



WisdomTree Metal Securities Limited

Registered No: 95996

**Unaudited Condensed Interim Financial Report for the
Six Months to 30 June 2023**

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The directors of WisdomTree Metal Securities Limited (“MSL” or the “Company”), submit herewith the unaudited interim financial report and interim financial statements of the Company for the period ended 30 June 2023.

Directors

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

Stuart Bell (Resigned 24 May 2023)
 Christopher Foulds
 Bryan Governey (Appointed 24 May 2023)
 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

The most recent Prospectus was issued on 23 November 2022. As at 30 June 2023, the Company had the following classes of Metal Securities in issue and admitted to trading on the following exchanges:

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

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

Review of Operations (continued)

The fair value of assets under management amounted to:

	30 June 2023		31 December 2022	
	Troy Ounces	USD	Troy Ounces	USD
Platinum	423,831.419	380,176,780	447,216.011	476,285,076
Palladium	113,457.007	142,275,091	97,887.110	175,022,144
Gold	4,040,730.639	7,726,887,003	4,430,352.576	8,029,349,404
Silver	54,451,113.333	1,223,516,457	60,387,655.346	1,445,982,053
		9,472,855,331		10,126,638,677

The Company has entered into overdraft agreements with the custodians (one with JP Morgan Chase Bank, NA, and two with HSBC Bank plc). Each agreement allows for the loan of up to one bullion bar of gold (collectively the "Overdraft Facility"). The gold held under the Overdraft Facility (the "Metal Bullion on Loan") is used by the Company to ensure all WisdomTree Physical Swiss Gold Securities, WisdomTree Physical Gold Securities and WisdomTree Core Physical Gold Securities, respectively, are supported by holdings of gold in allocated form.

IFRS 13 requires the Company to identify the principal market for the Metal Securities and to utilise the available price within that principal market. The directors consider the stock exchanges where the Metal Securities are listed to be the principal market and as a result the fair value of the Metal Securities is the on-exchange price as quoted on the stock exchange demonstrating active trading with the highest trading volume on each day that the price is obtained.

As a result of the difference in valuation between Metal Bullion and Metal Securities there is a mis-match between the values recognised, and the results of the Company reflect a gain or loss on the difference between the value of the Metal Bullion (through the application of the price published by the LBMA against the Metal Entitlement, referred to within these financial statements as the "Contractual Value") and the price of Metal Securities.

The Company recognises its assets (Metal Bullion) and financial liabilities (Metal Securities) at fair value in the Statement of Financial Position. The gain or loss on Metal Securities and Metal Bullion is recognised through profit or loss in line with the Company's accounting policy. This is presented in more detail in notes 3 and 4 to these interim financial statements.

- A Management Fee which is calculated by reducing the Metal Entitlement of each class of Metal Security on a daily basis by an agreed amount (as set out below); and
- Creation and redemption fees on the issue and redemption of the Metal Securities.

The Management Fee rates for each class of Individual Metal Security are:

	<u>% Rate (p.a)</u>
• WisdomTree Physical Platinum	0.49
• WisdomTree Physical Palladium	0.49
• WisdomTree Physical Gold	0.39
• WisdomTree Physical Swiss Gold	0.15
• WisdomTree Core Physical Gold	0.12
• WisdomTree Physical Silver	0.49

The Management Fee for WisdomTree Physical Precious Metals Basket Security is the total of the Metal Entitlements of the Individual Metal Securities of which it is made up: Platinum – 0.1; Palladium – 0.2; Silver – 1.2; and Gold – 0.4 (therefore the Management Fee rate being applied is in respect of those Individual Metal Securities).

Review of Operations (continued)

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

	30 June 2023 USD	31 December 2022 USD
Creation and Redemption Fees	22,313	41,810
Management Fees	16,715,415	38,346,513
Total Fee Income	16,737,728	38,388,323

The change in Metal Entitlement of each class of Metal Security reduces the value of the Metal Securities. This reduction equates to the Management Fee amount in Metal Bullion, that is recognised for that day per each Metal Security in issue on that day. The Management Fees are accrued and recognised on a daily basis until invoiced and settled by transfer of the Metal Bullion. The amount recognised as income is calculated by applying the average LBMA Price to the total Management Fee accrued on a monthly basis.

