

平成29年12月期 中間決算短信（平成29年1月1日～平成29年6月30日）

平成29年9月5日

銘柄名	コード番号	連動対象指標	上場取引所 東京証券取引所	
			主要投資資産	売買単位
ETFS金上場投資信託	1672	金価格	金	1
ETFS銀上場投資信託	1673	銀価格	銀	10
ETFS白金上場投資信託	1674	白金価格	白金	1
ETFSパラジウム上場投資信託	1675	パラジウム価格	パラジウム	1
ETFS貴金属バスケット上場投資信託	1676	貴金属バスケット価格 ^(注)	金・銀・白金・パラジウム	1

(注) 貴金属バスケット価格は、金価格、銀価格、白金価格、パラジウム価格に基づいて算出されます。
 なお、ETFS貴金属バスケット上場投信の一口当たりの貴金属は、およそ0.04ファイン・トロイ・オンスの金、およそ1.2トロイ・オンスの銀、およそ0.01トロイ・オンスの白金、およそ0.02トロイ・オンスのパラジウムの合計です。

外国投資法人 イーティーエフエス・コモディティ・セキュリティーズ・リミテッド
 代表者名 グラハム・タックウェル
 管理会社 ETFセキュリティーズ・マネジメント・カンパニー・リミテッド
 URL <http://www.etfsecurities.com/ETFSDocs/APDocuments.aspx>
 代表者名 グラハム・タックウェル
 問合せ先責任者 TMI 総合法律事務所（中川秀宣） TEL 03-6438-5660
 有価証券報告書提出予定日 平成29年9月29日提出（予定）
 分配金支払い開始予定日 該当なし

I ファンドの運用状況

1. 2017年6月中間決算期の運用状況（平成29年1月1日～平成29年6月30日）

(1) 資産内訳

(百万円未満切捨て)

		主要投資資産		合計(資産)	
		金額	構成比	金額	構成比
ETFS金上場投資信託	2017年6月中間決算期	630,859	(100)	630,859	(100)
	2016年6月中間決算期	607,093	(100)	607,093	(100)
ETFS銀上場投資信託	2017年6月中間決算期	109,954	(100)	109,954	(100)
	2016年6月中間決算期	100,894	(100)	100,894	(100)
ETFS白金上場投資信託	2017年6月中間決算期	39,232	(100)	39,232	(100)
	2016年6月中間決算期	39,785	(100)	39,785	(100)
ETFSパラジウム上場投資信託	2017年6月中間決算期	12,155	(100)	12,155	(100)
	2016年6月中間決算期	23,590	(100)	23,590	(100)
ETFS貴金属バスケット上場投資信託	2017年6月中間決算期	13,335	(100)	13,335	(100)
	2016年6月中間決算期	14,243	(100)	14,243	(100)

(注) 主要投資資産は、平成29年7月1日午前零時（ロンドン時間2017年6月30日午後4時）現在のものとしてブルームバーグによって表示される為替レート（スポット・レート）（1米ドル=112.33円）に基づいて円換算しています。（以下同）

(2) 設定・償還実績

		前営業期間末 発行済口数 (①)	設定口数 (②)	償還口数 (③)	当営業期間末 発行済口数 (①+②-③)
ETFS金上場投資信託	2017年6月中間決算期	千口 48,107	千口 9,255	千口 10,321	千口 47,042
	2016年6月中間決算期	34,198	11,032	2,813	42,416
ETFS銀上場投資信託	2017年6月中間決算期	千口 54,332	千口 15,717	千口 8,231	千口 61,818
	2016年6月中間決算期	41,500	18,201	8,521	51,181
ETFS白金上場投資信託	2017年6月中間決算期	千口 3,704	千口 1,678	千口 1,390	千口 3,991
	2016年6月中間決算期	3,065	712	89	3,688
ETFSパラジウム上場投資信託	2017年6月中間決算期	千口 3,208	千口 185	千口 2,039	千口 1,354
	2016年6月中間決算期	3,530	476	277	3,730
ETFS貴金属バスケット上場投資信託	2017年6月中間決算期	千口 1,337	千口 64	千口 105	千口 1,296
	2016年6月中間決算期	1,245	115	0	1,360

