

ETFS COMMODITY SECURITIES LIMITED

Registered No: 90959

**Unaudited Interim Financial Report for the
Six Months to 30 June 2009**

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ETFs COMMODITY SECURITIES LIMITED

DIRECTORS' REPORT

The directors of ETFs Commodity Securities Limited ("CSL"/the Company), submit herewith the Unaudited interim financial report and interim financial statements of the Company for the financial period ended 30 June 2009.

Directors

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

Mr Graham John Tuckwell — Chairman (appointed 19 January 2006)

Mr Tuckwell is a founder and the chairman of Gold Bullion Securities Limited (Jersey) and Gold Bullion Securities Limited (Australia), which companies obtained the world's first listings of a commodity on a stock exchange. Gold Bullion Securities are traded on the London Stock Exchange (code: GBS) and on the Australian Stock Exchange (code: GOLD). Mr Tuckwell was also the founder and managing director of Investor Resources Limited, a boutique corporate advisory firm established more than eight years ago, which specialises in providing financial, technical and strategic advice to the resources industry. Mr Tuckwell no longer has any association with this Company. He has more than 20 years of corporate and investment banking experience. Prior to establishing Gold Bullion Securities Limited and Investor Resources Limited, Mr Tuckwell was Head of Mining Asia/Pacific at Salomon Brothers, Group Executive Director at Normandy Mining responsible for Strategy and Acquisitions and Head of Mergers and Acquisitions at Credit Suisse First Boston in Australia. He holds a Bachelor of Economics (Honours) and a Bachelor of Laws degree from the Australian National University.

Graeme Ross — Non-Executive Director (appointed 19 January 2006)

Mr Ross graduated from Abertay University Dundee in 1980 and joined Arthur Young McClelland Moores in Perth, Scotland. He qualified as a chartered accountant in 1984 and joined KPMG Peat Marwick's practice in Jersey shortly afterwards. Graeme joined the Jersey practice of Rawlinson & Hunter, in 1986 as a manager in the fund administration division. In 1994 he was admitted to the Jersey partnership. Graeme has been the managing director of R&H Fund Services (Jersey) Limited since 1996 and has in-depth knowledge and experience of the fund management industry and in particular retail funds. He has worked in the offshore fund management industry for over 20 years and also served as a committee member of the Jersey Fund Managers Association for three years. Graeme is also a director of Computershare Investor Services (Channel Islands) Limited and one of his roles is to maintain the day to day operations of Gold Bullion Securities Limited (Jersey), ETFs Oil Securities Limited and ETFs Metal Securities Limited, of which he is a non-executive director.

Craig Stewart — Non-Executive Director (appointed 1 February 2005)

Mr Stewart graduated from Edinburgh University in 1987 with a degree in Politics and worked in commercial roles for two blue chip companies headquartered in London. In 1993, he joined Arthur Andersen's Audit and Business Advisory practice in Jersey and qualified as a chartered accountant in 1997. He has specialised in the investment fund sector and been particularly involved with retail, institutional and private equity funds. In 1997, he was promoted to manager with sole responsibility for Andersen's asset management clients in European offshore jurisdictions. He was also the manager on a significant number of consulting assignments including controls reviews, operational reviews, due diligence projects, benchmarking studies and forensic investigations. In April 2000, he joined Rawlinson & Hunter's fund administration division and in January 2001 he was promoted to Director of R&H Fund Services (Jersey) Limited. In 2003 he was admitted to the Jersey Partnership of Rawlinson and Hunter. Craig is also a director of Computershare Investor Services (Channel Islands) Limited and a non-executive director of Gold Bullion Securities Limited (Jersey), ETFs Oil Securities Limited and ETFs Metal Securities Limited.

ETFs COMMODITY SECURITIES LIMITED

DIRECTORS' REPORT - CONTINUED

Directors - continued

Greg Burgess – Non-Executive Director (appointed 2 June 2009)

Mr Burgess is a qualified accountant and is the Chief Financial Officer of the ETF Securities group of companies. He is responsible for all financial, administrative and company secretarial activities within the group, which includes a number of companies whose securities are listed on the London Stock Exchange and other exchanges throughout Europe. He was previously finance director of Investor Resources Limited and Chief Financial Officer of Wizard Information Services. He has held senior positions within the Australian Department of Finance and been internal auditor at Normandy Mining Limited. He holds a Bachelor of Arts (Accountancy) for the University of Canberra and is a Fellow of CPA Australia.

Principal Activities

ETFs Commodity Securities Limited (the "Company") has established a programme under which Micro and Commodity Securities may be issued from time to time. On 15 September 2007 the Directors approved the issuance of new types of ETFs Commodity Securities, namely Forward Individual Securities, Forward Index Securities together with the corresponding Forward Micro Securities. All transaction documents relating to the new issuance were tabled and approved at the meeting. Consent was requested and given by the Jersey regulator with regard to the issuance of the new securities. During the course of the year all new classes of Forward Securities were issued with the exception of the Precious Metal Forward Security. The existing classes of Individual Security, Index Security and Micro Security are referred to as the "Classic Securities". The terms of the Classic Securities are largely unaltered.

On 24 January 2008 the Directors' approved the issuance of up to USD 1,000,000,000 ETFs Short and Leveraged Commodity Securities comprising 66 different classes of debt security, being 33 classes of Short Commodity Securities and 33 classes of Leveraged Commodity Securities. There are 23 classes of Short Individual Securities, 10 classes of Short Indexed Securities, 23 classes of Leveraged Individual Securities and 10 Classes of Leveraged Index Securities. All transaction documents relating to the new issuance were tabled and approved at the meeting. Consent was requested and given by the Jersey regulator with regard to the issuance of the new securities. During the course of the year all new classes of Short and Leveraged Securities were issued. The Short and Leveraged Commodity Securities are listed on the London Stock Exchange. No application has been or is currently being made to have the Short and Leveraged Securities listed or traded on any exchange or market outside the UK. The Issuer may cause such application to be made in respect of any or all classes thereof on any such exchanges or markets at its discretion.

