



**Boost Issuer Public Limited Company**  
**2 Grand Canal Square**  
**Grand Canal Harbour**  
**Dublin 2**

25 April 2019


Debt Listing  
Irish Stock Exchange  
28 Anglesea Street  
Dublin 2


Dear Sirs,

We, the Directors of Boost Issuer plc (the "Company"), confirm to the best of our knowledge and belief:

- i. The financial statements for the year ended 31 December 2018, which have been prepared in accordance with accounting standards issued by the Accounting Standards Board, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by Regulation 7(2) of the Transparency Directive (Directive 2004/109/EC) Regulations 2007.
- ii. The Directors' report includes a fair review of the information required by Regulation 8(2) of the Transparency Directive (Directive 2004/109/EC) Regulations 2007.

Yours faithfully,

  
\_\_\_\_\_  
John Walsh  
Director

  
\_\_\_\_\_  
Lisa Hand  
Director

**Directors: David Abner (*American*); John Walsh; Lisa Hand.**  
**Company No: 515981**

Boost Issuer plc

## Financial Statements

For the Year Ended 31 December 2018

*Registered Number: 515981*

**BOOST ISSUER PLC**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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<b>CONTENTS</b>	<b>PAGE</b>
DIRECTORS AND OTHER INFORMATION	2 - 3
DIRECTORS' REPORT	4 - 9
DIRECTORS' RESPONSIBILITIES STATEMENT	10
INDEPENDENT AUDITOR'S REPORT	11 - 16
STATEMENT OF COMPREHENSIVE INCOME	17
STATEMENT OF FINANCIAL POSITION	18
STATEMENT OF CHANGES IN EQUITY	19
STATEMENT OF CASHFLOWS	20
NOTES TO THE FINANCIAL STATEMENTS	21 - 42

**BOOST ISSUER PLC**

**DIRECTORS AND OTHER INFORMATION**

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<b>DIRECTORS</b>	John Walsh Lisa Hand David Abner	(Irish) (Irish) (American)	(Independent and Non-Executive) (Independent and Non-Executive) (Independent and Non-Executive)
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<b>REGISTERED OFFICE</b>	2 Grand Canal Square Grand Canal Harbour Dublin 2
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<b>TRUSTEE AND SECURITY TRUSTEE</b>	The Law Debenture Trust Corporation plc Fifth Floor, 100 Wood Street London EC2V 7EX United Kingdom
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<b>ISSUING &amp; PAYING AGENT ("IPA")</b>	Link IFS Limited 2 Grand Canal Square Grand Canal Harbour Dublin 2
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<b>MANAGER</b>	Boost Management Limited 12 Castle Street St. Helier Jersey JE2 3RT
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<b>SECRETARY</b>	Link IFS Limited 2 Grand Canal Square Grand Canal Harbour Dublin 2
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<b>REGISTRAR</b>	Link Market Services Trustees Limited The Registry, 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom
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<b>INDEPENDENT AUDITOR</b>	Ernst & Young Ernst & Young Building Harcourt Centre Harcourt Street Dublin 2
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<b>BANKER</b>	Allied Irish Banks plc Bankcentre Ballsbridge Dublin 4
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<b>SOLICITOR</b>	Matheson 70 Sir John Rogerson's Quay Dublin 2
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**BOOST ISSUER PLC**

**DIRECTORS AND OTHER INFORMATION** *(continued)*

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**INITIAL SWAP PROVIDER ("Swap Provider")**      BNP Paribas Arbitrage S.N.C.  
160-162 Boulevard Macdonald  
75019 Paris  
France

**CUSTODIAN**      The Bank of New York Mellon  
One Canada Square  
London E14 5AL  
United Kingdom

**REGISTERED NUMBER**      515981

## BOOST ISSUER PLC

### DIRECTORS' REPORT

The Directors present their annual report and audited financial statements of Boost Issuer Plc (the "Company" or the "Issuer") for the year ended 31 December 2018.

#### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is a limited liability company, incorporated in Ireland on 30 July 2012 under Irish Company Law. The Company is an orphan vehicle, with the shares held for the benefit of a charitable trust (see note 9). The Company is registered in Ireland as a Section 110 vehicle. The Company has been established as a special purpose vehicle for the purpose of issuing exchange traded securities. The Company commenced trading on 5 December 2012.

The Company established a Collateralised ETP Securities Programme (the "Programme") under which the Company issues, on an ongoing basis, collateralised exchange traded securities (the "ETPs") of different classes (each a "Class") linked to indices providing exposure to a range of asset classes including equities, commodities, fixed income and currencies. The ETPs may have long or short, and leveraged or unleveraged, exposure to the daily performance of the referenced index.

Each Class constitutes limited recourse obligations of the Company, secured on and payable solely from the assets constituting the ETP in respect of such Class. Each Class of ETPs may comprise one or more tranches.

The ETPs have been listed for trading on the London Stock Exchange, Frankfurt Stock Exchange and/or Borsa Italiana and applications may be made to other European Stock Exchanges. The Company uses the net proceeds of the issuance of ETPs to enter into Total Return Swap Transactions ("TRSs") to hedge its payment obligations in respect of each Class of the ETPs with one or more Swap Providers once the Swap Provider has delivered eligible collateral. The TRS for each Class of ETPs will produce cash flows to service all of the Company's payment obligations in respect of that Class.

Cash flows are only as a result of subscriptions and redemptions of ETPs and expenses incurred. A movement in collateral does not generate a cash flow. The proceeds of the issuance of a tranche of ETPs of a Class will be paid by the Issuer to one or more of the Swap Providers with whom the Issuer has entered into a TRS in connection with that Class, in order to increase the aggregate number of Index Units in respect of the TRS entered into by the Issuer in relation to that Class in proportion to the increase in the number of ETPs of that Class then outstanding. The Issuer's payment obligations in respect of the ETPs of a Class will be covered entirely from payments received by the Issuer from the Swap Provider(s) in respect of such TRS(s). Pursuant to the terms of each Credit Support Document, the Issuer will be obliged to pay amounts equal to each distribution made on collateral held by it to the relevant Swap Provider upon receipt.

The ETPs do not bear interest at a prescribed rate. The return (if any) on the ETPs shall be calculated in accordance with the redemption provisions.

The following Classes of ETPs were in issue at 31 December 2018:

ETP	ISIN	Launch Date
BOOST FTSE 100 3X LEVERAGE DAILY ETP	IE00B88D2999	6 December 2012
BOOST FTSE 100 3X SHORT DAILY ETP	IE00B7VB3908	6 December 2012
BOOST EURO STOXX 50 3X LEVERAGE DAILY ETP	IE00B7SD4R47	12 December 2012
BOOST EURO STOXX 50 3X SHORT DAILY ETP	IE00B8JF9153	12 December 2012
BOOST LEVDAX 3X DAILY ETP	IE00B878KX55	12 December 2012
BOOST SHORDAX 3X DAILY ETP	IE00B8GKPP93	12 December 2012
BOOST US LARGE CAP 3X LEVERAGE DAILY ETP	IE00B7Y34M31	12 December 2012
BOOST US LARGE CAP 3X SHORT DAILY ETP	IE00B8K7KM88	12 December 2012
BOOST NASDAQ 100 3X LEVERAGE DAILY ETP	IE00B8W5C578	12 December 2012
BOOST NASDAQ 100 3X SHORT DAILY ETP	IE00B8VZVH32	12 December 2012
BOOST WTI OIL 3X LEVERAGE DAILY ETP	IE00B7ZQC614	20 December 2012
BOOST WTI OIL 3X SHORT DAILY ETP	IE00B7SX5Y86	20 December 2012
BOOST GOLD 3X LEVERAGE DAILY ETP	IE00B8HGT870	20 December 2012
BOOST GOLD 3X SHORT DAILY ETP	IE00B6X4BP29	20 December 2012
BOOST COPPER 3X LEVERAGE DAILY ETP	IE00B8JVMZ80	20 December 2012
BOOST COPPER 3X SHORT DAILY ETP	IE00B8KD3F05	20 December 2012
BOOST NATURAL GAS 3X LEVERAGE DAILY ETP	IE00B8VC8061	20 December 2012
BOOST NATURAL GAS 3X SHORT DAILY ETP	IE00B76BRD76	20 December 2012
BOOST SILVER 3X LEVERAGE DAILY ETP	IE00B7XD2195	20 December 2012
BOOST SILVER 3X SHORT DAILY ETP	IE00B8JG1787	20 December 2012
BOOST FTSE 100 2X SHORT DAILY ETP	IE00B94QKF15	5 July 2013
BOOST FTSE 100 1X SHORT DAILY ETP	IE00B94QKG22	5 July 2013
BOOST FTSE 100 2X LEVERAGE DAILY ETP	IE00B94QKC83	5 July 2013
BOOST FTSE 250 1X SHORT DAILY ETP	IE00BBGBF313	5 July 2013
BOOST FTSE 250 2X LEVERAGE DAILY ETP	IE00B94QKJ52	5 July 2013
BOOST TOPIX 1X SHORT DAILY ETP	IE00BBGBF420	5 July 2013
BOOST TOPIX 2X LEVERAGE DAILY ETP	IE00BBGBF537	5 July 2013

**BOOST ISSUER PLC**

**DIRECTORS' REPORT (continued)**

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW (continued)**

ETP	ISIN	Launch Date
BOOST PALLADIUM 1X SHORT DAILY ETP	IE00B94QLR02	5 July 2013
BOOST PALLADIUM 2X LEVERAGE DAILY ETP	IE00B94QLN63	5 July 2013
BOOST NATURAL GAS 2X SHORT DAILY ETP	IE00B94QL251	5 July 2013
BOOST NATURAL GAS 2X LEVERAGE DAILY ETP	IE00B94QKX96	5 July 2013
BOOST GOLD 2X SHORT DAILY ETP	IE00B94QKT50	5 July 2013
BOOST GOLD 1X SHORT DAILY ETP	IE00B94QKW89	5 July 2013
BOOST GOLD 2X LEVERAGE DAILY ETP	IE00B94QKS44	5 July 2013
BOOST SILVER 2X SHORT DAILY ETP	IE00B94QL921	5 July 2013
BOOST SILVER 2X LEVERAGE DAILY ETP	IE00B94QL699	5 July 2013
BOOST FTSE MIB 3X LEVERAGE DAILY ETP	IE00B8NB3063	31 October 2013
BOOST FTSE MIB 3X SHORT DAILY ETP	IE00B873CW36	31 October 2013
BOOST BTP 10Y 3X SHORT DAILY ETP	IE00BKS8QM96	1 August 2014
BOOST BUND 10Y 3x SHORT DAILY ETP	IE00BKS8QN04	1 August 2014
BOOST US TREASURIES 10Y 3X SHORT DAILY ETP	IE00BKS8QT65	1 August 2014
BOOST GILTS 10Y 3X SHORT DAILY ETP	IE00BKS8QQ35	5 August 2014
BOOST GILTS 10Y 3X LEVERAGE DAILY ETP	IE00BKT09479	25 November 2014
BOOST 5X LONG USD SHORT EUR DAILY ETP	IE00BLNMQS92	9 December 2014
BOOST 5X SHORT USD LONG EUR DAILY ETP	IE00BLNMQT00	9 December 2014
BOOST EURO STOXX BANKS 3X LEVERAGE DAILY ETP	IE00BLS09N40	9 December 2014
BOOST EURO STOXX BANKS 3X SHORT DAILY ETP	IE00BLS09P63	9 December 2014
BOOST BTP 10Y 3X LEVERAGE DAILY ETP	IE00BKT09149	9 December 2014
BOOST BUND 10Y 3X LEVERAGE DAILY ETP	IE00BKT09255	9 December 2014
BOOST US TREASURIES 10Y 3X LEVERAGE DAILY ETP	IE00BKT09032	9 December 2014
BOOST WTI OIL ETC	IE00BVFZGC04	9 April 2015
BOOST BRENT OIL ETC	IE00BVFZGD11	9 April 2015
BOOST GOLD ETC	IE00BVFZGK87	9 April 2015
BOOST NATURAL GAS ETC	IE00BVFZGL94	9 April 2015
BOOST WTI OIL 1X SHORT DAILY ETP	IE00BVFZGF35	9 April 2015
BOOST WTI OIL 2X LEVERAGE DAILY ETP	IE00BVFZGG42	9 April 2015
BOOST WTI OIL 2X SHORT DAILY ETP	IE00BVFZGH58	9 April 2015
BOOST BTP 10Y 5X SHORT DAILY ETP	IE00BYNXNS22	15 July 2015
BOOST BUND 10Y 5X SHORT DAILY ETP	IE00BYNXPH56	15 July 2015
BOOST US TREASURIES 10Y 5X SHORT DAILY ETP	IE00BYNXPJ70	15 July 2015
BOOST LONG USD SHORT EUR 4X DAILY ETP	IE00BYNXPK85	15 July 2015
BOOST SHORT USD LONG EUR 4X DAILY ETP	IE00BYNXPM00	15 July 2015
BOOST BRENT OIL 3X LEVERAGE DAILY ETP	IE00BYTYHS72	16 October 2015
BOOST BRENT OIL 3X SHORT DAILY ETP	IE00BYTYHR65	16 October 2015
BOOST EMERGING MARKETS 3X LEVERAGE DAILY ETP	IE00BYTYHN28	15 March 2016
BOOST EMERGING MARKETS 3X SHORT DAILY ETP	IE00BYTYHM11	15 March 2016
BOOST S&P 500 VIX SHORT-TERM FUTURES 2.25X LEVERAGE DAILY ETP	IE00BYTYHQ58	15 March 2016
BOOST FTSE MIB BANKS ETP	IE00BYMB4Q22	24 November 2016
BOOST BUND 30Y 3X SHORT DAILY ETP	IE00BF4TW453	8 December 2017
BOOST GILTS 10Y 1X SHORT DAILY ETP	IE00BF4TW560	8 December 2017
BOOST US TREASURIES 30Y 3X SHORT DAILY ETP	IE00BF4TW784	8 December 2017

