

**SWISS COMMODITY SECURITIES LIMITED**

**Registered No: 111924**

**Unaudited Interim Financial Report for the  
Six Months to 30 June 2014**

# SWISS COMMODITY SECURITIES LIMITED

## CONTENTS

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Directors' Report	1-3
Statement of Directors' Responsibilities	4
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Cash Flows	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9-15

# SWISS COMMODITY SECURITIES LIMITED

## DIRECTORS' REPORT

The directors of Swiss Commodity Securities Limited ("SCSL" or the "Company") submit herewith the unaudited interim financial report and interim financial statements of the Company for the period ended 30 June 2014.

### Directors

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

Mr Graham J Tuckwell - Chairman

Mr Graeme D Ross

Mr Joseph L Roxburgh

Mr Craig A Stewart (resigned 21 June 2013)

Mr Mark K Weeks (appointed 21 June 2013)

### Directors' Interests

The following table sets out the only director's interest in Ordinary Shares as at the date of this report:

<u>Director</u>	<u>Ordinary Shares of Nil Par Value</u>
Graham J Tuckwell (as controlling party of ETF Securities Limited ("ETFSL"))	2

### Principal Activities

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

### Review of Operations

During the period, the Company had the following number of classes, in aggregate, of Swiss Franc Currency-Hedged Commodity Securities in issue and admitted to trading on the following exchanges:

<u>Security</u>	<u>Swiss Stock Exchange</u>
Classic Swiss Franc Currency-Hedged Commodity Securities	25
Longer Dated Swiss Franc Currency-Hedged Commodity Securities	3
Total Swiss Franc Currency-Hedged Commodity Securities	28

As at 30 June 2014, assets under management amounted to USD 23.3 million (31 December 2013: USD 21.3 million). The Company recognises its financial assets (Commodity Contracts) and financial liabilities (Swiss Franc Currency-Hedged Commodity Securities) at fair value in the Statement of Financial Position.

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

	<u>30 June 2014</u>	<u>30 June 2013</u>
	<u>USD</u>	<u>USD</u>
Creation and Redemption Fees	6,625	777
Management Fees and Licence Allowance	60,948	39,087
Total Fee Income	<u>67,573</u>	<u>39,864</u>

**Review of Operations (continued)**

Under the terms of the service agreement with ETF Management Company (Jersey) Limited ("ManJer"), the Company accrued expenses equal to the management fees and creation and redemption fees, which, after taking into account other operating income and expenses, resulted in an operating result for the period of USD Nil (30 June 2013: USD Nil).

The gain or loss on Swiss Franc Currency-Hedged Commodity Securities and Commodity Contracts is recognised in the Statement of Profit or Loss and Other Comprehensive Income in line with the Company's accounting policy.

IFRS 13 requires the Company to utilise the available market price for the Swiss Franc Currency-Hedged Commodity Securities as quoted on the open market in valuing the Swiss-Franc Currency-Hedged Commodity Securities at the reporting date.

The Company's rights in respect of Commodity Contracts relates to its contractual obligations to trade with certain counterparties 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 net asset value ("NAV") of each class of Swiss Franc Currency-Hedged Commodity Securities.

As a result of the difference in valuation methodology between Commodity Contracts and Swiss Franc Currency-Hedged Commodity Securities there is a mis-match between accounting values, and the results of the Company reflect a gain or loss on the difference between the agreed formula price of the Commodity Contracts and the market price of Swiss Franc Currency-Hedged Commodity Securities. This gain or loss would be reversed on a subsequent redemption of the Swiss Franc Currency-Hedged Commodity Securities and cancellation of the equivalent Commodity Contracts.

**Future Developments**

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

**Dividends**

There were no dividends declared or paid in the current period. It is the Company's policy that dividends will only be declared when the directors are of the opinion that there are sufficient distributable reserves.

**Employees**

The Company does not have any employees. It is the Company's policy to use the services of specialist subcontractors or consultants as far as possible.