(注) 上記の設定・償還実績については、営業期末時点の未決済上場投信を含んでいません。

(3) 基準価額

		総資産	負債 ^(注)	資産	売買単位当たり基準価額 ((③/当営業期間末 発行済口数) × 売買単位)
ETFS金上場投資信託	2017年6月中間決算期	百万円 630,859	百万円 -	百万円 630,859	円 13,410
	2016年6月中間決算期	607,093	-	607,093	14,312
ETFS銀上場投資信託	2017年6月中間決算期	百万円 109,954	百万円 -	百万円 109,954	円 17,786
	2016年6月中間決算期	100,894	-	100,894	19,713
ETFS白金上場投資信託	2017年6月中間決算期	百万円 39,232	百万円 -	百万円 39,232	円 9,827
	2016年6月中間決算期	39,785	-	39,785	10,787
ETFSパラジウム上場投資信託	2017年6月中間決算期	百万円 12,155	百万円 -	百万円 12,155	円 89,753
	2016年6月中間決算期	23,590	-	23,590	63,239
ETFS貴金属バスケット上場投資信託	2017年6月中間決算期	百万円 13,335	百万円 -	百万円 13,335	円 10,284
	2016年6月中間決算期	14,243	-	14,243	10,472

(注1) 売買単位は、金、白金、パラジウム及び貴金属バスケットについては1口、銀については10口となります。

(注2) 貴金属証券の一単位当たりの資産は、証券1単位当たりの基準価額に基づいたものとなっています。証券1単位当たりの基準価額は、相応する証券1単位当たりの貴金属エンタイトルメントに対応する値決めによる価格を乗じたものとなります。各々の種類の貴金属にかかる証券の裏付けとなっている貴金属ごとの総価値は、相応する証券の残高と等しくなります。このために、純資産額は零となり、総資産額は、証券の裏付けとなる貴金属の総額と等しくなります。

[参考] 外国投資法人の財政状態

	総資産額	総負債額	投資主持分額
	百万円	百万円	百万円
2017年6月中間決算期	884,681	885,329	-647
2016年6月中間決算期	838,083	840,148	-2,064

(注1) 貴金属証券は、期限の定めのない、請求権の限定されている発行体による債務です。全出資口は、親会社であるイーティーエフ・セキュリティーズ・リミテッドにより保有されています。投資主持分額は、総資産額から総負債額を差し引いたものです。

2. 会計方針の変更

- ① 会計基準等の改正に伴う変更 有・無
- ② ①以外の変更 有 無



ETFS Metal Securities Limited

Registered No: 95996

**Unaudited Interim Financial Report for the
Six Months to 30 June 2017**

Contents

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

Directors' Report

The directors of ETFS 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 2017.

Directors

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

Graham J Tuckwell - Chairman
 Christopher J M Foulds
 Graeme D Ross (Resigned 7 December 2016)
 Steven G Ross (Appointed 7 December 2016)
 Joseph L Roxburgh

Directors' Interests

The following table sets out the directors' interests 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 majority shareholder 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

As at 30 June 2017, 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 Paris	Tokyo Stock Exchange
ETFS Physical Platinum	✓	✓	✓	✓	✓
ETFS Physical Palladium	✓	✓	✓	✓	✓
ETFS Physical Silver	✓	✓	✓	✓	✓
ETFS Physical Gold	✓	✓	✓	✓	✓
ETFS Physical PM Basket	✓	✓	✓	✓	✓
ETFS Physical Swiss Gold	✓	✓	✓	-	-

As at 30 June 2017, the fair value of assets under management amounted to USD 7,693.2 million (31 December 2016: USD 7,274.0 million). The Company recognises its assets ("Metal Bullion") and financial liabilities ("Metal Securities") at fair value in the Condensed Statement of Financial Position.