At 31 December 2018, the total fair value of the ETPs in issue was EUR 561,183,426 (2017: EUR 757,597,943).

At 31 December 2018, the total fair value of the TRS instruments entered into was EUR 561,183,426 (2017: EUR 757,597,943).

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW (continued)

Listings

During the year, the Company had the following number of Classes, in aggregate, in issue, in the following exchanges:

**2018**

Classes	Total number of ETPs	London Stock Exchange	Borsa Italiana	Frankfurt Stock Exchange
Comodity ETPs	28	28	23	17
Equity ETPs	24	19	15	12
Fixed Income ETPs	14	5	11	3
FX ETPs	4	0	4	2
Other ETPs	1	1	1	1
<b>Total classes listed</b>	<b>71</b>	<b>53</b>	<b>54</b>	<b>35</b>

**2017**

Classes	Total number of ETPs	London Stock Exchange	Borsa Italiana	Frankfurt Stock Exchange
Comodity ETPs	28	28	23	17
Equity ETPs	24	19	15	12
Fixed Income ETPs	14	5	11	3
FX ETPs	4	0	4	2
Other ETPs	1	1	1	1
<b>Total classes listed</b>	<b>71</b>	<b>53</b>	<b>54</b>	<b>35</b>

AUM

As at 31 December 2018 the total assets under management amounted to €561,183,426 (2017: €757,597,943).

Fees

The Company generated income as follows:

	Year ended 31 Dec 2018 €	Year ended 31 Dec 2017 €
Management fees	5,327,413	5,594,272
Order fees	-	800
Boost Management Ltd. Fees	2,061	2,083
	<u>5,329,474</u>	<u>5,597,155</u>

Under the terms of the agreement with Boost Management Limited, the Company accrued expenses equal to the management fees and, after taking into account other operating expenses, the Company's operating profit before tax for the year ended 31 December 2018 was €1,000 (2017: €1,000).

**FUTURE DEVELOPMENTS**

The Directors expect the current level of activity to be maintained for the foreseeable future.

The Directors are satisfied that the derivative financial instruments in place appropriately manage the risk exposure of the Company as detailed in note 11.



## **BOOST ISSUER PLC**

### **DIRECTORS' REPORT (continued)**

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#### **RESULTS AND DIVIDENDS FOR THE YEAR**

The results for the year are set out in page 17.

The Directors do not recommend the payment of a dividend (2017: € Nil).

#### **DIRECTORS, SECRETARY AND THEIR INTERESTS**

There have been no appointments or resignations of Directors during or subsequent to the year.

As at 31 December 2018 or at any time during the year, the Directors and the secretary did not hold any interests in the shares and ETPs of the Company (2017: € Nil).

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

Pursuant to the European Referendum Act 2015, a referendum on the United Kingdom's membership of the EU was held on 23 June 2016 with the majority voting to leave the EU. The U.K. was originally expected to leave the EU (referred to as "Brexit") on 29 March 2019 with this timetable now likely to be extended to 31 October 2019, following recent negotiations with EU member states. Such an exit from the EU would be unprecedented, and it is currently unclear what the U.K.'s trading relationship with the EU will be after Brexit. Notwithstanding the uncertainty around timing and the precise structure of the future EU/U.K. relationship, it can be assumed that there will be changes to current U.K. trading relationships and the U.K. legal and regulatory environment. These changes may impact how we conduct our business across Europe and how the funds are distributed. This uncertainty also could impact the broader global economy, including by reducing investor confidence and driving volatility. Deteriorating business, consumer or investor confidence arising from Brexit or the uncertainty around Brexit could lead to (i) reduced levels of business activity; (ii) higher levels of default rates and impairment; and (iii) mark to market losses in trading portfolios resulting from changes in credit ratings, share prices and solvency of counterparties.

The key risks to the business relate to the use of financial instruments. A summary of these risks are set out in note 11 to the financial statements.

#### **POST BALANCE SHEET EVENTS**

The Company approved the launch of three new ETP commodity products on 12 February 2019:

- "Boost Enhanced Energy ETC" using the BNP Optimised Roll Energy Total Return Index, launched on the London Stock Exchange, Borsa Italiana and Deutsche Borse on 25 February 2019;
- "Boost Enhanced Industrial Metals ETC" using the BNP Optimised Roll Industrial Metals Total Return Index, launched on the London Stock Exchange, Borsa Italiana and Deutsche Borse on 25 February 2019; and
- "Boost Enhanced Agriculture ETC" using the S&P GSCI Agriculture and Livestock Dynamic Roll TR Index, to be launched on the London Stock Exchange and Borsa Italiana.

The Company maintained a steady level of daily activity up to the signing date of these financial statements. From the year end to 23 April 2019 the Company executed subscriptions totaling €358,379,769 and redemptions totaling €367,538,695.

There were no other significant events since 31 December 2018.

#### **ACCOUNTING RECORDS**

The Directors are responsible for ensuring that accounting records, as outlined in Section 281 to 285 of the Companies Act 2014 are kept by the Company. To achieve this, the Directors have appointed professionally qualified services providers with appropriate expertise and have provided adequate resources to the finance function who ensure that the requirements of Sections 281-285 of the Companies Act 2014 are complied with. The books of account are maintained at the Company's registered office at 2 Grand Canal Square, Grand Canal Harbour, Dublin 2.

#### **GOING CONCERN**

The Directors believe the Company is a going concern. The nature of the Company's business dictates that the outstanding ETPs may be redeemed at any time by the holders thereof and in certain circumstances may be redeemed by the Company. As the redemption of ETPs will coincide with the termination of an equal amount of TRS, no liquidity risk is considered to arise. All other liabilities of the Company are being met by Boost Management Ltd; therefore the Directors consider the Company to be a going concern and have prepared the financial statements on this basis.

## CORPORATE GOVERNANCE STATEMENT

### **Introduction**

The Company is subject to and complies with the Irish statute comprising the Companies Act 2014 and the listing rules of the London Stock Exchange, Frankfurt Stock Exchange and Borsa Italiana which are applicable to companies listing instruments like the ETPs.

No Director has a significant direct or indirect holding of securities in the Company. No Director has any special rights of control over the Company's share capital.

There are no restrictions on voting rights.

### **Appointment and replacement of Directors and Amendments in the Articles of Association**

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association and Irish Statute comprising the Companies Act 2014. The Articles of Association themselves may be amended by special resolution of the shareholders.

### **Powers of Directors**

The Board is responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Directors may delegate certain functions to the Issuing and Paying Agent ("IPA") and other parties, subject to the supervision and direction of the Directors. The Directors have delegated the day to day administration of the Company to the IPA.

### **Financial Reporting Process**

The Board of Directors (the "Board") is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing the IPA to maintain the accounting records of the Company independently of the Manager. The IPA is contractually obliged to maintain proper books and records as required by the Corporate Administration agreement. The IPA is also contractually obliged to prepare for review and approval by the Board the annual report including financial statements intended to give a true and fair view.

The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Board also examines and evaluates the IPA's financial accounting and reporting routines and monitors and evaluates the external auditors' performance, qualifications and independence. The IPA has operating responsibility for internal control in relation to the financial reporting process and the IPA's report to the Board.

### **Risk Assessment**

The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring the processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Board has also put in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements.

### **Control Activities**

The IPA is contractually obliged to design and maintain control structures to manage the risks which the Board judges to be significant for internal control over financial reporting. These control structures include appropriate division of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related ETPs' in the Company's annual report.

### **Transfer of shares**

The instrument of transfer of any share shall be executed by or on behalf of the transferor and, in cases where the share is not fully paid, by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered on the register in respect thereof. The Directors in their absolute discretion and without assigning any reason therefore may decline to register any transfer of a share. If the Directors refuse to register a transfer they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.

**CORPORATE GOVERNANCE STATEMENT (*continued*)**

**Audit Committee**

The sole business of the Company relates to the issuance of exchange traded securities.

Given the functions performed by the IPA and the limited recourse nature of the securities issued by the Company, the Board of Directors has concluded that there is currently no need for the Company to have a separate audit committee in order for the Board to perform effective monitoring and oversight of the internal controls and risk management systems of the Company in relation to the financial reporting process. Accordingly the Company has availed itself of the exemption under 115(10) (c) of S.I. No. 312/2016 - European Union (Statutory Audits) (Directive 2006/43/ES, as amended by Directive 2014/56/EU, and Regulation (EU) No 537/2014) Regulations 2016.

**AUDITORS**

In accordance with Section 383 (2) of the Companies Act, 2014, the auditors were appointed on 19 December 2012 (in office for 6 years), Ernst & Young, Chartered Accountants and registered Auditors have expressed their willingness to continue in office.

**RELEVANT AUDIT INFORMATION**

As at the date this Directors' Report was approved and signed each Director is satisfied that:

- (a) there is no relevant audit information of which the Company's statutory auditors are unaware;
- (b) s/he has taken all the steps that he or she ought to have taken as a director in order to make herself or himself aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information; and
- (c) where "relevant audit information" means information needed by the Company's statutory auditors in connection with preparing their report.


**DIRECTORS COMPLIANCE STATEMENT**

The Directors are responsible for securing the company's compliance with its "relevant obligations" under section 225 of the Companies Act 2014 (as defined in section 225(1) thereof).

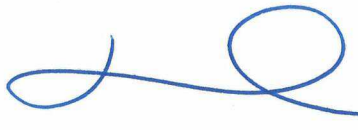
As required under section 225(3), the Directors confirm that:

- (a) a compliance policy statement has been drawn up setting out the Company's policies (that, in the Directors' opinion, are appropriate to the Company) respecting compliance by the Company with its relevant obligations;
- (b) appropriate arrangements or structures are in place that, in the Directors' opinion, are designed to secure material compliance with the Company's relevant obligations; and
- (c) a review has been conducted during the financial year ended 31 December 2018 of the arrangements or structures referred to in paragraph (b) above.

Approved and authorised for issue on behalf of the Board:

  
\_\_\_\_\_  
John Walsh  
Director

Date: 25 April 2019

  
\_\_\_\_\_  
Lisa Hand  
Director

Date: 25 April 2019

DIRECTORS' RESPONSIBILITIES STATEMENT

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The Directors are responsible for preparing the Directors' Report and financial statements, in accordance with applicable law and regulations.

