



SHORT & LEVERAGED DAILY ETPS

Investment Brochure



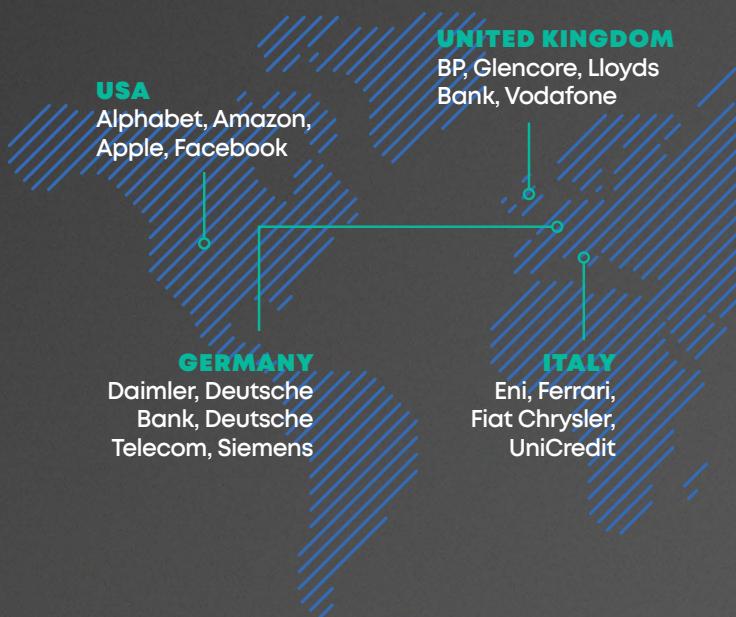
WINNER 2020
**Most Innovative
Product**

SIMPLIFYING ACCESS TO LEVERAGE

GraniteShares' short and leveraged single stock daily Exchange Traded Products (ETPs) are a game changer for sophisticated investors.

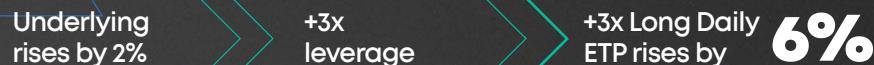
For the first time short and leveraged exposures to single stocks are available in a collateralised ETP wrapper, thereby removing the complexities associated with obtaining leveraged returns on single stocks.

Traded through a share dealing account, the ETPs provide investors with transparent, quick and easy market access, enabling them to take both short and leveraged exposure to some of the most recognised companies listed on exchanges in the UK, US and Continental Europe.



DAILY PERFORMANCE

The short and leveraged single stock daily ETPs multiply the daily return of an underlying stock by a fixed leverage factor of up to +3x and -3x, before fees and/or any adjustments.



The following table shows illustrative daily returns from investing in GraniteShares 3x Long Vodafone Daily ETP (3LVO)*

Closing value of 3LVO	% Change in underlying asset from closing price	% Change in 3LVO from closing price	Value of one security of 3LVO	Profit & loss
£100	+3%	+9%	£109	+£9
£100	-3%	-9%	£91	-£9

*For illustration purposes only, before fees and/or adjustments

THE LEVERAGED ETP ADVANTAGE



EASY TO USE

- + Trade through a share dealing account
- + No margin requirements
- + ISA and SIPP eligible (UK only)



LIMITED RISK

- + Cannot lose more than amount invested
- + Downside protection through intra-day stop loss mechanism



TRANSPARENT

- + Listed on exchange with pricing from multiple market makers
- + Track indices published by Solactive



ENHANCE RETURNS

- + Scope to magnify returns
- + Deploy less capital to obtain exposure to underlying



FLEXIBLE

- + Implement tactical and strategic trade ideas
- + Event-driven, momentum, hedging