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

	30 June 2017 USD	30 June 2016 USD
Creation and Redemption Fees	23,623	9,166
Management Fees	15,699,376	12,659,347
Total Fee Income	15,722,999	12,668,513

Review of Operations (continued)

Under the terms of the service agreement with ETFS 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 2016: USD Nil).

The gain or loss on Metal Securities and Metal Bullion is recognised in the Condensed Statement of Profit or Loss and Other Comprehensive Income in line with the Company's accounting policy.

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 quote provided 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 provided by the LBMA on the transaction date.

IFRS 13 requires the Company to identify the principal market and to utilise the available market price within that principal market. The directors consider that 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 those stock exchanges demonstrating active trading. As a result of the difference in valuation methodology between Metal Bullion and Metal 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 value of the Metal Bullion (through the application of the price provided by the LBMA against the Metal Entitlement, referred to within this financial statements as the "Contractual Value") and the market price of Metal Securities. This gain or loss would be reversed on a subsequent redemption of the Metal Securities and transfer of the corresponding Metal Bullion. This is presented in more detail in note 6 to these interim financial statements.

Future Developments*Referendum of the United Kingdom's ("UK's") membership of the European Union (the "EU Referendum")*

The EU referendum took place on 23 June 2016 and resulted in an overall vote to leave the European Union ("EU"). The British government invoked Article 50 of the Lisbon Treaty on 29 March 2017 which started the two-year period during which a leaving agreement is to be negotiated setting out the arrangements for the withdrawal and outlining the UK's future relationship with the EU. The exact process for the UK's withdrawal is uncertain, although it is generally expected to take longer than two years as this would require the renegotiation of treaties and agreements, together with legislation changes.

The Company is domiciled in Jersey, outside of the EU, and the Metal Securities are distributed in the EU under the EU Prospectus Directive which requires their offering to the public to be approved by an EU Member State regulator. To date, the Company has chosen the UK Financial Conduct Authority ("FCA") as its member state regulator for these purposes. A request is then made to the FCA, as the chosen Member State regulator, for the passporting of the offering across the EU, once again, under the Prospectus Directive.

It is currently expected that the Company would select an alternate EU Member State regulator through which to seek approval and request passporting for its offering. As the Metal Securities already comply with the European wide requirements of the Prospectus Directive, this is not expected to cause any disruption or alteration to the terms or nature of the Metal Securities.

The Metal Securities continue to comply with all applicable laws and regulations. Continued assessment of the impact will be required throughout the withdrawal process.

The board of directors (the "Board") are not aware of any other 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' Report (Continued)

Dividends

There were no dividends declared or paid in the current or previous 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.

Directors' Remuneration

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

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

	30 June 2017	30 June 2016
	GBP	GBP
Graham J Tuckwell	Nil	Nil
Christopher J M Foulds	Nil	Nil
Graeme D Ross	Nil	4,000
Steven G Ross	4,000	Nil
Joseph L Roxburgh	Nil	Nil

On behalf of the directors



Joseph L Roxburgh
 Director
 Jersey
 30 August 2017

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these interim financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the interim financial statements; and
- prepare the interim 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 adequate accounting records that are sufficient to show and explain the Company's transactions and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Jersey governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

With regard to Regulation 2004/109/EC of the European Union (the "EU Transparency Directive"), the directors confirm that to the best of their knowledge that:

- the interim financial statements for the period ended 30 June 2017 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 IASB; and
- the Directors' Report gives a fair view of the development of the Company's business, financial position and the important events that have occurred during the period and their impact on these interim financial statements.

By order of the Board

A handwritten signature in blue ink, appearing to read 'Joseph L Roxburgh'.

