

令和2年12月期 中間決算短信（令和2年1月1日～令和2年6月30日）

令和2年9月14日

銘柄名	コード番号	連動対象指標	主要投資資産	売買単位
WisdomTree 金上場投資信託	1672	金価格	金	1
WisdomTree 銀上場投資信託	1673	銀価格	銀	10
WisdomTree 白金上場投資信託	1674	白金価格	白金	1
WisdomTree パラジウム上場投資信託	1675	パラジウム価格	パラジウム	1
WisdomTree 貴金属バスケット上場投資信託	1676	貴金属バスケット価格 ^(注)	金・銀・白金・パラジウム	1

(注) 貴金属バスケット価格は、金価格、銀価格、白金価格、パラジウム価格に基づいて算出されます。

なお、ETFS貴金属バスケット上場投信の一口当たりの貴金属は、およそ0.04ファイン・トロイ・オンスの金、およそ1.2トロイ・オンスの銀、およそ0.01トロイ・オンスの白金、およそ0.02トロイ・オンスのパラジウムの合計です。

外国投資法人 ウィズダムツリー・メタル・セキュリティーズ・リミテッド

代表者名 クリストファー・フォールズ

管理会社 ウィズダムツリー・マネジメント・ジャージー・リミテッド

<https://www.wisdomtree.eu/en-gb/resource-library/prospectus-and-regulatory-reports#tab-2A942D42-5AA1-4008-9080-3C2DADB050A7>

代表者名 スティーブン・ロス

問合せ先責任者 TMI 総合法律事務所（中川秀宣） TEL 03-6438-5660

有価証券報告書提出予定日 令和元年9月30日提出(予定)

分配金支払い開始予定日 該当なし

I ファンドの運用状況

1. 2020年12月中間決算期の運用状況（令和2年1月1日～令和2年6月30日）

(1)資産内訳

(百万円未満切捨て)

		主要投資資産		合計（資産）	
		金額	構成比	金額	構成比
WisdomTree 金上場投資信託	2020年12月中間決算期	882,163	(100)	882,163	(100)
	2019年12月中間決算期	766,378	(100)	766,378	(100)
WisdomTree 銀上場投資信託	2020年12月中間決算期	165,507	(100)	165,507	(100)
	2019年12月中間決算期	89,269	(100)	89,269	(100)
WisdomTree 白金上場投資信託	2020年12月中間決算期	45,700	(100)	45,700	(100)
	2019年12月中間決算期	31,267	(100)	31,267	(100)
WisdomTree パラジウム上場投資信託	2020年12月中間決算期	18,036	(100)	18,036	(100)
	2019年12月中間決算期	14,226	(100)	14,226	(100)

		百万円	%	百万円	%
WisdomTree 貴金属バスケット	2020年12月中間決算期	16,041	(100)	16,041	(100)
上場投資信託	2019年12月中間決算期	10,311	(100)	10,311	(100)

(注) 主要投資資産は、令和2年8月31日午前零時（ロンドン時間2019年8月31日午後4時）現在のものとしてブルームバーグによって表示される為替レート（スポット・レート）（1米ドル=106.02円、1ポンド=141.945円）に基づいて円換算しています。（以下同じ）

(2) 設定・償還実績

		前営業期間末 発行済口数 (①)	設定口数 (②)	償還口数 (③)	当営業期間末 発行済口数 (①+②-③)
WisdomTree 金上場投資信託	2020年12月中間決算期	千口 49,571	千口 12,478	千口 12,965	千口 49,084
	2019年12月中間決算期	51,288	22,273	19,817	53,744
WisdomTree 銀上場投資信託	2020年12月中間決算期	千口 72,474	千口 42,829	千口 23,905	千口 91,399
	2019年12月中間決算期	57,970	22,777	22,284	58,462
WisdomTree 白金上場投資信託	2020年12月中間決算期	千口 6,055	千口 1,639	千口 2,151	千口 5,543
	2019年12月中間決算期	3,461	2,319	2,013	3,767
WisdomTree パラジウム上場投資信託	2020年12月中間決算期	千口 941	千口 262	千口 264	千口 939
	2019年12月中間決算期	1,025	333	438	919
WisdomTree 貴金属バスケット上場投資信託	2020年12月中間決算期	千口 1,170	千口 155	千口 179	千口 1,146
	2019年12月中間決算期	1,071	63	235	899