On 11 September 2008 the Director's approved the issue of four new types of ETFs Classic Commodity Securities namely ETFs Cocoa, ETFs Lead, ETFs Platinum and ETFs Tin Classic Individual Securities. Micro Securities corresponding to the New Securities would also be introduced as part of the update. It was agreed that an application would be made for admission of the New Securities to the Official List of the UK Listing Authority and for admission to trading on the London Stock Exchange. It was proposed at the meeting that the programme limit would increase to allow for the issue of up to USD6,000,000,000 Commodity Securities.

Commodity Securities have been designed to enable investors to gain exposure to a total return (as explained below) from an investment in individual commodities (through Individual Securities) or baskets of commodities (through Index Securities), similar to the returns which could be achieved from a fully-paid/collateralised investment in futures contracts. However, no trading or management of futures contracts is required of the Company, as it will purchase matching Commodity Contracts from AIG Financial Products Corp. ("AIG-FP") or, in certain circumstances, any other Commodity Contract Counterparty. Any type of Investor can buy and sell Commodity Securities through the trading of the securities listed on the London SE, Borsa Italiana, Euronext Amsterdam, Frankfurt SE and Euronext Paris.

ETFs COMMODITY SECURITIES LIMITED

DIRECTORS' REPORT - CONTINUED

Dow Jones – AIG Commodity Indices and Sub-Indices

Short and Leveraged Securities

The Commodity Indices are constructed and published pursuant to a joint arrangement between AIG-FP, a wholly owned subsidiary of American International Group Inc. ("AIG") and Dow Jones. The methodology used to calculate these indices is set out in the DJ-AIGCI Handbook.

Each Individual Commodity Index tracks a designated futures contract and each is designed to reflect two components:

- changes in the current market price (or "spot" price) of the commodity determined from Settlement Prices on a future exchange which trades that commodity. A rise in the spot price of a commodity will be negative value for Short Commodity Securities and positive for Leveraged Commodity Securities. Conversely, a fall in the spot price of a commodity will be positive value for Short Commodity Securities and negative for Leveraged Commodity Securities; and

Dow Jones – AIG Commodity Indices and Sub-Indices continued

- the effect of backwardation or contango in that futures market when rolling contracts. If the market is in backwardation, the index may tend to rise over time as lower futures prices converge to higher spot prices; if in contango the index may tend to fall over time, as higher future prices converge to lower spot prices. The effect of backwardation will tend to be negative for Short Commodity Securities and positive Leveraged Commodity Securities. Conversely, the effect of contango will tend to be positive for Short Commodity Securities and negative for Leveraged Commodity Securities.

Dow Jones publishes indices of all the commodities included in the Dow Jones – AIG Commodity Index ("DJ-AIGCI"), including the DJ-AIGCI and a number of sub-indices thereof, and commencing in March 2008 will publish Individual Commodity Indices in respect of Cocoa, Lead, Platinum and Tin. The DJ-AIGCI and sub-indices are constructed using the same inputs as the relevant Individual Commodity Indices. The weighting to be given to each commodity in the DJ-AIGCI is determined and adjusted annually and the weightings for the sub-indices are adjusted accordingly.

The Issuer may, with AIG-FP's agreement, use different commodity indices to Price the Short or Leveraged Commodity Securities.

Calculation of Prices

The Price for each class of Short and Leveraged Commodity Security applies to both issues and redemptions of Short and Leveraged Commodity Securities – there is no spread between the issue and redemption price.

The price of each Short or Leveraged Commodity Security is calculated by reference to a formula designed to reflect the daily change in the level of the relevant Commodity Index multiplied by the Leverage Factor (which is –1 for Short Commodity Securities and +2 for Leveraged Commodity Securities) such that the Price (before fees and adjustments and in the absence of Market Disruption Events) of a class of Short or Leveraged Commodity Securities will increase or decrease daily by the Leverage Factor multiplied by the daily percentage change in the relevant Commodity Index.

The price for each class of Short and Leveraged Commodity Security will, in the absence of a Market Disruption Event, be calculated as at the end of each Pricing Day and posted on the Issuer's Web site at <http://www.etfsecurities.com/csl>.

In the case of an extreme fall in the Price of a Short or Leveraged Commodity Security, the relevant Short or Leveraged Commodity Security could be Compulsorily Redeemed if (i) the Intra-day Price falls to or below zero or (ii) the Price of a Short or Leveraged Commodity Security falls below 2.5 times the Principal Amount and the Issuer had not obtained the sanction of Security Holders of the relevant class to reduce the Principal Amount by Extraordinary Resolution.

ETF COMMODITY SECURITIES LIMITED

DIRECTORS' REPORT - CONTINUED

Commodity Contracts

Short and Leveraged Commodity Securities will be backed by Commodity Contracts with terms corresponding to the terms of Short and Leveraged Commodity Securities. Each time Short and Leveraged Commodity Securities are issued or redeemed, matching Commodity Contracts between the Issuer and a Commodity Contract Counterparty will be created or terminated by the Issuer.

The Issuer has entered into a Facility Agreement with AIG-FP enabling the Issuer to create and terminate Commodity Contracts on a continuous basis. The Facility Agreement has a minimum term of five and a half years (from February 2008), which may be extended.