Non-GAAP Performance Measures

Under the terms of the service agreement with WisdomTree Management (Jersey) Limited ("ManJer" or the "Manager"), the Company accrued expenses equal to the management fees and creation and redemption fees, which, after taking into account other operating income and expenses, resulted in a Result Before Fair Value Movements for the period of USD Nil (30 June 2022: USD Nil).

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

Ukraine Invasion

On 24 February 2022, Russia engaged in military actions in the sovereign territory of Ukraine (the "Crisis"). The Crisis has resulted in the implementation of sanctions and further actions by governments which, as well as the Crisis itself, have impacted financial and commodities markets. In response to sanctions imposed on Russia by the United Kingdom, United States and European Union, on 7 March 2022 the LBMA suspended six Russian refiners (the "Russian Refiners") from the Good Delivery List (the "Suspension"). As a result of the Suspension, Metal Bullion bars produced after 7 March 2022 by the Russian Refiners will not be considered Good Delivery unless and until the LBMA further amends its Good Delivery Rules. In line with the LBMA's Good Delivery Rules, Metal Bullion bars received from the Russian Refiners prior to 7 March 2022 still fall within the Good Delivery Rules and can be traded within the London Good Delivery system. Prior to the Suspension, the Company received silver and gold from six Russian Refineries; in line with the Good Delivery Rules, these bars meet the Good Delivery Rules and constitute Good Delivery.

The Company will only accept Metal Bullion bars which constitute Good Delivery and meet the Good Delivery Rules set by the LBMA. Therefore, as a result of the Suspension, the Company does not accept Metal Bullion bars that the Russian Refineries produced after 7 March 2022 (until there is an amendment to the Good Delivery Rules). This may impact the price and liquidity of existing and newly sourced Good Delivery Metal Bullion bars and hence may adversely affect the trading market and price for Metal Securities and may cause the value of Metal Securities to decline or increase in value.

On 8 March 2023 the Company entered into an agreement with the Trustee and the Custodian to enable the Custodian to remove the gold bars within the Company's custody accounts manufactured by Russian refiners and to replace them with bars that are not manufactured by Russian refiners. The exchange was completed on the same working day, with no impact on the total amount and value of gold held. As a result there are currently no gold bars held from Russian Refineries.

Review of Operations (continued)*Ukraine Invasion (continued)*

As the Crisis continues, the board of directors (the "Board") also continues to closely monitor and assess the impact on the Company's portfolio operations and valuation and will take any further actions needed or as required under the terms of the Prospectus, as facts and circumstances are subject to change and may be specific to investment strategies and jurisdictions. Whilst it is not currently possible to predict future market conditions and therefore determine if any further action may be required, the action that may be required includes, but is not limited to, temporarily not accepting applications for Metal Securities, temporarily suspending Metal Securities from trading on Stock Exchanges or a compulsory redemption of Metal Securities. The Company has not initiated any of these further actions to date (see Future Developments below for other actions taken). Any such action will be undertaken in accordance with the constitutive documents of the Metal Securities.

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, Inc group do not receive separate remuneration in their capacity as directors of the Company. The directors of the Company who are employees of R&H Fund Services (Jersey) Limited ("R&H" or the "Administrator") do not receive separate remuneration in their capacity as directors of the Company, however R&H receives a fee from ManJer which includes services in respect of the Company, including for the provision of directors who are employees of R&H.

Going Concern

The nature of the Company's business dictates that the outstanding Metal Securities may be redeemed at any time by Authorised Participants and in certain circumstances by individual holders and also, in certain circumstances, may be compulsorily redeemed by the Company. As the redemption of Metal Securities will always coincide with the transfer of an equal amount (in value) of Metal Bullion, liquidity risk is mitigated such that there is no material residual risk. All other expenses of the Company are met by ManJer. The directors closely monitor the financial position and performance of ManJer, its assets under management, and therefore its related revenue streams, in respect of fulfilling the obligations under the services agreement. The net reported position on balance sheet, including in instances where a deficit is reported, is not considered to impact the going concern position of the Company as this position results solely due to the unrealised gains or losses on Metal Bullion and Metal Securities due to the accounting measurement basis applied in accordance with IFRS. As Metal Bullion are held to support Metal Securities, any deficit or surplus reported on unrealised positions would be reversed on a subsequent redemption of the Metal Securities and the related cancellation of Metal Bullion. A reported deficit is not considered indicative of any issues relating to solvency of the Company and the directors are satisfied that any obligations arising in respect of the Metal Securities can be managed in accordance with the terms of the applicable Prospectus. The directors consider the operations of the Company to be ongoing, with a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of 12 months from the date of these interim financial statements, and accordingly these interim financial statements have been prepared on the going concern basis.

