



# **WisdomTree Hedged Commodity Securities Limited**

**Registered No: 109413**

**Unaudited Condensed Interim Financial Report for the  
Six Months to 30 June 2022**

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The directors of WisdomTree Hedged Commodity Securities Limited ("HCSL" or the "Company"), submit herewith the unaudited interim financial report and interim financial statements of the Company for the period ended 30 June 2022.

### Directors

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

Stuart Bell  
 Christopher Foulds  
 Steven Ross  
 Peter Ziemba

### Directors' Interests

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

### Principal Activities

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

### Review of Operations

As at 30 June 2022, the Company had the following number of classes, in aggregate, of Currency-Hedged Commodity Securities in issue and admitted to trading on the following exchanges:

	London Stock Exchange	Borsa Italiana	Deutsche Börse
Classic and Longer Dated GBP-Hedged Commodity Securities	3	-	-
Classic and Longer Dated EUR-Hedged Commodity Securities	-	17	11
Total Currency-Hedged Commodity Securities	3	17	11

As at 30 June 2022, the fair value of assets under management amounted to USD 303.2 million (31 December 2021: USD 447.3 million). The Company recognises its financial assets (Commodity Contracts) and financial liabilities (Currency-Hedged Commodity Securities) at fair value in the Condensed Statement of Financial Position.

The Company has entered into contractual obligations to issue and redeem Currency-Hedged Commodity Securities at set prices on each trading day. These prices are based on an agreed formula published in the Prospectus and are equal to the published NAVs of each class of Currency-Hedged Commodity Securities.

IFRS 13 requires the Company to identify the principal market and to utilise the available price within that principal market. The directors consider the stock exchanges where the Currency-Hedged Commodity Securities are listed to be the principal market and as a result the fair value of the Currency-Hedged Commodity Securities is the on-exchange price as quoted on the stock exchange demonstrating active trading with the highest trading volume on each day that the price is obtained. As a result of the difference in valuation between Commodity Contracts and Currency-Hedged Commodity Securities there is a mis-match between the values recognised, and the results of the Company reflect a gain or loss on the difference between the fair value of the Commodity Contracts and the price of Currency-Hedged Commodity Securities.

The gain or loss on Currency-Hedged Commodity Securities and Commodity Contracts is recognised through profit or loss in line with the Company's accounting policy.

**Review of Operations (continued)**

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

	<b>30 June 2022</b>	<b>30 June 2021</b>
	<b>USD</b>	<b>USD</b>
Creation and Redemption Fees	104,861	103,536
Management Fees and Licence Allowance	903,010	1,008,206
<b>Total Fee Income</b>	<b>1,007,871</b>	<b>1,111,742</b>

*Non-GAAP Performance Measures*

Under the terms of the service agreement with WisdomTree Management (Jersey) Limited (“ManJer” or the “Manager”), the Company accrued expenses equal to the management fees, licence allowance and creation and redemption fees, which, after taking into account other operating income and expenses, resulted in a result before fair value movements for the period of USD Nil (30 June 2021: USD Nil).

As the difference in the valuation of Commodity Contracts (held to support the Currency-Hedged Commodity Securities) and Currency-Hedged Commodity Securities would be reversed on a subsequent redemption of the Currency-Hedged Commodity Securities and cancellation of the corresponding Commodity Contracts, the Company presents an adjusted Condensed Statement of Profit or Loss and Other Comprehensive Income and an adjusted Condensed Statement of Changes in Equity in note 8 of the interim financial statements.

*Coronavirus disease (COVID-19)*

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

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

*Ukraine Invasion*

On 24 February 2022, Russia engaged in military actions in the sovereign territory of Ukraine. The Board is closely monitoring developments that may impact financial markets including sanctions, actions by governments and developments of the crisis. The Board will further assess the impact on the Company’s portfolio operations and valuation and will take any potential actions needed, as facts and circumstances are subject to change and may be specific to investment strategies and jurisdictions.