Review of Operations

During the period, the Company generated Creation and Redemption fees connected with the issue of and redemption of Commodity Securities. Income from these sources amounted to USD144,407 (30 June 2008: USD562,403). In addition, the Company received from AIG Financial Products Corp ("AIG - FP") a Management Fee calculated at 0.49% per annum and a License Allowance calculated at 0.05% per annum, based on the total daily value of Commodity Contracts outstanding. Income from this source amounted to USD6,513,778 (30 June 2008: USD7,533,140). The Company also received additional income from AIG of USD298,958 (30 June 2008: USDnil) in respect of the surplus spread between Fed Funds Effective and 3 month T Bills as stated in the supplemental funding rate agreement, giving a total trading income of USD6,957,143 (30 June 2008 USD8,095,543) for the period.

The operating costs of the Company over the same period amounted to USD6,812,737 (30 June 2008: USD7,533,140). These comprised paying to ETFSL a Management fee of 0.49% per annum and the License Allowance of 0.05% per annum, based on the total daily value of Commodity Securities outstanding (equal to the value of Commodity Contracts outstanding).

As a result, the Company realised a profit from trading operations of USD144,406 (30 June 2008: USD562,403), excluding bank interest received.

Future Developments

The directors are not aware of any further 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 financial statements.

Dividends

During the period the company made payments of dividends amounting of USD1,013,361. It is the Company's policy that dividends will only be declared when the directors are of the opinion that there are sufficient retained 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.

Directors

Ordinary Shares of Nil Par Value

Graham John Tuckwell (as controlling party of ETFSL, the immediate parent company)

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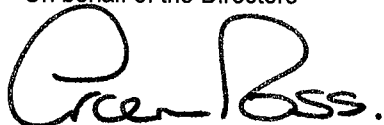
DIRECTORS' REPORT - CONTINUED

Directors' Remuneration

The following table discloses the remuneration of the directors of the Company which has been paid by the Company or by the parent company, ETFSL during the financial period:

Name	Fees 30 June 2009	Fees 30 June 2008
Specified Directors:		
Graham J Tuckwell	Nil	Nil
Graeme D Ross (paid by ETFSL)	£2,500	£2,500
Craig A Stewart (paid by ETFSL)	£2,500	£2,500
Vincent WJ FitzGerald (resigned 2 June 2009)	Nil	Nil
Leanne M Baker (resigned 2 June 2009)	Nil	Nil
Benjamin Cukier (resigned 2 June 2009)	Nil	Nil
Jim Wiandt (resigned 2 June 2009)	Nil	Nil
G Burgess (appointed 2 June 2009)	Nil	Nil

On behalf of the Directors



Graeme D Ross
Director
Jersey
28 August 2009

ETF COMMODITY SECURITIES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the interim financial statements in accordance with applicable Jersey law and generally accepted accounting principles.

Jersey Company law requires the directors to prepare interim financial statements for each financial period which 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. In preparing these financial statements, the directors should:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for 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 interim financial statements comply with the Law and International Financial Reporting Standards. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The interim directors' report includes a fair review of the business and the associated risks and uncertainties for the period covered by the interim financial statements and the remaining six months of the financial year.

The interim directors' report also includes a fair review of all related party transactions that have occurred during the period covered by the interim financial statements.

ETFs COMMODITY SECURITIES LIMITED

CONDENSED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2009

	Note	Unaudited Period ended 30 June 2009 USD	Unaudited Period ended 30 June 2008 USD
Revenue From Ordinary Activities			
Increase in fair value of Classic Commodity Contracts	7	119,263,454	306,875,289
Increase in fair value of Forward Commodity Contracts	7	-	50,678,802
Decrease in fair value of Forward Commodity Securities	8	3,112,926	-
Increase in fair value of Short Commodity Contracts	7	-	31,201,107
Decrease in fair value of Short Commodity Securities	8	12,266,071	-
Increase in fair value of Leveraged Commodity Contracts	7	40,940,188	18,628,395
Increase in fair value of Classic Commodity Contracts Awaiting settlement	7	170,282	-
Increase in fair value of Forward Commodity Contracts Awaiting settlement	9	30,759	-
Decrease in fair value of Short Commodity Securities Awaiting settlement	8	347,918	-
Increase in fair value of Leveraged Commodity Contracts Awaiting Settlement	9	315,990	-
Creation and Redemption Fees	2	144,407	562,403
Other income – AIG	2	298,958	-
Management Fee and License Allowance	2	6,513,778	7,533,140
Bank Interest Received		(5,000)	13,632
Foreign Exchange Gain		41,760	1,799
		<u>183,441,491</u>	<u>415,494,567</u>
Expenses From Ordinary Activities			
Increase in the fair value of Commodity Securities	8	119,263,454	306,875,289
Increase in the fair value of Forward Commodity Securities	8	-	50,678,802
Decrease in fair value of Forward Commodity Contracts	7	3,112,926	-
Increase in fair value of Short Commodity Securities	8	-	31,201,107
Decrease in fair value of Short Commodity Contracts	7	12,266,071	-
Increase in fair value of Leverages Commodity Securities	8	40,940,188	18,628,395
Increase in fair value of Classic Commodity Securities Awaiting settlement	10	170,282	-
Increase in fair value of Forward Commodity Securities Awaiting settlement	10	30,759	-
Decrease in fair value of Short Commodity Contracts Awaiting settlement	10	347,918	-
Increase in fair value of Leveraged Commodity Securities Awaiting settlement	10	315,990	-
Management Fee and License Allowance	2	6,812,737	7,533,140
Bank Charges	2	51	88
		<u>183,260,376</u>	<u>414,916,821</u>
Profit From Ordinary Activities		<u>181,115</u>	<u>577,746</u>
Dividends Payable		(1,013,361)	-
(Loss)/Profit From Ordinary Activities after Dividends		<u>(832,246)</u>	<u>577,746</u>
Retained Profit			
Retained profit brought forward		1,177,785	282,496
(Loss)/Profit from ordinary activities		(832,246)	577,746
Retained Profit carried forward		<u>345,539</u>	<u>860,242</u>

The directors consider the Company's activities are continuing.