Directors Statement

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

- the interim financial statements for the period ended 30 June 2023 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

Director

24 August 2023

	Notes	Period Ended 30 June	
		2023 Unaudited USD	2022 Unaudited USD
Income	2	16,737,728	21,306,740
Expenses	2	(16,737,728)	(21,306,740)
Result Before Fair Value Movements		-	-
Change in Fair Value of Metal Bullion	3	232,067,306	(213,692,588)
Change in Fair Value of Metal Securities	4	(241,074,221)	253,640,831
(Loss)/Profit for the Period^{1, 2}		(9,006,915)	39,948,243

The directors consider the Company's activities as continuing.

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

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

The notes on pages 10 to 17 form part of these condensed interim financial statements

	Notes	As At	
		30 June 2023 Unaudited USD	31 December 2022 Audited USD
Assets			
Metal Bullion	3	9,472,855,330	10,126,638,677
Metal Bullion on Loan	5	1,266,558	1,067,510
Metal Bullion Held in Respect of Securities Awaiting Settlement	3	15,583,569	15,630,861
Amounts Receivable on Assets Awaiting Settlement	4	3,309,149	846,572
Metal Bullion Held in Respect of Fees		2,607,206	2,881,022
Trade and Other Receivables		53,035	40,408
Total Assets		9,495,674,847	10,147,105,050
Liabilities			
Metal Securities	4	9,513,869,675	10,158,646,104
Overdraft Facility	5	1,266,558	1,067,510
Amounts Payable on Assets Awaiting Settlement	4	15,583,569	15,630,861
Amounts Payable on Securities Awaiting Settlement	3	3,309,149	846,572
Trade and Other Payables		2,660,237	2,921,429
Total Liabilities		9,536,689,188	10,179,112,476
Equity			
Stated Capital		4	4
Revaluation Reserve		(41,014,345)	(32,007,430)
Total Equity		(41,014,341)	(32,007,426)
Total Equity and Liabilities		9,495,674,847	10,147,105,050

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 6 to 17 were approved and authorised for issue by the board of directors and signed on its behalf on 24 August 2023.



Christopher Foulds
Director

	Period Ended 30 June	
	2023 Unaudited USD	2022 Unaudited USD
(Loss)/Profit for the Year	(9,006,915)	39,948,243
Non-cash Reconciling Items		
Change in Fair Value of Metal Bullion	(232,067,306)	213,692,588
Change in Fair Value of Metal Securities	241,074,221	(253,640,831)
	-	-
Cash Generated from Operating Activities	-	-
Net Movement in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents at the Beginning of the Period	-	-
Net Movement in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents at the End of the Period	-	-

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

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

	Stated Capital USD	Retained Earnings USD	Revaluation Reserve USD	Total Equity USD
Audited Opening Balance at 1 January 2022	4	-	10,228,354	10,228,358
Result and Total Comprehensive Income for the Period	-	39,948,243	-	39,948,243
Transfer to Revaluation Reserve	-	(39,948,243)	39,948,243	-
Unaudited Balance at 30 June 2022	4	-	50,176,597	50,176,601
Unaudited Opening Balance at 1 July 2022	4	-	50,176,597	50,176,601
Result and Total Comprehensive Loss for the Period	-	(82,184,027)	-	(82,184,027)
Transfer to Revaluation Reserve	-	82,184,027	(82,184,027)	-
Audited Balance at 31 December 2022	4	-	(32,007,430)	(32,007,426)
Audited Opening Balance at 1 January 2023	4	-	(32,007,430)	(32,007,426)
Result and Total Comprehensive Loss for the Period	-	(9,006,915)	-	(9,006,915)
Transfer to Revaluation Reserve	-	9,006,915	(9,006,915)	-
Unaudited Balance at 30 June 2023	4	-	(41,014,345)	(41,014,341)

The notes on pages 10 to 17 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 2026 have been prepared in accordance with IAS 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB. The interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of physical metal bullion, financial assets and financial liabilities held at fair value through profit or loss.

