

令和3年12月期 中間決算短信（令和3年1月1日～令和3年6月30日）

令和3年9月8日

銘柄名	コード番号	連動対象指標	主要投資資産	売買単位
WisdomTree 金上場投資信託	1672	金価格	金	1
WisdomTree 銀上場投資信託	1673	銀価格	銀	10
WisdomTree 白金上場投資信託	1674	白金価格	白金	1
WisdomTree パラジウム上場投資信託	1675	パラジウム価格	パラジウム	1
WisdomTree 貴金属バスケット 上場投資信託	1676	貴金属バスケット価格 <sup>(注)</sup>	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、WisdomTree貴金属バスケット上場投信の一口当たりの貴金属は、およそ0.04ファイン・トロイ・オンスの金、およそ1.2トロイ・オンスの銀、およそ0.01トロイ・オンスの白金、およそ0.02トロイ・オンスのパラジウムの合計です。

外国投資法人 ウィズダムツリー・メタル・セキュリティーズ・リミテッド

代表者名 クリストファー・フォールズ

管理会社 ウィズダムツリー・マネジメント・ジャージー・リミテッド

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

代表者名 スティーブン・ロス

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

有価証券報告書提出予定日 令和3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. 2021年12月中間決算期の運用状況（令和3年1月1日～令和3年6月30日）

(1)資産内訳

(百万円未満切捨て)

		主要投資資産		合計（資産）	
		金額	構成比	金額	構成比
WisdomTree 金上場投資信託	2021年12月中間決算期	669,563	(100)	669,563	(100)
	2020年12月中間決算期	913,907	(100)	913,907	(100)
WisdomTree 銀上場投資信託	2021年12月中間決算期	283,566	(100)	283,566	(100)
	2020年12月中間決算期	171,463	(100)	171,463	(100)
WisdomTree 白金上場投資信託	2021年12月中間決算期	72,280	(100)	72,280	(100)
	2020年12月中間決算期	47,344	(100)	47,344	(100)
WisdomTree パラジウム上場投資信託	2021年12月中間決算期	25,617	(100)	25,617	(100)
	2020年12月中間決算期	18,685	(100)	18,685	(100)
WisdomTree 貴金属バスケット	2021年12月中間決算期	21,340	(100)	21,340	(100)

上場投資信託	2020年12月中間決算期	16,619 (100)	16,619 (100)
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(注) 主要投資資産は、令和3年8月31日午前零時（ロンドン時間2021年8月31日午後4時）現在のものとしてブルームバーグによって表示される為替レート（スポット・レート）（1米ドル=109.835円、1ポンド=151.177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
WisdomTree 金上場投資信託	2021年12月中間決算期	41,104	2,764	7,356	36,512
	2020年12月中間決算期	49,571	12,478	12,965	49,084
WisdomTree 銀上場投資信託	2021年12月中間決算期	98,664	18,814	10,971	106,507
	2020年12月中間決算期	72,474	42,829	23,905	91,399
WisdomTree 白金上場投資信託	2021年12月中間決算期	6,360	1,359	1,110	6,609
	2020年12月中間決算期	6,055	1,639	2,151	5,543
WisdomTree パラジウム上場投資信託	2021年12月中間決算期	890	236	219	906
	2020年12月中間決算期	941	262	264	939
WisdomTree 貴金属バスケット上場投資信託	2021年12月中間決算期	1,160	183	112	1,231
	2020年12月中間決算期	1,170	155	179	1,146

(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 <sup>(注)</sup>	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
WisdomTree 金上場投資信託	2021年12月中間決算期	669,563	-	669,563	18,338
	2020年12月中間決算期	913,907	-	913,907	18,619
WisdomTree 銀上場投資信託	2021年12月中間決算期	283,566	-	283,566	26,624
	2020年12月中間決算期	171,463	-	171,463	18,759
WisdomTree 白金上場投資信託	2021年12月中間決算期	72,280	-	72,280	10,935
	2020年12月中間決算期	47,344	-	47,344	8,540
WisdomTree パラジウム上場投資信託	2021年12月中間決算期	25,617	-	25,617	282,501
	2020年12月中間決算期	18,685	-	18,685	198,905
ETFS 貴金属バスケット上場投資信託	2021年12月中間決算期	21,340	-	21,340	17,324
	2020年12月中間決算期	16,619	-	16,619	14,490