The notes on pages 12 to 36 form part of these financial statements

ETFS COMMODITY SECURITIES LIMITED

CONDENSED BALANCE SHEET AS AT 30 JUNE 2009

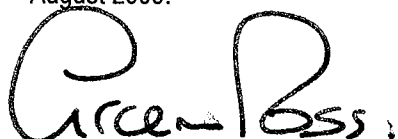
	Note	Unaudited 30 June 2009 USD	Audited 31 Dec 2008 USD
Current Assets			
<i>Financial Assets at fair value through profit or loss</i>			
Classic Commodity Contracts held	7	2,616,619,757	1,088,698,047
Forward Commodity Contracts held	7	158,183,282	79,766,862
Short Commodity Contracts held	7	165,250,897	41,293,354
Leveraged Commodity Contracts held	7	284,895,613	72,742,877
Classic Commodity Contracts awaiting settlement	7	-	6,010,687
Classic Commodity Securities awaiting settlement	8	19,024,563	-
Forward Commodity Contracts awaiting settlement	7	13,432,950	-
Forward Commodity Securities awaiting settlement	8	-	210,000
Short Commodity Contracts awaiting settlement	7	-	509,729
Short Commodity Securities awaiting settlement	8	29,733,813	-
Leveraged Commodity Contract awaiting settlement	7	-	3,886,388
Leveraged Commodity Securities awaiting settlement	8	18,558,029	-
<i>Other current assets</i>			
Trades and other receivables	6	2	5,002
Loans and receivables	6	4,633	7,126
Management Fee and License Allowance receivable		1,552,058	558,320
Creation and Redemption Fees receivable		119,146	498,149
Cash		221,760	667,510
Amounts Receivable on Classic Commodity Contracts awaiting settlement	7	19,194,845	-
Amounts Receivable on Classic Commodity Securities awaiting settlement	8	-	4,872,178
Amounts Receivable on Forward Commodity Contracts awaiting settlement	7	-	217,182
Amounts Receivable on Forward Commodity Securities awaiting settlement	8	13,402,191	-
Amounts Receivable on Short Commodity Contracts awaiting settlement	7	29,385,895	-
Amounts Receivable on Short Commodity Securities awaiting settlement	8	-	466,035
Amounts Receivable on Leveraged Commodity Contracts awaiting settlement	7	18,874,019	-
Amounts Receivable on Leveraged Commodity Securities awaiting settlement	8	-	3,223,113
Total Current Assets		3,388,453,453	1,303,632,559
Current Liabilities			
<i>Financial Liabilities at fair value through profit or loss</i>			
Classic Commodity Securities in issue	8	2,616,619,757	1,088,698,047
Forward Commodity Securities in issue	8	158,183,282	79,766,862
Short Commodity Securities in issue	8	165,250,897	41,293,354
Leveraged Commodity Securities in issue	8	284,895,613	72,742,877
Classic Commodity Contracts awaiting settlement	7	19,024,563	-
Classic Commodity Securities awaiting settlement	8	-	6,010,687
Forward Commodity Contracts awaiting settlement	7	-	210,000
Forward Commodity Securities awaiting settlement	8	13,432,950	-
Short Commodity Contracts awaiting settlement	7	29,733,813	-
Short Commodity Securities awaiting settlement	8	-	509,729
Leveraged Commodity Contracts awaiting settlement	7	18,558,029	-
Leveraged Commodity Securities awaiting settlement	8	-	3,886,388

ETFS COMMODITY SECURITIES LIMITED

CONDENSED BALANCE SHEET AS AT 30 JUNE 2009 continued

	Note	Unaudited 30 June 2009 USD	Audited 31 Dec 2008 USD
<i>Other current liabilities</i>			
Trade Creditors		1,552,058	558,320
Amounts Payable on Classic Commodity Contracts awaiting settlement	7	-	4,872,178
Amounts Payable on Classic Commodity Securities awaiting settlement	8	19,194,845	-
Amounts Payable on Forward Commodity Contracts awaiting settlement	7	13,402,191	-
Amounts Payable on Forward Commodity Securities awaiting settlement	8	-	217,182
Amounts Payable on Short Commodity Contracts awaiting settlement	7	-	466,035
Amounts Payable on Short Commodity Securities awaiting settlement	8	29,385,895	-
Amounts Payable on Leveraged Commodity Contracts awaiting settlement	7	-	3,223,113
Amounts Payable on Leveraged Commodity Securities awaiting settlement	8	<u>18,874,019</u>	<u>-</u>
Total Current Liabilities		<u>3,388,107,912</u>	<u>1,302,454,772</u>
<i>Equity</i>			
Stated Capital	9	2	2
Retained Profits		<u>345,539</u>	<u>1,177,785</u>
Total Equity		<u>345,541</u>	<u>1,177,787</u>
Total Equity and Liabilities		<u>3,388,453,453</u>	<u>1,303,632,559</u>

The financial statements on pages 7 to 36 were approved by the board of directors and signed on its behalf on 28 August 2009.



