平成29年12月期　決算短信（平成29年1月1日～平成29年12月31日）

平成30年5月1日

上場取引所　東京証券取引所

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・コモディティ・セキュリティーズ・リミテッド
代表者名　グレゴリー・バートン
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
URL　http://www.etfsecurities.com/ETFSDocs/APDocuments.aspx
代表者名　グレゴリー・バートン
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　平成30年6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. 2017年12月決算期の運用状況（平成29年1月1日～平成29年12月31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
		百万円	%	百万円	%
ETFS金上場投資信託	2017年12月決算期	677,722	(100)	677,722	(100)
	2016年12月決算期	586,109	(100)	586,109	(100)
		百万円	%	百万円	%
ETFS銀上場投資信託	2017年12月決算期	106,995	(100)	106,995	(100)
	2016年12月決算期	91,847	(100)	91,847	(100)
		百万円	%	百万円	%
ETFS白金上場投資信託	2017年12月決算期	39,354	(100)	39,354	(100)
	2016年12月決算期	34,978	(100)	34,978	(100)
		百万円	%	百万円	%
ETFSパラジウム上場投資信託	2017年12月決算期	14,499	(100)	14,499	(100)
	2016年12月決算期	22,576	(100)	22,576	(100)
		百万円	%	百万円	%
ETFS貴金属バスケット上場投資信託	2017年12月決算期	12,354	(100)	12,354	(100)
	2016年12月決算期	12,372	(100)	12,372	(100)

（注）　主要投資資産は、平成30年4月25日午前零時（ロンドン時間2018年4月24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＝109.17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)
ETFS金上場投資信託		千口	千口	千口	千口
	2017年12月決算期	48,107	20,794	19,012	49,889
	2016年12月決算期	34,198	25,648	11,739	48,107
ETFS銀上場投資信託		千口	千口	千口	千口
	2017年12月決算期	54,332	36,434	29,528	61,238
	2016年12月決算期	41,500	31,282	18,451	54,332
ETFS白金上場投資信託		千口	千口	千口	千口
	2017年12月決算期	3,704	2,525	2,138	4,091
	2016年12月決算期	3,065	1,977	1,337	3,704
ETFSパラジウム上場投資信託		千口	千口	千口	千口
	2017年12月決算期	3,208	384	2,283	1,309
	2016年12月決算期	3,530	1,028	1,350	3,208
ETFS貴金属バスケット上場投資信託		千口	千口	千口	千口
	2017年12月決算期	1,337	137	320	1,154
	2016年12月決算期	1,245	275	183	1,337

（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)
ETFS金上場投資信託		百万円	百万円	百万円	円
	2017年12月決算期	677,722	–	677,722	13,584
	2016年12月決算期	586,109	–	586,109	12,183
ETFS銀上場投資信託		百万円	百万円	百万円	円
	2017年12月決算期	106,995	–	106,995	17,471
	2016年12月決算期	91,847	–	91,847	16,904
ETFS白金上場投資信託		百万円	百万円	百万円	円
	2017年12月決算期	39,354	–	39,354	9,618
	2016年12月決算期	34,978	–	34,978	9,441
ETFSパラジウム上場投資信託		百万円	百万円	百万円	円
	2017年12月決算期	14,499	–	14,499	110,715
	2016年12月決算期	22,576	–	22,576	70,366
ETFS貴金属バスケット上場投資信託		百万円	百万円	百万円	円
	2017年12月決算期	12,354	–	12,354	10,700
	2016年12月決算期	12,372	–	12,372	9,253

（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。各々の類型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
2017年12月決算期	917,682	918,509	−827
2016年12月決算期	795,939	795,948	−9

（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

2017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た。但し、当財務諸表に影響を与えた可能性は軽微であった。

・ 国際会計基準審議会が公表したIAS第12号「所得税」

ETFS Metal Securities Limited

Registered No: 95996

Report and Financial Statements for the Year ended 31 December 2017

Contents

Directors
Gregory Barton
Christopher Foulds
Steven Ross
Peter Ziemba

Administrator
R&H Fund Services (Jersey) Limited
Ordnance House
PO Box 83
31 Pier Road
St Helier
Jersey, JE4 8PW

Registered Office
Ordnance House
31 Pier Road
St Helier
Jersey, JE4 8PW

Registrar
Computershare Investor Services (Jersey) Limited
Queensway House
Hilgrove Street
St Helier
Jersey, JE1 1ES

Manager
ETFS Management Company (Jersey) Limited
Ordnance House
31 Pier Road
St Helier
Jersey, JE4 8PW

Trustee
The Law Debenture Trust Corporation plc
Fifth Floor
100 Wood Street
London, EC2V 7EX
United Kingdom

Custodian
HSBC Bank plc
8 Canada Square
London, E14 5HQ
United Kingdom

Swiss Gold Custodian
JP Morgan Chase Bank, NA
London Branch
125 London Wall
London, EC2Y 5AJ
United Kingdom

Auditor
KPMG Channel Islands Limited
37 Esplanade
St Helier
Jersey, JE4 8WQ

Jersey Legal Advisers
Mourant Ozannes
22 Grenville Street
St Helier
Jersey, JE4 8PX

Company Secretary
R&H Fund Services (Jersey) Limited
Ordnance House
31 Pier Road
St Helier
Jersey, JE4 8PW

The directors of ETFS Metal Securities Limited ("MSL" or the "Company") submit herewith the annual report and financial statements of the Company for the year ended 31 December 2017.