**Future Developments**

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

### Directors' Remuneration

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

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

	30 June 2022 GBP	30 June 2021 GBP
Stuart Bell	Nil	Nil
Christopher Foulds	4,000	4,000
Steven Ross	4,000	4,000
Peter Ziemba	Nil	Nil

### Going Concern

The nature of the Company's business dictates that the outstanding Currency-Hedged Commodity Securities may be redeemed at any time by Authorised Participants and in certain circumstances by individual holders and also, in certain circumstances, may be compulsorily redeemed by the Company. As the redemption of Currency-Hedged Commodity Securities will always coincide with the cancellation of an equal amount of Commodity Contracts, liquidity risk is mitigated such that there is no material residual risk. All other expenses of the Company are met by ManJer. The directors are closely monitoring the advice and developments relating to the spread of COVID-19, particularly with its impact on ManJer, its assets under management, and therefore its related revenue streams, in respect of fulfilling the obligations under the services agreement. The directors consider the operations of the Company to be ongoing, with a reasonable expectation that the Company has adequate resources to continue in operational existence For a period of 12 months from the date of these interim financial statements, and accordingly these financial statements have been prepared on the going concern basis.

### Directors Statement

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

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

On behalf of the directors



**Christopher Foulds**  
31 August 2022

	Notes	Period Ended 30 June	
		2022 Unaudited USD	2021 Unaudited USD
Income	2	1,007,871	1,111,742
Expenses	2	(1,007,871)	(1,111,742)
<b>Result Before Fair Value Movements</b>		-	-
Change in Contractual and Fair Value of Commodity Contracts	3	1,245,268	53,315,004
Change in Fair Value of Currency-Hedged Commodity Securities	4	(7,628,431)	(53,650,891)
<b>Loss for the Period<sup>1, 2</sup></b>		<b>(6,383,163)</b>	<b>(335,887)</b>

The directors consider the Company's activities as continuing.

<sup>1</sup> A non-statutory and non-GAAP Condensed Statement of Profit or Loss and Other Comprehensive Income reflecting adjustments representing the movement in the difference between the value of the Commodity Contracts and the price of Currency-Hedged Commodity Securities is set out in note 8.

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

The notes on pages 8 to 14 form part of these condensed interim financial statements

	Notes	As At	
		30 June 2022 Unaudited USD	31 December 2021 Audited USD
<b>Assets</b>			
Commodity Contracts	3	303,171,396	447,338,696
Amounts Receivable on Commodity Contracts Awaiting Settlement	3	6,039,055	326,512
Amounts Receivable on Currency-Hedged Commodity Securities Awaiting Settlement	4	536,229	796,585
Trade and Other Receivables		226,771	395,075
<b>Total Assets</b>		<b>309,973,451</b>	<b>448,856,868</b>
<b>Liabilities</b>			
Currency-Hedged Commodity Securities Amounts Payable on Currency-Hedged Commodity Securities Awaiting Settlement	4	306,140,270	443,924,407
Amounts Payable on Commodity Contracts Awaiting Settlement	3	536,229	796,585
Trade and Other Payables		226,768	395,072
<b>Total Liabilities</b>		<b>312,942,322</b>	<b>445,442,576</b>
<b>Equity</b>			
Stated Capital		3	3
Revaluation Reserve		(2,968,874)	3,414,289
<b>Total Equity</b>		<b>(2,968,871)</b>	<b>3,414,292</b>
<b>Total Equity and Liabilities</b>		<b>309,973,451</b>	<b>448,856,868</b>

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

The condensed interim financial statements on pages 4 to 14 were approved and authorised for issue by the board of directors and signed on its behalf on 31 August 2022.



**Christopher Foulds**  
Director

	Period Ended 30 June	
	2022 Unaudited USD	2021 Unaudited USD
<b>Loss for the Period</b>	<b>(6,383,163)</b>	<b>(335,886)</b>
<b>Non-cash Reconciling Items</b>		
Change in Contractual and Fair Value of Commodity Contracts	(1,245,268)	(53,342,318)
Change in Fair Value of Currency-Hedged Commodity Securities	7,628,431	53,678,204
Cash Generated from Operating Activities	-	-
<b>Net Movement in Cash and Cash Equivalents</b>	<b>-</b>	<b>-</b>
Cash and Cash Equivalents at the Beginning of the Period	-	-
Net Movement in Cash and Cash Equivalents	-	-
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>-</b>	<b>-</b>