Graeme D Ross
Director

The notes on pages 12 to 36 form part of these financial statements

ETFS COMMODITY SECURITIES LIMITED

CONDENSED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2009

	Unaudited Period ended 30 June 2009 USD	Unaudited Period ended 30 June 2008 USD
<i>Cash Flows from Operating Activities</i>		
Management Fee and License Allowance received	4,961,720	6,427,130
Other income received	298,958	-
Net Proceeds from the issue of Classic Commodity Securities	1,402,647,569	1,389,099,667
Net Proceeds from the issue of Forward Commodity Securities	81,739,346	220,637,668
Net Proceeds from the issue of Short Commodity Securities	135,713,885	297,566,058
Net Proceeds from the issue of Leveraged Commodity Securities	167,326,160	123,623,956
Creation and Redemption Fees received	523,411	166,684
Net Payment for purchase of Classic Commodity Contracts	(1,402,647,569)	(1,389,099,667)
Net Payment for purchase of Forward Commodity Contracts	(81,739,346)	(220,637,668)
Net Payment for purchase of Short Commodity Contracts	(135,713,885)	(297,566,058)
Net Payment for purchase of Leveraged Commodity Contracts	(167,326,160)	(123,623,956)
Management Fee and License Allowance paid	(5,260,678)	(6,427,130)
Bank Charges paid	<u>(51)</u>	<u>(160)</u>
<i>Net cash provided by operating activities</i>	523,360	166,524
<i>Cash Flows From Financing Activities</i>		
Dividends paid	<u>(1,013,361)</u>	<u>-</u>
<i>Net cash provided by financing activities</i>	(1,013,361)	-
<i>Cash Flows from Investing Activities</i>		
Bank Interest received	<u>-</u>	<u>17,230</u>
<i>Net cash provided by investing activities</i>	-	17,230
<i>Net (Decrease)/Increase in Cash and Cash Equivalents</i>	(490,001)	183,754
Exchange adjustment on revaluation of bank account	44,251	1,799
<i>Cash and Cash Equivalents at the beginning of the period/year</i>	<u>667,510</u>	<u>174,744</u>
<i>Cash and Cash Equivalents at the end of the period/year</i>	<u>221,760</u>	<u>360,297</u>

The notes on pages 12 to 36 form part of these financial statements

ETFS COMMODITY SECURITIES LIMITED

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2009

	Share Premium USD	Retained profit USD	Total equity USD
Opening Balance as at 1 January 2008	2	282,496	282,498
Profit for the period	-	<u>577,746</u>	<u>577,746</u>
Unaudited Balance at 30 June 2008	<u>2</u>	<u>860,242</u>	<u>860,244</u>
Opening Balance as at 1 January 2009	2	1,177,785	1,177,787
Profit for the period	-	<u>(762,745)</u>	<u>(762,745)</u>
Unaudited Balance at 30 June 2009	<u>2</u>	<u>415,040</u>	<u>415,042</u>

The notes on pages 12 to 36 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 2009 have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union. The interim financial statements have been prepared on a historical cost basis, except for financial instruments which have been designated as financial assets and financial liabilities at fair value through profit or loss which have been measured at fair value. The interim accounts should be read in conjunction with the annual financial statements for the year ended 31 December 2008 which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2008. 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 2008.

This half yearly report has not been audited or reviewed by auditors.

The accounting policies adopted in the preparation of the interim financial information are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2008.

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

The accounting policies appropriate to the company are detailed below.

Standards, amendments and interpretations not impacting on the company, issued but not effective for the period ended 30 June 2009:

IFRS 8, Operating Segments

IAS 23, Borrowing Costs. Revised

IAS 32, Financial Instruments: Presentation and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation

IFRIC 11, IFRS2: Group and Treasury Share Transactions

IFRIC 12, Service Concession Arrangements

IFRIC 13, Customer Loyalty Programmes

IFRIC 14, The Limit on a Defined Benefit Asset Minimum Funding Requirements and their Interaction

ETFs COMMODITY SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009 - CONTINUED

1. Accounting Policies - continued

Foreign currency translation

The presentational and functional currencies of the Company are both USD.

Transactions of the Company that are denominated in foreign currencies are translated into USD at the rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at rates ruling at that date. The resulting differences are accounted for in the income statement.

Revenue/Expenses

Fees received for the issue and redemption of securities are recognised at the date on which the transaction becomes legally binding. The Management Fee and License Allowance income is recognised on an accruals basis as is the Management Fee and License Allowance expense. Other income/expenses are recognised on an accruals basis.

Gains or losses recognised on ETFs Commodity Securities and Commodity Contracts represent the difference between the fair value of the ETFs Commodity Securities/Commodity Contracts on issue/purchase and their fair value at the balance sheet date. These are shown in the income statement as revenue/expenses.

Segmental Reporting

The Company has not provided segment information, as the Company has only one business/geographical segment and all information relevant to the understanding of the Company's activities is included in these financial statements.

2. Profit from Ordinary Activities

Profit from ordinary activities includes the following items of revenue and expense:

a)	Unaudited Period ended 30 June 2009 USD	Unaudited Period ended 30 June 2008 USD
Revenue from ordinary activities includes:		
Creation Fees	169,611	562,403
Other Income – AIG	298,958	-
Management Fee receivable from AIG	5,911,254	6,835,677
License allowance receivable from AIG	<u>602,524</u>	<u>697,463</u>
	<u>6,982,347</u>	<u>8,095,543</u>

The Creation and Redemption Fees are receivable from the Authorised Participants. The amount received was £500 for each day that an Authorised Participant creates and/or redeems, regardless of the number of creations and/or redemptions that they issue and/or redeem.

