

令和元年12月期 中間決算短信（平成31年1月1日～令和元年6月30日）

令和元年9月9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
ETFS金上場投資信託	1672	金価格	金	1
ETFS銀上場投資信託	1673	銀価格	銀	10
ETFS白金上場投資信託	1674	白金価格	白金	1
ETFS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
ETFS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 イーティーエフエス・メタル・セキュリティーズ・リミテッド
 代表者名 ヒラリー・ジョーンズ
 管理会社 ETFセキュリティーズ・マネジメント・カンパニー・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 ヒラリー・ジョーンズ
 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. 2019年12月中間決算期の運用状況（平成31年1月1日～令和元年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
ETFS金上場投資信託	2019年12月中間決算期	761,824	(100)	761,824	(100)
	2018年12月中間決算期	647,315	(100)	647,315	(100)
ETFS銀上場投資信託	2019年12月中間決算期	88,739	(100)	88,739	(100)
	2018年12月中間決算期	92,986	(100)	92,986	(100)
ETFS白金上場投資信託	2019年12月中間決算期	31,081	(100)	31,081	(100)
	2018年12月中間決算期	29,696	(100)	29,696	(100)
ETFSパラジウム上場投資信託	2019年12月中間決算期	14,141	(100)	14,141	(100)
	2018年12月中間決算期	9,668	(100)	9,668	(100)
ETFS貴金属バスケット 上場投資信託	2019年12月中間決算期	10,250	(100)	10,250	(100)
	2018年12月中間決算期	10,421	(100)	10,421	(100)

(注) 主要投資資産は、令和元年8月24日午前零時（ロンドン時間2019年8月23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=105.39円、1ポンド=129.306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)
		千口	千口	千口	千口
ETFS金上場投資信託	2019年12月中間決算期	51,288	22,273	19,817	53,744
	2018年12月中間決算期	49,889	5,696	4,296	51,288
ETFS銀上場投資信託	2019年12月中間決算期	57,970	22,777	22,284	58,462
	2018年12月中間決算期	61,238	19,152	22,421	57,970
ETFS白金上場投資信託	2019年12月中間決算期	3,461	2,319	2,013	3,767
	2018年12月中間決算期	4,091	487	1,117	3,461
ETFSパラジウム上場投資信託	2019年12月中間決算期	1,025	333	438	919
	2018年12月中間決算期	1,309	97	381	1,025
ETFS貴金属バスケット 上場投資信託	2019年12月中間決算期	1,071	63	235	899
	2018年12月中間決算期	1,154	34	118	1,071

(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)
		百万円	百万円	百万円	円
ETFS金上場投資信託	2019年12月中間決算期	761,824	-	761,824	14,174
	2018年12月中間決算期	647,315	-	647,315	12,620
ETFS銀上場投資信託	2019年12月中間決算期	88,739	-	88,739	15,178
	2018年12月中間決算期	92,986	-	92,986	16,040
ETFS白金上場投資信託	2019年12月中間決算期	31,081	-	31,081	8,250
	2018年12月中間決算期	29,696	-	29,696	8,579
ETFSパラジウム上場 投資信託	2019年12月中間決算期	14,141	-	14,141	153,764
	2018年12月中間決算期	9,668	-	9,668	94,313
ETFS貴金属バスケット 上場投資信託	2019年12月中間決算期	10,250	-	10,250	11,397
	2018年12月中間決算期	10,421	-	10,421	9,729

(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、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
2019年12月中間決算期	1,127,776	1,127,125	651
2018年12月中間決算期	915,324	916,443	-1,119

(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、親会社であるイーティーエフ・セキュリティーズ・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

ご参考： 会計基準等の改正

(a) 2019年1月1日に発効した基準、修正及び解釈指針：

以下の新規及び改訂後の基準ならびに解釈指針が当年度に適用されましたが、当財務諸表への影響はないと判断しております。

- ・ 国際財務報告基準(「IFRS」)第16号「リース」
- ・ IFRS第9号「金融商品」
- ・ IAS第28号「関連会社及び共同支配企業に対する投資－連結の例外の適用」
- ・ IAS第19号「従業員給付」



ETFS Metal Securities Limited

Registered No: 95996

Unaudited Interim Financial Report for the
Six Months to 30 June 2019

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The directors of ETFS Metal Securities Limited ("MSL" or the "Company") submit herewith the unaudited interim financial report and interim financial statements of the Company for the period ended 30 June 2019.