(注) 上記の設定・償還実績については、営業期末時点の未決済上場投信を含んでいません。

(3) 基準価額

		総資産	負債 (注)	資産	売買単位当たり基準価額 ((③/当営業期間末 発行済口数) × 売買単位)
WisdomTree 金上場投資信託	2020年12月中間決算期	百万円 882,163	百万円 -	百万円 882,163	円 17,972
	2019年12月中間決算期	766,378	-	766,378	14,259
WisdomTree 銀上場投資信託	2020年12月中間決算期	百万円 165,507	百万円 -	百万円 165,507	円 18,108
	2019年12月中間決算期	89,269	-	89,269	15,269
WisdomTree 白金上場投資信託	2020年12月中間決算期	百万円 45,700	百万円 -	百万円 45,700	円 8,243
	2019年12月中間決算期	31,267	-	31,267	8,300
WisdomTree パラジウム上場投資信託	2020年12月中間決算期	百万円 18,036	百万円 -	百万円 18,036	円 191,996
	2019年12月中間決算期	14,226	-	14,226	154,683
ETFS 貴金属バスケット上場投資信託	2020年12月中間決算期	百万円 16,041	百万円 -	百万円 16,041	円 13,987
	2019年12月中間決算期	10,311	-	10,311	11,466

(注1) 売買単位は、金、白金、パラジウム及び貴金属バスケットについては1口、銀については10口となります。

(注2) 貴金属証券の一単位当たりの資産は、証券1単位当たりの基準価額に基づいたものとなっています。証券1単位当たりの基準価額は、相応する証券1単位当たりの貴金属エンタイトルメントに対応する値決めによる価格を乗じたものとなります。各々の種類の貴金属にかかる証券の裏付けとなっている貴金属ごとの総価値は、相応する証券の残高と等しくなります。このために、純資産額は零となり、総資産額は、証券の裏付けとなる貴金属の総額と等しくなります。

[参考] 外国投資法人の財政状態

	総資産額	総負債額	投資主持分額
	百万円	百万円	百万円
2020年12月中間決算期	1,464,507	1,478,966	-14,458
2019年12月中間決算期	1,134,518	1,133,863	655

(注1) 貴金属証券は、期限の定めのない、請求権の限定されている発行体による債務です。全出資口は、親会社である
 ウィズダムツリー・ホールディングス（ジャージー）リミテッドにより保有されています。投資主持分額は、総資産額か
 総資産額から総負債額を差し引いたものです。

2. 会計方針の変更

① 会計基準等の改正に伴う変更 有・無

② ①以外の変更 有・無



WisdomTree Metal Securities Limited

Registered No: 95996

**Unaudited Interim Financial Report for the
Six Months to 30 June 2020**

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The directors of WisdomTree Metal Securities Limited (“MSL” or the “Company”), formerly ETFS Metal Securities Limited until a change of name on 26 September 2019, submit herewith the unaudited interim financial report and interim financial statements of the Company for the period ended 30 June 2020.

Directors

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

Stuart Bell
 Christopher Foulds (Appointed 15 April 2020)
 Hilary Jones (Resigned 15 April 2020)
 Steven Ross
 Peter Ziemba

Directors' Interests

No director has an interest in the Ordinary Shares of the Company as at the date of this report.