Currency-Hedged Commodity Securities are issued through a direct transfer of cash from the Authorised Participants to the Commodity Contract Counterparties or redeemed by the direct transfer of cash by the Commodity Contract Counterparties to the Authorised Participants. As such the Company is not a party to any cash transactions. The creations and redemptions of Currency-Hedged Commodity Securities and creations and cancellations of Commodity Contracts, which are non-cash transactions for the Company, are disclosed in notes 4 and 3 respectively in the reconciliation of opening to closing Currency-Hedged Commodity Securities and Commodity Contracts.

The Company has entered into a service agreement with WisdomTree Management Jersey Limited (“ManJer” or the “Manager”), whereby ManJer is responsible for supplying or procuring the supply of all management and administration services required by the Company, (including marketing) as well as the payment of costs relating to the listing and issue of Currency-Hedged Commodity Securities. In return for these services, the Company has an obligation to remunerate ManJer with an amount equal to the aggregate of the management fee, licence allowance and the creation and redemption fees (the “ManJer Fee”). As a result, the management fee and licence allowance are transferred directly to ManJer by the Commodity Contract Counterparties under the terms of the Commodity Contracts and ManJer receives creation and redemption fees directly from the Authorised Participants. Accordingly, there are no cash flows through the Company.



	Stated Capital USD	Retained Earnings USD	Revaluation Reserve USD	Total Equity USD
Audited Opening Balance at 1 January 2021	3	-	238,302	238,305
Result and total Comprehensive Loss for the Period	-	(335,887)	-	(335,887)
Transfer to Revaluation Reserve	-	335,887	(335,887)	-
<b>Unaudited Balance at 30 June 2021</b>	<b>3</b>	<b>-</b>	<b>(97,585)</b>	<b>(97,582)</b>
Unaudited Opening Balance at 1 July 2021	3	-	(97,585)	(97,582)
Result and total Comprehensive Income for the Period	-	3,511,874	-	3,511,874
Transfer to Revaluation Reserve	-	(3,511,874)	3,511,874	-
<b>Audited Balance at 31 December 2021</b>	<b>3</b>	<b>-</b>	<b>3,414,289</b>	<b>3,414,292</b>
Audited Opening Balance at 1 January 2022	3	-	3,414,289	3,414,292
Result and total Comprehensive Loss for the Period	-	(6,383,163)	-	(6,383,163)
Transfer to Revaluation Reserve	-	6,383,163	(6,383,163)	-
<b>Unaudited Balance at 30 June 2022<sup>3</sup></b>	<b>3</b>	<b>-</b>	<b>(2,968,874)</b>	<b>(2,968,871)</b>

<sup>3</sup> A non-statutory and non-GAAP Condensed Statement of Changes in Equity reflecting adjustments representing the difference between the value of Commodity Contracts and the price of Currency-Hedged Commodity Securities is set out in note 8.

The notes on pages 8 to 14 form part of these condensed interim financial statements

## 1. Accounting Policies

The main accounting policies of the Company are described below.

### Basis of Preparation

The interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with IAS 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB. The interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2021. Except as described below under *Changes in Accounting Standards* the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2021. The changes in accounting policies are also expected to be reflected in the financial statements for the year ended 31 December 2022.

The presentation of interim financial statements in conformity with International Financial Reporting Standards (“IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key accounting judgement required to prepare these interim financial statements are in respect of the presentation of non-statutory and non-GAAP adjustments to the Condensed Statement of Profit or Loss and Other Comprehensive Income and the Condensed Statement of Changes in Equity, as disclosed in note 8.

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

### Changes in Accounting Standards

On 1 January 2022 the Company adopted all applicable annual improvements to IFRSs and have assessed that the adoption of these revised and amended accounting standards has not resulted in any changes to the accounting policies and disclosures within these financial statements.