Directors

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

Gregory Barton	(Appointed 11 April 2018)
Christopher Foulds	
Steven Ross	
Joseph Roxburgh	(Resigned 11 April 2018)
Graham Tuckwell	(Resigned 11 April 2018)
Peter Ziemba	(Appointed 11 April 2018)

Directors' Interests

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

Prior to the change in ownership (described below) Graham Tuckwell held an interest in the Ordinary Shares of the Company as the majority shareholder of ETF Securities Limited.

Principal Activities

The Company's principal activity is the issue and listing of metal securities ("Metal Securities"). Metal Securities allow investors to gain exposure to the precious metals market without needing to take physical delivery of platinum, palladium, silver and gold bullion ("Metal Bullion"). It also allows investors to buy and sell that interest through the trading of a security on the London Stock Exchange and any other exchange to which that security may be admitted to trading from time to time.

A Metal Security is an undated secured limited recourse debt obligation of the Company, constituted by a trust instrument. Under the terms of this trust instrument the Metal Securities are secured on an amount of Metal Bullion equivalent to the Metal Entitlement of each Metal Security. This Metal Bullion is held in custody by designated custodians or their sub-custodians and the subject of fixed and floating charges in favour of the Trustee. Metal Bullion, once deposited, may only be removed after approval from the Trustee. A holder of a Metal Security is entitled to require the redemption of that Metal Security and receive an amount of Metal Bullion equal to the Metal Entitlement on the date of redemption (and subject to applicable redemption fees):

- in the case of an authorised participant or any holder of ETFS Physical Swiss Gold Securities – at any time; or
- in the case of any other holder – only in circumstances where there are no authorised participants (or otherwise as determined by the Company), and where the holder has an unallocated bullion account and the holder is not an Undertaking for Collective Investment in Transferable Securities ("UCITS").

The Company earns a management fee by reducing the Metal Entitlement of each class of Metal Security on a daily basis by an agreed amount (the "Management Fee"). The Management Fee is received in the form of bullion on a monthly basis (in arrears) following agreement from the Trustee.

The Company has entered into a service agreement with ETFS Management Company (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 pays ManJer 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 Companies 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.

Review of Operations

The most recent Prospectus was issued on 28 December 2017. As at 31 December 2017, 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 31 December 2017, the fair value of assets under management amounted to USD 8,394.8 million (2016: USD 7,274.0 million). The Company recognises its assets (Metal Bullion) and financial liabilities (Metal Securities) at fair value in the Statement of Financial Position.

During the year, the Company generated income from creation and redemption fees and Management Fees as follows:

	2017 USD	2016 USD
Creation and Redemption Fees	56,861	25,650
Management Fees	31,986,955	29,243,164
Total Fee Income	32,043,816	29,268,814

Under the terms of the service agreement with ManJer, the Company accrued expenses equal to the Management Fee and creation and redemption fees, which, after taking into account other operating income and expenses, resulted in an operating result for the year of USD Nil (2016: USD Nil).

The gain or loss on Metal Securities and Metal Bullion is recognised in the 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 these 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 7 to these financial statements.

The Company's exposure to risks is disclosed in note 11 to the financial statements.

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 (in value) of Metal Bullion, no liquidity risk is considered to arise. All other expenses are met by ManJer; therefore the directors consider the Company to be a going concern.

On 13 November 2017, the Company announced that WisomTree Investments, Inc ("WisdomTree") (an exchange-traded product sponsor and asset manager) entered into an agreement to acquire ETF Securities Limited's European exchange-traded product business as a going concern, which includes the Company. The Company continues as a going concern following completion of the acquisition on 11 April 2018.

Future Developments

Referendum of the United Kingdom's ("UK's") membership of the European Union (the "EU Referendum")

The EU Referendum took place on 23 June 2016 and resulted in an overall vote to leave the European Union ("EU"). The British government invoked Article 50 of the Lisbon Treaty on 29 March 2017 which started the two-year period during which a leaving agreement is to be negotiated setting out the arrangements for the withdrawal and outlining the UK's future relationship with the EU. The exact process for the UK's withdrawal is uncertain, although it is generally expected to take longer than two years as this would require the renegotiation of treaties and agreements, together with legislation changes.

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 Prospectus Directive.

It is currently expected that the Company would select an alternate EU Member State regulator through which to seek approval and request passporting for its offering to maintain the Company's access to relevant markets. As the Metal Securities already comply with the European wide requirements of the 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.

Change of Ownership

On 13 November 2017, the Company announced that WisdomTree entered into an agreement to acquire ETF Securities Limited's European exchange-traded product business, which includes the Company. The change of ownership occurred on 11 April 2018.

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 financial statements.

Risk Management

Each Metal Security is a debt instrument whose redemption price is linked directly to the value of the relevant underlying Metal Bullion. The Metal Securities are issued under limited recourse arrangements whereby the holders have recourse only to the Metal Bullion and not to the Company. In addition, since any movements in the value of the Metal Bullion are wholly attributable to the holders of the Metal Securities, the Company has no residual exposure to movements in the value of the Metal Bullion. From a commercial perspective, the gains or losses on the liability represented by the Metal Securities are matched economically by corresponding losses or gains attributable to the Metal Bullion (see detail on page 3 regarding the accounting mis-match). The Company does not retain any net gains or losses or net risk exposures. Further details surrounding the value of Metal Security and the Metal Bullion are disclosed in note 11.