Principal Activities

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

Review of Operations

As at 30 June 2020, the Company had the following classes of Metal Securities in issue and admitted to trading on the following exchanges:

	London Stock Exchange	Borsa Italiana	Deutsche Börse	NYSE - Euronext Amsterdam	Tokyo Stock Exchange
WisdomTree Physical Platinum	✓	✓	✓	✓	✓
WisdomTree Physical Palladium	✓	✓	✓	✓	✓
WisdomTree Physical Silver	✓	✓	✓	✓	✓
WisdomTree Physical Gold	✓	✓	✓	✓	✓
WisdomTree Physical PM Basket	✓	✓	✓	✓	✓
WisdomTree Physical Swiss Gold	✓	✓	✓	✓	-

As at 30 June 2020, the fair value of assets under management amounted to USD 13,730.2 million (31 December 2019: USD 11,955.9 million). The Company recognises its assets (“Metal Bullion”) and financial liabilities (“Metal 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 2020 USD	30 June 2019 USD
Creation and Redemption Fees	33,932	25,896
Management Fees	22,484,340	17,492,209
Total Fee Income	22,518,272	17,518,105

Under the terms of the service agreement with WisdomTree Management (Jersey) Limited (“ManJer” or the “Manager”), 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 2019: USD Nil).

Review of Operations (continued)

The gain or loss on Metal Securities and Metal Bullion is recognised in the Condensed Statement of Profit or Loss and Other Comprehensive Income in line with the Company's accounting policy.

The Company holds Metal Bullion to support the Metal Securities as determined by the Metal Entitlement (which is calculated in accordance with an agreed formula published in the Prospectus). Metal Bullion is marked to fair value using the latest price published by the London Bullion Market Association ("LBMA").

The Company has entered into contractual obligations to issue and redeem Metal Securities in exchange for Metal Bullion as determined by the Metal Entitlement of each class of Metal Security on each trading day. The issue and redemption transactions are processed through a direct transfer of Metal Bullion between the Authorised Participant and the Custodian, however the accounting value recorded in respect of each creation and redemption applies the price published by the LBMA on the transaction date.

IFRS 13 requires the Company to identify the principal market and to utilise the available market price within that principal market. The directors consider that the stock exchanges where the Metal Securities are listed to be the principal market and as a result the fair value of the Metal Securities is the on-exchange price as quoted on those stock exchanges demonstrating active trading. As a result of the difference in valuation methodology between Metal Bullion and Metal Securities there is a mis-match between accounting values, and the results of the Company reflect a gain or loss on the difference between the value of the Metal Bullion (through the application of the price published by the LBMA against the Metal Entitlement and referred to within this financial statements as the "Contractual Value") and the market price of Metal Securities. This gain or loss would be reversed on a subsequent redemption of the Metal Securities and transfer of the corresponding Metal Bullion. This is presented in more detail in note 5 to these interim financial statements.

Coronavirus disease (COVID-19)

On 11 March 2020, the Director-General of the World Health Organisation ("WHO") announced that the WHO had assessed the worldwide outbreak of COVID-19 as a pandemic. National governments and supranational organisations in multiple states have taken steps designed to protect their populations from COVID-19, including requiring or encouraging home working, the cancellation of sporting, cultural and other events and restricting or discouraging gatherings of people. COVID-19 has created market turmoil and increased market volatility generally. The steps outlined above, and public sentiment, may affect both the volatility and prices of commodities and hence the prices of the Metal Securities, and such effects may be significant and may be long-term in nature.

The directors are closely monitoring the advice and developments relating to the spread of COVID-19, which is fluid and rapidly changing. The WisdomTree group has, and continues to implement measures to maintain the ongoing safety and well-being of employees, whilst continuing to operate business as usual.

Future Developments*United Kingdom's ("UK's") withdrawal from the European Union ("EU")*

Pursuant to the European Referendum Act 2015, a referendum on the United Kingdom's membership of the EU was held on 23 June 2016 with the majority voting to leave the EU. On 29 March 2017, the UK Government exercised its right under Article 50 of the Treaty of the European Union. The UK left the EU on 31 January 2020, subject to a withdrawal agreement between the UK and the other EU Member States which provides for a transition period lasting until December 2020 during which EU law continues to apply to the UK as if it were a Member State may take place without any transitional arrangements in place.