## 2. Result Before Fair Value Movements

Result Before Fair Value Movements for the period comprised:

	Period Ended 30 June	
	2022	2021
	Unaudited	Unaudited
	USD	USD
Creation and Redemption Fees	104,861	103,536
Management Fees	819,398	914,854
Licence Allowance	83,612	93,352
<b>Total Income</b>	<b>1,007,871</b>	<b>1,111,742</b>
ManJer Fees	(1,007,871)	(1,111,742)
<b>Total Operating Expenses</b>	<b>(1,007,871)</b>	<b>(1,111,742)</b>
<b>Result Before Fair Value Movements</b>	<b>-</b>	<b>-</b>

**3. Commodity Contracts**

	Period Ended 30 June	
	2022 Unaudited USD	2021 Unaudited USD
Change in Contractual and Fair Value of Commodity Contracts	<b>1,245,268</b>	<b>53,315,004</b>

	As At	
	30 June 2022 Unaudited USD	31 December 2021 Audited USD
Commodity Contracts at Fair Value	<b>303,171,396</b>	<b>447,338,696</b>

As at 30 June 2022, there were certain Commodity Contracts awaiting settlement in respect of the creation or redemption of Currency-Hedged Commodity Securities with transaction dates before the period end and settlement dates in the following period:

- The amount payable on Commodity Contracts as a result of unsettled creations of Currency-Hedged Commodity Securities is USD 536,229 (31 December 2021: USD 796,585).
- The amount receivable on Commodity Contracts as a result of unsettled redemptions of Currency-Hedged Commodity Securities is USD 6,039,055 (31 December 2021: USD 326,512).

The below reconciliation of changes in the Commodity Contracts includes only non-cash changes.

	Period Ended 30 June	
	2022 Unaudited USD	2021 Unaudited USD
<b>Opening Commodity Contracts</b>	<b>447,338,696</b>	<b>383,281,929</b>
Additions	299,211,314	664,961,431
Disposals	(443,720,872)	(628,956,873)
Management Fee and Licence Allowance	(903,010)	(1,008,206)
Change in Fair Value	1,245,268	53,315,004
<b>Closing Commodity Contracts</b>	<b>303,171,396</b>	<b>471,593,285</b>

**4. Currency-Hedged Commodity Securities**

	Period Ended 30 June	
	2022 Unaudited USD	2021 Unaudited USD
Change in Fair Value of Currency-Hedged Commodity Securities	<b>(7,628,431)</b>	<b>(53,650,891)</b>

	As At	
	30 June 2022 Unaudited USD	31 December 2021 Audited USD
Currency-Hedged Commodity Securities at Fair Value	<b>306,140,270</b>	<b>443,924,407</b>

#### 4. Currency-Hedged Commodity Securities (continued)

The gain or loss on the difference between the value of the Commodity Contracts and the fair value of Currency-Hedged Commodity Securities would be reversed on a subsequent redemption of the Currency-Hedged Commodity Securities and cancellation of the corresponding Commodity Contracts. Refer to note 8 for the non-statutory and non-GAAP adjustments which reflect the results of this reversal.

As at 30 June 2022, there were certain Currency-Hedged Commodity Securities awaiting settlement in respect of creations or redemptions with transaction dates before the period end and settlement date in the following period:

- The amount payable as a result of unsettled redemptions of Currency-Hedged Commodity Securities is USD 6,039,055 (31 December 2021: USD 326,512).
- The amount receivable as a result of unsettled creations of Currency-Hedged Commodity Securities is USD 536,229 (31 December 2021: USD 796,585).

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

	Period Ended 30 June	
	2022	2021
	Unaudited USD	Unaudited USD
<b>Opening Currency-Hedged Commodity Securities</b>	<b>443,924,407</b>	<b>383,043,627</b>
Securities Created	299,211,314	664,961,431
Securities Redeemed	(443,720,872)	(628,956,873)
Management Fee and Licence Allowance	(903,010)	(1,008,206)
Change in Fair Value	7,628,431	53,650,891
<b>Closing Currency-Hedged Commodity Securities at Fair Value</b>	<b>306,140,270</b>	<b>471,690,870</b>

#### 5. Fair Value Hierarchy

The levels in the hierarchy are defined as follows:

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

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

The Company is required to utilise the available on-market price as the Currency-Hedged Commodity Securities are quoted and traded on the open market. Where the market on which the Currency-Hedged Commodity Securities prices are quoted is determined to be active at the relevant reporting date, the Currency-Hedged Commodity Securities are classified as level 1 financial liabilities. Where the market on which the Currency-Hedged Commodity Securities prices are quoted is determined to be inactive at the relevant reporting date, the Currency-Hedged Commodity Securities are classified as level 2 financial liabilities. The Company values the Level 2 Currency-Hedged Commodity Securities using the unadjusted market price available at each reporting date. This is considered to most appropriately reflect the price at which transactions would occur as at the reporting date.