Risk Management (continued)

Movements in the value of the underlying Metal Bullion, and thus the value of the Metal Securities, may vary widely which could have an impact on the demand for the Metal Securities issued by the Company. These movements are shown in notes 6 and 7.

Dividends

There were no dividends declared or paid in the year (2016: USD Nil). 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' Remuneration

No director has a service contract with the Company. The directors of the Company who are employees within the ETF Securities Limited group or 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 year:

	2017 GBP	2016 GBP
Graham Tuckwell	Nil	Nil
Christopher Foulds	Nil	Nil
Graeme Ross	Nil	7,500
Steven Ross	8,000	500
Joseph Roxburgh	Nil	Nil

Gregory Barton and Peter Ziemba were not directors of the Company during the current and prior year and are excluded from the table above.

Auditor

A resolution to reappoint KPMG Channel Islands Limited as the auditor of the Company will be proposed at the next meeting of the directors.

Corporate Governance

There is no standard code of corporate governance in Jersey. The operations, as previously described in the directors' report, are such that the directors do not consider the Company is required to voluntarily apply the UK Corporate Governance Code.

As the Board is small, there is no nomination committee and appointments of new directors are considered by the Board as a whole. The Board does not consider it appropriate that directors should be appointed for a specific term. Furthermore, the structure of the Board is such that it is considered unnecessary to identify a senior non-executive director.

The constitution of the Board is disclosed on page 2. The Board meets regularly as required by the operations of the Company, but at least quarterly to review the overall business of the Company and to consider matters specifically reserved for its review.

Internal Control

During the year the Company did not have any employees or subsidiaries, and there is no intention that this will change. The Company, being a special purpose company established for the purpose of issuing Metal Securities, has not undertaken any business, save for issuing and redeeming Metal Securities, entering into the required documents and performing the obligations and exercising its rights in relation thereto, since its incorporation. The Company does not intend to undertake any business other than issuing and redeeming Metal Securities and performing the obligations and exercising its rights in relation thereto.

The Company is dependent upon ManJer to provide management and administration services to it. ManJer is licensed under the Financial Services (Jersey) Law 1998 to conduct classes U and Z of Fund Services Business (ManJer was also licensed to conduct class V of Fund Services Business until 11 April 2018). ManJer outsources the administration services in respect of the Company to R&H. Documented contractual arrangements are in place with the Administrator which define the areas where the authority is delegated to them. The performance of the Manager and Administrator are reviewed on an ongoing basis by the Board through their review of periodic reports.

ManJer provides management and other services to both the Company and other companies issuing commodity and index tracking securities.

The Board having reviewed the effectiveness of the internal control systems of the Manager and R&H, and having a regard to the role of its external auditors, does not consider that there is a need for the Company to establish its own internal audit function.

Audit Committee

The Board has not established a separate audit committee; instead the Board meets to consider the financial reporting by the Company, the internal controls, and relations with the external auditors. In addition the Board reviews the independence and objectivity of the auditor.

Christopher Foulds
Director
Jersey
27 April 2018

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they 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. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 financial statements for the year ended 31 December 2017 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 IFRS as issued by the IASB; 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 year and their impact on these financial statements.

The principal risks and uncertainties faced by the Company are disclosed in note 11 of these financial statements.

By order of the Board

Christopher Foulds
Director
27 April 2018

Independent Auditor's Report to the Members of ETFS Metal Securities Limited

Our opinion is unmodified

We have audited the financial statements of ETFS Metal Securities Limited (the "Company"), which comprise the statement of financial position as at 31 December 2017, the statements of profit or loss and other comprehensive income, cash flows and changes in equity for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2017, and of the Company's financial performance and cash flows for the year then ended;
- are prepared in accordance with International Financial Reporting Standards; and
- have been properly prepared in accordance with the requirements of the Companies (Jersey) Law, 1991.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including FRC Ethical Standards as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Key Audit Matters: our assessment of the risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters, were as follows:

	The risk	Our response
Valuation of Metal Bullion *USD8,394,848,034;* *(2016: USD7,274,049,951)* *Refer to the accounting policy in note 2, and to disclosures in notes 6 and 11.*	*Basis:* 99% of the Company's total assets at 31 December 2017 were invested in Metal Bullion. Metal Bullion acts as collateral for the Metal Securities issued by the Company. Metal Bullion is accounted for at fair value. The Company determines fair value by revaluing the quantity of Metal Bullion held at the reporting date to the last market price published by the London Bullion Market Association (LBMA). *Risk:* The reported fair value of Metal Bullion may be materially misstated.	*Our audit procedures included:* *Internal Controls:* Assessed the design, implementation, and operating effectiveness of the controls over valuation of Metal Bullion. *Independent confirmation:* Obtained independent confirmation from the custodian of the value of Metal Bullion held in custody at the reporting date. *Independent evaluation:* Compared the value of Metal Bullion held for consistency with the Metal Entitlement of the Metal Securities. Assessed the appropriateness of the pricing source and considered whether the LBMA market prices represent fair value in accordance with IFRS. Performed an independent recalculation of fair value based on published market prices. *Assessing disclosures:* We assessed the fair value disclosures in the financial statements for compliance with IFRS requirements.