(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1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
2021年12月中間決算期	1,470,188	1,479,002	-8,813
2020年12月中間決算期	1,471,820	1,486,279	-14,458

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

2. 会計方針の変更

- ① 会計基準等の改正に伴う変更 有・無
- ② ①以外の変更 有・無



## **WisdomTree Metal Securities Limited**

**Registered No: 95996**

**Unaudited Interim Financial Report for the  
Six Months to 30 June 2021**

## WisdomTree Metal Securities Limited

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## WisdomTree Metal Securities Limited

### Directors' Report



The directors of WisdomTree 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 2021.

#### Directors

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

Stuart Bell  
Christopher Foulds  
Steven Ross  
Peter Ziemba

#### Directors' Interests

No director has an interest in the 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 2021, the Company had the following classes of Metal Securities in issue and admitted to trading on the following exchanges:

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

As at 30 June 2021, the fair value of assets under management amounted to USD 13,339.9 million (31 December 2020: USD 14,476.1 million). The Company recognises its assets ("Metal Bullion") and financial liabilities ("Metal Securities") at fair value in the Condensed Statement of Financial Position.

The Company holds Metal Bullion to support the Metal Securities as determined by the Metal Entitlement (which is calculated in accordance with an agreed formula published in the Prospectus). Metal Bullion is marked to fair value using the latest price published by the London Bullion Market Association ("LBMA"). The Company has entered into contractual obligations to issue and redeem Metal Securities in exchange for Metal Bullion as determined by the Metal Entitlement of each class of Metal Security on each trading day. The Metal Bullion in respect of each creation and redemption is recorded using the price published by the LBMA on the transaction date.



## WisdomTree Metal Securities Limited

### Directors' Report (Continued)



#### Review of Operations (continued)

IFRS 13 requires the Company to identify the principal market and to utilise the available price within that principal market. The directors consider 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 the stock exchange demonstrating active trading with the highest trading volume on each day that the price is obtained. As a result of the difference in valuation between Metal Bullion and Metal Securities there is a mismatch between the values recognised, and the results of the Company reflect a gain or loss on the difference between the value of the Metal Bullion (through the application of the price published by the LBMA against the Metal Entitlement and referred to within this financial statements as the "Contractual Value") and the price of Metal Securities.

The gain or loss on Metal Securities and Metal Bullion is recognised through profit or loss in line with the Company's accounting policy.

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

	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>USD</b>	<b>USD</b>
Creation and Redemption Fees	22,274	33,932
Management Fees	24,495,175	22,484,340
<b>Total Fee Income</b>	<b>24,517,449</b>	<b>22,518,272</b>

#### Non-GAAP Performance Measures

Under the terms of the service agreement with WisdomTree Management (Jersey) Limited ("ManJer" or the "Manager"), the Company accrued expenses equal to the management fees and creation and redemption fees, which, after taking into account other operating income and expenses, resulted in an Result Before Fair Value Movements for the period of USD Nil (30 June 2020: USD Nil).

As the difference in the valuation of Metal Bullion (held to support the Metal Securities) and Metal Securities would be reversed on a subsequent redemption of the Metal Securities and transfer of the corresponding Metal Bullion, the Company presents an adjusted Condensed Statement of Profit or Loss and Total Comprehensive Income and an adjusted Condensed Statement of Changes in Equity in note 9 of the interim financial statements.

#### Coronavirus disease (COVID-19)

The COVID-19 pandemic continues to persist and the ultimate duration of the pandemic and its short-term and long-term impact on the global economy is unknown. National governments and supranational organisations in multiple states continue taking steps designed to protect their populations from COVID-19, including requiring or encouraging home working, the cancellation of sporting, cultural and other events and restricting or discouraging gatherings of people. COVID-19 has created market turmoil and increased market volatility generally. Mutations in the virus, a setback in vaccine distribution and negative global economic consequences arising from the pandemic, amongst other factors, could have a future adverse impact on the global financial markets. The steps outlined above, and public sentiment, may affect both the volatility and prices of Metal Bullion and hence the prices of the Metal Securities, and such effects may be significant and may be long-term in nature.

