

ETFS FOREIGN EXCHANGE LIMITED

Registered No: 103518

**Unaudited Interim Financial Report for the
Six Months to 30 June 2013**

ETF5 FOREIGN EXCHANGE LIMITED
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ETFs FOREIGN EXCHANGE LIMITED
DIRECTORS' REPORT

The directors of ETFs Foreign Exchange Limited ("FXL" or the "Company") submit herewith the unaudited interim financial report and interim financial statements of the Company for the period ended 30 June 2013.

Directors

The names and particulars of the directors of the Company during or since the end of the financial period are:

Mr Graham J Tuckwell - Chairman
 Mr Graeme D Ross
 Mr Craig A Stewart (resigned 21 June 2013)
 Mr Joseph L Roxburgh
 Mr Mark K Weeks (appointed 21 June 2013)

Principal Activities

During the period there were no significant changes in the nature of the Company's activities.

Review of Operations

During the period, the Company had the following number of classes, in aggregate, of Currency Securities in issue and admitted to trading on the following exchanges:

Security	London Stock Exchange	Borsa Italia	Deutsche Börse
USD Currency Securities	52	-	4
EUR Currency Securities	-	12	18
GBP Currency Securities	26	-	-
Total Currency Securities	78	12	22

As at 30 June 2013, assets under management amounted to USD 371.4 million (31 December 2012: USD 339.0 million). The Company recognises its financial assets ("Currency Transactions") and financial liabilities ("Currency Securities") at fair value in the Condensed Statement of Financial Position.

During the period, the Company generated income from creation and redemption fees and management fees as follows:

	30 June 2013 USD	30 June 2012 USD
Creation and Redemption Fees	1,554	19,662
Management Fees	1,020,578	974,490
Total Fee Income	1,022,132	994,152

Under the terms of the service agreement with ETFs Management Company (Jersey) Limited ("ManJer"), the Company accrued expenses equal to the management fees and creation and redemption fees, which, after taking into account other operating income and expenses, resulted in an operating result for the period of USD Nil (30 June 2012: USD Nil).

The gain or loss on Currency Securities and Currency Transactions is recognised in the Condensed Statement of Comprehensive Income in line with the Company's accounting policy, these gains or losses offset each other.

ETF FOREIGN EXCHANGE LIMITED
DIRECTORS' REPORT – CONTINUED

Future Developments

The directors are not aware of any developments that might have a significant effect on the operations of the Company in subsequent financial periods not already disclosed in this report or the attached interim financial statements.

Dividends

There were no dividends declared or paid in the current or previous period. It is the Company's policy that dividends will only be declared when the directors are of the opinion that there are sufficient distributable reserves.

Employees

The Company does not have any employees. It is the Company's policy to use the services of specialist subcontractors or consultants as far as possible.

Directors' Interests

The following table sets out the only director's interest in Ordinary Shares as at the date of this report:

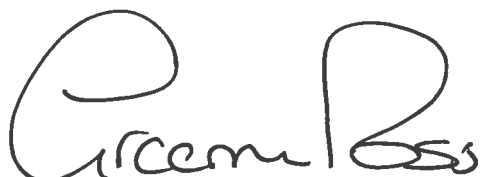
Director	Ordinary Shares of Nil Par Value
Graham J Tuckwell (as controlling party of ETF Securities Limited ("ETFSL"))	2

Directors' Remuneration

No director has a service contract with the Company and details of the directors' remuneration which has been paid by ManJer on behalf of the Company for the period is disclosed below. Mr Craig A Stewart resigned on 21 June 2013, but received his fee to 30 June 2013.

	30 June 2013	30 June 2012
	GBP	GBP
Mr Graham J Tuckwell	Nil	Nil
Mr Graeme D Ross	3,750	3,750
Mr Craig A Stewart	3,750	3,750
Mr Joseph L Roxburgh	Nil	Nil
Mr Mark K Weeks	Nil	Nil

On behalf of the directors



Graeme D Ross
Director
Jersey
27 August 2013

ETFFS FOREIGN EXCHANGE LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the interim financial statements in accordance with applicable law and regulations.

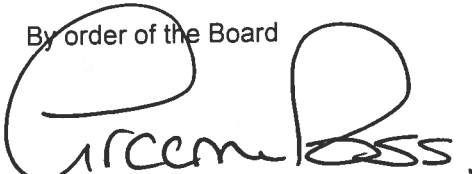
Company law requires the directors to prepare interim financial statements for each financial period. Under that law the directors have elected to prepare the interim financial statements in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

International Accounting Standard 1 requires that financial statements present fairly for each financial period the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, the directors are also required to:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board



Graeme D Ross
Director

27 August 2013

ETFS FOREIGN EXCHANGE LIMITED
CONDENSED STATEMENT OF COMPREHENSIVE INCOME

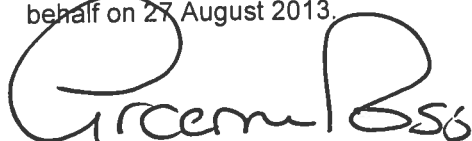
	Note	Period ended 30 June	
		2013 Unaudited USD	2012 Unaudited USD
Revenue	2	1,022,132	994,152
Expenses	2	(1,022,132)	(994,152)
Operating Result	2	-	-
Net Gain/(Loss) Arising on Fair Value of Currency Transactions	5	10,534,618	(1,336,428)
Net (Loss)/Gain Arising on Fair Value of Currency Securities	6	(10,534,618)	1,336,428
Result and Total Comprehensive Income for the Period		-	-

The directors consider the Company's activities as continuing.