**5. Fair Value Hierarchy (continued)**

The Company's rights in respect of Commodity Contracts relate to its contractual obligations to issue and redeem Currency-Hedged Commodity Securities at set prices on each trading day. These prices are based on an agreed formula (set out in the Prospectus) and are equal to the published NAVs of each class of Currency-Hedged Commodity Security. Therefore, Commodity Contracts are classified as level 2 financial assets, as the value is calculated using third party pricing sources supported by observable, verifiable inputs.

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

	As At	
	30 June 2022 Unaudited USD	31 December 2021 Audited USD
<b>Level 1</b>		
Currency-Hedged Commodity Securities	<b>(306,140,270)</b>	<b>(442,157,620)</b>
<b>Level 2</b>		
Currency-Hedged Commodity Securities	-	(1,766,787)
Commodity Contracts	303,171,396	447,338,696
	<b>303,171,396</b>	<b>445,571,909</b>

The Currency-Hedged Commodity Securities and the Commodity Contracts are recognised at fair value through profit or loss upon initial recognition and revalued to fair value in line with the Company's accounting policy. There are no assets or liabilities classified in level 3.

Transfers between levels would be recognised if there was a change in circumstances that prevented public information in respect of Level 1 inputs from being available. Any such transfers would be recognised on the date of the change in circumstances that cause the transfer. Transfers between levels may also be recognised if the primary market on which the Currency-Hedged Commodity Securities prices are quoted was determined to be inactive at the relevant reporting date. The Company considers both the last trade date and trading volumes during the 5 trading days leading up to each reporting date to determine if the market for a particular Currency-Hedged Commodity Security is active. Transfers as a result of the analysis of the activity levels of the market are identified and recognised at each reporting date.

As at 30 June 2022 Currency-Hedged Commodity Securities with a fair value of USD Nil were transferred from Level 1 to Level 2 (31 December 2021: USD 1,766,787). Currency-Hedged Commodity Securities with a fair value (at 1 January 2022) of USD 1,766,787 were transferred from Level 2 to Level 1 (2021: USD 3,227,775).

**6. Related Party Disclosures**

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

*Fees charged by ManJer during the period:*

	Period Ended 30 June	
	2022 Unaudited USD	2021 Unaudited USD
ManJer Fees	<b>1,007,871</b>	<b>1,111,742</b>

**6. Related Party Disclosures (continued)**

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

	As At	
	30 June 2022 Unaudited USD	31 December 2021 Audited USD
ManJer Fees	<u>226,768</u>	<u>395,072</u>

At 30 June 2022, USD 3 is receivable from ManJer (31 December 2021: USD 3).

As disclosed in the Directors' Report, ManJer paid directors' fees in respect of the Company of GBP 8,000 (30 June 2021: GBP 8,000).

Steven Ross is a director of R&H Fund Services (Jersey) Limited ("R&H" or the "Administrator") and a partner in Rawlinson & Hunter, Jersey Partnership, which wholly owns R&H. Christopher Foulds is a senior employee of R&H. During the period, R&H charged ManJer administration fees in respect of the Company of GBP 19,526 (30 June 2021: GBP 19,526), of which GBP 9,763 (31 December 2021: GBP 9,763) was outstanding at the period end.

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

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

There have been no significant events that have occurred since the end of the reporting period up to the date of signing the interim financial statements which would impact on the financial position of the Company disclosed in the Condensed Statement of Financial Position as at 30 June 2022 or on the results and cash flows of the Company for the period ended on that date.