The Company is domiciled in Jersey, outside of the EU, and the Metal Securities are distributed in the EU under the EU Prospectus Directive which requires their offering to the public to be approved by an EU Member State regulator. To date, the Company has chosen the UK Financial Conduct Authority ("FCA") as its Member State regulator for these purposes. Request is then made to the FCA, as the chosen Member State regulator, for the passporting of the offering across the EU, once again, under the EU Prospectus Directive.

Future Developments (continued)

United Kingdom's ("UK's") withdrawal from the European Union ("EU") (continued)

The Company is working with an alternate EU Member State regulator to obtain approval of its prospectus and request passporting for its offering to maintain the Company's access to relevant markets post the departure of the UK from the EU. As the Metal Securities already comply with the European wide requirements of the EU Prospectus Directive, this is not expected to cause any disruption or alteration to the terms or nature of the Metal Securities.

The Metal Securities continue to comply with all applicable laws and regulations. The directors regularly assess the impact on the Company of the ongoing withdrawal process and consider that the decision to select an alternate EU Member State regulator substantially mitigates the key risks to the Company.

The directors are not aware of any other 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.

Directors' Remuneration

No director has a service contract with the Company. The directors of the Company who are employees within the WisdomTree group do not receive separate remuneration in their capacity as directors of the Company. R&H Fund Services (Jersey) Limited ("R&H" or the "Administrator") receives a fee in respect of the directors of the Company who are employees of R&H.

The directors' fees which have been paid by ManJer on behalf of the Company for the period:

	30 June 2020 GBP	30 June 2019 GBP
Stuart Bell	Nil	Nil
Christopher Foulds	1,680	Nil
Hilary Jones	2,320	4,000
Steven Ross	4,000	4,000
Peter Ziemba	Nil	Nil

Going Concern

The nature of the Company's business dictates that the outstanding Metal Securities may be redeemed at any time by the holder and in certain circumstances may be compulsorily redeemed by the Company. As the redemption of Metal Securities will always coincide with the transfer of an equal amount of Metal Bullion, no net liquidity risk is considered to arise. All other expenses are met by ManJer. The directors are closely monitoring the advice and developments relating to the spread of COVID-19, particularly with its impact on ManJer, its assets under management, and therefore its related revenue streams, in respect of fulfilling the obligations under the services agreement. The directors consider the Company to be a going concern and have prepared the financial statements on this basis.

Directors Statement

With regard to the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the directors confirm that to the best of their knowledge that:

- the interim financial statements for the period ended 30 June 2020 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by law and in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; and
- the Directors' Report gives a fair view of the development and performance of the Company's business, including financial position and the important events that have occurred during the period and their impact on these interim financial statements.

On behalf of the directors



Steven Ross
Director
4 September 2020

	Notes	Period ended 30 June	
		2020 Unaudited USD	2019 Unaudited USD
Revenue	2	22,518,272	17,518,105
Expenses	2	(22,518,272)	(17,518,105)
Operating Result		-	-
Net Gain Arising on Contractual and Fair Value of Metal Bullion	3	1,441,660,268	837,721,230
Net Loss Arising on Fair Value of Metal Securities	4	(1,582,199,832)	(821,692,333)
Result and Total Comprehensive (Expense)/Income for the Period		(140,539,564)	16,028,897
¹ Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Metal Securities	5	140,539,564	(16,028,897)
Adjusted Result		-	-

The directors consider the Company's activities as continuing.

¹ An explanation of the non-statutory and non-GAAP adjustment is set out on pages 11 and 12. This represents the movement in the difference between the Contractual Value of Metal Bullion and the market price of Metal Securities.