ETF5 FOREIGN EXCHANGE LIMITED
CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	As at	
		30 June 2013 Unaudited USD	31 December 2012 Audited USD
Current Assets			
Trade and Other Receivables	4	334,092	152,638
Currency Transactions	5	371,370,120	339,041,371
Currency Transactions Awaiting Settlement	5	10,757,449	42,994
Currency Securities Awaiting Settlement	6	14,231,519	-
Total Assets		396,693,180	339,237,003
Current Liabilities			
Currency Securities	6	371,370,120	339,041,371
Currency Securities Awaiting Settlement	6	10,757,449	42,994
Currency Transactions Awaiting Settlement	5	14,231,519	-
Trade and Other Payables	7	332,308	150,854
Total Liabilities		396,691,396	339,235,219
Equity			
Stated Capital	8	3	3
Retained Profits		1,781	1,781
Total Equity		1,784	1,784
Total Equity and Liabilities		396,693,180	339,237,003

The financial statements on pages 4 to 11 were approved by the board of directors and signed on its behalf on 27 August 2013.



Graeme D Ross
Director

ETF5 FOREIGN EXCHANGE LIMITED
CONDENSED STATEMENT OF CASH FLOWS

	Period ended 30 June	
	2013 Unaudited USD	2012 Unaudited USD
Operating Result for the Period	-	-
<i>Changes in Operating Assets and Liabilities</i>		
Increase in Receivables	(181,454)	(167,671)
Increase in Payables	181,454	166,196
Cash Generated from/(Used in) Operations	-	(1,475)
Net Movement in Cash and Cash Equivalents	<u>-</u>	<u>(1,475)</u>
Cash and Cash Equivalents at the Beginning of the Period	-	1,475
Net Movement in Cash and Cash Equivalents	-	(1,475)
Cash and Cash Equivalents at the End of the Period	<u>-</u>	<u>-</u>

Currency Securities issued or redeemed by receipt/transfer of Currency Transactions have been netted off in the Condensed Statement of Cash Flows.

ETFS FOREIGN EXCHANGE LIMITED
CONDENSED STATEMENT OF CHANGES IN EQUITY

	Stated Capital USD	Retained Earnings USD	Total Equity USD
Audited Opening Balance at 1 January 2012	3	1,781	1,784
Total Comprehensive Income for the Period	-	-	-
Unaudited Balance at 30 June 2012	<u>3</u>	<u>1,781</u>	<u>1,784</u>
Audited Opening Balance at 1 January 2013	3	1,781	1,784
Total Comprehensive Income for the Period	-	-	-
Unaudited Balance at 30 June 2013	<u>3</u>	<u>1,781</u>	<u>1,784</u>

The notes on pages 8 to 11 form part of these financial statements

ETFS FOREIGN EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

The main accounting policies of the Company are described below.

Basis of Preparation

The interim financial statements for the six months ended 30 June 2013 have been prepared in accordance with IAS 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). The interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

The interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2012 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB.

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2012. The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at 31 December 2012.

This half yearly report has not been audited or reviewed by the Company's auditors.

The presentation of interim financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Accounting Standards

(a) *Standards, amendments and interpretations effective on 1 January 2013:*

- IFRS 13 "Fair Value Measurement"
- Amendments to IFRS 7 "Financial Instruments: Disclosures"
- Various improvements to IFRSs issued in 2011

The adoption of the improvements and interpretation resulted in additional disclosures but did not have an impact on the Company's financial position or performance.

(b) *Standards, amendments and interpretations effective on 1 January 2013 but not relevant to the Company:*

- Various improvements to IFRSs issued in 2011

(c) *Standards, amendments and interpretations that are in issue but not yet effective:*

- IFRS 9 "Financial Instruments" (effective 1 January 2015)
- Amendments to IAS 32 "Financial Instruments: Presentation" (effective 1 January 2014)

The directors anticipate that the adoption of these standards in future periods will have no material financial impact; however the amendments may change the presentation of the financial statements. The directors have considered other new and revised standards and they believe that they are not relevant to the Company's activities.

Going Concern

The nature of the Company's business dictates that the outstanding Currency Securities may be redeemed at any time by the holder and in certain circumstances may be redeemed by the Company. As the redemption of Currency Securities will coincide with the redemption of an equal amount of Currency Transactions, no liquidity risk is considered to arise. All other liabilities of the Company are met by ManJer; therefore the directors consider the Company to be a going concern and have prepared the financial statements on this basis.