	The risk	Our response
Valuation of Metal Securities *USD8,402,425,709; (2016: USD7,274,133,341)* *Refer to the accounting policy in note 2, and to disclosures in notes 7 and 11.*	*Basis:* The issuance of Metal Securities is central to the Company's principal activity. Metal Securities allow investors to gain exposure to movements in the market price of bullion without needing to take physical delivery. Metal Securities are accounted for at fair value. The Company determines fair value by revaluing the Metal Securities in issue at the reporting date to prices quoted for the Metal Securities in active markets. The Company discloses at the foot of the Statement of Profit or Loss and Other Comprehensive Income the impact of a non-statutory adjustment to the value of Metal Securities to recognise that there is an accounting valuation difference between the Metal Securities and the underlying Metal Bullion collateral which results from the Company's application of IFRS fair value principles. *Risk:* The reported value of Metal Securities may diverge from fair value due to the use of an inappropriate market price. Disclosure of a non-statutory adjustment may not be appropriate to achieve fair presentation under IFRS.	*Our audit procedures included:* *Internal Controls:* Assessed the design, implementation, and operating effectiveness of controls over the valuation of Metal Securities. *Independent evaluation:* Assessed the appropriateness of the pricing source and considered whether the market price represents fair value in accordance with IFRS. Performed an independent evaluation of fair value based on published market prices, and compared to those determined by the Company. *Assessing disclosures:* Assessed the fair value disclosures in the financial statements, including those relating to the non-statutory adjustment, for compliance with IFRS requirements. Considered the Company's basis for the disclosure of the non-statutory adjustment in the context of reducing the perceived misleading aspects of compliance with IFRS and achieving a fair presentation.

KPMG

Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at USD42 million, determined with reference to a benchmark of total assets of USD8,406,377,216 as at 31 December 2017, of which it represents 0.5% (2016: 0.5%).

We reported to the Board of Directors all corrected or uncorrected misstatements we identified through our audit exceeding USD2.1 million, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above, which has informed our identification of significant risks of material misstatement and the associated audit procedures performed in those areas as detailed above.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

We have nothing to report on the other information in the Directors' Report

The directors are responsible for the other information presented in the Directors' Report together with the financial statements. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

We have nothing to report on other matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law, 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company;
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 7, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of this report and restrictions on its use by persons other than the Company's members as a body

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Steven Hunt
For and on behalf of KPMG Channel Islands Limited
Chartered Accountants and Recognized Auditors,
St Helier, Jersey

27 April 2018

	Notes	Year ended 31 December 2017 USD	2016 USD
Revenue	3	32,043,816	29,268,814
Expenses	3	(32,043,816)	(29,268,814)
Operating Result	3	**-**	**-**
Net Gain Arising on Contractual and Fair Value of Metal Bullion	6	842,995,877	306,006,513
Net Loss Arising on Fair Value of Metal Securities	7	(850,490,162)	(313,223,366)
Result and Total Comprehensive Income for the Year		**(7,494,285)**	**(7,216,853)**
[1] Adjustment from Market Value to Contractual Value of Metal Securities	2	7,494,285	7,216,853
Adjusted Result and Total Comprehensive Income for the Year		**-**	**-**

The directors consider the Company's activities as continuing.

[1] An explanation of the non-statutory adjustment is set out on page 19. This represents the movement in the difference between the Contractual Value of Metal Bullion and the market price of Metal Securities.

	Notes	As at 31 December 2017 USD	2016 USD
Current Assets			
Trade and Other Receivables	5	2,871,898	2,579,431
Metal Bullion	6	8,394,848,034	7,274,049,951
Amounts Receivable on Assets Awaiting Settlement	6	8,657,284	-
Amounts Receivable on Securities Awaiting Settlement	7	-	14,531,022
Total Assets		**8,406,377,216**	**7,291,160,404**
Current Liabilities			
Metal Securities	7	8,402,425,709	7,274,133,341
Amounts Payable on Assets Awaiting Settlement	6	-	14,531,022
Amounts Payable on Securities Awaiting Settlement	7	8,657,284	-
Trade and Other Payables	8	2,871,894	2,579,427
Total Liabilities		**8,413,954,887**	**7,291,243,790**
Equity			
Stated Capital	9	4	4
Revaluation Reserve		(7,577,675)	(83,390)
Total Equity		**(7,577,671)**	**(83,386)**
Total Equity and Liabilities		**8,406,377,216**	**7,291,160,404**

The financial statements on pages 13 to 27 were approved and authorised for issue by the board of directors and signed on its behalf on 27 April 2018.

Christopher Foulds
Director

The notes on pages 17 to 27 form part of these financial statements

	Year ended 31 December	
	2017	**2016**
	USD	**USD**
Operating Result for the Year	**-**	**-**
Changes in Operating Assets and Liabilities		
Increase in Receivables	(292,467)	(826,124)
Increase in Payables	292,467	826,124
Cash Generated from Operating Activities	-	-
Net Increase in Cash and Cash Equivalents	**-**	**-**
Cash and Cash Equivalents at the Beginning of the Year	-	-
Net Increase in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents at the End of the Year	**-**	**-**

Metal Securities are issued and redeemed by transfer of Metal Bullion and have been netted off in the Statement of Cash Flows.