Directors

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

Gregory Barton (resigned 15 March 2019)
 Hilary Jones
 Steven Ross
 Peter Ziembra

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 2019, 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 Paris	Tokyo Stock Exchange
ETFS Physical Platinum	✓	✓	✓	✓	✓
ETFS Physical Palladium	✓	✓	✓	✓	✓
ETFS Physical Silver	✓	✓	✓	✓	✓
ETFS Physical Gold	✓	✓	✓	✓	✓
ETFS Physical PM Basket	✓	✓	✓	✓	✓
ETFS Physical Swiss Gold	✓	✓	✓	-	-

As at 30 June 2019, the fair value of assets under management amounted to USD 10,597.9 million (31 December 2018: USD 8,618.8 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 2019 USD	30 June 2018 USD
Creation and Redemption Fees	25,896	25,275
Management Fees	17,492,209	16,738,299
Total Fee Income	17,518,105	16,763,574

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 2018: 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 quote provided 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 Metal Bullion in respect of each creation and redemption is recorded using the price provided 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 provided by the LBMA against the Metal Entitlement, 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.

Future Developments

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

The process for the UK's withdrawal from the EU is still ongoing, the UK's future relationship with the EU is still uncertain and the renegotiations of treaties and agreements, together with legislation changes, have yet to be completed.

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.

It is currently expected that, if necessary, the Company would select an alternate EU Member State regulator through which to seek approval and request passporting for its offering. 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. Continued assessment of the impact will be required throughout the withdrawal process.

The board of directors (the "Board") 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 were employees within the ETF Securities Limited group or 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.

Directors' Remuneration (continued)

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

	30 June 2019 GBP	30 June 2018 GBP
Gregory Barton	Nil	Nil
Christopher Foulds	Nil	1,750
Hilary Jones	4,000	Nil
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; therefore the directors consider the Company to be a going concern and have prepared the financial statements on this basis.

Directors Statement

With regard to Regulation 2004/109/EC of the European Union (the "EU Transparency Directive"), the directors confirm that to the best of their knowledge that:

- the interim financial statements for the period ended 30 June 2019 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 of the Company's business, 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

Hilary Jones
Director
30 August 2019

	Notes	Period ended 30 June	
		2019 Unaudited USD	2018 Unaudited USD
Revenue	2	17,518,105	16,763,574
Expenses	2	(17,518,105)	(16,763,574)
Operating Result		-	-
Net Gain/(Loss) Arising on Contractual and Fair Value of Metal Bullion	3	837,721,230	(339,905,094)
Net (Loss)/Gain Arising on Fair Value of Metal Securities	4	(821,692,333)	337,367,388
Result and Total Comprehensive Income for the Period		16,028,897	(2,537,706)
¹ Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Metal Securities	5	(16,028,897)	2,537,706
Adjusted Result and Total Comprehensive Income for the Period		-	-

The directors consider the Company's activities as continuing.

¹ An explanation of the non-statutory adjustment is set out on pages 10 and 11. This represents the movement in the difference between the Contractual Value of Metal Bullion and the market price of Metal Securities.