**SWISS COMMODITY SECURITIES LIMITED**  
**DIRECTORS' REPORT (CONTINUED)**

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**Directors' Remuneration**

No director has a service contract with the Company and details of the directors' remuneration which has been paid by ManJer on behalf of the Company for the period is disclosed below. Mr Craig A Stewart resigned on 21 June 2013, but received his fee to 30 June 2013.

	<b>30 June 2014</b>	<b>30 June 2013</b>
	<b>GBP</b>	<b>GBP</b>
Mr Graham J Tuckwell	Nil	Nil
Mr Graeme D Ross	3,750	3,750
Mr Craig A Stewart	Nil	3,750
Mr Joseph L Roxburgh	Nil	Nil
Mr Mark K Weeks	Nil	Nil

On behalf of the directors



**Graeme D Ross**  
Director  
Jersey  
27 August 2014

**SWISS COMMODITY SECURITIES LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare interim financial statements for each financial period. Under that law the directors have elected to prepare the interim financial statements in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

International Accounting Standard 1 requires that financial statements present fairly for each financial period the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, the directors are also required to:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are 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.

By order of the Board



**Graeme D Ross**  
Director

27 August 2014

**SWISS COMMODITY SECURITIES LIMITED**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	Period ended 30 June 2014 Unaudited USD	Period from 27 November 2012 to 30 June 2013 Unaudited USD
<b>Revenue</b>	2	67,573	39,864
<b>Expenses</b>	2	(67,573)	(39,864)
<b>Operating Result</b>	2	<u>-</u>	<u>-</u>
Net Gain/(Loss) Arising on Contractual and Fair Value of Commodity Contracts	5	2,467,608	(2,653,821)
Net Loss/Gain Arising on Fair Value of Swiss Franc Currency-Hedged Commodity Securities	6	(2,372,880)	2,653,821
<b>Result and Total Comprehensive Income for the Period</b>		<u>94,727</u>	<u>-</u>
<sup>1</sup> Change in adjustment from Market Value to Contractual Formula Price (as set out in the Prospectus) of Swiss Franc Currency-Hedged Commodity Securities	1	(94,727)	-
<b>Adjusted Result and Total Comprehensive Income for the Period</b>		<u>-</u>	<u>-</u>

The directors consider the Company's activities as continuing.

<sup>1</sup> The definition of non-statutory adjustments is set out on page 9. This represents the movement in the difference between the agreed formula price of the Commodity Contracts and the market price of Swiss Franc Currency-Hedged Commodity Securities.

The notes on pages 9 to 16 form part of these financial statements

**SWISS COMMODITY SECURITIES LIMITED**  
**STATEMENT OF FINANCIAL POSITION**

	Note	As at 30 June 2014 Unaudited USD	As at 31 December 2013 Audited USD
<b>Current Assets</b>			
Trade and Other Receivables	4	16,702	13,880
Commodity Contracts	5	23,287,343	21,301,554
<b>Total Assets</b>		<u>23,304,045</u>	<u>21,315,434</u>
<b>Current Liabilities</b>			
Swiss Franc Currency-Hedged Commodity Securities	6	23,458,252	21,567,190
Trade and Other Payables	7	16,699	13,877
<b>Total Liabilities</b>		<u>23,474,951</u>	<u>21,581,067</u>
<b>Equity</b>			
Stated Capital	8	3	3
Revaluation Reserve	6	(170,909)	(265,636)
<b>Total Equity</b>		<u>(170,906)</u>	<u>(265,633)</u>
<b>Total Equity and Liabilities</b>		<u>23,304,045</u>	<u>21,315,434</u>

The financial statements on pages 5 to 16 were approved by the board of directors and signed on its behalf on 27 August 2014.

**Graeme D Ross**  
 Director

The notes on pages 9 to 16 form part of these financial statements



**SWISS COMMODITY SECURITIES LIMITED**  
**STATEMENT OF CASH FLOWS**

	<b>Period ended 30 June 2014 Unaudited USD</b>	<b>Period from 27 November 2012 to 30 June 2013 Unaudited USD</b>
<b>Operating Result for the Period</b>	-	-
<i>Changes in Operating Assets and Liabilities</i>		
Increase in Receivables	(2,822)	(9,771)
Increase in Payables	2,822	9,768
Cash Used in Operations	-	(3)
<i>Cash Flows from Financing Activities</i>		
Proceeds from issue of shares	-	3
Cash Generated from Financing Activities	-	3
<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	-	-
Cash and Cash Equivalents at the End of the Period	-	-

Swiss Franc Currency-Hedged Commodity Securities are issued or redeemed by receipt/transfer of Commodity Contracts and have been netted off in the Statement of Cash Flows.