The notes on pages 17 to 27 form part of these financial statements

	Notes	Stated Capital USD	Retained Earnings USD	Revaluation Reserve[2] USD	Total Equity USD	Adjusted Total Equity USD
Opening Balance at 1 January 2016		**4**	**-**	**7,133,463**	**7,133,467**	**4**
Result and Total Comprehensive Income for the Year		-	(7,216,853)	-	(7,216,853)	(7,216,853)
Transfer to Revaluation Reserve	7	-	7,216,853	(7,216,853)	-	
[3] Adjustment from Market Value to Contractual Value of Metal Securities	7	-	-	-	-	7,216,853
Balance at 31 December 2016		**4**	**-**	**(83,390)**	**(83,386)**	**4**
Opening Balance at 1 January 2017		4	-	(83,390)	(83,386)	4
Result and Total Comprehensive Income for the Year		-	(7,494,285)	-	(7,494,285)	(7,494,285)
Transfer to Revaluation Reserve	7	-	7,494,285	(7,494,285)	-	-
[3] Adjustment from Market Value to Contractual Value of Metal Securities	7	-	-	-	-	7,494,285
Balance at 31 December 2017		**4**	**-**	**(7,577,675)**	**(7,577,671)**	**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 page 19.

The notes on pages 17 to 27 form part of these financial statements

1. General Information

ETFS Metal Securities Limited (the "Company") is a company incorporated in Jersey. The address of the registered office is Ordnance House, 31 Pier Road, St. Helier, Jersey, JE4 8PW.

ETFS Management Company (Jersey) Limited and the related European exchange-traded product business specialises in the development and issuance of Exchange Traded Products ("ETPs"). ETPs include Exchange Traded Commodities ("ETCs") and Exchange Traded Funds ("ETFs"). The ETCs issued by the Company are secured, undated, limited recourse securities designed to track the value (before fees and expenses) of an underlying commodity, index or currency while providing market liquidity for the investor.

The purpose of the Company is to provide a vehicle that permits trading of the Metal Securities and the Company does not make gains from trading in the underlying Metal Bullion. The Metal Securities are issued under limited recourse arrangements whereby the Company has no residual exposure to the value of the Metal Bullion, therefore from a commercial perspective gains and losses in respect of Metal Bullion will always be offset by a corresponding loss or gain on the Metal Securities. Further details regarding the risks of the Company are disclosed in note 11.

ETCs are not typically actively managed, are significantly lower in cost when compared to actively managed mutual funds and are easily accessible to investors. No active trading or management of Metal Bullion is required of the Company because the Company only receives or delivers Metal Bullion on the issue and redemption of Metal Securities, and only holds Metal Bullion as determined by the Metal Entitlement of each class of Metals Security to support the Metal Securities.

The Company is entitled to:

(1) a Management Fee which is calculated by reducing the Metal Entitlement of each class of Metal Security on a daily basis by an agreed amount; and
(2) creation and redemption fees on the issue and redemption of the Metal Securities.

No creation or redemption fees are payable to the Company when investors trade in the Metal Securities on a listed market such as the London Stock Exchange.

The Company has entered into a service agreement with ETFS Management Company (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 issuance of Metal Securities. In return for these services, the Company pays ManJer an amount equal to the Management Fee and the creation and redemption fees earned (the "ManJer Fee"). As a result there are no operating profits or losses recognised through the Company.

2. Accounting Policies

The main accounting policies of the Company are described below.

Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB. The 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.

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. Generally, only security holders who have entered into an authorised participant agreement with the Company ("Authorised Participant") can submit applications and redemptions directly with 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.

2. Accounting Policies (continued)

Going Concern (continued)

On 13 November 2017, the Company announced that WisomTree Investments, Inc (an exchange-traded product sponsor and asset manager) entered into an agreement to acquire ETF Securities Limited's European exchange-traded product business as a going concern, which includes the Company. The Company continues as a going concern following completion of the acquisition on 11 April 2018.

Critical Accounting Estimates and Judgements

The presentation of financial statements in conformity with 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 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 6 and 7. Actual results could vary from these estimates.

Accounting Standards

(a) Standards, amendments and interpretations adopted in the year:

In preparing the financial statements the Company has adopted all new or revised Standards and Interpretations, including:

- IAS 12 Income Taxes
- IAS 7 Statement of Cash Flows – Disclosure Initiative
- Annual Improvements to IFRS (including IFRS 12 Disclosure of Interest in Other Entities)

Of those Standards and Interpretations adopted in the current year, none have resulted in any significant effect on these financial statements.

(b) New and revised IFRSs in issue but not yet effective:

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

- IFRS 2 Share-based Payment (effective for annual periods beginning on or after 1 January 2018)
- IFRS 4 Insurance Contracts (overlay approach to be applied when IFRS 9 is first applied, deferral approach effective for annual periods beginning on or after 1 January 2018 and only available for three years after that date)
- IFRS 9 Financial Instruments (as amended in 2014) (effective for annual periods beginning on or after 1 January 2018)
- IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (no effective date set)
- IFRS 15 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2018)
- IFRS 16 Leases (effective for annual periods beginning on or after 1 January 2019)
- IFRS 17 Insurance Contracts (effective for annual periods beginning on or after 1 January 2021)
- IAS 28 Investments in Associates and Joint Ventures (effective for annual periods beginning on or after 1 January 2019)
- IAS 40 Investment Property (effective for annual periods beginning on or after 1 January 2018)
- Annual Improvements to IFRS

2. Accounting Policies (continued)

(b) New and revised IFRSs in issue but not yet effective (continued):

The directors intend to adopt IFRS 9 for the annual period beginning on 1 January 2018. The directors have undertaken an assessment of the impact of adoption IFRS 9 and have concluded that there would be minimal impact on the amounts reported in respect of the Company's financial instruments. Disclosures in the financial statements will be amended as necessary to meet the requirements of the standard.