Irish Company law requires the Directors to prepare financial statements giving a true and fair view of the state of affairs of the Company and the profit or loss of the Company for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU.

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 assets, liabilities and financial position, of the Company, and otherwise comply with the Companies Act 2014.


In preparing the 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 the financial statements have been prepared in accordance with IFRS and ensure that they contain the additional information required by the Companies Act 2014; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

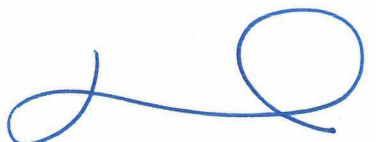
The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

Approved and authorised for issue on behalf of the Board:

  
\_\_\_\_\_  
John Walsh  
Director

Date: 25 April 2019

  
\_\_\_\_\_  
Lisa Hand  
Director

Date: 25 April 2019

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOOST ISSUER PLC**

### ***Opinion***

We have audited the financial statements of Boost Issuer plc ('the Company') for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2014.

In our opinion the financial statements:

- ▶ give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2018 and of its profit for the year then ended;
- ▶ have been properly prepared in accordance with IFRS as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2014; and
- ▶ have been properly prepared in accordance with the requirements of the Companies Act 2014.

### ***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard as applied to public interest entities issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Conclusions relating to going concern***

We have nothing to report in respect of the following matters, in relation to which ISAs (Ireland) require us to report to you where:

- ▶ the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ▶ the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOOST ISSUER PLC (CONTINUED)

### *Key audit matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, 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, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Board of Directors
<p><b>Valuation of financial assets and financial liabilities at fair value through profit or loss</b></p> <p>We have considered valuation of financial assets at fair value through profit or loss with a fair value of EUR 561,183,426 (2017: EUR 757,597,943) and financial liabilities at fair value through profit or loss with a fair value of EUR 561,183,426 (2017: 757,597,943) as a key audit matter as it is a key driver of the Company's performance.</p> <p>Please refer to note 2 (e) - Financial instruments and Note 6 - Assets and Liabilities at fair value through profit or loss.</p>	<p>We have obtained the listing of financial assets and financial liabilities at fair value through profit or loss as at 31 December 2018 of the Company.</p> <p>We assessed the reasonableness of the valuation for all financial assets and financial liabilities at fair value through profit or loss by recalculating fair value using industry standard models, assessing the reasonableness of the assumptions and data inputs used by the Directors to value these financial assets and financial liabilities at fair value through profit or loss.</p>	<p>No issues have been noted from the performance of our procedures over this key audit matter.</p>

### *Our application of materiality*

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

### *Materiality*

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be €5,611,834 (2017: €7,580,893), which is 1% of the value of the Financial Liabilities at Fair Value through profit or loss (2017: 1% of Company's Total Assets). We believe that Financial Liabilities at Fair Value through profit or loss is an appropriate measurement basis since the users of the financial statements may focus more on this than on earnings.

During the course of our audit, we reassessed initial materiality and made no changes to it.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOOST ISSUER PLC (CONTINUED)**

### ***Performance materiality***

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2017: 75%) of our materiality, namely €4,208,876 (2017: €5,685,670). We have set performance materiality at this percentage due to our knowledge of the Company and its industry, our past history with the entity, the effectiveness of its control environment and our assessment of the risks associated with the engagement.

### ***Reporting threshold***

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Board of Directors that we would report to them all uncorrected audit differences in excess of €280,592 (2017: €379,045), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

### ***An overview of the scope of our audit report***

#### ***Tailoring the scope***

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed.

#### ***Other information***

The directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOOST ISSUER PLC (CONTINUED)**

### ***Opinions on other matters prescribed by the Companies Act 2014***

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

### ***Matters on which we are required to report by exception***

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

### ***Respective responsibilities***

#### ***Responsibilities of directors' for the financial statements***

As explained more fully in the statement of directors' responsibilities set on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and 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.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOOST ISSUER PLC (CONTINUED)**

### ***Auditor's responsibilities for the audit of the financial statements***

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

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- ▶ We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are Companies Act 2014, the Undertaking for Collective Investment in Transferable Securities pursuant to the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and The Central Bank (Supervision And Enforcement) Act 2013 (Section 48(1) (Undertakings For Collective Investment In Transferable Securities) Regulations 2015).
- ▶ We understood how the Company is complying with those frameworks by updating our understanding of the adequate system of internal control in place. We also considered the existence of independent service providers, proper segregation of duties and the regulated environment in which the Company operates, which may reduce opportunities for fraud to take place.
- ▶ We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by management override of controls.
- ▶ Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved inquiries to those charged with governance into possible instances of non-compliance with laws and regulations, review of board meeting minutes during the year and obtaining representation from the management.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf).

This description forms part of our auditor's report.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOOST ISSUER PLC (CONTINUED)**

### ***Other matters which we are required to address***

We were appointed by the Board of Directors in 2013 to audit the financial statements for the year ending 30 June 2013 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 6 years.

The non-audit services prohibited by IAASA's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

### ***The purpose of our audit work and to whom we owe our responsibilities***

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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.



Kieran Daly  
for and on behalf of  
Ernst & Young Chartered Accountants and Statutory Audit Firm

Office: Dublin

Date: 25 April 2019

**BOOST ISSUER PLC**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<i>Note</i>	Year ended 31 Dec 2018 €	Year ended 31 Dec 2017 €
Revenue	<b>3</b>	<b>5,329,474</b>	5,597,155
Realised losses on financial liabilities at fair value through profit or loss		<b>(26,767,821)</b>	(6,790,929)
Realised gains on financial assets at fair value through profit or loss		<b>26,767,821</b>	6,790,929
Unrealised appreciation / (depreciation) on financial liabilities at fair value through profit or loss		<b>94,822,493</b>	(42,684,447)
Unrealised (depreciation) / appreciation on financial assets at fair value through profit or loss		<b>(94,822,493)</b>	42,684,447
Operating expenses	<b>4</b>	<b>(5,328,474)</b>	(5,596,155)
<b>Operating Profit before Tax</b>		<b>1,000</b>	1,000
Tax on profit on ordinary activities	<b>5</b>	<b>(250)</b>	(250)
<b>Operating Profit after Tax</b>		<b>750</b>	750
<b>Total Comprehensive Income</b>		<b>750</b>	750

All of the items dealt with in arriving at the profit for the year are from continuing operations, no income is recognised in other comprehensive income.

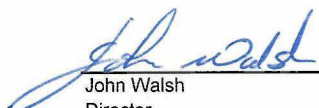
*The accompanying Notes form an integral part of these financial statements*

BOOST ISSUER PLC

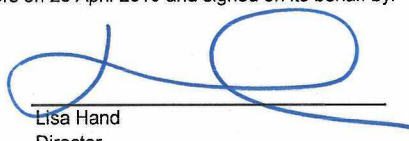
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018

	Note	As at 31 Dec 2018 €	As at 31 Dec 2017 €
<b>Assets</b>			
Cash and cash equivalents		17,429	18,493
Financial Assets at Fair Value through profit or loss	6	561,183,426	757,597,943
Debtors	7	421,100	472,877
<b>Total assets</b>		<b>561,621,955</b>	<b>758,089,313</b>
<b>Liabilities</b>			
Financial Liabilities at Fair Value through profit or loss	6	561,183,426	757,597,943
Other payables	8	424,041	477,632
<b>Total liabilities</b>		<b>561,607,467</b>	<b>758,075,575</b>
<b>Total assets less total liabilities</b>		<b>14,488</b>	<b>13,738</b>
<b>Share capital and retained earnings</b>			
Share capital - equity	9	10,000	10,000
Retained earnings		4,488	3,738
<b>Total shareholders' funds</b>		<b>14,488</b>	<b>13,738</b>

The financial statements were approved by the Board of Directors on 25 April 2019 and signed on its behalf by:

  
\_\_\_\_\_  
John Walsh  
Director

Date: 25 April 2019

  
\_\_\_\_\_  
Lisa Hand  
Director

Date: 25 April 2019

*The accompanying Notes form an integral part of these financial statements*

BOOST ISSUER PLC

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018

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	Share Capital	Retained Earnings	Total Equity
	€	€	€
As at 31 December 2017	10,000	3,738	13,738
Total comprehensive income	-	750	750
<b>Balance as at 31 December 2018</b>	<b>10,000</b>	<b>4,488</b>	<b>14,488</b>

	Share Capital	Retained Earnings	Total Equity
	€	€	€
As at 31 December 2016	10,000	2,988	12,988
Total comprehensive income	-	750	750
<b>Balance as at 31 December 2017</b>	<b>10,000</b>	<b>3,738</b>	<b>13,738</b>

*The accompanying Notes form an integral part of these financial statements*

**BOOST ISSUER PLC**

**STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Year ended 31 Dec 2018 €	Year ended 31 Dec 2017 €
<b>Adjustments to reconcile total comprehensive income to net cash used in operating activities</b>		
Total Comprehensive Income	750	750
Realised losses on financial liabilities at fair value through profit or loss	26,767,821	6,790,929
Realised gains on financial assets at fair value through profit or loss	(26,767,821)	(6,790,929)
Unrealised (appreciation) / depreciation on financial liabilities at fair value through profit or loss	(94,822,493)	42,684,447
Unrealised depreciation / (appreciation) on financial liabilities at fair value through profit or loss	94,822,493	(42,684,447)
Executions during the period	(1,535,149,312)	(1,504,627,012)
Terminations during the period	1,687,873,548	1,257,449,949
Movement in debtors	51,777	(12,134)
Movement in other payables	(53,591)	18,793
<b>Net cash from / (used in) operating activities</b>	<b>152,723,172</b>	<b>(247,169,654)</b>
<b>Cash flows from financing activities</b>		
ETPs issued during the period	1,535,149,312	1,504,627,012
ETP redemptions during the period	(1,687,873,548)	(1,257,449,949)
<b>Net cash (used in) / from financing activities</b>	<b>(152,724,236)</b>	<b>247,177,063</b>
Net (decrease) / increase in cash and cash equivalents	(1,064)	7,409
Cash and cash equivalents at the beginning of the period	18,493	11,084
<b>Cash and cash equivalents an the end of the period</b>	<b>17,429</b>	<b>18,493</b>
<b>Supplementary information</b>		
Tax paid	250	250

*The accompanying Notes form an integral part of these financial statements*

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**1 GENERAL INFORMATION**

Boost Issuer plc, (the "Company") was incorporated on 30 July 2012 in the Republic of Ireland with registered number 515981. The registered office of the Company is 2 Grand Canal Square, Grand Canal Harbour, Dublin 2. The Company commenced trading on 5 December 2012.

The Company is a special purpose company which has been established for the purpose of issuing exchange traded securities linked to different indices providing exposure to a range of asset classes including equities, commodities, currencies and fixed income.

The Company has no direct employees (2017: Nil).

The Company established a Collateralised ETP Securities Programme (the "Programme") under which the Company issues, on an ongoing basis, collateralised exchange traded securities (the "ETPs") of different classes (each a "Class") linked to indices providing exposure to a range of asset classes including equities, commodities, fixed income and currencies. The ETPs may have long or short, and leveraged or unleveraged, exposure to the daily performance of the referenced index.

The Company's principal activity is the listing and issue of ETPs. These securities are issued as demand requires. The Company purchases a matching Total Return Swap Transactions ("TRSs") from swap provider(s) to hedge its liabilities and ensure the assets can service its liabilities. The number and terms of ETPs outstanding will match the number and terms of ETP Swap Contracts so that the obligations of the Company and the Swap Provider match. The Swap Provider will use the same pricing formulae as the Determination Agent ("DA") so both the DA and the Swap Provider should be able to calculate the same price independently of each other – the price of an ETP Swap Contract will equal the price of an ETP. Boost Management Limited supplied and/or arranged for the supply of all administrative services to the Company and paid all management and administration costs of the Company, in return for which the Company pays Boost Management Limited a Management Fee.

The Company considers the capital management and its current capital resources to be adequate to maintain the on-going listing and issue of ETPs.

ETPs had been issued through series in Euro ("€"), US Dollar ("\$"), Pound Sterling ("£") and Japanese Yen ("¥").