**SWISS COMMODITY SECURITIES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**

	Note	Stated Capital USD	Retained Earnings USD	Revaluation Reserve <sup>2</sup> USD	Total Equity USD	Adjusted Total Equity USD
Shares issued for the Period from 27 November 2013 to 30 June 2013		3	-	-	3	3
Total Comprehensive Income for the Period		-	-	-	-	-
Unaudited Balance at 30 June 2013		3	-	-	3	3
Audited Opening Balance at 1 January 2014		3	-	(265,636)	(265,633)	3
Result and Total Comprehensive Income for the Period		-	94,727	-	94,727	94,727
Transfer to Revaluation Reserve		-	(94,727)	94,727	-	-
<sup>3</sup> Change in adjustment from Market Value to Contractual Formula Price (as set out in the Prospectus) of Swiss Franc Currency- Hedged Commodity Securities		-	-	-	-	(95,851)
Unaudited Balance at 30 June 2014		3	-	(170,909)	(170,906)	3

<sup>2</sup> This represents the difference between the agreed formula price of the Commodity Contracts and the market price of Swiss Franc Currency-Hedged Commodity Securities.  
<sup>3</sup> The definition of non-statutory adjustments is set out on page 9.

The notes on pages 9 to 16 form part of these 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 2014 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 and should be read in conjunction with the annual financial statements for the period ended 31 December 2013.

The accounting policies adopted are consistent with those of the annual financial statements for the period ended 31 December 2013. 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 as at 31 December 2013.

The presentation of interim financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial period. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The only key accounting judgement required to prepare these financial statements is in respect of the valuation of Commodity Contracts and Swiss Franc Currency-Hedged Commodity Securities held at fair value through the profit or loss as disclosed in notes 5 and 6. Actual results could vary from these estimates.

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

**Accounting Standards**

(a) *Standards, amendments and interpretations effective on 1 January 2014 but not relevant to the Company:*

- Amendments to IFRS 10 Consolidated Financial Statements - Investment Entities
- Amendments to IFRS 12 Disclosure of Interests in Other Entities - Investment Entities
- Amendments to IAS 27 Separate Financial Statements - Investment Entities
- Amendments to IAS 36 Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to IAS 32 Financial Instruments: Presentation
- IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
- IFRIC 21 Levies

(b) *Standards, amendments and interpretations that are in issue but not yet effective:*

- IFRS 9 Financial Instruments (as amended in 2009)
- IFRS 9 Financial Instruments (as amended in 2010)
- IFRS 9 Financial Instruments (as amended in 2013) (hedge accounting and amendments to IFRS 9, IFRS 7 and IAS 39)
- Amendments to IFRS 11 Joint Arrangements - accounting for acquisitions of an interest in a joint operation (effective for annual periods beginning on or after 1 January 2016)
- IFRS 14 Regulatory Deferral Accounts (effective for annual periods beginning on or after 1 January 2016)
- IFRS 15 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2017)
- Amendments to IAS 16 Property, Plant and Equipment - clarification of acceptable methods of depreciation and amortisation and bringing bearer plants within scope (effective for annual periods beginning on or after 1 January 2016)

**1. Accounting Policies (continued)**

**Accounting Standards (continued)**

(b) *Standards, amendments and interpretations that are in issue but not yet effective (continued):*

- IAS 19 Employee Benefits - Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1 July 2014)
- Amendments to IAS 38 Intangible Assets - clarification of acceptable methods of depreciation and amortisation (effective for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 41 Agriculture - bringing bearer plants into the scope of IAS 16 (effective for annual periods beginning on or after 1 January 2016)
- Annual Improvements to IFRS (effective for annual periods beginning on or after 1 July 2014)

The directors anticipate that the adoption of these standards in future periods will have no material financial impact; however the amendments may change the presentation of the financial statements. The directors have considered other new and revised standards and concluded that they would not have a material impact on the future financial periods when they become available.