COLLATERALISED

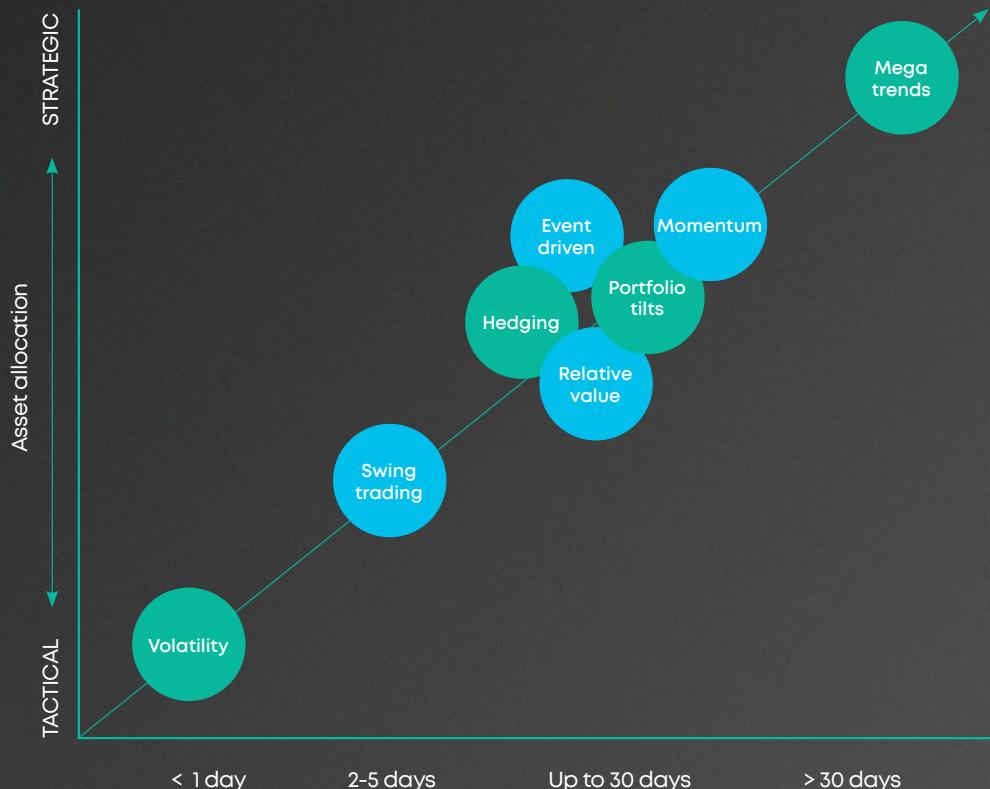
- + Liquid, diversified collateral from a defined universe of equities and bonds posted daily to reduce counterparty risk

A SMART ALTERNATIVE FOR LEVERAGED EXPOSURE

The table below highlights some of the features that make short and leveraged daily ETPs an attractive solution for sophisticated investors.

	Short and leveraged daily ETPs	CFDs / Spread betting	Futures / Options	Structured products (Certificates)
Leverage factor	Limited, Range: +/- 3x	Variable depending on regulation	Exchange dependent	Issuer dependent, Range: +/- 7x
Multiple market makers competing on price	✓	✗	✗	✗
Maximum bid/ask spread (stock exchange monitored)	✓	✗	✗	✗
At least one market maker quoting continuously	✓	✗	✗	✓
Credit risk mitigated by collateral	✓	✗	✓	✗
Traded through a share dealing account	✓	✗	✗	✓
Minimum trade size	1 security	Very small	Generally \$1k+	Generally £1k+
Losses limited to initial investment	✓	✗	✗	✓
Built-in stop loss mechanism	✓	✗	✗	Product specific
Margin required	✗	✓	✓	✗

MULTIPLE OPPORTUNITIES TO UNLOCK ALPHA



IN THE NEWS – MARKET MOVERS

- Big Short's Eisman Expands U.K.**
► **Short Bets to Three Banks on Brexit**
Bloomberg, 27 February 2019
- Online shopping overtakes a major part of retail for the first time ever**
► **Electric-Jet Future**
CNBC, 2 April 2019
- Rolls-Royce Chief Looks to the Electric-Jet Future**
► **Vodafone launches 5G in Germany, challenges D.Telkom on price**
Bloomberg, 21 June 2019
- BP profit again outstrips forecasts, lifted by higher oil output**
► **Lloyds and Barclays hit by \$4 billion insurance mis-selling claims**
Reuters, 16 July 2019
- Reuters, 30 July 2019**
- Reuters, 9 September 2019**

PROTECTING YOUR DOWNSIDE

The short and leveraged daily ETPs track indices that incorporate a stop loss mechanism that is designed to restrict the loss in value of an ETP during periods of adverse and extreme market movements.

For example, if a 3x Long Daily ETP or 3x Short Daily ETP fell by 50% intraday as a result of a move in the underlying index, the stop loss would be triggered and the index level would be reset at a new base level.