All ETPs in issue at 31 December 2018 are listed on the main market of the London Stock Exchange, Frankfurt Stock Exchange and/or on the Borsa Italiana (2017: Same).

**2 SIGNIFICANT ACCOUNTING POLICIES**

**(a) Going Concern**

The nature of the Company's business dictates that the outstanding ETPs may be redeemed at any time by the holders thereof and in certain circumstances may be redeemed by the Company. As the redemption of ETPs will coincide with the termination of an equal amount of TRS, no liquidity risk is considered to arise. All other liabilities of the Company are being met by Boost Management Ltd. Management have confirmed that the business is running in accordance with its business plan therefore the Directors consider the Company to be a going concern and have prepared the financial statements on this basis.

**(b) Basis of preparation**

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, and comply with those parts of the Companies Act, 2014 applicable to Companies reporting under IFRS.

The financial statements have been prepared on the historical cost basis except financial assets and liabilities at fair value through profit or loss which are measured at fair value.

**New and amended standards and interpretations**

**IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities**

Impairment: The Directors assessed the exposure of the Company to credit risk on its trade receivables during the year. At the year end, trade receivables mostly consisted of management fees receivable from BNP Arbitrage S.N.C., who have no history of default. As described further in note 11(d) 'credit risk', BNP Arbitrage S.N.C. had a credit rating of A from S&P at the year end therefore the Directors expect a low probability of default of BNP Arbitrage S.N.C. in the next 12 months. No material credit losses are expected as a result of this assessment.

Hedge Accounting: The Company has not applied hedge accounting under IAS 39 nor will it apply hedge accounting under IFRS 9.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(b) Basis of preparation *(continued)*

Impact of adoption of IFRS 9

The classification and measurement requirements of IFRS 9 have been adopted retrospectively as of the date of initial application on 1 January 2018. However, the Company has chosen to take advantage of the option not to restate comparatives as these balances are comparable. Therefore, the 2017 figures are presented and measured under IAS 39. The following table shows the original measurement categories in accordance with IAS 39 and the new measurement categories under IFRS 9 for the Company's financial assets and financial liabilities as at 1 January 2018:

Financial assets

1 January 2018	IAS 39 classification	IAS 39 measurement €	IFRS 9 classification	IFRS 9 measurement €
Total return swaps	Held for trading at fair value through profit or loss	757,597,943	Held for trading at fair value through profit or loss	757,597,943
Debtors	Loans and receivables	472,877	Amortised cost	472,877
Cash and cash equivalents	Loans and receivables	18,493	Amortised cost	18,493

Financial liabilities

1 January 2018	IAS 39 classification	IAS 39 measurement €	IFRS 9 classification	IFRS 9 measurement €
Exchange traded products	Held for trading at fair value through profit or loss	757,597,943	Held for trading at fair value through profit or loss	757,597,943
Other payables	Other payables	477,632	Amortised cost	477,632

In line with the characteristics of the Company's financial instruments as well as its approach to their management, the Company neither revoked nor made any new designations on the date of initial application. IFRS 9 has not resulted in changes in the carrying amount of the Company's financial instruments due to changes in measurement categories. TRSs and ETPs were classified as fair value through profit or loss under IAS 39 and are still classified as fair value through profit or loss under IFRS 9. Debtors, cash and cash equivalents, and other payables were classified as loans and receivables and measured at amortised cost and continue to be measured at amortised cost.

The application of the expected credit losses model under IFRS 9 has not changed the carrying amounts of the Company's amortised cost financial assets or liabilities.

The carrying amounts of amortised cost instruments continued to approximate these instruments' fair values on the date of transition after transitioning to IFRS 9.

IFRS 15 Revenue from contracts with customers

The Company adopted IFRS 15 Revenue from contracts with customers on its effective date of 1 January 2018. IFRS 15 replaces IAS 18 Revenue and establishes a five-step model to account for revenue arising from contracts with customers. There was no impact of adopting IFRS 15 to the Company.



2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(b) Basis of preparation *(continued)*

**Standards issued but not yet effective**

The standards and interpretations relevant to the Company that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below.

**IFRIC 23, 'Uncertainty over income tax treatments', addresses the accounting where it may be unclear how tax law applies to a particular transaction or circumstance**

IFRIC 23 is an interpretation which clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over tax treatments. IFRIC 23 was developed as an interpretation of IAS 12 and so it relates only to income taxes within the scope of that standard. The Company does not expect this standard will have a material effect on the Company's accounting.

IFRIC 23 is effective for all accounting periods beginning on or after 1 January 2019, however it can be early adopted. The Company will adopt this policy on 1 January 2019.

There are no other standards issues, which have not yet been adopted, which have a material impact on the Company.

(c) Functional and presentation currency

These financial statements are presented in Euro (€) which is the Company's functional currency. The Directors have elected to present the Company's financial statements in Euro. Functional currency is the currency of the primary economic environment in which the entity operates. The Directors of the Company believe that Euro (€) most faithfully represents the economic effects of the underlying investing and financing activities of the Company.

Transactions in currencies other than Euro are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currency are retranslated at the rates prevailing at the balance sheet date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary items that are denominated in foreign currencies are recognised in profit or loss in the period. Foreign exchange gains and losses on financial assets and financial liabilities are included in the net foreign exchange gain/(loss).

(d) Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or affects both current and future periods.

**Key sources of estimation uncertainty: Fair value of financial instruments**

***Determining fair values***

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy (e) "Financial Instruments". For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Fair values of ETPs are calculated on a daily basis using predetermined formula, where prices of underlying indices and swap costs are used as inputs to the formula. These prices are compared to prior day prices and any variation results in either an unrealised gain or loss.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(e) Financial instruments

**Clasification (pre 1 January 2018)**

The Company classifies its financial assets and financial liabilities as financial assets and liabilities at fair value through profit or loss at initial recognition in accordance with IAS 39 Financial Instruments: Recognition and Measurement. The category of financial assets and liabilities at fair value through the profit or loss is sub-divided into:

Financial assets and liabilities held for trading: Financial assets are classified as held for trading if they are acquired for the purpose of selling and/or repurchasing in the near term. These assets are acquired principally for the purpose of generating a profit from short-term fluctuations in price. The Company's policy is not to apply hedge accounting.

Financial instruments designated as at fair value through profit or loss upon initial recognition: these comprise financial assets designated upon initial recognition on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Company, as set out in the Company's offering document.

The Company has classified its investments in the total return swaps, as well as the ETPs, as financial assets and liabilities at fair value through profit or loss respectively as they are held for trading.

**Clasification (from 1 January 2018)**

The Company classifies its financial assets and financial liabilities as financial assets and liabilities at fair value through profit or loss at initial recognition in accordance with IFRS 9: Financial Instruments. The category of financial assets and liabilities at fair value through the profit or loss is sub-divided as follows.

Financial assets and financial liabilities are measured at fair value through profit or loss if:

- (a) its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding;
- (b) it is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- (c) at initial recognition, it is irrevocably designated as measured at fair value through profit or loss when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Company has classified its investments in the TRSs, as well as the ETPs, as financial assets and liabilities at fair value through profit or loss respectively as they are held for trading. All other financial assets and liabilities are classified under amortised cost.

**Recognition**

The Company initially recognises all financial assets and liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instruments.

Purchases or sales of financial assets or liabilities that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset or liability.

**Initial measurement**

Financial assets and financial liabilities at fair value through profit or loss are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and financial liabilities (other than those measured at fair value through profit or loss) are measured initially at their fair value net of any directly attributable incremental costs of acquisition or issue. For financial assets and liabilities where the fair value at initial recognition does not equal the transaction price, the Company recognises the difference in the Statement of Comprehensive Income, unless specified otherwise.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(e) Financial instruments *(continued)*

**Subsequent measurement**

After initial measurement, the Company measures financial instruments which are classified as at fair value through profit or loss. Subsequent changes in the fair value of those financial instruments are recorded in unrealised appreciation / (depreciation) on financial assets and financial liabilities at fair value through profit or loss.

The price per ETP is calculated daily to reflect the daily change in the relevant Index of the ETP, and will take into account all applicable fees and adjustments. On the issue date of the class, the price per ETP will be equal to its Issue Price. On any Valuation Date thereafter, the price per ETP is calculated according to a formula which reflects the price per ETP on the immediately preceding valuation date, and adjusted as described in Note 11(a).

TRSs are valued at fair value utilising predefined formulae and market prices consistent with the ETP valuation process. In the absence of readily available market prices the Swap Provider will provide the inputs for the valuation. Where possible the Company independently calculates the fair value and verifies the Swap Providers valuation with any variation investigated. The valuation determined by the swap counterparty may be based on assumptions of market conditions at the time of valuation, similar arms' length market transactions if available, reference to the current fair value of similar instruments and a variety of different valuation techniques such as the discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions. All TRSs are carried as assets when fair value is positive and as liabilities when fair value is negative.

**Derecognition**

A financial asset is derecognised where the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and either the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired. The Company does not have any pass-through arrangements.

Gains and losses on de-recognition of financial instruments are recorded in realised gains / (losses) on financial assets and financial liabilities at fair value through profit or loss.

**Expected credit losses**

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 month before 31 December 2018 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

**Offsetting**

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transaction.

**2 SIGNIFICANT ACCOUNTING POLICIES *(continued)***

**(f) Taxation**

Corporation tax is provided on taxable profits at current rates applicable to the Company's activities in accordance with Section 110 of the Taxes Consolidation Act 1997 ("TCA"). Deferred taxation is accounted for, without discounting, in respect of all temporary differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the Statement of Financial Position date.

Provision is made at the tax rates which are expected to apply in the periods in which the timing differences reverse. Deferred tax assets are recognised only to the extent that it is considered more likely than not that they will be recovered.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that related tax benefit will be realised.

Withholding tax is a generic term used for the amount of withholding tax deducted at source of the income and is not significant for the Company. When applicable, the Company will present the withholding tax separately from the gross investment income in the Statement of Comprehensive Income. For the purpose of the Statement of Cash Flows, cash inflows from investments are presented net of withholding taxes, when applicable.

**(g) Revenue and operating expenses**

The Company is entitled to receive a management fee calculated by reference to a management fee rate under the specified terms of each relevant TRS and is calculated by the Manager by charging the applicable fee rate on the daily market value of each security.

The Company pays a management fee to the Manager calculated based on the amount of fees received from the Swap Provider.

The management fees are accrued on a daily basis and are recorded in the Statement of Comprehensive Income.

**(h) Segmental reporting**

The standard on segmental reporting puts emphasis on the "management approach" to reporting on operating segments. An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses. The Directors are considered to be the chief operating decision makers of the Company.

The Company is engaged as one segment in the Programme under which the Company issues on an ongoing basis ETPs of different classes linked to indices providing exposure to a range of asset classes including equities, commodities, fixed income, and currencies.

The following is a geographical analysis of the revenue by the country of the counterparty:

	<b>Year ended 31 Dec 2018</b>	Year ended 31 Dec 2017
	€	€
France (BNP Paribas Arbitrage S.N.C.)	<b>5,327,413</b>	5,595,072
Jersey (Boost Management Ltd.)	<b>2,061</b>	2,083
	<b><u>5,329,474</u></b>	<b><u>5,597,155</u></b>

**(i) Share capital**

The Authorised Share capital of the Company is €100,000 divided into 100,000 ordinary shares of €1 each. The Issued and called-up Share Capital is €10,000 divided into 40,000 Ordinary Shares of €1 each (paid up to €0.25 each). The Issued and called-up Share Capital is presented under Equity in the Statement of Financial Position.

**(j) Cash and cash equivalents**

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments, mainly consisting of management fees.

Cash and cash equivalents comprise of cash balances with Allied Irish Banks plc.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*  
FOR THE YEAR ENDED 31 DECEMBER 2018

3 REVENUE

	Year ended 31 Dec 2018	Year ended 31 Dec 2017
	€	€
Management fee income	5,327,413	5,594,272
Order fees	-	800
Boost Management Ltd. annual corporate benefit fee	<u>2,061</u>	<u>2,083</u>
	<u><u>5,329,474</u></u>	<u><u>5,597,155</u></u>

The Company is entitled to receive a management fee under the terms of each TRS. The Swap Provider will pay the Company variable amounts by way of payments under the terms of the relevant TRS, calculated by reference to the management fee rate as specified in Note 6 and in the manner specified in note 2(g).