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

#### Future Developments

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

**WisdomTree Metal Securities Limited****Directors' Report (Continued)****Directors' Remuneration**

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

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

	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>GBP</b>	<b>GBP</b>
Stuart Bell	Nil	Nil
Christopher Foulds	4,000	1,680
Hilary Jones (resigned 15 April 2020)	Nil	2,320
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 Authorised Participants and in certain circumstances by individual holders and also, 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, liquidity risk is mitigated such that there is no residual liquidity risk. All other expenses are met by ManJer. The directors are closely monitoring the advice and developments relating to the spread of COVID-19, particularly with its impact on ManJer, its assets under management, and therefore its related revenue streams, in respect of fulfilling the obligations under the services agreement. The directors consider the operations of the Company to be ongoing, with a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of 12 months from the date of these interim financial statements, and accordingly these interim financial statements have been prepared on the going concern basis.

**Directors Statement**

With regard to Directive 2004/109/EC, amended by Directive 2013/50/EU (collectively the Transparency Directive), the Central Bank (Investment Market Conduct) Rules of the Central Bank of Ireland and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the directors confirm that to the best of their knowledge that:

- the interim financial statements for the period ended 30 June 2021 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by law and in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; and
- the Directors' Report gives a fair view of the development and performance of the Company's business, including financial position and the important events that have occurred during the period and their impact on these interim financial statements.

On behalf of the directors

DocuSigned by:

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**Christopher Foulds**

Director

25 August 2021

## WisdomTree Metal Securities Limited

## Condensed Statement of Profit or Loss and Other Comprehensive Income



	Notes	Period Ended 30 June	
		2021 Unaudited USD	2020 Unaudited USD
Income	2	24,517,449	22,518,272
Expenses	2	(24,517,449)	(22,518,272)
<b>Result Before Fair Value Movements</b>		-	-
Change in Contractual and Fair Value of Metal Bullion	3	(833,206,486)	1,441,660,268
Change in Fair Value of Metal Securities	4	773,469,030	(1,582,199,832)
<b>Loss for the Period<sup>1, 2</sup></b>		<b>(59,737,456)</b>	<b>(140,539,564)</b>

The directors consider the Company's activities as continuing.

<sup>1</sup> A non-statutory and non-GAAP Condensed Statement of Profit or Loss and Total Comprehensive Income reflecting adjustments representing the movement in the difference between the Value of Metal Bullion and the price of Metal Securities is set out in note 9.

<sup>2</sup> There are no items of Other Comprehensive Income, therefore the (Loss) / Profit for the Year also represented the Total Comprehensive Income for the Year.

The notes on pages 8 to 15 form part of these condensed interim financial statements

**WisdomTree Metal Securities Limited**  
**Condensed Statement of Financial Position**



	Notes	As At	
		30 June 2021 Unaudited USD	31 December 2020 Audited USD
<b>Assets</b>			
Metal Bullion	3	13,339,869,993	14,476,114,674
Metal Bullion on Loan	5	1,225,758	502,637
Amounts Receivable on Securities Awaiting Settlement	4	15,527,122	-
Amounts Receivable on Assets Awaiting Settlement	3	24,886,370	13,743,626
Metal Bullion Held in Respect of Fees		3,882,622	4,334,123
Trade and Other Receivables		40,062	40,062
<b>Total Assets</b>		<b>13,385,431,927</b>	<b>14,494,735,122</b>
<b>Liabilities</b>			
Metal Securities	4	13,420,115,803	14,496,623,028
Overdraft Facility	5	1,225,758	502,637
Amounts Payable on Assets Awaiting Settlement	3	15,527,122	-
Amounts Payable on Securities Awaiting Settlement	4	24,886,370	13,743,626
Trade and Other Payables		3,922,681	4,374,182
<b>Total Liabilities</b>		<b>13,465,677,734</b>	<b>14,515,243,473</b>
<b>Equity</b>			
Stated Capital		4	4
Revaluation Reserve		(80,245,811)	(20,508,355)
<b>Total Equity</b>		<b>(80,245,807)</b>	<b>(20,508,351)</b>
<b>Total Equity and Liabilities</b>		<b>13,385,431,927</b>	<b>14,494,735,122</b>

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

The condensed interim financial statements on pages 4 to 15 were approved and authorised for issue by the board of directors and signed on its behalf on 25 August 2021.