		As at	
		30 June 2019	31 December 2018
	Notes	Unaudited USD	Audited USD
Current Assets			
Trade and Other Receivables		3,216,903	2,850,345
Metal Bullion	3	10,597,906,185	8,618,842,192
Amounts Receivable on Securities Awaiting Settlement	4	44,226,267	2,905,733
Amounts Receivable on Assets Awaiting Settlement	3	55,633,409	238,506
Total Assets		10,700,982,764	8,624,836,776
Current Liabilities			
Metal Securities	4	10,591,727,391	8,628,692,295
Amounts Payable on Assets Awaiting Settlement	3	44,226,267	2,905,733
Amounts Payable on Securities Awaiting Settlement	4	55,633,409	238,506
Trade and Other Payables		3,216,900	2,850,342
Total Liabilities		10,694,803,967	8,634,686,876
Equity			
Stated Capital		4	4
Revaluation Reserve		6,178,793	(9,850,104)
Total Equity		6,178,797	(9,850,100)
Total Equity and Liabilities		10,700,982,764	8,624,836,776

The condensed interim financial statements on pages 4 to 13 were approved and authorised for issue by the board of directors and signed on its behalf on 30 August 2019.

Hilary Jones
Director

	Period ended 30 June	
	2019	2018
	Unaudited USD	Unaudited USD
Operating Result for the Period	-	-
<i>Changes in Operating Assets and Liabilities</i>		
(Increase)/Decrease in Receivables	(366,559)	195,815
Increase/(Decrease) in Payables	366,559	(195,815)
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 and redeemed by transfer of Metal Bullion and have been netted off in the Condensed Statement of Cash Flows.

	Notes	Stated Capital USD	Retained Earnings USD	Revaluation Reserve ² USD	Total Equity USD	Adjusted Total Equity USD
Audited Opening Balance at 1 January 2018		4	-	(7,577,675)	(7,577,671)	4
Result and Total Comprehensive Income for the Period		-	(2,537,706)	-	(2,537,706)	(2,537,706)
Transfer to Revaluation Reserve		-	2,537,706	(2,537,706)	-	-
³ Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Metal Securities		-	-	-	-	2,537,706
Unaudited Balance at 30 June 2018		4	-	(10,115,381)	(10,115,377)	4
Unaudited Opening Balance at 1 July 2018		4	-	(10,115,381)	(10,115,377)	4
Result and Total Comprehensive Income for the Period		-	265,277	-	265,277	265,277
Transfer to Revaluation Reserve		-	(265,277)	265,277	-	-
³ Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Metal Securities		-	-	-	-	(265,277)
Audited Balance at 31 December 2018		4	-	(9,850,104)	(9,850,100)	4
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	5	-	(16,028,897)	16,028,897	-	-
³ Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Metal Securities	5	-	-	-	-	(16,028,897)
Unaudited Balance at 30 June 2019		4	-	6,178,793	6,178,797	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 adjustment is set out on pages 10 and 11.

The notes on pages 8 to 13 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 2019 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 2018. 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 2018. The changes in accounting policies are also expected to be reflected in the financial statements for the year ended 31 December 2019.

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 2019 the Company adopted IFRS 16, IFRS 9, IAS 28, IAS 19 and annual improvements 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	
	2019 Unaudited USD	2018 Unaudited USD
Creation and Redemption Fees	25,896	25,275
Management Fees	17,492,209	16,738,299
Total Revenue	17,518,105	16,763,574
ManJer Fees	(17,518,105)	16,763,574
Total Operating Expenses	(17,518,105)	(16,763,574)
Operating Result	-	-

3. Metal Bullion

	Period ended 30 June	
	2019	2018
	Unaudited	Unaudited
	USD	USD
Change in Fair Value	<u>837,721,230</u>	<u>(339,905,094)</u>
	As at	
	30 June 2019	31 December 2018
	Unaudited	Audited
	USD	USD
Metal Bullion at Fair Value	<u>10,597,906,185</u>	<u>8,618,842,192</u>

As at 30 June 2019, 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 44,226,267 (31 December 2018: USD 2,905,733).
- The monetary amount receivable as a result of unsettled redemptions of Metal Securities is USD 55,633,409 (31 December 2018: USD 238,506).

All Metal Bullion assets have been valued using the PM fix on 28 June 2019 as provided by the LBMA (being the last fix prices available at the period end).