**Swiss Franc Currency-Hedged Commodity Securities and Commodity Contracts**

i) Issuance and Redemption

The Company has entered into a facility agreement with UBS and Merrill Lynch to permit the Company to purchase and redeem Commodity Contracts at prices equivalent to Swiss Franc Currency-Hedged Commodity Securities issued or redeemed on the same day. Each time a Swiss Franc Currency-Hedged Commodity Security is issued or redeemed by the Company a matching number and value of Commodity Contracts are purchased or redeemed from UBS or Merrill Lynch. The Commodity Contracts represent financial assets of the Company and the Swiss Franc Currency-Hedged Commodity Securities give rise to financial liabilities.

Financial assets and liabilities are recognised and de-recognised on the trade date.

When Commodity Contracts are redeemed from UBS and Merrill Lynch they are redeemed from the earliest Commodity Contract issued and then the next earliest contract until the redemption has been satisfied. This method is known as first in first out ("FIFO").

ii) Pricing

The Commodity Contracts are priced using the product of currency-hedged commodity indices published by Chicago Mercantile Exchange Inc ("CME") and a multiplier calculated by the Company and agreed with UBS and Merrill Lynch. The multiplier takes into account the daily accrual of the management fee and licence allowance as well as the incremental capital enhancement component of the Swiss Franc Currency-Hedged Commodity Security, and is the same across all securities within the same class (i.e. all Classic Swiss Franc Currency-Hedged Commodity Securities use the same multiplier).

The Swiss Franc Currency-Hedged Commodity Securities are priced using the market price on the statement of financial position date taken just before the final close of the market.

The pricing of the Swiss Franc Currency-Hedged Commodity Securities using the market price under IFRS 13 which requires the Company to utilise the available market price as the Swiss Franc Currency-Hedged Commodity Securities are quoted on the open market. Consequently differences arising in the pricing of Swiss Franc Currency-Hedged Commodity Securities are included in the statement of financial position in order to fair value the liability. The cumulative differences between the actual settlement value of the Swiss Franc Currency-Hedged Commodity Securities and the fair value as determined using market prices are presented in the statement of profit or loss and other comprehensive income as a non-statutory movement entitled 'Change in adjustment from Market Value to Contractual Formula Price (as set out in the prospectus) of Swiss Franc Currency-Hedged Commodity Securities'.

1. Accounting Policies (continued)

Swiss Franc Currency-Hedged Commodity Securities and Commodity Contracts (continued)

iii) Designation at fair value through Profit or Loss

Each Swiss Franc Currency-Hedged Commodity Security and Commodity Contract comprises a financial instrument whose redemption price is linked directly to the price of the underlying Commodity on a one-to-one basis.

Going Concern

The nature of the Company's business dictates that the outstanding Swiss Franc Currency-Hedged Commodity Securities may be redeemed at any time by the holder and in certain circumstances may be redeemed by the Company. As the redemption of Swiss Franc Currency-Hedged Commodity Securities will coincide with the redemption of an equal amount of Commodity Contracts, no liquidity risk is considered to arise. All other liabilities of the Company are met by ManJer; therefore the directors consider the Company to be a going concern for the foreseeable future and have prepared the interim financial statements on this basis.

Segmental Reporting

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products and services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company has not provided segmental information as the Company has only one business or product group, classic and longer dated securities, and one geographical segment which is Switzerland and Europe. All information relevant to the understanding of the Company's activities is included in these financial statements.

2. Operating Result

Operating result for the period comprised:

	Period ended 30 June 2014 Unaudited USD	Period from 27 November 2012 to 30 June 2013 Unaudited USD
Management Fees	55,305	35,468
Licence Allowance	5,643	3,619
Creation and Redemption Fees	6,625	777
<b>Total Revenue</b>	<b>67,573</b>	<b>39,864</b>
Management Fees to ManJer	(67,573)	(39,864)
<b>Total Operating Expenses</b>	<b>(67,573)</b>	<b>(39,864)</b>
<b>Operating Result</b>	<b>-</b>	<b>-</b>

**SWISS COMMODITY SECURITIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**3. Taxation**

The Company is subject to Jersey Income Tax at the rate of 0%.