Joseph L Roxburgh

Director

30 August 2017

Condensed Statement of Profit or Loss and Other Comprehensive Income

	Notes	Period ended 30 June	
		2017 Unaudited USD	2016 Unaudited USD
Revenue	2	15,722,999	12,668,513
Expenses	2	(15,722,999)	(12,668,513)
Operating Result		-	-
Net Gain Arising on Contractual and Fair Value of Metal Bullion	5	490,757,054	1,257,906,419
Net Loss Arising on Fair Value of Metal Securities	6	(496,439,189)	(1,283,421,221)
Result and Total Comprehensive Income for the Period		(5,682,135)	(25,514,802)
¹ Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Metal Securities	1	5,682,135	25,514,802
Adjusted Result and Total Comprehensive Income for the Period		-	-

The directors consider the Company's activities as continuing.

¹ An explanation of the non-statutory adjustment is set out on page 11. This represents the movement in the difference between the Contractual Value of Metal Bullion and the market price of Metal Securities.

The notes on pages 9 to 15 form part of these condensed interim financial statements

Condensed Statement of Financial Position

		As at	
		30 June 2017	31 December 2016
	Notes	Unaudited USD	Audited USD
Current Assets			
Trade and Other Receivables	4	2,617,401	2,579,431
Metal Bullion	5	7,693,221,707	7,274,049,951
Amounts Receivable on Metal Securities Awaiting Settlement	6	13,642,681	14,531,022
Amounts Receivable on Bullion Awaiting Settlement	5	166,574,144	-
Total Assets		7,876,055,933	7,291,160,404
Current Liabilities			
Metal Securities	6	7,698,987,232	7,274,133,341
Amounts Payable on Bullion Awaiting Settlement	5	13,642,681	14,531,022
Amounts Payable on Metal Securities Awaiting Settlement		166,574,144	-
Trade and Other Payables	7	2,617,397	2,579,427
Total Liabilities		7,881,821,454	7,291,243,790
Equity			
Stated Capital	8	4	4
Revaluation Reserve		(5,765,525)	(83,390)
Total Equity		(5,765,521)	(83,386)
Total Equity and Liabilities		7,876,055,933	7,291,160,404

The condensed interim financial statements on pages 5 to 15 were approved and authorised for issue by the board of directors and signed on its behalf on 30 August 2017.



Joseph L Roxburgh
Director



	Period ended 30 June	
	2017 Unaudited USD	2016 Unaudited USD
Operating Result for the Period	-	-
<i>Changes in Operating Assets and Liabilities</i>		
Increase in Receivables	(37,970)	(75,416)
Increase in Payables	37,970	75,416
Cash Generated from Operating Activities	-	-
Net Increase in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents at the Beginning of the Period	-	-
Net Increase in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents at the End of the Period	-	-

Metal Securities are issued and redeemed by transfer of Metal Bullion and have been netted off in the Condensed Statement of Cash Flows.



	Notes	Stated Capital USD	Retained Earnings USD	Revaluation Reserve ² USD	Total Equity USD	Adjusted Total Equity USD
Audited Opening Balance at 1 January 2016		4	-	7,133,463	7,133,467	4
Result and Total Comprehensive Income for the Period		-	(25,514,802)	-	(25,514,802)	(25,514,802)
Transfer to Revaluation Reserve		-	25,514,802	(25,514,802)	-	-
³ Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Metal Securities		-	-	-	-	25,514,802
Unaudited Balance at 30 June 2016		4	-	(18,381,339)	(18,381,335)	4
Unaudited Opening Balance at 1 July 2016		4	-	(18,381,339)	(18,381,335)	4
Result and Total Comprehensive Income for the Period		-	18,297,949	-	18,297,949	18,297,949
Transfer to Revaluation Reserve		-	(18,297,949)	18,297,949	-	-
³ Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Metal Securities		-	-	-	-	(18,297,949)
Audited Balance at 31 December 2016		4	-	(83,390)	(83,386)	4
Audited Opening Balance at 1 January 2017		4	-	(83,390)	(83,386)	4
Result and Total Comprehensive Income for the Period		-	(5,682,135)	-	(5,682,135)	(5,682,135)
Transfer to Revaluation Reserve	6	-	5,682,135	(5,682,135)	-	-
³ Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Metal Securities	6	-	-	-	-	5,682,135
Unaudited Balance at 30 June 2017		4	-	(5,765,525)	(5,765,521)	4