ETFS FOREIGN EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

1. Accounting Policies - continued

Segmental Reporting

The Company has not provided segmental information as the Company has only one business or product group, Currency Securities, and geographical segment which is the UK and Europe. All information relevant to the understanding of the Company's activities is included in these financial statements.

2. Operating Result

Operating result for the period comprised:

	Period ended 30 June	
	2013	2012
	Unaudited	Unaudited
	USD	USD
Creation and Redemption Fees	1,554	19,662
Management Fees	1,020,578	974,490
Total Revenue	1,022,132	994,152
Management Fees to ManJer	(1,022,132)	(971,296)
Creation and Redemption Fees Written Off	-	(22,781)
Net Finance Charges	-	(110)
Net Foreign Exchange Gain	-	35
Total Operating Expenses	(1,022,132)	(994,152)
Operating Result	-	-

During the previous year, the Company revised its agreements with a number of the Authorised Participants regarding the fees charged for the creation and redemption of securities. As a result of the revised agreements, certain future creation and redemption fees were waived. The revised agreement backdated the charge, which meant that some of the historically charged creation and redemption fees were waived and written off.

3. Taxation

The Company is subject to Jersey Income Tax at the rate of 0%.

4. Trade and Other Receivables

	As at	
	30 June 2013	31 December 2012
	Unaudited	Audited
	USD	USD
Management Fees	334,089	152,635
Amounts Receivable on Stated Capital	3	3
	334,092	152,638

ETFs FOREIGN EXCHANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

5. Currency Transactions

	As at	
	30 June 2013 Unaudited USD	31 December 2012 Audited USD
Change in Fair Value for the Period/Year	10,534,618	(5,100,653)
Currency Transactions	371,370,120	339,041,371

As at 30 June 2013, there were certain Currency Transactions awaiting the creation or (redemption) of Currency Securities with trade dates before the period end and settlement dates in the following period. The amount receivable as a result of unsettled creations at the period end was USD 10,757,449 (31 December 2012: USD 42,994), and the amount (payable) as a result of unsettled redemptions at the period end was (USD 14,231,519) (31 December 2012: (USD Nil)).

6. Currency Securities

	As at	
	30 June 2013 Unaudited USD	31 December 2012 Audited USD
Change in Fair Value for the Period/Year	(10,534,618)	5,100,653
Currency Securities	371,370,120	339,041,371

As at 30 June 2013, there were certain Currency Securities awaiting (creation) or redemption with trade dates before the period end and settlement dates in the following period. The amount (receivable) as a result of unsettled redemptions at the period end was (USD 14,231,519) (31 December 2012: (USD Nil)), and the amount payable as a result of unsettled creations at the period end was USD 10,757,449 (31 December 2012: USD 42,994).

7. Trade and Other Payables

	As at	
	30 June 2013 Unaudited USD	31 December 2012 Audited USD
Management Fees Payable to ManJer	332,308	150,854

8. Stated Capital

	As at	
	30 June 2013 Unaudited USD	31 December 2012 Audited USD
2 Shares of Nil Par Value, Issued at GBP 1 Each	3	3

The Company can issue an unlimited capital of nil par value shares.

All shares issued by the Company carry one vote per share without restriction and carry the right to dividends. All shares are held by ETFs Holdings (Jersey) Limited ("HoldCo").

ETFs FOREIGN EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

9. Related Party Disclosures

Entities and individuals which have a significant influence over the Company, either through the ownership of HoldCo shares or by virtue of being a director of the Company, are related parties.

Management Fees paid to ManJer during the period:

	As at	
	30 June 2013	31 December 2012
	Unaudited	Audited
	USD	USD
Management Fees	1,022,132	1,872,803

The following balances were due to ManJer at the period end:

	As at	
	30 June 2013	31 December 2012
	Unaudited	Audited
	USD	USD
Management Fees Payable	332,308	150,854

The following balances were due from HoldCo at the period end:

	As at	
	30 June 2013	31 December 2012
	Unaudited	Audited
	USD	USD
Stated Capital	3	3

As disclosed in the Directors' Report, ManJer paid directors' fees in respect of the Company of GBP 7,500 (30 June 2012: GBP 7,500).

Graeme D Ross and Craig A Stewart are directors of R&H Fund Services (Jersey) Limited ("R&H"), the administrator. During the period, R&H charged ManJer secretarial and administration fees in respect of the Company of GBP 48,250 (30 June 2012: GBP 51,250), of which GBP 24,125 (30 June 2012: GBP 18,750) was outstanding at the period end.

Craig A Stewart was appointed as director of ManJer on 18 July 2013. Graeme D Ross was a director of ManJer until 21 June 2013.

Graham J Tuckwell is also a director of ETFSL, ManJer and HoldCo.

10. Ultimate Controlling Party

The immediate parent company is HoldCo, a Jersey registered company. The ultimate controlling party is Graham J Tuckwell through his shareholding in ETFSL. ETFSL is the parent company of HoldCo.