DocuSigned by:

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**Christopher Foulds**  
 Director

The notes on pages 8 to 15 form part of these condensed interim financial statements

## WisdomTree Metal Securities Limited

### Condensed Statement of Cash Flows



	Period Ended 30 June	
	2021 Unaudited USD	2020 Unaudited USD
<b>Loss for the Year</b>	<b>(59,737,456)</b>	<b>(140,539,564)</b>
<b>Non-cash Reconciling Items</b>		
Change in Fair Value of Metal Bullion	833,206,486	(1,441,660,268)
Change in Fair Value of Metal Securities	(773,469,030)	1,582,199,832
	-	-
Cash Generated from Operating Activities	-	-
<b>Net Movement in Cash and Cash Equivalents</b>	<b>-</b>	<b>-</b>
Cash and Cash Equivalents at the Beginning of the Period	-	-
Net Movement in Cash and Cash Equivalents	-	-
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>-</b>	<b>-</b>

Metal Securities are issued through a direct transfer of Metal Bullion from the Authorised Participants to the custodian or redeemed by the direct transfer of Metal Bullion by the custodian to the Authorised Participants. Transactions related to the Metal Bullion on Loan and the Overdraft Facilities are included within this direct transfer process with the custodian. As such the Company is not a party to any cash transactions. The creations and redemptions of Metal Securities and additions and disposals of Metal Bullion, which are non-cash transactions for the Company, are disclosed in notes 4 and 3 respectively in the reconciliation of opening to closing Metal Securities and Metal Bullion.

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

The notes on pages 8 to 15 form part of these condensed interim financial statements

## WisdomTree Metal Securities Limited

### Condensed Statement of Changes in Equity



	Stated Capital USD	Retained Earnings USD	Revaluation Reserve USD	Total Equity USD
Audited Opening Balance at 1 January 2020	4	-	4,160,626	4,160,630
Result and Total Comprehensive Loss for the Period	-	(140,539,564)	-	(140,539,564)
Transfer to Revaluation Reserve	-	140,539,564	(140,539,564)	-
<b>Unaudited Balance at 30 June 2020</b>	<b>4</b>	<b>-</b>	<b>(136,378,938)</b>	<b>(136,378,934)</b>
Unaudited Opening Balance at 1 July 2020	4	-	(136,378,938)	(136,378,934)
Result and Total Comprehensive Income for the Period	-	115,870,583	-	115,870,583
Transfer to Revaluation Reserve	-	(115,870,583)	115,870,583	-
<b>Audited Balance at 31 December 2020</b>	<b>4</b>	<b>-</b>	<b>(20,508,355)</b>	<b>(20,508,351)</b>
Audited Opening Balance at 1 January 2021	4	-	(20,508,355)	(20,508,351)
Result and Total Comprehensive Loss for the Period	-	(59,737,456)	-	(59,737,456)
Transfer to Revaluation Reserve	-	59,737,456	(59,737,456)	-
<b>Unaudited Balance at 30 June 2021</b>	<b>4</b>	<b>-</b>	<b>(80,245,811)</b>	<b>(80,245,807)</b>

The notes on pages 8 to 15 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 2021 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 physical metal bullion, 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 2020. 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 2020. The changes in accounting policies are also expected to be reflected in the financial statements for the year ended 31 December 2021.

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 key accounting judgements required to prepare these interim financial statements are:

1. In respect of the presentation of non-statutory and non-GAAP adjustments to the Condensed Statement of Profit or Loss and Other Comprehensive Income and the Condensed Statement of Changes in Equity, as disclosed in note 9.
2. The determination of the appropriate accounting policy to be applied to Metal Bullion. Under IFRS there is no standard treatment for the classification of physical metals (as they do not meet the definition of a financial asset, cash, inventory or property, plant or equipment) therefore the election of how to treat physical metals is left to some interpretation for companies which hold these assets. The Metal Bullion is held to provide the security holders with the exposure to changes in the fair value of Metal Bullion and therefore the Directors consider that carrying the Metal Bullion at fair value through profit or loss, consistent with the treatment that would be applicable to a financial instrument, reflects the objectives and the purpose of holding the asset.