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

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

These gains or losses on the difference between the value of the Commodity Contracts (held to support the Currency-Hedged Commodity Securities) and the price of Currency-Hedged Commodity Securities would be reversed on a subsequent redemption of the Currency-Hedged Commodity Securities and cancellation of the corresponding Commodity Contracts. Furthermore, each class of Currency-Hedged Commodity Security is issued under limited recourse arrangements whereby the holders have recourse only to the relevant Commodity Contracts (held to support the Currency-Hedged Commodity Securities) and not to the Commodity Contracts of any other class of Currency-Hedged Commodity Security or to the Company. As a result, the Company does not make gains from trading in the underlying Commodity Contracts (held to support the Currency-Hedged Commodity Securities) and, from a commercial perspective (with the exception of the impact of Management Fees and Licence Allowance) gains and losses in respect of Commodity Contracts (held to support the Currency-Hedged Commodity Securities) will always be offset by a corresponding loss or gain on the Currency-Hedged Commodity Securities and the Company does not retain any net gains or losses.

**8. Non-GAAP and Non-Statutory Information (continued)**

The mismatched accounting values are as shown below:

	<b>Period Ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>USD</b>	<b>USD</b>
Change in Contractual and Fair Value of Commodity Contracts	1,245,268	53,315,004
Change in Fair Value of Currency-Hedged Commodity Securities	(7,628,430)	(53,650,891)
	<b>(6,383,162)</b>	<b>(335,887)</b>

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

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

	<b>Period Ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>USD</b>	<b>USD</b>
Income	1,007,871	1,111,742
Expenses	(1,007,871)	(1,111,742)
<b>Result Before Fair Value Movements</b>	<b>-</b>	<b>-</b>
Change in Contractual and Fair Value of Commodity Contracts	1,245,268	53,315,004
Change in Fair Value of Currency-Hedged Commodity Securities	(7,628,431)	(53,650,891)
<b>Loss for the Period</b>	<b>(6,383,163)</b>	<b>(335,887)</b>
Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Currency-Hedged Commodity Securities	6,383,163	335,887
<b>Adjusted Result</b>	<b>-</b>	<b>-</b>

**8. Non-GAAP and Non-Statutory Information (continued)**

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

	Stated Capital USD	Retained Earnings USD	Revaluation Reserve <sup>4</sup> USD	Total Equity USD	Adjusted Total Equity USD
Audited Opening Balance at 1 January 2021	3	-	238,302	238,305	3
Result and Total Comprehensive Loss for the Period	-	(335,887)	-	(335,887)	(335,887)
Transfer to Revaluation Reserve	-	335,887	(335,887)	-	-
<sup>4</sup> Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Currency-Hedged Commodity Securities	-	-	-	-	335,887
<b>Unaudited Balance at 30 June 2021</b>	<b>3</b>	<b>-</b>	<b>(97,585)</b>	<b>(97,582)</b>	<b>3</b>
Unaudited Opening Balance at 1 July 2021	3	-	(97,585)	(97,582)	3
Result and Total Comprehensive Income for the Period	-	3,511,874	-	3,511,874	3,511,874
Transfer to Revaluation Reserve	-	(3,511,874)	3,511,874	-	-
<sup>4</sup> Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Currency-Hedged Commodity Securities	-	-	-	-	(3,511,874)
<b>Audited Balance at 31 December 2021</b>	<b>3</b>	<b>-</b>	<b>3,414,289</b>	<b>3,414,292</b>	<b>3</b>
Audited Opening Balance at 1 January 2022	3	-	3,414,289	3,414,292	3
Result and Total Comprehensive Loss for the Period	-	(6,383,163)	-	(6,383,163)	(6,383,163)
Transfer to Revaluation Reserve	-	6,383,163	(6,383,163)	-	-
Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Currency-Hedged Commodity Securities	-	-	-	-	6,383,163
<b>Unaudited Balance at 30 June 2022</b>	<b>3</b>	<b>-</b>	<b>(2,968,874)</b>	<b>(2,968,871)</b>	<b>3</b>

<sup>4</sup> This represents the difference between the value of the Commodity Contracts and the price of Currency-Hedged Commodity Securities.