The notes on pages 9 to 14 form part of these condensed interim financial statements

	Notes	As at	
		30 June 2020 Unaudited USD	31 December 2019 Audited USD
Assets			
Metal Bullion	3	13,730,193,395	11,955,880,980
Amounts Receivable on Securities Awaiting Settlement	4	113,795,738	-
Amounts Receivable on Assets Awaiting Settlement	3	34,491,113	17,613,679
Trade and Other Receivables		4,000,714	3,719,902
Total Assets		13,882,480,960	11,977,214,561
Liabilities			
Metal Securities	4	13,866,572,332	11,951,720,353
Amounts Payable on Assets Awaiting Settlement	3	113,795,738	-
Amounts Payable on Securities Awaiting Settlement	4	34,491,113	17,613,679
Trade and Other Payables		4,000,711	3,719,899
Total Liabilities		14,018,859,894	11,973,053,931
Equity			
Stated Capital		4	4
Revaluation Reserve		(136,378,938)	4,160,626
Total Equity		(136,378,934)	4,160,630
Total Equity and Liabilities		13,882,480,960	11,977,214,561

The assets and liabilities in the above Condensed Statement of Financial Position are presented in order of liquidity from most to least liquid.

The condensed interim financial statements on pages 5 to 14 were approved and authorised for issue by the board of directors and signed on its behalf on 4 September 2020.



Steven Ross
 Director

	Period ended 30 June	
	2020 Unaudited USD	2019 Unaudited USD
Operating Result for the Period	-	-
Cash Generated from Operating Activities	-	-
Net Increase in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents at the Beginning of the Period	-	-
Net Increase in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents at the End of the Period	-	-

Metal Securities are issued through a direct transfer of Metal Bullion from the Authorised Participant to the Custodian or redeemed by the direct transfer of Metal Bullion by the Custodian to the Authorised Participant. As such the Company is not a party to any cash transactions. The creations and redemptions of Metal Securities and additions and disposals of Metal Bullion, which are non-cash transactions for the Company, are disclosed in notes 3 and 4 respectively in the reconciliation of opening to closing Metal Securities and Metal Bullion.

The Company has entered into a service agreement with WisdomTree Management Jersey Limited (“ManJer” or the “Manager”), whereby ManJer is responsible for supplying or procuring the supply of all management and administration services required by the Company, (including marketing) as well as the payment of costs relating to the listing and issue of Metal Securities. In return for these services, the Company has an obligation to remunerate ManJer with an amount equal to the aggregate of the Management Fee and the creation and redemption fees (the “ManJer Fee”). The bullion in respect of the Management Fee is transferred by the Trustee from the Company’s Custodian accounts directly to ManJer. In addition, the monetary amounts in respect of the creation and redemption fees are transferred directly to ManJer and there are no cash flows through the Company.

	Notes	Stated Capital USD	Retained Earnings USD	Revaluation Reserve ² USD	Total Equity USD	Adjusted Total Equity USD
Audited Opening Balance at 1 January 2019		4	-	(9,850,104)	(9,850,100)	4
Result and Total Comprehensive Income for the Period		-	16,028,897	-	16,028,897	16,028,897
Transfer to Revaluation Reserve		-	(16,028,897)	16,028,897	-	-
³ Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Metal Securities		-	-	-	-	(16,028,897)
Unaudited Balance at 30 June 2019		4	-	6,178,793	6,178,797	4
Unaudited Opening Balance at 1 July 2019		4	-	6,178,793	6,178,797	4
Result and Total Comprehensive Income for the Period		-	(2,018,167)	-	(2,018,167)	(2,018,167)
Transfer to Revaluation Reserve		-	2,018,167	(2,018,167)	-	-
³ Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Metal Securities		-	-	-	-	2,018,167
Audited Balance at 31 December 2019		4	-	4,160,626	4,160,630	4
Audited Opening Balance at 1 January 2020		4	-	4,160,626	4,160,630	4
Result and Total Comprehensive Income for the Period		-	(140,539,564)	-	(140,539,564)	(140,539,564)
Transfer to Revaluation Reserve	5	-	140,539,564	(140,539,564)	-	-
³ Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Metal Securities	5	-	-	-	-	140,539,564
Unaudited Balance at 30 June 2020		4	-	(136,378,938)	(136,378,934)	4

² This represents the difference between the Contractual Value of Metal Bullion and the market price of Metal Securities.

³ An explanation of the non-statutory and non-GAAP adjustment is set out on pages 11 and 12.