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

### Changes in Accounting Standards

On 1 January 2021 the Company adopted all applicable annual improvements to IFRSs and have assessed that the adoption of these revised and amended accounting standards has not resulted in any changes to the accounting policies and disclosures within these financial statements.

## 2. Result Before Fair Value Movements

Result Before Fair Value Movements for the period comprised:

	Period Ended 30 June	
	2021 Unaudited USD	2020 Unaudited USD
Creation and Redemption Fees	22,274	33,932
Management Fees	24,495,175	22,484,340
<b>Total Income</b>	<b>24,517,449</b>	<b>22,518,272</b>
ManJer Fees	(24,517,449)	(22,518,272)
<b>Total Operating Expenses</b>	<b>(24,517,449)</b>	<b>(22,518,272)</b>
<b>Result Before Fair Value Movements</b>	<b>-</b>	<b>-</b>

## 3. Metal Bullion

	Period Ended 30 June	
	2021 Unaudited USD	2020 Unaudited USD
Change in Fair Value of Metal Bullion	(833,206,486)	1,441,660,268

  

	As At	
	30 June 2021 Unaudited USD	31 December 2020 Audited USD
Metal Bullion at Fair Value	<b>13,339,869,993</b>	<b>14,476,114,674</b>

As at 30 June 2021, there were certain amounts of Metal Bullion awaiting 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 amount payable as a result of unsettled creations of Metal Securities is USD 15,527,122 (31 December 2020: USD Nil).
- The amount receivable as a result of unsettled redemptions of Metal Securities is USD 24,886,370 (31 December 2020: USD 13,743,626).

All Metal Bullion assets have been valued using the PM fix on 30 June 2021 published by the London Bullion Market Association ("LBMA"), being the last fix prices available at the period end.



## WisdomTree Metal Securities Limited

### Notes to the Condensed Interim Financial Statements (Continued)



#### 3. Metal Bullion (continued)

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

	Period Ended 30 June	
	2021 Unaudited USD	2020 Unaudited USD
<b>Opening Metal Bullion</b>	<b>14,476,114,674</b>	<b>11,955,880,980</b>
Additions	1,761,942,352	3,626,424,241
Disposals	(2,040,485,372)	(3,271,287,754)
Metal Bullion Transferred to Metal Bullion Held in Respect of Management Fees	(24,495,175)	(22,484,340)
Change in Fair Value	(833,206,486)	1,441,660,268
<b>Closing Metal Bullion</b>	<b>13,339,869,993</b>	<b>13,730,193,395</b>

#### 4. Metal Securities

	Period Ended 30 June	
	2021 Unaudited USD	2020 Unaudited USD
Change in Fair Value of Metal Securities	<b>773,469,030</b>	<b>(1,582,199,832)</b>
	<b>As At</b>	
	<b>30 June 2021 Unaudited USD</b>	<b>31 December 2020 Audited USD</b>
Metal Securities at Fair Value	<b>13,420,115,803</b>	<b>14,496,623,028</b>

As at 30 June 2021, 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 15,527,122 (31 December 2020: USD Nil).
- The amount payable as a result of unsettled redemptions of Metal Securities is USD 24,886,370 (31 December 2020: USD 13,743,626).

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

	Period Ended 30 June	
	2021 Unaudited USD	2020 Unaudited USD
<b>Opening Metal Securities</b>	<b>14,496,623,028</b>	<b>11,951,720,353</b>
Securities Created	1,761,942,352	3,626,424,241
Securities Redeemed	(2,040,485,372)	(3,271,287,754)
Management Fee	(24,495,175)	(22,484,340)
Change in Fair Value	(773,469,030)	1,582,199,832
<b>Closing Metal Securities at Fair Value</b>	<b>13,420,115,803</b>	<b>13,866,572,332</b>



## 5. Overdraft Facility

A total of three overdraft agreements have been entered into with the custodians. Each agreement allows for the loan of up to one bullion bar of gold (collectively the “Overdraft Facility”). The gold held under the Overdraft Facility (the “Metal Bullion on Loan”) is used by the Company to ensure all WisdomTree Physical Swiss Gold Securities, WisdomTree Physical Gold and WisdomTree Core Physical Gold Securities, respectively, are supported by holdings of gold in allocated form.