The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2022. 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 2022. The changes in accounting policies are also expected to be reflected in the financial statements for the year ended 31 December 2023.

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

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key accounting judgements required to prepare these interim financial statements are:

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

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

Changes in Accounting Standards

On 1 January 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 interim financial statements.

2. Result Before Fair Value Movements

Result Before Fair Value Movements for the period comprised:

	Period Ended 30 June	
	2023 Unaudited USD	2022 Unaudited USD
Creation and Redemption Fees	22,313	23,707
Management Fees	16,715,415	21,283,033
Total Income	16,737,728	21,306,740
ManJer Fees	(16,737,728)	(21,306,740)
Total Operating Expenses	(16,737,728)	(21,306,740)
Result Before Fair Value Movements	-	-

3. Metal Bullion

	Period Ended 30 June	
	2023 Unaudited USD	2022 Unaudited USD
Change in Fair Value of Metal Bullion	232,067,306	(213,692,588)

	As At	
	30 June 2023 Unaudited USD	31 December 2022 Audited USD
Metal Bullion at Fair Value	9,472,855,330	10,126,638,677

As at 30 June 2023, there were certain amounts of Metal Bullion awaiting settlement in respect of the creation or redemption of Metal Securities with transaction dates before the period end and settlement dates in the following period:

- The amount of Metal Bullion payable on Metal Securities awaiting settlement is USD 3,309,149 (2022: USD 846,572).
- The amount of Metal Bullion Held of Assets awaiting settlement is USD 15,583,569 (2022: USD 15,630,861).

All Metal Bullion assets have been valued using the PM fix on 30 June 2023 published by the London Bullion Market Association (“LBMA”), being the last fix prices available at the period end.

4. Metal Securities (continued)

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

	Period Ended 30 June	
	2023 Unaudited USD	2022 Unaudited USD
Opening Metal Securities	10,158,646,104	12,648,717,954
Securities Created	635,977,075	2,061,414,623
Securities Redeemed	(1,505,112,310)	(2,890,145,500)
Management Fee	(16,715,415)	(21,283,033)
Change in Fair Value	241,074,221	(253,640,831)
Closing Metal Securities at Fair Value	9,513,869,675	11,545,063,213

5. Overdraft Facility

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

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

	As at 30 June 2023		As at 31 December 2022	
	Unaudited		Audited	
	Troy Ounces	USD	Troy Ounces	USD
Gold on Loan from JP Morgan	6.725	12,860	8.061	14,609
Gold on Loan from HSBC	655.614	1,253,698	580.959	1,052,901
		1,266,558		1,067,510

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

6. Fair Value Hierarchy

The levels in the hierarchy are defined as follows:

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

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

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

6. Fair Value Hierarchy (continued)

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

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

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

	As At	
	30 June 2023	31 December 2022
	Unaudited USD	Audited USD
Level 1		
Metal Securities	<u>(9,513,869,675)</u>	<u>(10,158,646,104)</u>
Level 2		
Overdraft Facility	(1,266,558)	(1,067,510)
Metal Bullion on Loan	1,266,558	1,067,510
Metal Bullion	<u>9,472,855,330</u>	<u>10,126,638,677</u>
	9,472,855,330	10,126,638,677

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

7. Related Party Disclosures

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

Fees charged by ManJer during the period:

	Period Ended 30 June	
	2023	2022
	Unaudited USD	Unaudited USD
ManJer Fees	<u>16,715,415</u>	<u>21,283,033</u>

7. Related Party Disclosures (continued)

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

	As At	
	30 June 2023 Unaudited USD	31 December 2022 Audited USD
ManJer Fees Payable	2,660,237	2,921,429

At 30 June 2023, USD 4 is receivable from ManJer (31 December 2022: USD 4).