The directors do not expect the adoption of the remaining standards, amendments and interpretations that are in issue but not yet effective will have a material impact on the financial statements of the Company in future periods.

The directors have considered other standards and interpretations in issue but not effective and concluded that they would not have a material impact on the future financial periods when they become available.

Metal Securities

i) Issue and Redemption

The Company has entered into a Trust Instrument with The Law Debenture Trust Corporation plc ("Law Debenture") to permit the Company to issue Metal Securities. The conditions of issue are set out in the Trust Instrument. Each time a Metal Security is issued or redeemed by the Company a corresponding amount of Metal Bullion is transferred into or from the relevant secured account held by the Custodian.

Financial liabilities are recognised and de-recognised on the transaction date.

ii) Pricing

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'.

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.

iii) Designation at fair value through Profit or Loss

Metal Securities comprise a financial instrument and are designated at fair value through profit or loss upon initial recognition. This is in order to enable gains or losses on both the Metal Security and Metal Bullion to be recorded in the Statement of Profit or Loss and Other Comprehensive Income.

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'.

2. Accounting Policies (continued)

Metal Bullion

The Company holds Metal Bullion equal to the amount due to holders of Metal Securities solely for the purposes of meeting its obligations under the Metal Securities. The Metal Bullion held is marked to fair value and movements are recorded through profit or loss.

The fair value is calculated using the latest fixing price provided by the LBMA.

Metal Bullion and Metal Securities Awaiting Settlement

The issue and redemption of Metal Securities, and the transfer in and out of Metal Bullion, is accounted for on the transaction date. Where settlement pricing is applied, the transaction will not settle until two days after the transaction date. Where transactions are awaiting settlement at the year end, the monetary value of the Metal Bullion and the Metal Securities due to be settled is separately disclosed within the relevant assets and liabilities on the Statement of Financial Position.

Revenue Recognition

Revenue is recognised to the extent that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and other sales taxes or duty.

Fees received for the issue and redemption of Metal Securities are recognised at the date on which the transaction becomes legally binding. All other income and expenses are recognised on an accruals basis.

Loans and Receivables

The loans and receivables are non-derivative financial assets with a fixed payment amount and are not quoted in an active market. After initial measurement the loans and receivables are carried at amortised cost using the effective interest method less any allowance for impairment. The effective interest method is a method of calculating the amortised cost of an instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Gains and losses on loans and receivables which are impaired are recognised immediately through profit or loss.

Metal Bullion Receivable and Payable

Management Fees receivable are accrued by reducing the Metal Entitlement of each class of Metal Security on a daily basis by an agreed amount. These fees are receivable in Metal Bullion, recorded at fair value at the Statement of Financial Position date using the latest quote provided by the LBMA. Movements in fair value are recorded through profit or loss.

Management Fees payable are also accrued based on the income accrued in accordance with the agreement with ManJer. These fees (relating to Management Fees received) are payable in Metal Bullion, recorded at fair value at the Statement of Financial Position date using the latest quote provided by the LBMA. Movements in fair value are accounted for through profit or loss.

Foreign Currency Translation

The financial statements of the Company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the financial statements, the results and financial position of the Company are expressed in United States Dollars, which is the functional currency of the Company and the presentational currency of the financial statements.

Monetary assets and liabilities denominated in foreign currencies at the year end date are translated at rates ruling at that date. Creation and redemption fees are translated at the average rate for the month in which they are incurred. The resulting differences are accounted for through profit or loss.

2. Accounting Policies (continued)

Segmental Reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the Chief Operating Decision Maker ("CODM") in order to allocate resources to the segments and to assess their performance. The CODM has been determined as the board of directors. A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products and services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Company has not provided segmental information as the Company has only one business or product group, precious metals, and one geographical segment which is Europe. In addition the Company has no single major customer from which greater than 10% of revenue is generated. All information relevant to the understanding of the Company's activities is included in these financial statements.

3. Operating Result

Operating result for the year comprised:

	Year ended 31 December 2017 USD	2016 USD
Creation and Redemption Fees	56,861	25,650
Management Fees	31,986,955	29,243,164
Total Revenue	**32,043,816**	**29,268,814**
ManJer Fees	(32,043,816)	(29,268,814)
Total Operating Expenses	**(32,043,816)**	**(29,268,814)**
Operating Result	**-**	**-**

Audit Fees for the year of GBP 18,818 will be met by ManJer (2016: GBP 18,270).

4. Taxation

The Company is subject to Jersey Income Tax. The Jersey Income Tax rate applicable to the Company for the foreseeable future is zero percent.

5. Trade and Other Receivables

	As at 31 December 2017 USD	2016 USD
Management Fees	2,840,097	2,560,890
Creation and Redemption Fees	31,797	18,537
Receivable from Related Party	4	4
	2,871,898	**2,579,431**

The fair value of these receivables is equal to the carrying value.