The Management Fee is calculated at 0.49% per annum and the License allowance is calculated at 0.05% per annum, based on the total daily value of Commodity Contracts outstanding.

b)	Unaudited Period ended 30 June 2009 USD	Unaudited Period ended 30 June 2008 USD
Expenses include:		
Management Fee and License Allowance payable to ETFSL	6,812,737	7,533,140
Bank Charges	<u>51</u>	<u>88</u>
	<u>6,812,788</u>	<u>7,533,228</u>

ETFs COMMODITY SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009 - CONTINUED

3. Directors' Remuneration

The directors of ETFs Commodity Securities Limited during the period were:

- Mr Graham John Tuckwell
- Mr Graeme David Ross
- Mr Craig Andrew Stewart
- Dr Vincent William John FitzGerald (resigned 2 June 2009)
- Dr Leanne Baker (resigned 2 June 2009)
- Mr Ben Cukier (resigned 2 June 2009)
- Mr Jim Wiandt (resigned 2 June 2009)
- Mr G Burgess (appointed 2 June 2009)

The parent entity reviews and revises remuneration packages of all specified directors from time-to-time. The following table discloses the remuneration of the directors of the Company, and details of whether these have been paid by the Company or ETFSL (the parent company) during the period:

	Unaudited Period ended 30 June 2009 Fees	Audited Year ended 30 June 2008 Fees
Specified Directors:		
Graham J Tuckwell	Nil	Nil
Graeme D Ross (paid by ETFSL)	£2,500	£2,500
Craig A Stewart (paid by ETFSL)	£2,500	£2,500
Vincent WJ FitzGerald (resigned 2 June 2009)	Nil	Nil
Leanne M Baker (resigned 2 June 2009)	Nil	Nil
Benjamin Cukier (resigned 2 June 2009)	Nil	Nil
Jim Wiandt (resigned 2 June 2009)	Nil	Nil
G Burgess (appointed 2 June 2009)	Nil	Nil

Mr Tuckwell and Mr Cukier are not entitled to receive any emoluments in respect of their Directorships.

4. Jersey Exempt Company

Under Article 123A of the Income Tax (Jersey) law 1961, as amended, the Company has obtained Jersey exempt company status for the period and is therefore exempt from Jersey income tax on non-Jersey source income and bank interest (by concession). A £600 annual exempt company fee is payable by the company. This fee is paid by ETFSL and is not recognised within these financial statements. As from 1 January 2009 the exempt company regime no longer applies. The general rate of income tax for companies resident in Jersey is now 0%.

5. Employee Benefits

The Company has no employees and has paid no remuneration or benefits during the period in respect of employees.

6. Debtors

	Unaudited 30 Jun 2009 USD	Audited 31 Dec 2008 USD
Unpaid stated capital (see note 12)	2	2
Bank Interest Receivable	-	5,000
Due from ETFSL (see note 12)	<u>4,633</u>	<u>7,126</u>
	<u>4,635</u>	<u>12,128</u>

ETFS COMMODITY SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009 - CONTINUED

7. Commodity Contracts held for Commodity Securities Issued

Classic Commodity Contracts held for Classic Commodity Securities Issued

Classic Individual Commodity
Contracts Held

Contract	Contracts on issue	Financial assets at fair value through profit or loss USD	Change in fair value USD	Fair Value at Balance Sheet date USD
Natural Gas	614,919,573	452,810,953	(47,667,564)	405,143,389
Crude Oil	17,957,932	372,669,163	109,374,327	482,043,490
Gasoline	264,557	6,231,792	1,757,461	7,989,253
Heating Oil	191,261	2,956,043	565,780	3,521,823
Aluminum	5,301,484	21,018,914	1,772,794	22,791,708
Copper	1,516,882	30,769,288	9,728,932	40,498,220
Zinc	2,170,824	11,219,914	2,653,246	13,873,160
Nickel	2,093,024	29,871,910	8,739,685	38,611,594
Gold	8,496,719	105,163,033	2,208,922	107,371,956
Silver	2,405,807	34,322,189	4,477,739	38,799,927
Live Cattle	1,369,970	10,374,936	(526,868)	9,848,068
Lean Hogs	13,840,829	19,503,975	(5,114,689)	14,389,286
Wheat	24,198,997	69,611,833	(12,029,083)	57,582,750
Corn	19,759,942	32,925,920	(5,958,383)	26,967,537
Soybeans	953,913	13,455,866	1,684,994	15,140,861
Sugar	2,696,438	31,792,903	11,025,172	42,818,075
Cotton	14,933,285	21,376,156	645,542	22,021,697
Coffee	7,454,922	17,895,416	471,977	18,367,393
Soybean Oil	568,221	3,629,892	121,486	3,751,378
		1,287,600,096	83,931,470	1,371,531,565

Classic Micro Commodity
Contracts Held

Contract	Contracts on issue	Financial assets at fair value through profit or loss USD	Change in fair value USD	Fair Value at Balance Sheet date USD
Natural Gas	1,000,000	1	-	1
Crude Oil	1,000,000	27	-	27
Gasoline	1,000,000	19	11	30
Heating Oil	1,000,000	16	2	18
Aluminium	1,000,000	4	-	4
Copper	1,000,000	17	10	27
Zinc	1,000,000	5	1	6
Nickel	1,000,000	14	4	18
Gold	1,000,000	12	1	13
Silver	1,000,000	14	2	16
Live Cattle	1,000,000	7	-	7
Lean Hogs	1,000,000	1	-	1
Wheat	1,000,000	3	(1)	2
Corn	1,000,000	2	(1)	1
Soybeans	1,000,000	14	2	16
Sugar	1,000,000	12	4	16
Cotton	1,000,000	2	(1)	1
Coffee	1,000,000	2	-	2
Soybean Oil	1,000,000	6	1	7
		179	35	215

ETFS COMMODITY SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009 - CONTINUED

Classic Commodity Contracts held for Classic Commodity Securities Issued continued