The Company had Metal Bullion drawn under the Overdraft Facilities as follows:

	As at 30 June 2021		As at 30 June 2020	
	Troy Ounces	USD	Troy Ounces	USD
Gold on Loan from JP Morgan	96.273	182,062	-	-
Gold on Loan from HSBC	551.899	1,043,696	-	-
		<b>1,225,758</b>		-

The Metal Bullion on Loan and the Overdraft Facilities are recorded at the fair value of the Metal Bullion

## 6. Fair Value Hierarchy

The levels in the hierarchy are defined as follows:

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

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

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

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

The Company holds Metal Bullion on Loan under the Overdraft Facility, which are both recorded at fair value using the latest price published by the LBMA. Therefore, Metal Bullion on Loan is classified as a level 2 asset, as the value is calculated using third party pricing sources supported by observable, verifiable inputs, and the Overdraft Facilities are classified as a Level 2 liability 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:

## WisdomTree Metal Securities Limited

## Notes to the Condensed Interim Financial Statements (Continued)



## 6. Fair Value Hierarchy (continued)

	As At	
	30 June 2021 Unaudited USD	31 December 2020 Audited USD
<b>Level 1</b>		
Metal Securities	<b>(13,420,115,803)</b>	<b>(14,496,623,028)</b>
<b>Level 2</b>		
Overdraft Facility	(1,225,758)	(502,637)
Metal Bullion on Loan	1,225,758	502,637
Metal Bullion	13,339,869,993	14,476,114,674
	<b>13,339,869,993</b>	<b>14,476,114,674</b>

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

## 7. Related Party Disclosures

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

*Fees charged by ManJer during the period:*

	Period Ended 30 June	
	2021 Unaudited USD	2020 Unaudited USD
ManJer Fees	<b>24,495,175</b>	<b>22,518,272</b>

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

	As At	
	30 June 2021 Unaudited USD	31 December 2020 Audited USD
ManJer Fees Payable	<b>3,922,681</b>	<b>4,374,182</b>

At 30 June 2021, USD 4 is receivable from ManJer (31 December 2020: USD 4).

As disclosed in the Directors' Report, ManJer paid directors' fees in respect of the Company of GBP 8,000 (30 June 2020: GBP 8,000).

Steven Ross is a director of R&H Fund Services (Jersey) Limited ("R&H" or the "Administrator") and a partner of Rawlinson & Hunter, Jersey Partnership which wholly owns R&H. Christopher Foulds is a senior employee of R&H. During the period, R&H charged ManJer administration fees in respect of the Company of GBP 67,252 (30 June 2020: GBP 67,252), of which GBP 33,626 (31 December 2020: GBP 33,626) was outstanding at the period end.

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

**8. Events Occurring After the Reporting Period**

There have been no significant events that have occurred since the end of the reporting period up to the date of signing the Interim Financial Statements which would impact on the financial position of the Company disclosed in the Condensed Statement of Financial Position as at 30 June 2021 or on the results and cash flows of the Company for the period ended on that date.

**9. Non-GAAP and Non-Statutory Information**

As a result of the mis-match in the accounting valuation of Metal Bullion (held to support the Metal Securities) and Metal Securities (as disclosed in notes 3 and 4) the profits and losses and comprehensive income of the Company presented in the Statement of Profit or Loss and Other Comprehensive Income reflect gains and losses which represent the movement in the cumulative difference between the value of the Metal Bullion and the price of Metal Securities. The Statement of Changes in Equity also reflects the fair value movements on both the Metal Bullion (held to support the Metal Securities) and the Metal Securities.

These gains or losses on the difference between the value of the Metal Bullion (held to support the Metal Securities) and the price of Metal Securities would be reversed on a subsequent redemption of the Metal Securities and transfer of the corresponding Metal Bullion.