6. Metal Bullion

	As at 31 December 2017 USD	2016 USD
Change in Fair Value for the Year	**842,995,877**	**306,006,513**
Metal Bullion at Fair Value	**8,394,848,034**	**7,274,049,951**

As at 31 December 2017, 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 year end and settlement dates in the following year:

- The monetary amount receivable as a result of unsettled redemptions is USD 8,657,284 (2016: USD Nil).
- The monetary amount payable as a result of unsettled creations is USD Nil (2016: USD 14,531,022).

All Metal Bullion assets have been valued using the AM fix on 30 December 2017 as quoted by the LBMA being the last fix prices available for the year.

7. Metal Securities

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 Company measures the Metal Securities at their market value in accordance with IFRS 13 rather than at the Contractual Value described above. The market value is deemed to be the prices quoted on stock exchanges or other markets where the Metal Securities are listed or traded. However Metal Bullion is valued based on the Metal Entitlement (which is calculated in accordance with an agreed formula published in the Prospectus) of each class of Metal Securities, and applying the latest quoted bullion prices published by the LBMA.

The fair values and changes thereof during the year based on prices available on the open market as recognised in the financial statements are:

	As at 31 December 2017 USD	2016 USD
Change in Fair Value for the Year	**(850,490,162)**	**(313,223,366)**
Metal Securities at Fair Value	**8,402,425,709**	**7,274,133,341**

The contractual redemption values and changes thereof during the year based on the contractual settlement values are:

	As at 31 December 2017 USD	2016 USD
Change in Contractual Redemption Value for the Year	**(842,995,878)**	**(306,006,513)**
Metal Securities at Contractual Redemption Value	**8,394,848,034**	**7,274,049,951**

7. Metal Securities (continued)

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.

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

	Year ended 31 December	
	2017	2016
	USD	USD
Net Gain Arising on Contractual and Fair Value of Metal Bullion	842,995,877	306,006,513
Net Loss Arising on Fair Value of Metal Securities	(850,490,162)	(313,223,366)
	(7,494,285)	**(7,216,853)**

As at 31 December 2017, there were certain Metal Securities awaiting settlement in respect of creations or redemptions with transaction dates before the year end and settlement dates in the following year:

- The monetary amount receivable as a result of unsettled creations of Metal Securities is USD Nil (2016: USD 14,531,022).
- The monetary amount payable as a result of unsettled redemptions of Metal Securities is USD 8,657,284 (2016: USD Nil).

8. Trade and Other Payables

	As at 31 December	
	2017	2016
	USD	USD
ManJer Fees Payable	**2,871,894**	**2,579,427**

The fair value of these payables is equal to the carrying value.

9. Stated Capital

	As at 31 December	
	2017	2016
	USD	USD
2 Shares of Nil Par Value, Issued at GBP 1 Each	**4**	**4**

The Company can issue an unlimited capital of nil par value shares in accordance with its Memorandum of Association.

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”).

10. Related Party Disclosures

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

Fees charged by ManJer during the year:

	Year ended 31 December	
	2017	**2016**
	USD	**USD**
ManJer Fees	**32,043,816**	**29,268,814**

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

	As at 31 December	
	2017	**2016**
	USD	**USD**
ManJer Fees Payable	**2,871,894**	**2,579,427**

At 31 December 2017, USD 4 is receivable from ManJer (2016: receivable from HoldCo USD 4).

As disclosed in the Directors' Report, ManJer paid Directors' Fees in respect of the Company of GBP 8,000 (2016: GBP 8,000).

Steven Ross is a director of R&H Fund Services (Jersey) Limited ("R&H" or the "Administrator"). Christopher Foulds is the Compliance Officer of ManJer, and was an employee of ETF Securities Limited until 11 April 2018. On 11 April 2018 Christopher Foulds joined R&H. During the year, R&H charged ManJer administration fees in respect of the Company of GBP 93,750 (2016: GBP 91,500), of which GBP 23,500 (2016: GBP 22,875) was outstanding at the year end.

Gregory Barton and Peter Ziemba are executive officers of WisdomTree Investments, Inc.

Graham Tuckwell is a director of ETF Securities Limited and was a director of ManJer and HoldCo until 11 April 2018. Joseph Roxburgh was a director of ManJer and HoldCo and the Company Secretary of the Company until 11 April 2018.

11. Financial Risk Management

The Metal Securities are subject to normal market fluctuations and other risks inherent in investing in securities and other financial instruments. There can be no assurance that any appreciation in the value of securities will occur, and the capital value of an investor's original investment is not guaranteed. The value of investments may go down as well as up, and an investor may not get back the original amount invested.

The Company is exposed to a number of risks arising from its activities. The information provided below is not intended to be a comprehensive summary of all the risks associated with the Metal Securities and investors should refer to the most recent Prospectus for a detailed summary of the risks inherent in investing in the Metal Securities. Any data provided should not be used or interpreted as a basis for future forecast or investment performance.

The risk management policies employed by the Company to manage these are discussed below.

(a) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities as they fall due. When Metal Securities are redeemed, the Company returns the corresponding amount of Metal Bullion determined by the Metal Entitlement of those Metal Securities, therefore the redemption of Metal Securities would not impact the liquidity of the Company.

11. Financial Risk Management (continued)

(b) Credit Risk

Credit risk primarily refers to the risk that Authorised Participants or the Custodian will default on its contractual obligations resulting in financial loss.