Classic Indexed Commodity

Contracts Held

Contract	Contracts on issue	Financial assets at fair value through profit or loss USD	Change in fair value USD	Fair Value at Balance Sheet date USD
All Commodities	9,813,354	118,881,130	7,823,812	126,704,943
Energy	7,828,038	103,435,662	4,891,022	108,326,684
Ex-Energy	1,731,652	14,908,226	1,068,913	15,977,139
Petroleum	676,658	14,466,820	3,125,174	17,591,993
Industrial Metals	7,596,364	79,437,275	18,776,426	98,213,700
Precious Metals	3,652,422	49,690,510	1,912,299	51,602,809
Livestock	8,911,444	36,671,033	(3,110,012)	33,561,020
Agriculture	119,924,396	727,832,128	1,195,339	729,027,467
Grains	8,997,303	47,847,828	(2,288,268)	45,559,560
Softs	3,679,150	16,585,418	1,937,244	18,522,662
		1,209,756,029	35,331,948	1,245,087,977
Total Classic Commodity Contracts Held		2,497,356,304	119,263,454	2,616,619,757

Classic Commodity Contracts to be purchased on settlement date

Classic Individual Commodity Contracts awaiting settlement

Contract	Contracts on issue	Financial assets at fair value through profit or loss USD	Change in fair value USD	Fair Value at Balance Sheet date USD
Natural Gas	9,492,167	6,328,313	(74,343)	6,253,970
Crude Oil	(300,000)	(8,006,450)	(46,428)	(8,052,879)
Gasoline	(22,716)	(698,089)	12,097	(685,992)
Heating Oil	(54,603)	(1,029,981)	24,538	(1,005,443)
Aluminum	(92,731)	(401,245)	2,584	(398,662)
Copper	(28,345)	(774,767)	18,003	(756,764)
Zinc	(148,241)	(950,779)	3,410	(947,369)
Nickel	(88,226)	(1,672,517)	44,945	(1,627,572)
Gold	(323,882)	(4,138,367)	45,511	(4,092,856)
Silver	(113,411)	(1,879,522)	50,473	(1,829,049)
Live Cattle	(43,995)	(316,824)	565	(316,259)
Lean Hogs	(119,788)	(120,383)	(4,152)	(124,535)
Wheat	515,128	1,264,339	(38,566)	1,225,773
Corn	(576,693)	(853,654)	66,608	(787,046)
Soybeans	(32,235)	(512,961)	1,315	(511,646)
Sugar	(88,161)	(1,405,488)	5,536	(1,399,952)
Cotton	(379,512)	(554,737)	(4,919)	(559,656)
Coffee	(16,102)	(39,788)	116	(39,672)
Soybean Oil	8,782	59,110	(1,131)	57,979
		(15,703,789)	106,161	(15,597,628)

ETFS COMMODITY SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009 - CONTINUED

Classic Commodity Contracts held for Classic Commodity Securities Issued continued

Classic Indexed Commodity Contracts awaiting settlement

Contract	Contracts on issue	Financial assets at fair value through profit or loss USD	Change in fair value USD	Fair Value at Balance Sheet date USD
All Commodities	100,000	1,307,142	(15,994)	1,291,148
Energy	(36,866)	(522,001)	11,838	(510,163)
Ex-Energy	(117,009)	(1,097,305)	17,718	(1,079,587)
Petroleum	(50,308)	(1,335,663)	27,738	(1,307,925)
Industrial Metals	(98,751)	(1,298,657)	21,902	(1,276,756)
Precious Metals	(67,504)	(958,225)	4,503	(953,722)
Livestock	(69,571)	(259,844)	(2,164)	(262,008)
Agriculture	192,554	1,184,611	(14,064)	1,170,547
Grains	(81,168)	(423,663)	12,654	(411,010)
Softs	(17,372)	(87,450)	(9)	(87,459)
		(3,491,056)	64,122	(3,426,935)
Total Classic Commodity Contracts awaiting settlement		(19,194,845)	170,282	(19,024,563)
Total Classic Commodity Contracts		2,478,161,459	119,433,736	2,597,595,194

ETFS COMMODITY SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009 - CONTINUED

Forward Commodity Contracts held for Forward Commodity Securities Issued

Forward Individual Commodity
Contracts held

Contract	Contracts on issue	Financial assets at fair value through profit or loss USD	Change in fair value USD	Fair Value at Balance Sheet date USD
Natural Gas	585,364	9,147,091	(976,770)	8,170,321
Crude Oil	-	-	-	-
Gasoline	-	-	-	-
Heating Oil	3,882	148,271	24,293	172,564
Aluminium	-	-	-	-
Copper	-	-	-	-
Zinc	-	-	-	-
Nickel	-	-	-	-
Gold	-	-	-	-
Silver	-	-	-	-
Live Cattle	26,680	332,025	(4,274)	327,751
Lean Hogs	14,906	335,639	(99,904)	235,735
Wheat	-	-	-	-
Corn	-	-	-	-
Soybeans	-	-	-	-
Sugar	-	-	-	-
Cotton	-	-	-	-
Coffee	-	-	-	-
Soybean Oil	-	-	-	-
		9,963,026	(1,056,656)	8,906,370

Forward Micro Commodity
Contracts held

Contract	Contracts on issue	Financial assets at fair value through profit or loss USD	Change in fair value USD	Fair Value at Balance Sheet date USD
Natural Gas	1,000,000	21	(7)	14
Crude Oil	1,000,000	55	13	68
Gasoline	1,000,000	49	21	70
Heating Oil	1,000,000	40	4	44
Aluminium	1,000,000	6	-	6
Copper	1,000,000	25	14	39
Zinc	1,000,000	7	2	9
Nickel	1,000,000	21	6	27
Gold	1,000,000	12	-	12
Silver	1,000,000	14	3	17
Live Cattle	1,000,000	13	(1)	12
Lean Hogs	1,000,000	22	(6)	16
Wheat	1,000,000	10	(1)	9
Corn	1,000,000	4	(1)	3
Soybeans	1,000,000	14	1	15
Sugar	1,000,000	17	6	23
Cotton	1,000,000	3	-	3
Coffee	1,000,000	3	-	3
Soybean Oil	1,000,000	10	-	10
		346	55	400
Sub Total		9,963,371	(1,056,601)	8,906,770