4 OPERATING EXPENSES

	Year ended 31 Dec 2018	Year ended 31 Dec 2017
	€	€
Management fee expense	5,327,413	5,594,272
Order fees payable to Boost Management Ltd.	-	800
Other expenses	<u>1,061</u>	<u>1,083</u>
	<u><u>5,328,474</u></u>	<u><u>5,596,155</u></u>

The Company pays a management fee under the terms of a management agreement entered into between the Manager and the Company, calculated based on the management fees received from the Swap Provider (current annual management fee rates outlined in note 6) plus any order form fees received by the Company.

General operational expenses such as IPA fees, Determination Agent fees, Registrar fees, Trustee fees, London Stock Exchange (LSE) and Regulatory News Service (RNS) fees, audit fees, tax fees and legal fees are borne by Boost Management Limited on behalf of the Company.

The auditor's remuneration (excluding VAT) for 2018 was €30,600 for audit services and €5,000 for taxation services (2017: €30,600 for audit services and €5,000 for taxation services). There are no fees relating to other assurance services and non-audit services in the current financial period or prior financial period. There was no directors' remuneration during 2018 (2017: nil).

The Company had no employees during the year (2017: nil).

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 31 Dec 2018	Year ended 31 Dec 2017
	€	€
<b>(a) Analysis of tax charge in the financial year</b>		
Current tax	250	250
Deferred tax	<u>-</u>	<u>-</u>
<b>Total tax charge on profit for the financial year</b>	<u><u>250</u></u>	<u><u>250</u></u>
<b>(b) Reconciliation of effective tax rate</b>		
Profit before tax	<u>1,000</u>	<u>1,000</u>
Expected tax charge based on standard rate of 12.5%	<u>125</u>	<u>125</u>
<b>(c) Effects of:</b>		
Higher tax rate applicable under Section 110 TCA, 1997	125	125
Adjustments for reconciliation to Old Irish GAAP as it stood at 31 December 2004	<u>-</u>	<u>-</u>
<b>Total tax charge on profit for the financial year</b>	<u><u>250</u></u>	<u><u>250</u></u>

The Company is a qualifying company within the meaning of Section 110 of the TCA. As such, the profits are chargeable to corporation tax under Case III of Schedule D at a rate of 25%, but are computed in accordance with the provisions applicable to Case 1 of Schedule D of the TCA. Please refer to Note 2(f) for further information. There were no deferred tax assets or liabilities at 31 December 2018 (2017: € Nil).

6 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

**Financial assets at fair value through profit or loss held for trading – Total Return Swaps**

All unrealised appreciation/depreciation on financial assets are attributable to market risk arising from price, commodity, currency and interest rate risk.

The Company enters into a derivative contract with the Swap Provider (BNP Paribas as at 31 December 2018 and 31 December 2017) each time ETPs are issued or redeemed to eliminate its exposure to market risk, interest rate risk and currency risk within the Company.

The TRS entered into as at 31 December 2018 and 31 December 2017 have a value equal but opposite in sign to the value of the ETPs in issue as at 31 December 2018 and 31 December 2017, as disclosed in the table on pages 28 - 33.

**Financial liabilities at fair value through profit or loss held for trading – Exchange Traded Products**

All unrealised appreciation/depreciation on financial liabilities are attributable to market risk arising from price, commodity and interest rate risk.

All ETPs in issue are listed on either the London Stock Exchange, Frankfurt Stock Exchange or the Borsa Italiana. All ETPs in issue have a maturity date as at 30 November 2062.

The ETPs in issue at 31 December 2018 are as follows:

ETP	ISIN	Notional Amount	Market Value €	Management Fee Rate
BOOST LEVDAX 3X DAILY ETP	IE00B878KX55	€ 9,930,207	9,930,207	0.75%
BOOST SHORTDAX 3X DAILY ETP	IE00B8GKPP93	€ 6,951,269	6,951,269	0.80%
BOOST EURO STOXX 50 3X LEVERAGE DAILY ETP	IE00B7SD4R47	€ 10,200,385	10,200,385	0.75%
BOOST EURO STOXX 50 3X SHORT DAILY ETP	IE00B8JF9153	€ 17,339,658	17,339,658	0.80%
BOOST FTSE MIB 3X LEVERAGE DAILY ETP	IE00B8NB3063	€ 38,678,697	38,678,698	0.75%
BOOST FTSE MIB 3X SHORT DAILY ETP	IE00B873CW36	€ 16,893,035	16,893,035	0.80%
BOOST BUND 10Y 3X SHORT DAILY ETP	IE00BKS8QN04	€ 13,577,348	13,577,348	0.30%
BOOST BUND 10Y 3X LEVERAGE DAILY ETP	IE00BKT09255	€ 191,717	191,717	0.30%
BOOST BTP 10Y 3X SHORT DAILY ETP	IE00BKS8QM96	€ 5,050,155	5,050,155	0.60%
BOOST BTP 10Y 3X LEVERAGE DAILY ETP	IE00BKT09149	€ 1,910,697	1,910,697	0.60%
BOOST 5X SHORT USD LONG EUR DAILY ETP	IE00BLNMQT00	€ 6,597,092	6,597,092	0.89%
BOOST 5X LONG USD SHORT EUR DAILY ETP	IE00BLNMQS92	€ 1,276,765	1,276,765	0.89%
BOOST EURO STOXX BANKS 3X LEVERAGE DAILY ETP	IE00BLS09N40	€ 15,289,160	15,289,160	0.89%
BOOST EURO STOXX BANKS 3X SHORT DAILY ETP	IE00BLS09P63	€ 5,716,834	5,716,834	0.89%
BOOST BTP 10Y 5X SHORT DAILY ETP	IE00BYNXNS22	€ 5,025,959	5,025,959	0.99%
BOOST BUND 10Y 5X SHORT DAILY ETP	IE00BYNXPH56	€ 4,950,501	4,950,501	0.49%
BOOST LONG USD SHORT EUR 4X DAILY ETP	IE00BYNXPK85	€ 559,334	559,334	0.69%
BOOST SHORT USD LONG EUR 4X DAILY ETP	IE00BYNXPM00	€ 506,509	506,510	0.69%
BOOST FTSE 100 3X LEVERAGE DAILY ETP	IE00B88D2999	£ 7,184,625	8,004,390	0.75%
BOOST FTSE 100 3X SHORT DAILY ETP	IE00B7VB3908	£ 3,876,383	4,318,678	0.80%
BOOST FTSE 100 2X LEVERAGE DAILY ETP	IE00B94QKC83	£ 530,106	590,591	0.49%

6 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

ETP	ISIN	Notional Amount	Market Value €	Management Fee Rate
BOOST FTSE 100 2X SHORT DAILY ETP	IE00B94QKF15	£ 2,444,556	2,723,480	0.55%
BOOST FTSE 100 1X SHORT DAILY ETP	IE00B94QKG22	£ 2,575,446	2,869,304	0.49%
BOOST FTSE 250 1X SHORT DAILY ETP	IE00BBGBF313	£ 59,499,182	66,288,038	0.65%
BOOST FTSE 250 2X LEVERAGE DAILY ETP	IE00B94QKJ52	£ 1,872,649	2,086,318	0.60%
BOOST GILTS 10Y 3X LEVERAGE DAILY ETP	IE00BKT09479	£ 121,057	134,870	0.30%
BOOST GILTS 10Y 3X SHORT DAILY ETP	IE00BKS8QQ35	£ 7,404,673	8,249,546	0.30%
BOOST TOPIX 2X LEVERAGE DAILY ETP	IE00BBGBF537	¥ 129,515,562	1,036,125	0.75%
BOOST TOPIX 1X SHORT DAILY ETP	IE00BBGBF420	¥ 37,790,898	302,327	0.75%
BOOST NASDAQ 100 3X LEVERAGE DAILY ETP	IE00B8W5C578	\$ 29,353,097	25,678,089	0.75%
BOOST NASDAQ 100 3X SHORT DAILY ETP	IE00B8ZVH32	\$ 21,344,084	18,671,805	0.80%
Boost S&P 500 3x Leverage Daily ETP	IE00B7Y34M31	\$ 17,617,164	15,411,495	0.75%
Boost S&P 500 3x Short Daily ETP	IE00B8K7KM88	\$ 32,575,618	28,497,150	0.80%
BOOST WTI OIL 3X LEVERAGE DAILY ETP	IE00B7ZQC614	\$ 79,152,681	69,242,765	0.99%
BOOST WTI OIL 3X SHORT DAILY ETP	IE00B7SX5Y86	\$ 13,565,158	11,866,800	0.99%
BOOST GOLD 3X LEVERAGE DAILY ETP	IE00B8HGT870	\$ 22,675,272	19,836,328	0.99%
BOOST GOLD 3X SHORT DAILY ETP	IE00B6X4BP29	\$ 730,718	639,232	0.99%
BOOST COPPER 3X LEVERAGE DAILY ETP	IE00B8JVMZ80	\$ 3,940,392	3,447,055	0.99%
BOOST COPPER 3X SHORT DAILY ETP	IE00B8KD3F05	\$ 731,062	639,533	0.99%
BOOST NATURAL GAS 3X LEVERAGE DAILY ETP	IE00B8VC8061	\$ 10,411,016	9,107,557	0.99%
BOOST NATURAL GAS 3X SHORT DAILY ETP	IE00B76BRD76	\$ 28,610,662	25,028,608	0.99%
BOOST SILVER 3X LEVERAGE DAILY ETP	IE00B7XD2195	\$ 24,451,325	21,390,019	0.99%
BOOST SILVER 3X SHORT DAILY ETP	IE00B8JG1787	\$ 685,618	599,779	0.99%
BOOST PALLADIUM 1X SHORT DAILY ETP	IE00B94QLR02	\$ 1,343,327	1,175,142	0.95%
BOOST PALLADIUM 2X LEVERAGE DAILY ETP	IE00B94QLN63	\$ 876,843	767,063	0.95%
BOOST NATURAL GAS 2X SHORT DAILY ETP	IE00B94QL251	\$ 627,510	548,946	0.70%
BOOST NATURAL GAS 2X LEVERAGE DAILY ETP	IE00B94QKX96	\$ 90,567	79,228	0.44%
BOOST GOLD 2X SHORT DAILY ETP	IE00B94QKT50	\$ 374,866	327,933	0.70%
BOOST GOLD 1X SHORT DAILY ETP	IE00B94QKW89	\$ 372,583	325,936	0.44%
BOOST GOLD 2X LEVERAGE DAILY ETP	IE00B94QKS44	\$ 776,050	678,888	0.44%
BOOST SILVER 2X SHORT DAILY ETP	IE00B94QL921	\$ 147,177	128,751	0.70%
BOOST SILVER 2X LEVERAGE DAILY ETP	IE00B94QL699	\$ 176,581	154,473	0.44%