The notes on pages 9 to 14 form part of these condensed interim 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 2020 have been prepared in accordance with IAS 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee of the 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 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 for the year ended 31 December 2019. Except as described below under *Changes in Accounting Standards* the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2019. The changes in accounting policies are also expected to be reflected in the financial statements for the year ended 31 December 2020.

The presentation of interim financial statements in conformity with International Financial Reporting Standards (“IFRSs”) 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.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The only key accounting judgement required to prepare these interim financial statements is in respect of the valuation of Metal Bullion and Metal Securities held at fair value through profit or loss as disclosed in notes 3, 4 and 5. Actual results could vary from these estimates.

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

Changes in Accounting Standards

On 1 January 2020 the Company adopted all applicable annual improvements to IFRSs and have assessed that the adoption of these revised and amended accounting standards has not resulted in any changes to the accounting policies and disclosures within these financial statements.

2. Operating Result

Operating result for the period comprised:

	Period ended 30 June	
	2020	2019
	Unaudited	Unaudited
	USD	USD
Creation and Redemption Fees	33,932	25,896
Management Fees	22,484,340	17,492,209
Total Revenue	22,518,272	17,518,105
ManJer Fees	(22,518,272)	(17,518,105)
Total Operating Expenses	(22,518,272)	(17,518,105)
Operating Result	-	-

3. Metal Bullion

	Period ended 30 June	
	2020 Unaudited USD	2019 Unaudited USD
Change in Fair Value	<u>1,441,660,268</u>	<u>837,721,230</u>
	As at	
	30 June 2020 Unaudited USD	31 December 2019 Audited USD
Metal Bullion at Fair Value	<u>13,730,193,395</u>	<u>11,955,880,980</u>

As at 30 June 2020, there were certain amounts of Metal Bullion awaiting the settlement in respect of the creation or redemption of Metal Securities with transaction dates before the period end and settlement dates in the following period:

- The monetary amount payable as a result of unsettled creations of Metal Securities is USD 113,795,738 (31 December 2019: USD Nil).
- The monetary amount receivable as a result of unsettled redemptions of Metal Securities is USD 34,491,113 (31 December 2019: USD 17,613,679).

All Metal Bullion assets have been valued using the PM fix on 30 June 2020 published by the London Bullion Market Association (“LBMA”), being the last prices available at the period end.

The below reconciliation of changes in the Metal Bullion includes only non-cash changes.

	Period ended 30 June	
	2020 Unaudited USD	2019 Unaudited USD
Opening Metal Bullion	11,955,880,980	8,618,842,192
Additions	3,626,424,241	3,122,843,904
Disposals	(3,271,287,754)	(1,964,008,931)
Management Fee	(22,484,340)	(17,273,123)
Change in Fair Value	1,441,660,268	837,721,230
Closing Metal Bullion	13,730,193,395	10,598,125,271

4. Metal Securities

	Period ended 30 June	
	2020 Unaudited USD	2019 Unaudited USD
Change in Fair Value	<u>(1,582,199,832)</u>	<u>(821,692,333)</u>
	As at	
	30 June 2020 Unaudited USD	31 December 2019 Audited USD
Metal Securities at Fair Value	<u>13,866,572,332</u>	<u>11,951,720,353</u>

4. Metal Securities (continued)

As at 30 June 2020, there were certain Metal Securities awaiting settlement in respect of creations or redemptions with transaction dates before the period end and settlement dates in the following period:

- The amount receivable as a result of unsettled creations of Metal Securities is USD 113,795,738 (31 December 2019: USD Nil).
- The amount payable as a result of unsettled redemptions of Metal Securities is USD 34,491,113 (31 December 2019: USD 17,613,679).

The below reconciliation of changes in the Metal Securities, being liabilities arising from financing activities, includes only non-cash changes.