As disclosed in the Directors' Report, ManJer paid fees to R&H Fund Services (Jersey) Limited ("R&H" or the "Administrator") for administration services, which includes the provision of Directors, however following the restructuring of the fee agreement effective from 1 July 2022, fees for those services are no longer separately identified following the restructuring of the fee agreement effective from 1 July 2022.

Steven Ross is a director of R&H Fund Services (Jersey) Limited ("R&H" or, the "Administrator") and a partner of Rawlinson & Hunter, Jersey Partnership, which wholly owns R&H. Christopher Foulds is a director of R&H. During the period, R&H charged ManJer administration fees, which include the Company and other entities for which ManJer is the Manager and R&H is the Administrator, in aggregate, of GBP 593,468 (31 December 2022: GBP 680,211), of which GBP 291,402 (31 December 2022: GBP 295,796) was outstanding at the period end.

Peter Ziembra and Stuart Bell are executive officers of WisdomTree, Inc. Bryan Governey is European General Counsel for the WisdomTree, Inc group.

8. Events Occurring After the Reporting Period

There have been no significant events that have occurred since the end of the reporting period up to the date of signing the Interim Financial Statements which would impact on the financial position of the Company disclosed in the Condensed Statement of Financial Position as at 30 June 2023 or on the results and cash flows of the Company for the period ended on that date.

9. Non-GAAP and Non-Statutory Information

As a result of the mis-match in the accounting valuation of Metal Bullion (held to support the Metal Securities) and Metal Securities (as disclosed in notes 3 and 4) the profits and losses and comprehensive income of the Company presented in the 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 Metal Bullion and the price of Metal Securities. The Condensed Statement of Changes in Equity also reflects the fair value movements on both the Metal Bullion (held to support the Metal Securities) and the Metal Securities.

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

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

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

The mismatched accounting values are as shown below:

	Period Ended 30 June	
	2023 Unaudited USD	2022 Unaudited USD
Change in Fair Value of Metal Bullion	232,067,306	(213,692,588)
Change in Fair Value of Metal Securities	(241,074,221)	253,640,831
	(9,006,915)	39,948,243

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

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

	Period Ended 30 June	
	2023 Unaudited USD	2022 Unaudited USD
Income	16,737,728	21,306,740
Expenses	(16,737,728)	(21,306,740)
Result Before Fair Value Movements	-	-
Change in Contractual and Fair Value of Metal Bullion	232,067,306	(213,692,588)
Change in Fair Value of Metal Securities	(241,074,221)	253,640,831
(Loss)/Profit for the Period	(9,006,915)	39,948,243
Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Metal Securities	9,006,915	(39,948,243)
Adjusted Result	-	-

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

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

	Stated Capital USD	Retained Earnings USD	Revaluation Reserve ³ USD	Total Equity USD	Adjusted Total Equity USD
Audited Opening Balance at 1 January 2022	4	-	10,228,354	10,228,358	4
Result and Total Comprehensive Income for the Period	-	39,948,243	-	39,948,243	39,948,243
Transfer to Revaluation Reserve	-	(39,948,243)	39,948,243	-	-
³ Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Metal Securities	-	-	-	-	(39,948,243)
Unaudited Balance at 30 June 2022	4	-	50,176,597	50,176,601	4
Unaudited Opening Balance at 1 July 2022	4	-	50,176,597	50,176,601	4
Result and Total Comprehensive Loss for the Period	-	(82,184,027)	-	(82,184,027)	(82,184,027)
Transfer to Revaluation Reserve	-	82,184,027	(82,184,027)	-	-
³ Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Metal Securities	-	-	-	-	82,184,027
Audited Balance at 31 December 2022	4	-	(32,007,430)	(32,007,426)	4
Audited Opening Balance at 1 January 2023	4	-	(32,007,430)	(32,007,426)	4
Result and Total Comprehensive Loss for the Period	-	(9,006,915)	-	(9,006,915)	(9,006,915)
Transfer to Revaluation Reserve	-	9,006,915	(9,006,915)	-	-
³ Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Metal Securities	-	-	-	-	9,006,915
Unaudited Balance at 30 June 2023	4	-	(41,014,345)	(41,014,341)	4

³ This represents the difference between the Value of Metal Bullion and the price of Metal Securities.