6 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

ETP	ISIN	Notional Amount	Market Value €	Management Fee Rate
BOOST US TREASURIES 10Y 3X LEVERAGE DAILY ETP	IE00BKT09032	\$ 904,007	790,825	0.30%
BOOST US TREASURIES 10Y 3X SHORT DAILY ETP	IE00BKS8QT65	\$ 3,328,963	2,912,177	0.30%
BOOST GOLD ETC	IE00BVFZGK87	\$ 3,652,893	3,195,551	0.25%
BOOST NATURAL GAS ETC	IE00BVFZGL94	\$ 143,459	125,498	0.25%
BOOST WTI OIL ETC	IE00BVFZGC04	\$ 1,435,179	1,255,494	0.25%
BOOST BRENT OIL ETC	IE00BVFZGD11	\$ 2,725,095	2,383,913	0.25%
BOOST WTI OIL 1X SHORT DAILY ETP	IE00BVFZGF35	\$ 561,563	491,255	0.49%
BOOST WTI OIL 2X LEVERAGE DAILY ETP	IE00BVFZGG42	\$ 470,868	411,916	0.65%
BOOST WTI OIL 2X SHORT DAILY ETP	IE00BVFZGH58	\$ 511,949	447,853	0.65%
BOOST US TREASURIES 10Y 5X SHORT DAILY ETP	IE00BYNXPJ70	\$ 843,522	737,913	0.50%
BOOST BRENT OIL 3X LEVERAGE DAILY ETP	IE00BYTYHS72	\$ 5,380,918	4,707,227	0.99%
BOOST BRENT OIL 3X SHORT DAILY ETP	IE00BYTYHR65	\$ 3,096,078	2,708,449	0.99%
BOOST EMERGING MARKETS 3X LEVERAGE DAILY ETP	IE00BYTYHN28	\$ 5,090,076	4,452,798	0.99%
BOOST EMERGING MARKETS 3X SHORT DAILY ETP	IE00BYTYHM11	\$ 1,838,961	1,608,723	0.99%
BOOST S&P 500 VIX SHORT-TERM FUTURES 2.25X LEVERAGE DAILY ETP	IE00BYTYHQ58	\$ 13,566,711	11,868,158	0.99%
BOOST FTSE MIB BANKS ETP	IE00BYMB4Q22	€ 10,096,829	10,096,829	0.35%
BOOST BUND 30Y 3X SHORT DAILY ETP	IE00BF4TW453	€ 336,987	336,987	0.30%
BOOST GILTS 10Y 1X SHORT DAILY ETP	IE00BF4TW560	£ 743,879	828,756	0.25%
BOOST US TREASURIES 30Y 3X SHORT DAILY ETP	IE00BF4TW784	\$ 378,987	331,538	0.30%

561,183,426

The ETPs in issue at 31 December 2017 are as follows:

ETP	ISIN	Notional Amount	Market Value €	Management Fee Rate
BOOST LEVDAX 3X DAILY ETP	IE00B878KX55	€ 8,263,979	8,263,979	0.75%
BOOST SHORTDAX 3X DAILY ETP	IE00B8GKPP93	€ 7,039,307	7,039,307	0.80%
BOOST EURO STOXX 50 3X LEVERAGE DAILY ETP	IE00B7SD4R47	€ 19,758,226	19,758,226	0.75%
BOOST EURO STOXX 50 3X SHORT DAILY ETP	IE00B8JF9153	€ 6,226,658	6,226,658	0.80%
BOOST FTSE MIB 3X LEVERAGE DAILY ETP	IE00B8NB3063	€ 33,254,370	33,254,370	0.75%
BOOST FTSE MIB 3X SHORT DAILY ETP	IE00B873CW36	€ 43,021,698	43,021,698	0.80%
BOOST BUND 10Y 3X SHORT DAILY ETP	IE00BKS8QN04	€ 75,366,227	75,366,227	0.30%
BOOST BUND 10Y 3X LEVERAGE DAILY ETP	IE00BKT09255	€ 958,754	958,754	0.30%



6 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

ETP	ISIN	Notional Amount	Market Value €	Management Fee Rate
BOOST BTP 10Y 3X SHORT DAILY ETP	IE00BKS8QM96	€ 15,473,682	15,473,682	0.60%
BOOST BTP 10Y 3X LEVERAGE DAILY ETP	IE00BKT09149	€ 1,620,435	1,620,435	0.60%
BOOST 5X SHORT USD LONG EUR DAILY ETP	IE00BLNMQT00	€ 5,456,867	5,456,867	0.89%
BOOST 5X LONG USD SHORT EUR DAILY ETP	IE00BLNMQS92	€ 3,109,271	3,109,271	0.89%
BOOST EURO STOXX BANKS 3X LEVERAGE DAILY ETP	IE00BLS09N40	€ 19,492,364	19,492,364	0.89%
BOOST EURO STOXX BANKS 3X SHORT DAILY ETP	IE00BLS09P63	€ 2,376,097	2,376,097	0.89%
BOOST BTP 10Y 5X SHORT DAILY ETP	IE00BYNXNS22	€ 8,944,121	8,944,121	0.99%
BOOST BUND 10Y 5X SHORT DAILY ETP	IE00BYNXPH56	€ 3,805,848	3,805,848	0.49%
BOOST LONG USD SHORT EUR 4X DAILY ETP	IE00BYNXPK85	€ 233,417	233,417	0.69%
BOOST SHORT USD LONG EUR 4X DAILY ETP	IE00BYNXPM00	€ 1,483,983	1,483,983	0.69%
BOOST FTSE 100 3X LEVERAGE DAILY ETP	IE00B88D2999	£ 5,124,980	5,773,290	0.75%
BOOST FTSE 100 3X SHORT DAILY ETP	IE00B7VB3908	£ 5,788,364	6,520,592	0.80%
BOOST FTSE 100 2X LEVERAGE DAILY ETP	IE00B94QKC83	£ 448,138	504,828	0.49%
BOOST FTSE 100 2X SHORT DAILY ETP	IE00B94QKF15	£ 2,113,606	2,380,977	0.55%
BOOST FTSE 100 1X SHORT DAILY ETP	IE00B94QKG22	£ 2,376,624	2,677,267	0.49%
BOOST FTSE 250 1X SHORT DAILY ETP	IE00BBGBF313	£ 25,765,957	29,025,351	0.65%
BOOST FTSE 250 2X LEVERAGE DAILY ETP	IE00B94QKJ52	£ 2,020,708	2,276,327	0.60%
BOOST GILTS 10Y 3X LEVERAGE DAILY ETP	IE00BKT09479	£ 117,704	132,593	0.30%
BOOST GILTS 10Y 3X SHORT DAILY ETP	IE00BKS8QQ35	£ 7,875,205	8,871,418	0.30%
BOOST TOPIX 2X LEVERAGE DAILY ETP	IE00BBGBF537	¥ 171,582,833	1,269,713	0.75%
BOOST TOPIX 1X SHORT DAILY ETP	IE00BBGBF420	¥ 247,675,179	1,832,796	0.75%
BOOST NASDAQ 100 3X LEVERAGE DAILY ETP	IE00B8W5C578	\$ 11,066,482	9,216,166	0.75%
BOOST NASDAQ 100 3X SHORT DAILY ETP	IE00B8VZVH32	\$ 22,302,601	18,573,606	0.80%
Boost S&P 500 3x Leverage Daily ETP	IE00B7Y34M31	\$ 111,683,492	93,010,012	0.75%
Boost S&P 500 3x Short Daily ETP	IE00B8K7KM88	\$ 26,537,649	22,100,554	0.80%
BOOST WTI OIL 3X LEVERAGE DAILY ETP	IE00B7ZQC614	\$ 129,394,404	107,759,659	0.99%
BOOST WTI OIL 3X SHORT DAILY ETP	IE00B7SX5Y86	\$ 36,828,009	30,670,366	0.99%
BOOST GOLD 3X LEVERAGE DAILY ETP	IE00B8HGT870	\$ 16,983,120	14,143,542	0.99%
BOOST GOLD 3X SHORT DAILY ETP	IE00B6X4BP29	\$ 4,240,324	3,531,342	0.99%
BOOST COPPER 3X LEVERAGE DAILY ETP	IE00B8JVMZ80	\$ 2,226,305	1,854,067	0.99%
BOOST COPPER 3X SHORT DAILY ETP	IE00B8KD3F05	\$ 1,938,088	1,614,039	0.99%

6 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

ETP	ISIN	Notional Amount	Market Value €	Management Fee Rate
BOOST NATURAL GAS 3X LEVERAGE DAILY ETP	IE00B8VC8061	\$ 65,486,545	54,537,194	0.99%
BOOST NATURAL GAS 3X SHORT DAILY ETP	IE00B76BRD76	\$ 5,017,653	4,178,701	0.99%
BOOST SILVER 3X LEVERAGE DAILY ETP	IE00B7XD2195	\$ 22,310,845	18,580,472	0.99%
BOOST SILVER 3X SHORT DAILY ETP	IE00B8JG1787	\$ 825,842	687,761	0.99%
BOOST PALLADIUM 1X SHORT DAILY ETP	IE00B94QLR02	\$ 567,853	472,908	0.95%
BOOST PALLADIUM 2X LEVERAGE DAILY ETP	IE00B94QLN63	\$ 1,206,366	1,004,661	0.95%
BOOST NATURAL GAS 2X SHORT DAILY ETP	IE00B94QL251	\$ 676,236	563,170	0.70%
BOOST NATURAL GAS 2X LEVERAGE DAILY ETP	IE00B94QKX96	\$ 206,770	172,198	0.44%
BOOST GOLD 2X SHORT DAILY ETP	IE00B94QKT50	\$ 352,342	293,431	0.70%
BOOST GOLD 1X SHORT DAILY ETP	IE00B94QKW89	\$ 630,754	525,292	0.44%
BOOST GOLD 2X LEVERAGE DAILY ETP	IE00B94QKS44	\$ 513,892	427,969	0.44%
BOOST SILVER 2X SHORT DAILY ETP	IE00B94QL921	\$ 179,169	149,212	0.70%
BOOST SILVER 2X LEVERAGE DAILY ETP	IE00B94QL699	\$ 670,708	558,566	0.44%
BOOST US TREASURIES 10Y 3X LEVERAGE DAILY ETP	IE00BKT09032	\$ 261,621	217,878	0.30%
BOOST US TREASURIES 10Y 3X SHORT DAILY ETP	IE00BKS8QT65	\$ 10,585,749	8,815,812	0.30%
BOOST GOLD ETC	IE00BVFZGK87	\$ 2,960,037	2,465,119	0.25%
BOOST NATURAL GAS ETC	IE00BVFZGL94	\$ 290,493	241,923	0.25%
BOOST WTI OIL ETC	IE00BVFZGC04	\$ 2,637,641	2,196,627	0.25%
BOOST BRENT OIL ETC	IE00BVFZGD11	\$ 7,646,886	6,368,327	0.25%
BOOST WTI OIL 1X SHORT DAILY ETP	IE00BVFZGF35	\$ 1,358,158	1,131,074	0.49%
BOOST WTI OIL 2X LEVERAGE DAILY ETP	IE00BVFZGG42	\$ 418,697	348,691	0.65%
BOOST WTI OIL 2X SHORT DAILY ETP	IE00BVFZGH58	\$ 713,994	594,614	0.65%
BOOST US TREASURIES 10Y 5X SHORT DAILY ETP	IE00BYNXPJ70	\$ 1,554,449	1,294,545	0.50%
BOOST BRENT OIL 3X LEVERAGE DAILY ETP	IE00BYTYHS72	\$ 5,418,511	4,512,536	0.99%
BOOST BRENT OIL 3X SHORT DAILY ETP	IE00BYTYHR65	\$ 4,455,337	3,710,405	0.99%
BOOST EMERGING MARKETS 3X LEVERAGE DAILY ETP	IE00BYTYHN28	\$ 7,543,188	6,281,967	0.99%
BOOST EMERGING MARKETS 3X SHORT DAILY ETP	IE00BYTYHM11	\$ 253,433	211,059	0.99%
BOOST S&P 500 VIX SHORT-TERM FUTURES 2.25X LEVERAGE DAILY ETP	IE00BYTYHQ58	\$ 6,045,592	5,034,769	0.99%
BOOST FTSE MIB BANKS ETP	IE00BYMB4Q22	€ 11,498,767	11,498,767	0.35%
BOOST BUND 30Y 3X SHORT DAILY ETP	IE00BF4TW453	€ 315,822	315,822	0.30%
BOOST GILTS 10Y 1X SHORT DAILY ETP	IE00BF4TW560	£ 256,885	289,381	0.25%

6 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

ETP	ISIN	Notional Amount	Market Value €	Management Fee Rate
BOOST US TREASURIES 30Y 3X SHORT DAILY ETP	IE00BF4TW784	\$ 352,164	293,283	0.30%
			<u>757,597,943</u>	

The net proceeds of issuance of ETPs are paid to the Swap Provider to enter TRSs under the swap transactions entered into by the Company to hedge its obligations in connection with the ETPs, provided that prior to payment the Swap Provider has delivered eligible collateral to the collateral administrator on behalf of the Issuer. Any increase in the Issuer's exposure to the Swap Provider resulting from the entry into, or increase in the size of, a swap transaction must be collateralised by delivering eligible collateral meeting the relevant requirements.