**4. Trade and Other Receivables**

	As at 30 June 2014 Unaudited USD	As at 31 December 2013 Audited USD
Amounts Receivable on Stated Capital	3	3
Creation and Redemption Fees	6,839	4,141
Management Fees and Licence Allowance	9,860	9,736
	<u>16,702</u>	<u>13,880</u>

**5. Commodity Contracts**

	Change in Fair Value at 31 December 2013 Audited USD	Fair Value at 31 December 2013 Audited USD
Classic Commodity Contracts	(1,527,685)	17,611,999
Longer Dated Commodity Contracts	(73,663)	3,689,555
Total Commodity Contracts	<u>(1,601,348)</u>	<u>21,301,554</u>

	Change in Fair Value at 30 June 2014 Unaudited USD	Fair Value at 30 June 2014 Unaudited USD
Classic Commodity Contracts	2,260,460	21,087,173
Longer Dated Commodity Contracts	207,148	2,200,170
Total Commodity Contracts	<u>2,467,608</u>	<u>23,287,343</u>

**6. Swiss Franc Currency-Hedged Commodity Securities**

Whilst the Swiss Franc Currency-Hedged Securities are quoted on the open market, the Company's liability relates to its contractual obligations to trade with certain counterparties at set prices on each trading day. These prices are based on an agreed formula, and are equal to the published NAVs of each class of Swiss Franc Currency-Hedged Security. Therefore, the actual contractual issue and redemption of Swiss Franc Currency-Hedged Securities occur at a price that fully match gains or losses on the Commodity Contracts. As a result the Company has no net exposure to gains or losses on the Swiss Franc Currency-Hedged Securities and Commodity Contracts.

Through the adoption of IFRS 13, the Company needs to measure the Swiss Franc Currency-Hedged Securities at their transferable value rather than their settlement value. The transferable value is deemed to be the prices quoted on stock exchanges or other markets where the Swiss Franc Currency-Hedged Securities are listed or traded. However Commodity Contracts continue to be valued based on the agreed formula (which is equal to the published NAVs of each class of Swiss Franc Currency-Hedged Security). The market price of Swiss Franc Currency-Hedged Securities is a function of supply and demand amongst investors wishing to buy and sell Swiss Franc Currency-Hedged Securities and the bid-offer spread that the market makers are willing to quote.

**6. Swiss Franc Currency-Hedged Commodity Securities (continued)**

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

	<b>Change in Fair Value at 31 December 2013 Audited USD</b>	<b>Market Fair Value at 31 December 2013 Audited USD</b>
Classic Swiss Franc Currency-Hedged Commodity Securities	1,311,131	17,828,553
Longer Dated Swiss Franc Currency-Hedged Commodity Securities	24,581	3,738,638
<b>Total Swiss Franc Currency-Hedged Commodity Securities</b>	<b>1,335,712</b>	<b>21,567,190</b>

	<b>Change in Fair Value at 30 June 2014 Unaudited USD</b>	<b>Fair Value at 30 June 2014 Unaudited USD</b>
Classic Swiss Franc Currency-Hedged Commodity Securities	(2,198,037)	21,239,988
Longer Dated Swiss Franc Currency-Hedged Commodity Securities	(174,843)	2,217,140
<b>Total Swiss Franc Currency-Hedged Commodity Securities</b>	<b>(2,372,880)</b>	<b>23,458,252</b>

The contractual redemption values and adjustment thereof during the period based on the contractual settlement values are:

	<b>Change in Contractual Redemption Value at 31 December 2013 Audited USD</b>	<b>Contractual Redemption Value at 31 December 2013 Audited USD</b>
Classic Swiss Franc Currency-Hedged Commodity Securities	1,527,685	17,611,999
Longer Dated Swiss Franc Currency-Hedged Commodity Securities	73,663	3,689,555
<b>Total Swiss Franc Currency-Hedged Commodity Securities</b>	<b>1,601,348</b>	<b>21,301,554</b>