² This represents the difference between the Contractual Value of Metal Bullion and the market price of Metal Securities.

³ An explanation of the non-statutory adjustment is set out on page 11.

The notes on pages 9 to 15 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 2017 have been prepared in accordance with IAS 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB. The interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2016. 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 2016.

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 only key accounting judgement required to prepare these interim financial statements is in respect of the valuation of Metal Bullion and Metal Securities held at fair value through 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.

Going Concern

The nature of the Company’s business dictates that the outstanding Metal Securities may be redeemed at any time by the holder and in certain circumstances may be redeemed by the Company. Generally only Security Holders who have entered into an authorised participant agreement with the Company (“Authorised Participant”) can submit applications and redemptions directly with the Company. As the redemption of Metal Securities would coincide with the transfer of an equal amount in value of Metal Bullion, no net liquidity risk is considered to arise. All other expenses are met by ETFs Management Company (Jersey) Limited (“ManJer”); therefore the directors consider the Company to be a going concern and have prepared the interim financial statements on this basis.

Accounting Standards

(a) *Standards, amendments and interpretations effective on 1 January 2017 and adopted in the period:*

In preparing the interim financial statements the Company has adopted all new or revised Standards, Amendments and Interpretations, including:

- IAS 7 Statement of Cash Flows (Disclosure Initiative).
- IAS 12 Income Taxes.
- IFRS 12 Disclosure of Interests in Other Entities (as part of the Annual Improvements to IFRS).

Of those Standards and Interpretations adopted in the current period, none have resulted in any significant effect on these interim financial statements.

1. Accounting Policies (continued)

Accounting Standards (continued)

(b) *New and revised standards, amendments and interpretations in issue but not yet effective:*

The Company has not applied the following new and revised Standards, Amendments and Interpretations that have been issued but are not yet effective:

- IFRS 2 Share-based Payments (effective for annual periods beginning on or after 1 January 2018).
- IFRS 4 Insurance Contracts (overlay approach to be applied when IFRS 9 is first applied, deferral approach effective for annual periods beginning on or after 1 January 2018 and only available for three years after that date).
- IFRS 9 Financial Instruments (as amended in 2014) (effective for annual periods beginning on or after 1 January 2018).
- IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (no effective date set).
- IFRS 15 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2018).
- IFRS 16 Leases (effective for annual periods beginning on or after 1 January 2019).
- IFRS 17 Insurance Contracts (effective for annual periods beginning on or after 1 January 2021).
- IAS 40 Investment Property (effective for annual periods beginning on or after 1 January 2018).
- Annual Improvements to IFRS.

The directors intend to adopt IFRS 9 for the period beginning on 1 January 2018. The directors have undertaken a preliminary assessment of the impact of adopting IFRS 9 and have concluded that there would be no impact on the amounts reported in respect of the Company's financial instruments. Disclosures in the financial statements will be amended as necessary to meet the requirements of the standard.

The directors do not expect the adoption of the remaining standards, amendments and interpretations that are in issue but not yet effective will have a material impact on the financial statements of the Company in future periods.

The directors have considered other standards and interpretations in issue but not effective and concluded that they would not have a material impact on the future financial periods when they become available.