The TRSs had a market value of €561,183,426 at the year end (2017: €757,597,943) matching the value of their respective ETPs listed above.

7 DEBTORS

	2018 €	2017 €
Management fees receivable	419,039	470,794
Other receivables	<u>2,061</u>	<u>2,083</u>
	<u>421,100</u>	<u>472,877</u>

The Company earns a management fee on each swap transaction from the Swap Provider. The swap management fee is calculated as defined in each swap transaction supplement which is entered into between the Swap Provider and the Company.

8 OTHER PAYABLES

	2018 €	2017 €
Management fees payable	423,841	477,432
Order fees payable	<u>200</u>	<u>200</u>
	<u>424,041</u>	<u>477,632</u>

9 SHARE CAPITAL - EQUITY

	2018 €	2017 €
<b>Authorised</b>		
100,000 Ordinary Shares @ €1 each	<u>100,000</u>	<u>100,000</u>
<b>Issued</b>		
40,000 Ordinary Shares @ €1 each (paid up to €0.25 each)	<u>10,000</u>	<u>10,000</u>

The principal shareholder of the Company is Link Nominee Services Limited, holding 39,994 shares in the Company. Link Trustee Services (Jersey) Limited, Link Foundations Services Limited, Link Nominee Services 2 Limited, Link Nominee Services 3 Limited, Forbrit Corporate Director 3 Limited and Forbrit Corporate Director 4 Limited hold one share each in the Company. All Shares are held in trust for charity under the terms of the declaration of trust.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings. No dividends were paid during the year or proposed by the Directors at the Statement of Financial Position date (2017: € Nil).

NOTES TO THE FINANCIAL STATEMENTS *(continued)*  
FOR THE YEAR ENDED 31 DECEMBER 2018

10 COLLATERAL RECEIVED ON TRS

	2018	2017
	€	€
<b>Assets</b>		
Bonds (market value)	573,603,689	762,609,769
Equities (market value)	<u>10,000,046</u>	<u>16,456,796</u>
<b>Total market value</b>	<u><b>583,603,735</b></u>	<u><b>779,066,565</b></u>

The Swap Provider transfers collateral to the Issuer in respect of its obligations under a relevant swap agreement. Collateral is in the form of government bonds or listed equities. The Bank of New York Mellon, as collateral administrator determines the market value of the collateral held on behalf of the Company.

The collateral coverage over the market value of the ETPs at the year end was 104% (2017: 103%).

Collateral consists of equities and/or bonds satisfying certain criteria and subject to certain margin percentages and concentration limits. Collateral amounts as agreed between the Company and the Swap Provider are held by The Bank of New York Mellon and identified as held on behalf of the Company; the collateral cannot be re-used or repledged. All collateral as at 31 December 2018 consists of listed equities and Government bonds as agreed between the Swap Provider and the Company.

11 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

(a) Fair value of financial instruments

*Fair Value Measurement Principles of ETPs*

The price per ETP is calculated daily to reflect the daily change in the relevant Index of the ETP, and will take into account all applicable fees and adjustments. On the issue date of the class, the price per ETP will be equal to its Issue Price. On any Valuation Date thereafter, the price per ETP is calculated according to a formula which reflects the price per ETP on the immediately preceding valuation date, and adjusted based on the following observable inputs:

Inputs	Source
Underlying index	Daily rate quoted on Bloomberg
Fees	Product specific rate outlined in the Final Terms
Cash borrowing costs	Daily rate quoted on Bloomberg; with product specific rate outlined in the Final Terms
Cash lending revenues	Daily rate quoted on Bloomberg; with product specific rate outlined in the Final Terms
Stock borrowing costs	Product specific rate outlined in the Final Terms
Revenues on collateral	Daily rate quoted on Bloomberg; with product specific rate outlined in the Final Terms

"Index Adjustments" reflect any cash borrowing costs, cash lending revenues, stock borrowing costs, revenues on collateral or costs of transaction taxes, which are not already reflected in the Index. Costs and revenues such as these would be incurred by a hypothetical investor seeking to gain a leveraged or a short exposure to a Benchmark Index.

The ETPs are valued independently of the Company and Swap Provider by a calculation agent using readily available, observable inputs. No inputs need to be obtained by the calculation agent from the Company or the Swap Provider.

*Derivatives*

Derivatives comprise TRSs and are valued at fair value utilising predefined formulae and market prices consistent with the ETP valuation process outlined below.

The price per TRS is calculated daily to reflect the daily change in the relevant Index of the TRS, and will take into account all applicable fees and adjustments. On the issue date of the class, the price per TRS will be equal to its Issue Price. On any Valuation Date thereafter, the price per TRS is calculated according to a formula which reflects the price per TRS on the immediately preceding valuation date, and adjusted based on the following observable inputs:

Inputs	Source
Underlying index	Daily rate quoted on Bloomberg
Fees	Product specific rate outlined in the Final Terms
Cash borrowing costs	Daily rate quoted on Bloomberg; with product specific rate outlined in the Final Terms
Cash lending revenues	Daily rate quoted on Bloomberg; with product specific rate outlined in the Final Terms
Stock borrowing costs	Product specific rate outlined in the Final Terms
Revenues on collateral	Daily rate quoted on Bloomberg; with product specific rate outlined in the Final Terms

11 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS *(continued)*

(a) Fair value of financial instruments *(continued)*

"Index Adjustments" reflect any cash borrowing costs, cash lending revenues, stock borrowing costs, revenues on collateral or costs of transaction taxes, which are not already reflected in the Index. Costs and revenues such as these would be incurred by a hypothetical investor seeking to gain a leveraged or a short exposure to a Benchmark Index.

In the absence of readily available market prices the Swap Provider will provide the inputs for the valuation. Where possible management independently calculate the fair value and verify to the Swap Providers valuation and any variation is investigated. The valuation determined by the swap counterparty may be based on assumptions of market conditions at the time of valuation, similar arms' length market transactions if available, reference to the current fair value of similar instruments and a variety of different valuation techniques such as the discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

The fair value of financial instruments carried at fair value is determined according to the following hierarchy:

- (i) Level 1: Financial instruments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. Quoted prices for these instruments are not adjusted.
- (ii) Level 2: Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include investment-grade corporate bonds and over-the-counter derivatives. As level 2 financial instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.
- (iii) Level 3: Financial instruments classified within level 3 have significant unobservable inputs, as they trade infrequently. Pricing inputs are unobservable for the financial instrument and include situations where there is little, if any, market activity for the financial instrument. As observable prices are not available for these securities, the Company has used valuation techniques to derive the fair value, if applicable.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the last day of the accounting period. There were no transfers during the year between levels of the fair value hierarchy for financial assets which are recorded at fair value.

The ETPs and TRSs are considered to be fair valued under Level 2; as prices are calculated using a model, rather than using quoted exchange rates, to reflect the amount received by ETP holders on redemption.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2018

11 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

(a) Fair value of financial instruments (continued)

At the reporting date the TRS and ETPs are classed as level 2.

	Level 1 Quoted price €	Level 2 Valuation €	Level 3 Valuation €	Net Total €
<b>31 December 2018</b>				
<b>Financial Assets at Fair Value</b>				
TRS - Commodities	-	181,711,191	-	181,711,191
TRS - Equities	-	313,635,386	-	313,635,386
TRS - Fixed Income	-	45,028,990	-	45,028,990
TRS - FX	-	8,939,701	-	8,939,701
TRS - Other	-	11,868,158	-	11,868,158
	-	561,183,426	-	561,183,426
<b>31 December 2018</b>				
<b>Financial Liabilities at Fair Value</b>				
ETPs - Commodities	-	(181,711,191)	-	(181,711,191)
ETPs - Equities	-	(313,635,386)	-	(313,635,386)
ETPs - Fixed Income	-	(45,028,990)	-	(45,028,990)
ETPs - FX	-	(8,939,701)	-	(8,939,701)
ETPs - Other	-	(11,868,158)	-	(11,868,158)
	-	(561,183,426)	-	(561,183,426)

There have been no transfers between levels 1, 2 and 3 during the year ended 31 December 2018.

	Level 1 Quoted price €	Level 2 Valuation €	Level 3 Valuation €	Net Total €
<b>31 December 2017</b>				
<b>Financial Assets at Fair Value</b>				
TRS - Commodities	-	263,293,867	-	263,293,867
TRS - Equities	-	352,585,970	-	352,585,970
TRS - Fixed Income	-	126,399,799	-	126,399,799
TRS - FX	-	10,283,538	-	10,283,538
TRS - Other	-	5,034,769	-	5,034,769
	-	757,597,943	-	757,597,943
<b>31 December 2017</b>				
<b>Financial Liabilities at Fair Value</b>				
ETPs - Commodities	-	(263,293,867)	-	(263,293,867)
ETPs - Equities	-	(352,585,970)	-	(352,585,970)
ETPs - Fixed Income	-	(126,399,799)	-	(126,399,799)
ETPs - FX	-	(10,283,538)	-	(10,283,538)
ETPs - Other	-	(5,034,769)	-	(5,034,769)
	-	(757,597,943)	-	(757,597,943)

There have been no transfers between levels 1, 2 and 3 during the year ended 31 December 2017.

11 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS *(continued)*

**(b) Risk management**

The Company is exposed to a variety of financial risks as a result of its activities. These risks include interest rate risk, credit /counterparty risk, market risk, price risk, currency risk and liquidity risk.

The Company has attempted to match the properties of its financial liabilities to its financial assets, to avoid significant elements of risk generated by mismatches of investment performance against its obligations together with any maturity or interest rate risk. The Company uses the net proceeds of the issuance of ETPs to enter into a TRS transaction to hedge its payment obligations in respect of each Class of the ETPs with one or more Swap Providers once the Swap Provider has delivered eligible collateral. The TRS for each Class of ETPs will produce net cash flows to service all of the Company's payment obligations in respect of that Class. This provides a hedge for the Company against market risk, price risk, currency risk and liquidity risk.

This hedge is executed through the company's activities as described above and through its agreements with its counterparties, including in particular the Swap Providers, the Collateral Administrator and Authorised Participants. Certain of the Company's daily operational activities and processes are outsourced to Link IFS Limited. See "Operational Risk" section below.

The risk profile of the Company is such that market, credit, liquidity and other risks of the investment securities are borne fully by the holders of ETPs issued. The ETPs issued are initially recorded at the value of the net proceeds received and are carried as financial liabilities at fair value through profit or loss. The ultimate amount to be repaid to the ETP holders will depend on the proceeds from the related TRS. All substantial risks and rewards associated with the performance of the TRS are ultimately borne by the ETP holders. Therefore any change in risk variables would not affect the equity or the results of the Company.

Following on below is an analysis and description of the risk types.

**(c) Operational risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, markets and liquidity issues such as those arising from legal and regulatory requirements and generally accepted standards to corporate behaviour.

Operational risks arise from all of the Company's operations. The Company was incorporated with the purpose of engaging in those activities outlined in the preceding paragraphs. Certain management and administration functions are outsourced to Link IFS Limited and Boost Management Limited.

The Company is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of collateral held in custody occasioned by the insolvency or negligence of the collateral administrator. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the Company to transfer the securities might be temporarily impaired.

**(d) Credit risk**

Credit/Counterparty risk refers to the risk that each counterparty to a Swap Agreement will default on its contractual obligations as Swap Provider resulting in the Company being unable to make payment of amounts due to the ETP holders. Accordingly, the Company and the ETP holders are exposed to the creditworthiness of each relevant Swap Provider.

In order to mitigate this risk the Swap Provider will collateralise its obligations to the Issuer with eligible collateral being delivered with respect to the Issuer's net exposure to the Swap Provider in respect of all swap transactions entered into. Collateral is monitored on a daily basis with the aggregate euro market value of eligible collateral required to be transferred to the Issuer by the relevant Swap Provider in respect of any London Business Day calculated based on the Issuer's net exposure to the Swap Provider in respect of each swap transaction entered into with that Swap Provider daily (converted, if applicable, into euros at the prevailing currency exchange rate). Custody risk on the collateral is managed by The Bank of New York Mellon who monitor the credit ratings of the collateral daily and ensure the collateral is not re-used or repledged.