4. Metal Securities

	Period ended 30 June	
	2019	2018
	Unaudited	Unaudited
	USD	USD
Change in Fair Value	<u>(821,692,333)</u>	<u>337,367,388</u>
	As at	
	30 June 2019	31 December 2018
	Unaudited	Audited
	USD	USD
Metal Securities at Fair Value	<u>10,591,727,391</u>	<u>8,628,692,295</u>

As at 30 June 2019, 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 44,226,267 (31 December 2018: USD 2,905,733).
- The amount payable as a result of unsettled redemptions of Metal Securities is USD 55,633,409 (31 December 2018: USD 238,506).

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

Metal Bullion is priced on a daily basis based on the Metal Entitlement of each class of security and the value of the Bullion using the appropriate fixing price provided by the London Bullion Market Association ("LBMA"). This price is calculated based on the formula set out in the Prospectus, and is referred to as the 'Contractual Value'.

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 provided by the LBMA on the transaction date, and is the "Contractual Value". 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.

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

	As at	
	30 June 2019	31 December 2018
	Unaudited	Audited
	USD	USD
Metal Securities at Contractual Value	<u>10,597,906,185</u>	<u>8,618,842,192</u>
	Period ended 30 June	
	2019	2018
	Unaudited	Unaudited
	USD	USD
Change in Contractual Value of Metal Securities	<u>(837,721,230)</u>	<u>339,905,094</u>

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. This gain or loss is transferred to a Revaluation Reserve which is non-distributable. The results of the Company are adjusted through the presentation of a non-statutory movement entitled 'Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Metal Securities'.

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

The mismatched accounting values are as shown below and represent the non-statutory adjustment presented in the Condensed Statement of Profit or Loss and Other Comprehensive Income:

	Period ended 30 June	
	2019 Unaudited USD	2018 Unaudited USD
Net Gain/(Loss) Arising on Contractual and Fair Value of Metal Bullion	837,721,230	(339,905,094)
Net (Loss)/Gain Arising on Fair Value of Metal Securities	(821,692,333)	337,367,388
	16,028,897	(2,537,706)

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.

	2019 Unaudited USD	2018 Audited USD
Balance brought forward at 1 January	(9,850,104)	(7,577,675)
Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Metal Securities:		
Period 1 January to 30 June	16,028,897	(2,537,706)
Period 1 July to 31 December	-	265,277
	16,028,897	(2,272,429)
Closing balance at 30 June / 31 December	6,178,793	(9,850,104)

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 within level 1.
- 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.

6. Fair Value Hierarchy (continued)

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 quote provided 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 provided 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 2019	31 December 2018
	Unaudited USD	Audited USD
Level 1		
Metal Securities	<u>(10,591,727,391)</u>	<u>(8,628,692,295)</u>
Level 2		
Metal Bullion	<u>10,597,906,185</u>	<u>8,618,842,192</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. There were no reclassifications 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 of HoldCo shares or by virtue of being a director of the Company, are related parties.

Fees charged by ManJer during the period:

	Period ended 30 June	
	2019	2018
	Unaudited USD	Unaudited USD
ManJer Fees	<u>17,518,105</u>	<u>16,763,574</u>

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

	As at	
	30 June 2019	31 December 2018
	Unaudited USD	Audited USD
ManJer Fees Payable	<u>3,216,900</u>	<u>2,850,341</u>

7. Related Party Disclosures (continued)

At 30 June 2019, USD 4 is receivable from ManJer (31 December 2018: USD 4).

As disclosed in the Directors' Report, ManJer paid directors' fees in respect of the Company of GBP 8,000 (30 June 2018: GBP 5,750).

Hilary Jones and Steven Ross are directors of R&H Fund Services (Jersey) Limited ("R&H"), the administrator. During the period, R&H charged ManJer administration fees in respect of the Company of GBP 62,000 (30 June 2018: GBP 56,500), of which GBP 31,000 (30 June 2018: GBP 31,000) was outstanding at the period end.

8. Events Occurring After the Reporting Period

There have been no significant events since the reporting period that require disclosure.

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