	Period ended 30 June	
	2020 Unaudited USD	2019 Unaudited USD
Opening Metal Securities	11,951,720,353	8,628,692,295
Additions	3,626,424,241	3,122,843,904
Disposals	(3,271,287,754)	(1,964,008,931)
Management Fee	(22,484,340)	(17,273,123)
Change in Fair Value	1,582,199,832	821,692,333
Closing Metal Securities at Fair Value	13,866,572,332	10,591,946,478

5. Adjustment from Market Value to Contractual Value of Metal Securities

Metal Bullion is valued on a daily basis based on the Metal Entitlement of each class of security and the price of the Bullion published by the LBMA and is referred to as the 'Contractual Value'. The Metal Entitlement is calculated based on the formula set out in the Prospectus.

The Company measures the Currency Securities at their market value than their Contractual Value (as described in the Prospectus) because IFRS 13 requires the Company to identify the principal market and to utilise the available market price within that principal market. The directors consider that the stock exchanges where the Metal Securities are listed to be the principal market and as a result the fair value of the Metal Securities is the on-exchange price as quoted on those stock exchanges demonstrating active trading. The Metal Securities are priced using the mid-market price on the Statement of Financial Position date taken just at the time the relevant bullion fix price is set.

Consequently a difference arises between the value of Metal Bullion (at Contractual Value) and Metal Securities (at market value) presented in the Statement of Financial Position. This difference is reversed on a subsequent redemption of the Metal Securities and transfer of the corresponding Metal Bullion.

Whilst the Metal Securities are quoted on the open market, the Company's ultimate liability relates to its contractual obligations to issue and redeem Metal Securities in exchange for Metal Bullion as determined by the Metal Entitlement of each class of Metal Security on each trading day. The monetary value of each creation and redemption of Metal Securities is recorded using the price published by the LBMA on the transaction date. Therefore, the issue and redemption of Metal Securities is recorded at a value that corresponds to the value of the Metal Bullion transferred in respect of the issue and redemption. As a result the Company has no net exposure to gains or losses on the Metal Securities and Metal Bullion.

5. Adjustment from Market Value to Contractual Value of Metal Securities (continued)

The contractual redemption values and movements in unrealised gains/losses during the period/year based on the Contractual Values are:

	As at	
	30 June 2020 Unaudited USD	31 December 2019 Audited USD
Metal Securities at Contractual Value	13,730,193,395	11,955,880,980
	Period ended 30 June	
	2020 Unaudited USD	2019 Unaudited USD
Change in Contractual Value of Metal Securities	(1,441,660,268)	(837,721,230)

Through the mis-matched accounting values, the results of the Company reflect a gain or loss which represents the movement in the cumulative difference between the value of the Metal Bullion and the market price of Metal Securities. The results of the Company are adjusted through the presentation of a non-statutory and non-GAAP movement entitled 'Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Metal Securities'.

The overall impact is that through the mismatched accounting values, the results of the Company reflect a gain or loss on the aggregate of the movement in the difference between the value of the Metal Bullion and the market price of Metal Securities and represents the non-statutory adjustment presented in the Condensed Statement of Profit or Loss and Other Comprehensive Income:

	Period ended 30 June	
	2020 Unaudited USD	2019 Unaudited USD
Net Gain Arising on Contractual and Fair Value of Metal Bullion	1,441,660,268	837,721,230
Net Loss Arising on Fair Value of Metal Securities	(1,582,199,832)	(821,692,333)
	(140,539,564)	16,028,897

The gain or loss on the difference between the value of the Metal Bullion and the market price of Metal Securities would be reversed on a subsequent redemption of the Metal Securities and transfer of the corresponding Metal Bullion. This gain or loss is transferred to a Revaluation Reserve which is non-distributable and a reconciliation of the movements throughout the period/year is detailed below.

	2020 Unaudited USD	2019 Audited USD
Balance brought forward at 1 January	4,160,626	(9,850,104)
Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Metal Securities:		
Period 1 January to 30 June	(140,539,564)	16,028,897
Period 1 July to 31 December	-	(2,018,167)
	(140,539,564)	14,010,730
Closing balance at 30 June / 31 December	(136,378,938)	4,160,626

6. Fair Value Hierarchy

The levels in the hierarchy are defined as follows:

- Level 1 fair value based on quoted prices in active markets for identical assets.
- Level 2 fair values based on valuation techniques using observable inputs other than quoted prices.
- Level 3 fair values based on valuation techniques using inputs that are not based on observable market data.