ETFS COMMODITY SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009 - CONTINUED

Forward Commodity Contracts held for Forward Commodity Securities Issued continued

Forward Indexed Commodity

Contracts held

Contract	Contracts on issue	Financial assets at fair value through profit or loss USD	Change in fair value USD	Fair Value at Balance Sheet date USD
All Commodities	2,245,378	55,954,374	(608,541)	55,345,834
Energy	35,050	3,349,849	(1,715,299)	1,634,550
Ex-Energy	17,681	245,012	21,789	266,800
Petroleum	115,177	5,114,726	2,273,807	7,388,533
Industrial Metals	117,880	2,010,044	148,800	2,158,844
Livestock	84,580	1,477,637	(164,601)	1,313,037
Agriculture	6,707,465	66,917,241	(861,340)	66,055,901
Grain	1,652,140	15,157,724	(1,332,255)	13,825,469
Softs	166,013	1,106,230	181,315	1,287,545
		151,332,838	(2,056,325)	149,276,512
Total Forward Commodity Contracts held		161,296,209	(3,112,926)	158,183,282

Forward Commodity Contracts to be purchased on settlement date

Forward Individual Commodity Contracts awaiting settlement

Contract	Contracts on issue	Financial assets at fair value through profit or loss USD	Change in fair value USD	Fair Value at Balance Sheet date USD
Natural Gas	5,080	67,421	3,484	70,905
Heating Oil	(3,000)	(136,256)	2,899	(133,357)
Live Cattle	(10,010)	(123,656)	688	(122,968)
Lean Hogs	(4,196)	(65,914)	(445)	(66,359)
		(258,404)	6,626	(251,778)

ETFS COMMODITY SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009 - CONTINUED

Forward Commodity Contracts held for Forward Commodity Securities Issued continued

Forward Indexed Commodity Contracts awaiting settlement

Contract	Contracts on issue	Financial assets at fair value through profit or loss USD	Change in fair value USD	Fair Value at Balance Sheet date USD
All Commodities	(3,666)	(92,013)	1,651	(90,362)
Energy	(9,739)	(463,806)	9,630	(454,176)
Industrial Metals	(11,462)	(213,461)	3,547	(209,914)
Agriculture	1,466,187	14,429,876	9,305	14,439,181
		13,660,596	24,133	13,684,728
Total Forward Commodity Contracts awaiting settlement		13,402,191	30,759	13,432,950
Total Forward Commodity Contracts		174,698,400	(3,082,167)	171,616,232

ETFS COMMODITY SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009 - CONTINUED

Short Commodity Contracts held for Short Commodity Securities Issued

Short Individual Commodity
Contracts held

Contract	Contracts on issue	Financial assets at fair value through profit or loss USD	Change in fair value USD	Fair Value at Balance Sheet date USD
Natural Gas	40,818	3,933,741	739,227	4,672,967
Crude Oil	1,034,726	76,598,869	(5,560,923)	71,037,946
Gasoline	16,992	1,257,630	(337,848)	919,782
Heating Oil	9,799	954,537	(334,139)	620,398
Aluminum	36,235	3,083,627	31,438	3,115,066
Copper	268,864	20,630,128	(4,830,693)	15,799,435
Zinc	6,965	606,397	(188,273)	418,123
Nickel	10,334	1,251,676	(652,566)	599,110
Gold	748,186	33,775,724	204,116	33,979,840
Silver	102,335	5,392,886	(571,108)	4,821,778
Live Cattle	3,133	190,474	11,526	202,001
Lean Hogs	17,296	1,396,716	188,759	1,585,475
Wheat	40,860	2,269,203	1,032,144	3,301,347
Corn	15,606	942,578	80,266	1,022,844
Soybeans	9,365	593,030	(110,222)	482,809
Sugar	23,000	1,270,093	(172,566)	1,097,527
Cotton	24,246	1,859,881	(139,073)	1,720,808
Coffee	18,649	1,234,825	(8,727)	1,226,098
Soybean Oil	11,253	806,308	44,956	851,264
Cocoa	19,936	903,391	(4,606)	898,785
Platinum	19,050	1,625,259	(280,863)	1,344,396
Tin	9,206	676,501	(243,858)	432,643
Lead	12,449	1,206,067	(467,696)	738,371
		162,459,541	(11,570,729)	150,888,812

Short Indexed Commodity
Contracts held

Contract	Contracts on issue	Financial assets at fair value through profit or loss USD	Change in fair value USD	Fair Value at Balance Sheet date USD
All Commodities	22,960	459,547	1,226,775	1,686,322
Energy	10,245	1,030,828	(193,832)	836,996
Ex-Energy	576	43,893	(4,810)	39,083
Petroleum	9,183	857,225	(257,298)	599,927
Industrial Metals	120,428	10,047,871	(1,375,200)	8,672,671
Precious Metals	20,000	949,970	(12,902)	937,068
Livestock	2,400	140,472	39,897	180,369
Agriculture	6,575	500,302	(54,333)	445,969
Grains	7,844	570,285	(42,839)	527,446
Softs	7,025	457,034	(20,800)	436,234
		15,057,427	(695,342)	14,362,085
Total Short Commodity Contracts held		177,516,968	(12,266,071)	165,250,897