	<b>Change in Contractual Redemption Value at 30 June 2014 Unaudited USD</b>	<b>Contractual Redemption Value at 30 June 2014 Unaudited USD</b>
Classic Swiss Franc Currency-Hedged Commodity Securities	(2,260,460)	21,087,173
Longer Dated Swiss Franc Currency-Hedged Commodity Securities	(207,148)	2,200,170
<b>Total Swiss Franc Currency-Hedged Commodity Securities</b>	<b>(3,520,081)</b>	<b>23,287,343</b>

**6. Swiss Franc Currency-Hedged Commodity Securities (continued)**

The gain or loss on the difference between the agreed formula price of the Commodity Contracts and the market price of Swiss Franc Currency-Hedged Securities would be reversed on a subsequent redemption of the Swiss Franc Currency-Hedged Securities and cancellation of the equivalent Commodity Contracts. This gain or loss has been transferred to a Revaluation Reserve which is non-distributable.

The overall impact is that through the mis-matched accounting values, the results of the Company reflect a gain or loss on the movement in the difference between the agreed formula price of the Commodity Contracts and the market price of Swiss Franc Currency-Hedged Securities. The mismatched accounting values are as shown below and represent the non-statutory adjustment presented on the statement of profit or loss and other comprehensive income:

	<b>Period Ended 30 June 2014</b>	<b>Period Ended 31 December 2013</b>
	<b>Unaudited USD</b>	<b>Audited USD</b>
Net Gain/(Loss) Arising on Contractual and Fair Value of Commodity Contracts	2,467,608	(1,601,348)
Net Loss/(Gain) Arising on Contractual Redemption Value of Currency-Hedged Commodity Securities	(2,372,880)	1,335,712
	<u>(94,727)</u>	<u>(265,636)</u>

**7. Trade and Other Payables**

	<b>As at 30 June 2014</b>	<b>As at 31 December 2013</b>
	<b>Unaudited USD</b>	<b>Audited USD</b>
Management Fees Payable to ManJer	<u>16,699</u>	<u>13,877</u>

**8. Stated Capital**

	<b>As at 30 June 2014</b>	<b>As at 31 December 2013</b>
	<b>Unaudited USD</b>	<b>Audited USD</b>
2 Shares of Nil Par Value, Issued at GBP 1 Each	<u>3</u>	<u>3</u>

The Company can issue an unlimited capital of nil par value shares.

All shares issued by the Company carry one vote per share without restriction and carry the right to dividends. All shares are held by ETFs Holdings (Jersey) Limited ("HoldCo").



**9. Related Party Disclosures**

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

*Management Fees paid to ManJer during the period:*

	<b>Period Ended 30 June 2014</b>	<b>Period Ended 31 December 2013</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>USD</b>	<b>USD</b>
Management Fees	67,573	101,232

*The following balance was due to ManJer at the period end:*

	<b>As at 30 June 2014</b>	<b>As at 31 December 2013</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>USD</b>	<b>USD</b>
Management Fees Payable	16,699	13,877

At 30 June 2014, AUD 3 is receivable from HoldCo.

As disclosed in the Directors' Report, ManJer paid directors' fees in respect of the Company of GBP 3,750 (30 June 2013: GBP 7,500).

Graeme D Ross and Craig A Stewart are directors of R&H Fund Services (Jersey) Limited ("R&H"), the administrator. During the period, R&H charged ManJer secretarial and administration fees in respect of the Company of GBP 14,500 (30 June 2013: GBP 20,750), of which GBP 7,250 (30 June 2013: GBP 10,375) was outstanding at the period end. Mr Craig A Stewart resigned on 21 June 2013, but received his fee to 30 June 2013.

Craig A Stewart was appointed as director of ManJer on 18 July 2013.

Graham J Tuckwell is also a director of ETFSL, ManJer and HoldCo.

**10. Ultimate Controlling Party**

The immediate parent company is HoldCo, a Jersey registered company. The ultimate controlling party is Graham J Tuckwell through his shareholding in ETFSL. ETFSL is the parent company of HoldCo.