Crude Oil (SOLO), which tracks inversely to the daily movement of the oil price, has seen a 30% decline since its peak in early 2008.
- It is interesting to note how netting positions in ETCs have moved recently to the oil price as investors have reduced nettings as the price has risen and increased positions as the oil price has declined (see chart below).
- Physical based gold ETCs also experienced a sharp rise in inflows last week with inflows rising to ETCs Physical Gold (PHAG) and Gold Bullion Securities (GBS) rising by \$20m, the second largest increase in the past 10 weeks. Total inflows for gold have now increased by \$1.2m.
- Flow into the physically-backed gold ETCs highlight investors concerns about the outlook for the USD, GBP and other major currencies as central banks inject large amounts of paper currency into the financial system and expanded debt burdens surge as governments raise up national fiscal deficits.
- Strong flows into physical gold ETCs also likely reflects investors desire to hold tangible assets as concerns about counterparty and credit risk continue to rise (PHAG and GBS are backed by allocated gold bars versus in vaults and are not exposed to credit or counterparty risk). So far this year the gold price is up 27% and 13% in GBP and EUR respectively.
- Last week, ETCs Physical Platinum (PHPT) saw net inflows of \$1.5m and its price increase by 5%. PHPT inflows have been on a rising trend since beginning in mid-November. There has also been a pick-up in interest in ETCs Agriculture (AGAU) with inflows rising for five consecutive weeks.
- The top five performers last week were ETCs Landed Oil (EOLC) up 22%, ETCs Short Landed Oil (SOLO) up 18%, ETCs Landed Oil (EOL) up 18%, ETCs Landed Crude Oil (EOLC) up 16%, and ETCs Short Crude Oil (SOLO) recording an increase of 13%.

ETF Securities Ltd

Tel: +44 20 7488 4030 www.etfsecurities.com 19 December 2008

ETFs Currency ETCs – Investment Process



ETCs – Transparent Pricing

- ETCs have transparent prices and are simple to calculate
- ETCs are priced off established benchmarks: MSFX Indices
- The pricing formula for each ETC is fixed
- NAV and pricing inputs are published daily on the website
- Multiple market makers also ensure pricing is accurate
- Management fees are deducted daily and priced into the NAV

How to Invest in Currencies - Vehicle comparisons

	FX Spot	FX Futures / Options	Currency ETCs	Listed Certificates	CFDs
Liquidity	OTC - Very High	On exchange - variable (only for major pairs)	On Exchange - Multiple market makers	On Exchange - Single market maker	Single Dealing platform / Off Exchange
Costs Involved	Low – Execution costs	Low – Execution costs	Execution costs & Management Fees	Execution costs, Hidden costs	Execution & Financing costs
Safety	OTC - Counterparty Risk	On exchange – CCP/CSD	100% Collateralised	Counterparty risk (unsecured credit, not ring fenced from the issuer)	Counterparty risk, unsecure
Short/Leveraged Exposure	Yes, involves several transactions	Yes, Unlimited potential loss	Yes, through one single listed security.	Yes, through structured products	Yes, unlimited potential loss, very high funding cost for leverage
Transparency	High	High	High	Low	Low
Access	Only to very big players able to operate in the Interbank market 24h market	Difficult – Need specific client mandate for Active (bet) Passive (hedge) derivative investments 24h market only through Globex	Easy – Listed on Exchange – no mandates needed	Easy – Listed on Exchange – no mandates needed	Account opening, single trading platform / off exchange trading if considered derivatives then mandates needed

How Do MSFXSM Long Currency Indices Work for non USD investors?

- As the indices base currency is USD, investors denominated in another currency are exposed to the exchange rate of their currency vs. USD
- Then Morgan Stanley FX Long indices are equivalent to:
 - Selling a USD position
 - Buying target currency (e.g.. EUR)
 - Investing the target currency at local risk free rate assets (e.g. German government short term bills)
- The Return for EUR denominated investor investing into ETFS Long EUR short USD returns is equal to the EUR interest rates (All currency exposure being cancelled out)
- For an investor with assets in a currency not represented in the pair the exposure achieved will be different e.g. a GBP buying ETFS Long EUR Short USD, is the the equivalent of being short GBP and Long EUR.

How Do MSFXSM Short Currency Indices Work for non USD investors?

- As the indices base currency is USD, investors denominated in another currency are exposed to the exchange rate of their currency vs. USD
- Morgan Stanley FX Short indices are equivalent to:
 - Keeping the initial USD and investing it in US T-bills
 - Borrowing the target currency (e.g. EUR) at institutional inter-bank money market rates (e.g. EONIA)
 - Selling the target currency (EUR) to buy USD and investing in USD Libor rate
- Thus the EUR denominated investor investing into ETFS Short EUR Long USD returns are determined by twice the inverse of the FX forward rate change plus US T-bill rate + Fed Funds rate minus the local interest rate.
- For an investor with assets in a currency not represented in the pair the exposure achieved will be different e.g. a GBP buying ETFS Short EUR Long USD, is the the equivalent of being short GBP (vs. USD) and Short EUR (vs. USD) at the same time.

Additional Research

- Commodities News and Research

- Bloomberg: IPCM <GO>
- Bloomberg: EXTF <GO>
- www.djindexes.com
- www.basemetals.com
- www.thebulliondesk.com
- www.resourceinvestor.com
- www.altruistfa.com/readingroomarticles.htm#Commodities
- www.hardassetinvestor.com
- www.commodities-now.com

- Commodity Futures Exchanges

- www.theice.co.uk
- www.lme.co.uk
- www.nymex.com
- www.cbot.com
- www.nybot.com
- www.cme.com

- Energy, Metals and Agriculture

- www.eia.doe.gov (Energy)
- www.bp.com (BP Statistical Review of World Energy)
- <http://minerals.usgs.gov/minerals/pubs/commodity/> (Metals)
- www.kitco.com (Metals)
- www.fas.usda.gov/commodities.asp (Agriculture)
- www.abareconomics.com (Metals & Agriculture)
- www.gfms.co.uk (Precious Metals)
- www.icsg.org (Copper)
- www.ilzsg.org (Zinc)

- Currencies

- www.fxstreet.com (global)
- www.federalreserve.gov
- <http://www.morganstanley.com/institutional/research/msfx.html>

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Copies of all documents (i.e. the Prospectus, any supplement(s), the latest previous annual reports and the memorandum of incorporation and articles of association) are available as follows:

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