## 9. Non-GAAP and Non-Statutory Information (continued)

Furthermore, each class of Metal Security is issued under limited recourse arrangements whereby the holders have recourse only to the relevant Metal Bullion (held to support the Metal Securities) and not to the Metal Bullion of any other class of Metal Security or to the Company. As a result, the Company does not make gains from trading in the underlying Metal Bullion (held to support the Metal Securities) and, from a commercial perspective (with the exception of the impact of Management Fees) gains and losses in respect of Metal Bullion (held to support the Metal Securities) will always be offset by a corresponding loss or gain on the Metal Securities and the Company does not retain any net gains or losses.

The mismatched accounting values are as shown below:

	Period Ended 30 June	
	2021 Unaudited USD	2020 Unaudited USD
Change in Fair Value of Metal Bullion	(833,206,486)	1,441,660,268
Change in Fair Value of Metal Securities	773,469,030	(1,582,199,832)
	<b>(59,737,456)</b>	<b>(140,539,564)</b>

To reflect the commercial results, the Company has presented below a non-GAAP and non-Statutory Condensed Statement of Profit or Loss and Total Comprehensive Income and Condensed Statement of Changes in Equity for the period which reflect an Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Metal Securities, together with those gains or losses being transferred to a separate reserve which is deemed non-distributable.

(a) *Non-GAAP and Non-Statutory Condensed Statement of Profit or Loss and Other Comprehensive Income*

	Period Ended 30 June	
	2021 Unaudited USD	2020 Unaudited USD
Income	24,517,449	22,518,272
Expenses	(24,517,449)	(22,518,272)
<b>Result Before Fair Value Movements</b>	<b>-</b>	<b>-</b>
Change in Contractual and Fair Value of Metal Bullion	(833,206,486)	1,441,660,268
Change in Fair Value of Metal Securities	773,469,030	(1,582,199,832)
<b>Loss for the Period</b>	<b>(59,737,456)</b>	<b>(140,539,564)</b>
Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Metal Securities	59,737,456	140,539,564
<b>Adjusted Result</b>	<b>-</b>	<b>-</b>

## WisdomTree Metal Securities Limited



### Notes to the Condensed Interim Financial Statements (Continued)

#### 9. Non-GAAP and Non-Statutory Information (continued)

##### (b) Non-GAAP and Non-Statutory Condensed Statement of Changes in Equity

	Stated Capital USD	Retained Earnings USD	Revaluation Reserve <sup>3</sup> USD	Total Equity USD	Adjusted Total Equity USD
Audited Opening Balance at 1 January 2020	4	-	4,160,626	4,160,630	4
Result and Total Comprehensive Loss for the Period	-	(140,539,564)	-	(140,539,564)	(140,539,564)
Transfer to Revaluation Reserve	-	140,539,564	(140,539,564)	-	-
Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Metal Securities	-	-	-	-	140,539,564
<b>Unaudited Balance at 30 June 2020</b>	<b>4</b>	<b>-</b>	<b>(136,378,938)</b>	<b>(136,378,934)</b>	<b>4</b>
Unaudited Opening Balance at 1 July 2020	4	-	(136,378,938)	(136,378,934)	4
Result and Total Comprehensive Income for the Period	-	115,870,583	-	115,870,583	115,870,583
Transfer to Revaluation Reserve	-	(115,870,583)	115,870,583	-	-
Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Metal Securities	-	-	-	-	(115,870,583)
<b>Audited Balance at 31 December 2020</b>	<b>4</b>	<b>-</b>	<b>(20,508,355)</b>	<b>(20,508,351)</b>	<b>4</b>
Audited Opening Balance at 1 January 2021	4	-	(20,508,355)	(20,508,351)	4
Result and Total Comprehensive Loss for the Period	-	(59,737,456)	-	(59,737,456)	(59,737,456)
Transfer to Revaluation Reserve	-	59,737,456	(59,737,456)	-	-
Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Metal Securities	-	-	-	-	59,737,456
<b>Unaudited Balance at 30 June 2021</b>	<b>4</b>	<b>-</b>	<b>(80,245,811)</b>	<b>(80,245,807)</b>	<b>4</b>

<sup>3</sup> This represents the difference between the Value of Metal Bullion and the price of Metal Securities.