The stop loss would thus serve to preserve investor capital and reduce the chances of the value of the ETP falling to zero intraday. To put this in context, for a 3x long daily ETP without a built-in stop loss, an intraday move of greater than 33.3% in the underlying would result in the ETP becoming worthless.

DEMYSTIFYING COMPOUND RETURNS

Short and leveraged daily ETPs are designed to replicate performance of an underlying stock times a leverage factor over one day only.

For periods longer than one day, returns will start to compound. This means that the daily percentage return will deliver returns that deviate from the leverage factor, excluding any fees and/or adjustments. The performance deviation will mainly be driven by the daily price volatility of the underlying stock.

Generally speaking, positive deviation might occur in trending markets, while volatile or flat markets could result in negative deviation.

Because of the compounding effect, positions in short and leveraged daily ETPs should be monitored at least daily to enable each position to be managed in line with a particular investment objective.

TRENDING MARKETS

Simulated performance, excluding fees and/or adjustments

Market conditions	Underlying stock	3x leverage no compounding	3x long daily ETP	Performance deviation
Trending up				
Day 1	+3.0%	+9.0%	+9.0%	
Day 2	+3.0%	+9.0%	+9.0%	
2-day return	+6.1%	+18.3%	+18.8%	+0.5%
Trending down				
Day 1	-3.0%	-9.0%	-9.0%	
Day 2	-3.0%	-9.0%	-9.0%	
2-day return	-5.9%	-17.7%	-17.2%	+0.5%

VOLATILE AND DIRECTIONLESS MARKETS

Simulated performance, excluding fees and/or adjustments

Market conditions	Underlying stock	3x leverage no compounding	3x long daily ETP	Performance deviation
Volatile				
Day 1	+4.0%	+12.0%	+12.0%	
Day 2	-2.0%	-6.0%	-6.0%	
2-day return	+1.9%	+5.8%	+5.3%	-0.5%
Directionless				
Day 1	+1.0%	+3.0%	+3.0%	
Day 2	-1.0%	-3.0%	-3.0%	
2-day return	-0.01%	-0.03%	-0.1%	-0.06%

GENERAL NOTICE

For professional clients and eligible counterparties only.

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Prospective clients must consult with their own legal, tax and financial advisers before deciding to invest.

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RISK FACTORS

An investment in a GraniteShares short and leveraged exchange traded product (“ETP”) may not be suitable for all investors. They are intended for investors who wish to take a very short term view on the underlying asset and are not intended as buy and hold investments.

Performance and capital loss: Past performance is not a reliable indicator of future results. The value of an investment may go down as well as up and can result in losses, up to and including a total loss of the amount initially invested.

Generic risks: Investments in ETPs involve numerous risks including, among others, company risks, general market risks, credit risks, foreign exchange risks, interest rate risks, geopolitical risks and liquidity risks.

Specific product risks: The Index is constructed to track the performance of an increased (leveraged) and/or short exposure to the underlying asset. A fall (or rise where short and leveraged exposure) in value of the underlying asset can result in a greater reduction in the level of the Index. The Index is designed to do this on a daily basis only which should not be equated with seeking a leveraged position for periods longer than a day. The ETP's performance over periods longer than one day will not be correlated or symmetrical with the returns of the underlying asset. Potential investors should refer to the section entitled "Risk Factors" and "Economic Overview of the ETP Securities" in the Prospectus relating to the GraniteShares ETPs for further details of these and other risks associated with an investment in short and leveraged ETPs and consult their financial advisers as needed.

Counterparty risk: An investment in a GraniteShares short and leveraged ETP involves counterparty risk. GraniteShares Financial plc has entered into a Swap Agreement with a counterparty, Natixis, that is backed with collateral. Failure of the counterparty to make payments may result in an investment in an ETP suffering a loss.

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Issued by GraniteShares, November 2019.

About the Issuer

The Issuer of Collateralised ETPs, GraniteShares Financial Plc, is a public limited company incorporated as a special purpose vehicle (SPV). The Issuer is a standalone entity, ring-fenced from other GraniteShares entities, whose sole purpose is to issue Collateralised ETPs as outlined in the base prospectus, together with any supplements and related documentation. The base prospectus has been approved by the Central Bank of Ireland for the purposes of the Prospectus Directive.

To find out more about short and leveraged
single stock daily ETPs, please contact us at:
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