Categorisation within the hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement of each relevant asset/liability.

The Company is required to utilise the available market price as the Metal Securities are quoted and actively traded on the open market. Therefore Metal Securities are classified as Level 1 financial liabilities.

The Company holds Metal Bullion to support the Metal Securities as determined by the Metal Entitlement (which is calculated in accordance with an agreed formula published in the Prospectus). Metal Bullion is marked to fair value using the latest price published by the LBMA. The Company has contractual obligations to issue and redeem Metal Securities in exchange for Metal Bullion as determined by the Metal Entitlement of each class of Metal Security on each trading day. The monetary value of each creation and redemption of Metal Securities is recorded using the price published by the LBMA on the transaction date applied to that Metal Entitlement. Therefore, Metal Bullion is classified as a level 2 asset, as the value is calculated using third party pricing sources supported by observable, verifiable inputs.

The categorisation of the Company's assets and (liabilities) are as shown below:

	As at	
	30 June 2020	31 December 2019
	Unaudited	Audited
	USD	USD
Level 1		
Metal Securities	<u>(13,866,572,332)</u>	<u>(11,951,720,353)</u>
Level 2		
Metal Bullion	<u>13,730,193,395</u>	<u>11,955,880,980</u>

The Metal Securities and the Metal Bullion are recognised at fair value through profit or loss upon initial recognition in line with the Company's accounting policy. There are no assets or liabilities classified in level 3. Transfers between levels would be recognised if there was a change in the accounting policies adopted, or should there be changes in circumstances that prevented public information in respect of Level 1 inputs from being available. Any such transfers would be recognised on the date of the change in circumstances that cause the transfer. There were no transfers or reclassifications between Level 1 and Level 2 for any of the assets or liabilities during the year.

Metal Bullion is not considered to be a financial asset; however, it has been presented here for purposes of consistency with prior periods and to show a matching between assets and liabilities.

7. Related Party Disclosures

Entities and individuals which have a significant influence over the Company, either through ownership or by virtue of being a director of the Company, are considered to be related parties. In addition, entities with common ownership to the Company and entities with common directors are also considered to be related parties.

7. Related Party Disclosures (continued)

Fees charged by ManJer during the period:

	Period ended 30 June	
	2020 Unaudited USD	2019 Unaudited USD
ManJer Fees	<u>22,518,272</u>	<u>17,518,105</u>

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

	As at	
	30 June 2020 Unaudited USD	31 December 2019 Audited USD
ManJer Fees Payable	<u>4,000,712</u>	<u>3,719,899</u>

At 30 June 2020, USD 4 is receivable from ManJer (31 December 2019: USD 4).

As disclosed in the Directors' Report, ManJer paid directors' fees in respect of the Company of GBP 8,000 (30 June 2019: GBP 8,000).

Steven Ross is a director of R&H Fund Services (Jersey) Limited ("R&H" or the "Administrator") and Steven Ross is a partner of Rawlinson & Hunter, Jersey Partnership which wholly owns R&H. Hilary Jones is a consultant representing R&H. During the period, R&H charged ManJer administration fees in respect of the Company of GBP 67,252 (30 June 2019: GBP 62,000), of which GBP 33,626 (31 December 2019: GBP 33,741) was outstanding at the period end.

Peter Ziembra and Stuart Bell are executive officers of WisdomTree Investments, Inc.

8. Events Occurring After the Reporting Period

The directors are continuing to closely monitor the advice and developments relating to the spread of COVID-19, particularly with its impact on ManJer, its assets under management, and therefore its related revenue streams, in respect of fulfilling the obligations under the services agreement. The directors acknowledge that any impacts on the amounts reported by the Company, including subsequent movements in the fair value of assets or securities in issue, are non-adjusting from an IFRS perspective.

Other than as noted above, there have been no significant events since the reporting period that require disclosure.