11 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS *(continued)*

(d) Credit risk *(continued)*

At the reporting date, the Company's investment securities at fair value through profit or loss were concentrated in the following asset types:

	2018	2017
	€	€
TRS - BNP Arbitrage S.N.C.	561,183,426	757,597,943

*(group credit rating as at date of signing of financial statements S&P: A (2017: A))*

	2018	2017
	€	€
Collateral - The Bank of New York Mellon	583,603,735	779,066,565

*(group credit rating as at date of signing of financial statements S&P: AA- (2017: AA-))*

	2018	2017
	€	€
Cash at bank - Allied Irish Banks Plc	17,429	18,493

The Directors feel that there is minimal risk to the Company by holding the Company cash with the one bank, as the Company has minimal cash held in the bank account at any given time.

*(group credit rating as at date of signing of financial statements S&P: BBB- (2017: BBB-))*

(e)(i) Market risk

The Company's liabilities in respect of the ETPs issued is referenced to various equity and commodity indices and is managed by the Company by entering into a TRS with swap providers which exactly match the liability created by the issue of ETPs. If the price of an underlying index has gone up/down 5%, the prices of the ETPs and TRSs tracking that index will go up/down depending on the "Product Leverage Factor" (as defined in the base prospectus), in accordance with the formula for the price of the ETP in the base prospectus. For example, if the Product Leverage Factor is +3 then if the price of the underlying index has gone up/down by 5% over a period of one day, then both the ETP's price and the price of the matching TRS will go up/down respectively by 15% on that day (neglecting fees and funding and borrowing adjustments as detailed in the base prospectus). Any movement in the value of the ETPs issued will be offset by an equal movement in the matching TRS. Therefore the Company's sensitivity to market movements is fully hedged.

(e)(ii) Interest rate risk

As the Company has entered into TRS to match the ETPs in issue there is deemed to be no net interest rate risk to the Company.

*Sensitivity analysis*

Any changes in the values of the TRS held by the Company would not have any effect on the equity or profit or loss of the Company as any fair value fluctuations are ultimately borne by either the swap counterparties or the holders of the ETPs issued by the Company.

A change of 25 basis points in interest rates (neglecting the effect of daily fees) at the reporting date would have increased or (decreased) the fair value of financial liabilities by €6,369 / €(6,369) (2017: €2,180 / €(2,180)). A change of 25 basis points in interest rates at the reporting date would have increased (or decreased) the fair value of financial assets by €6,369 / €(6,369) (2017: €2,180 / €(2,180)).

The Company holds a current account at Allied Irish Banks Plc in Ireland. Due to the level of cash held in the account the Directors do not believe that any move in interest rates would affect the operations of the Company. The Company does not have any interest bearing financial assets or financial liabilities.



11 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS *(continued)*

(e)(iii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As the Company has entered into TRS to match the ETPs in issue there is deemed to be no net currency risk to the Company.

*Sensitivity analysis*

Any changes in the values of the TRS held by the Company would not have any effect on the equity or profit or loss of the Company as any fair value fluctuations are ultimately borne by either the swap counterparties or the holders of the ETPs issued by the Company.

A change of 100 basis points in exchange rates (neglecting the effect of daily fees) at the reporting date would have increased or (decreased) the fair value of financial liabilities by €3,637,140 / €(3,637,140) (2017: €4,731,578 / €(4,731,578)). A change of 100 basis points in exchange rates at the reporting date would have increased (or decreased) the fair value of financial assets by €3,637,140 / €(3,637,140) (2017: €4,731,578 / €(4,731,578)).

(e)(iv) Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. The Company does not consider price risk to be a significant risk to the Company as any fluctuation in the value of financial assets at fair value through profit or loss held by the Company will be offset by movements in the fair value of the issued ETPs.

*Sensitivity analysis*

Any changes in the values of the TRS held by the Company would not have any effect on the equity or profit or loss of the Company as any fair value fluctuations are ultimately borne by either the swap counterparties or the holders of the ETPs issued by the Company.

A change of 100 basis points in the underlying index of ETPs in issue (neglecting the effect of daily fees) at the reporting date would have increased or (decreased) the fair value of financial liabilities by €3,592,312 / €(3,619,854) (2017: €5,469,345 / €(5,469,345)). A change of 100 basis points in the underlying index of TRSs entered into at the reporting date would have increased (or decreased) the fair value of financial assets by €3,592,312 / €(3,619,854) (2017: €5,469,345 / €(5,469,345)).

(f) Capital management

The Company monitors its cash and ordinary shares as capital. The Company outsources the capital management of funds relating to the ETPs and relevant TRSs to Link Market Services Trustees Limited and Link IFS Limited, whereby all redemptions and subscriptions are settled through CREST. All other capital is managed through the Company's Allied Irish Banks plc currency accounts. The Board of Directors reviews the capital structure periodically to determine the appropriate level of capital required to meet the Company's objectives. The Company's objectives when maintaining capital are to maintain sufficient capital base in order to meet its short-term obligations and at the same time preserve the long term goals of the Company.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2018

11 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

(g) Liquidity risk

Liquidity risk is the risk that the Company may be unable to fulfil its obligations (by delivery of cash) whether expected or unexpected. The legal maturity of the ETPs is 30 November 2062. ETPs cannot be issued without a matching TRS being in place. The maturity profile of the TRS is a minimum of two years with one year rolling contracts thereafter. Should the swap counterparty wish to terminate there is a requirement for one year notice of termination to be issued to the Company. This allows the Company the time to obtain a new Swap Provider. If no replacement Swap Provider can be identified the Issuer would redeem all outstanding ETPs. ETPs can be issued and redeemed daily, therefore this is the earliest maturity date for the purpose of the maturity analysis below.

The following are the contractual maturities of financial assets:

	Carrying amount	Less than one year	One to five years	More than five years
	€	€	€	€
<b>31 December 2018</b>				
Cash and cash equivalents	17,429	17,429	-	-
Management fees receivable	419,039	419,039	-	-
Financial Assets through profit or loss	561,183,426	-	561,183,426	-
Other receivables	2,061	2,061	-	-
	<u>561,621,955</u>	<u>438,529</u>	<u>561,183,426</u>	<u>-</u>
	Carrying amount	Less than one year	One to five years	More than five years
	€	€	€	€
<b>31 December 2017</b>				
Cash and cash equivalents	18,493	18,493	-	-
Management fees receivable	470,794	470,794	-	-
Financial Assets through profit or loss	757,597,943	-	757,597,943	-
Other receivables	2,083	2,083	-	-
	<u>758,089,313</u>	<u>491,370</u>	<u>757,597,943</u>	<u>-</u>

The following are the earliest contractual maturities of financial liabilities:

	Carrying amount	Less than one year	One to five years	More than five years
	€	€	€	€
<b>31 December 2018</b>				
Management fees payable	423,841	423,841	-	-
Financial Liabilities through profit or loss	561,183,426	561,183,426	-	-
Order fees payable	200	200	-	-
	<u>561,607,467</u>	<u>561,607,467</u>	<u>-</u>	<u>-</u>
	Carrying amount	Less than one year	One to five years	More than five years
	€	€	€	€
<b>31 December 2017</b>				
Management fees payable	477,432	477,432	-	-
Financial Liabilities through profit or loss	757,597,943	757,597,943	-	-
Order fees payable	200	200	-	-
	<u>758,075,575</u>	<u>758,075,575</u>	<u>-</u>	<u>-</u>

11 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

(h) Offsetting Financial Assets and Financial Liabilities

The Company does not offset Financial Assets and Financial Liabilities. These are presented separately in the Statement of Financial Position.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

Financial assets and liabilities subject to offsetting, enforceable master netting agreements and similar agreements:

As at 31 December 2018:

	Gross amount of recognised Financial Assets €	Amount of recognised Financial Assets set off in the Statement of Financial Position €	Net amount of recognised Financial Assets set off in the Statement of Financial Position €	Financial instruments received €	Net amount €
Financial Assets at fair value through profit or loss	561,183,426	-	561,183,426	561,183,426	-

	Gross amount of recognised Financial Liabilities €	Amount of recognised Financial Liabilities set off in the Statement of Financial Position €	Net amount of recognised Financial Assets presented in the Statement of Financial Position €	Financial instruments pledged €	Net amount €
Financial Liabilities at fair value through profit or loss	561,183,426	-	561,183,426	-	561,183,426

As at 31 December 2017:

	Gross amount of recognised Financial Assets €	Amount of recognised Financial Assets set off in the Statement of Financial Position €	Net amount of recognised Financial Assets set off in the Statement of Financial Position €	Financial instruments received €	Net amount €
Financial Assets at fair value through profit or loss	757,597,943	-	757,597,943	757,597,943	-

	Gross amount of recognised Financial Liabilities €	Amount of recognised Financial Liabilities set off in the Statement of Financial Position €	Net amount of recognised Financial Assets presented in the Statement of Financial Position €	Financial instruments pledged €	Net amount €
Financial Liabilities at fair value through profit or loss	757,597,943	-	757,597,943	-	757,597,943

**12 POST BALANCE SHEET EVENTS**

The Company approved the launch of three new ETP commodity products on 12 February 2019:

- “Boost Enhanced Energy ETC” using the BNP Optimised Roll Energy Total Return Index, launched on the London Stock Exchange, Borsa Italiana and Deutsche Borse on 25 February 2019;
- “Boost Enhanced Industrial Metals ETC” using the BNP Optimised Roll Industrial Metals Total Return Index, launched on the London Stock Exchange, Borsa Italiana and Deutsche Borse on 25 February 2019; and
- “Boost Enhanced Agriculture ETC” using the S&P GSCI Agriculture and Livestock Dynamic Roll TR Index, to be launched on the London Stock Exchange and Borsa Italiana.

The Company maintained a steady level of daily activity up to the signing date of these financial statements. From the year end to 23 April 2019 the Company executed subscriptions totaling €358,379,769 and redemptions totaling €367,538,695.

There were no other significant events since 31 December 2018.

**13 COMMITMENTS AND CONTINGENCIES**

The Company had no commitments or contingencies as at 31 December 2018.

**14 RELATED PARTY TRANSACTIONS**

Boost Management Limited provides management services to the Company, which includes paying operating costs of the Company such as audit fees and corporate service fees. The Company was supplied services amounting to €5,327,413 (2017: €5,594,272) from Boost Management Limited during the year ended 31 December 2018. As at 31 December 2018 €423,841 (2017: €477,432) was payable by the Company to Boost Management Limited. The Company earns an annual corporate benefit fee of €2,061 (2017: €2,083) from Boost Management Limited which was receivable at the year ended 31 December 2018 and 31 December 2017.

Link Nominee Services Limited, Link IFS Limited and Link Market Services Trustees Limited are part of Link Group, whose ultimate shareholder is Link Administration Holdings Limited, listed on the Australian Stock Exchange with ticker “LNK”, (“Link Group”). Link Group provides services such as Accounting and Reporting, Company Secretarial, Issuing and Paying Agent and other administration services to the Company. John Walsh and Lisa Hand are both employees of Link Group and directors of the Company. In respect of the aforementioned services, Link Group earned fees amounting to €150,567 (2017: €149,433) from Boost Management Limited during the year ended 31 December 2018. As at 31 December 2018 €78,285 (2017: €47,935) was payable by Boost Management Limited to Link Group.

The Company has no employees (2017: Nil) and the directors who are also employees of Link Group received no remuneration during the financial year (2017: € Nil). The terms of the corporate services agreement provide for a single fee for the provision of corporate services (including making available of individuals to act as directors of the Company). As a result, the allocation of fees between the different services provided is a subjective and approximate calculation. The individuals acting as directors do not (and will not), in their personal capacity or any other capacity, receive any fee for acting or having acted as directors of the Company.

Directors of the Company, who are also employees of the WisdomTree Group, do not receive any additional remuneration for their role as Director of the Company.

There were no other related party transactions during the year under review.

**15 APPROVAL OF FINANCIAL STATEMENTS**

The Directors authorised the financial statements for issue on 25 April 2019.