Credit risk is managed by the Company by only dealing with Authorised Participants who are believed to be creditworthy. In the event the authorised participants fail to complete their obligation, no Metal Securities will be created therefore the Company does not have the risk of loss of the amount expected to be received.

Credit risk also includes custodial risk. The custodian is not required to take out insurance and neither is the Trustee. Accordingly, there is a risk that the secured Metal Bullion could be lost, stolen or damaged and the Company would not be able to satisfy its obligations in respect of the Metal Securities.

(c) Settlement Risk

Settlement risk primarily refers to the risk that an Authorised Participant will default on its contractual obligations resulting in financial loss.

The directors believe that settlement risk would only be caused by the risk of the Company's trading counterparty not delivering Metal Bullion or Metal Securities on the settlement date. The Metal Securities settle through the CREST system. The directors feel that this risk is mitigated as Metal Securities are not issued until the required amount of Metal Bullion has been received in the Custodian account, and Metal Bullion is not transferred until the relevant Metal Securities have been delivered in CREST. As a result each transaction does not settle until both parties have fulfilled their contractual obligations.

Amounts outstanding in respect of positions yet to settle are disclosed in notes 6 and 7.

(d) Market Risk

Market risk is the risk that changes in market prices (such as foreign exchange rates, interest rates, bullion prices and equity prices) will affect the Company's income or the value of its financial instruments held or issued.

i) Price Risk
The value of the Company's liability in respect of the Metal Securities fluctuates according to the Metal Bullion prices and the risk of such change in price is managed by the Company by holding Metal Bullion in the same quantity as its liability. Therefore, the Company bears no financial risk from a change in the price of Metal Bullion. Refer to note 7 for the further details regarding fair values.

However, there is an inherent risk from the point of view of investors as the price of Metal Bullion and the value of the Metal Securities may vary widely due to, amongst other things, changing supply or demand for Metal Bullion, government and monetary policy or intervention and global or regional political, economic or financial events.

The market price of Metal Securities is a function of supply and demand amongst investors wishing to buy and sell Metal Securities and the bid or offer spread that the market makers are willing to quote. This is highlighted in note 7, and below under the Fair Value Hierarchy.

ii) Interest Rate Risk
The Company does not have significant exposure to interest rate risk as neither the Metal Bullion or the Metal Securities bear any interest.

iii) Currency Risk
The directors do not consider the Company to have a significant exposure to currency risk arising from the current economic uncertainties facing a number of countries around the world as the gains or losses on the liability represented by the Metal Securities are matched economically by corresponding losses or gains attributable to the Metal Bullion.

11. Financial Risk Management (continued)

(e) Capital Management

The Company's principal activity is the issue and listing Metal Securities. These securities are issued and redeemed as demand requires. The Company holds a corresponding amount of Metal Bullion which matches the total liability of the Metal Securities issued. ManJer supplies or arranges the supply of all management and administration services to the Company and pays all management and administration costs of the Company, including Trustee and Custodian Fees. In return for these services the Company pays a Management Fee, which under the terms of the service agreement is equal to the aggregate of the Management Fee and creation and redemption fees earned. The Company is not subject to any capital requirements imposed by a regulator and there were no changes in the Company's approach to capital management during the year.

As all Metal Securities on issue are supported by an equivalent amount of physical bullion held by the Custodian and the running costs of the Company were paid by ManJer, the directors of the Company consider the capital management and its current capital resources are adequate to maintain the ongoing listing and issue of Metal Securities.

(f) Sensitivity Analysis

IFRS 7 requires disclosure of a sensitivity analysis for each type of market risk to which the entity is exposed to at the reporting date, showing how profit or loss and equity would have been affected by a reasonably possible change to the relevant risk variable.

The Company's rights and liability in respect of Metal Securities 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. As a result the Company's contractual and economic monetary liability in connection with the issue of Metal Securities is matched by movements in the monetary value of the corresponding Metal Bullion. Consequently, the Company does not have any net exposure to market price risk. Therefore, in the directors' opinion, no sensitivity analysis is required to be disclosed.

(g) 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.

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.

11. Financial Risk Management (continued)

(g) Fair Value Hierarchy (continued)

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

	Fair Value as at 31 December	
	2017	**2016**
	USD	**USD**
Level 1		
Metal Securities	**(8,402,425,709)**	**(7,274,133,341)**
Level 2		
Metal Bullion	**8,394,848,034**	**7,274,049,951**

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.

12. Ultimate Controlling Party

The immediate parent company is HoldCo, a Jersey registered company. Following completion of the acquisition which included HoldCo on 11 April 2018 the ultimate controlling party is WisdomTree Investments, Inc. Prior to 11 April 2018 Graham Tuckwell was the ultimate controlling party of HoldCo through his majority shareholding in ETF Securities Limited.

The value of the Metal Bullion backing the Metal Securities is wholly attributable to the holders of the Metal Securities.

13. Events Occurring After the Reporting Period

Change of Ownership

On 13 November 2017, the Company announced that WisdomTree Investments, Inc (an exchange-traded product sponsor and asset manager) entered into an agreement to acquire ETF Securities Limited's European exchange-traded product business as a going concern, which includes the Company. The change of ownership occurred on 11 April 2018.

No other significant events have occurred since the end of the reporting period up to the date of signing the Financial Statements which would impact on the financial position of the Company disclosed in the Statement of Financial Position as at 31 December 2017 or on the results and cash flows of the Company for the year ended on that date.

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