Segmental Reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the Chief Operating Decision Maker ("CODM") in order to allocate resources to the segments and to assess their performance. The CODM has been determined as the board of directors. 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, precious metals, and one geographical segment which is Europe. In addition the Company has no single major customer from which greater than 10% of revenue is generated. All information relevant to the understanding of the Company's activities is included in these interim financial statements.

1. Accounting Policies (continued)**Metal Securities**

i) Issue and Redemption

The Company has entered into a Trust Instrument with The Law Debenture Trust Corporation plc (“Law Debenture”) to permit the Company to issue Metal Securities. The conditions of issue are set out in the Trust Instrument. Each time a Metal Security is issued or redeemed by the Company a corresponding amount of Metal Bullion is transferred into or from the relevant secured account held by the custodian.

Financial liabilities are recognised and de-recognised on the transaction date.

ii) Pricing

Metal Bullion is priced on a daily basis based on the Metal Entitlement of each class of security and the value of the Bullion using the appropriate fixing price provided by the London Bullion Market Association (“LBMA”). This price is calculated based on the formula set out in the prospectus, and is referred to as the ‘Contractual Value’.

IFRS 13 requires the Company to identify the principal market and to utilise the available market price within that principal market. The directors consider that 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 those stock exchanges demonstrating active trading. The Metal Securities are priced using the mid-market price on the Statement of Financial Position date taken just at the time the relevant Bullion fix price is set.

Consequently a difference arises between the value of Metal Bullion (at Contractual Value) and Metal Securities (at market value) presented in the Condensed Statement of Financial Position. This difference is reversed on a subsequent redemption of the Metal Securities and transfer of the corresponding Metal Bullion.

iii) Designation at fair value through Profit or Loss

Metal Securities comprise a financial instrument and are designated at fair value through profit or loss upon initial recognition. This is in order to enable gains or losses on both the Metal Security and Metal Bullion to be recorded in the Condensed Statement of Profit or Loss and Other Comprehensive Income.

Through the mis-matched accounting values, the results of the Company reflect a gain or loss which represents the movement in the cumulative difference between the value of the Metal Bullion and the market price of Metal Securities. This gain or loss is transferred to a Revaluation Reserve which is non-distributable. The results of the Company are adjusted through the presentation of a non-statutory movement entitled ‘Adjustment from Market Value to Contractual Value (as set out in the prospectus) of Metal Securities’.

Metal Bullion

The Company holds Metal Bullion equal to the amount due to holders of Metal Securities solely for the purposes of meeting its obligations under the Metal Securities. The Metal Bullion held is marked to fair value and movements are recorded through profit or loss.

The fair value is calculated using the latest fixing price provided by the LBMA.

2. Operating Result

Operating result for the period comprised:

	Period ended 30 June	
	2017 Unaudited USD	2016 Unaudited USD
Creation and Redemption Fees	23,623	9,166
Management Fees	15,699,376	12,659,347
Total Revenue	15,722,999	12,668,513
ManJer Fees	(15,722,999)	(12,668,513)
Total Operating Expenses	(15,722,999)	(12,668,513)
Operating Result	-	-

3. Taxation

The Company is subject to Jersey Income Tax. The Jersey Income Tax rate applicable to the Company for the foreseeable future is zero percent.

4. Trade and Other Receivables

	As at	
	30 June 2017 Unaudited USD	31 December 2016 Audited USD
Management Fees	2,606,362	2,560,890
Creation and Redemption Fees	11,035	18,537
Due from Parent	4	4
	2,617,401	2,579,431

The fair value of these receivables is equal to the carrying value.

5. Metal Bullion

	As at	
	30 June 2017 Unaudited USD	31 December 2016 Audited USD
Change in Fair Value for the Period/Year	490,757,054	306,006,513
Metal Bullion at Fair Value	7,693,221,707	7,274,049,951

5. Metal Bullion (continued)

As at 30 June 2017, there were certain amounts of Metal Bullion awaiting the 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 monetary amount payable as a result of unsettled creations of Metal Securities is USD 13,642,681 (31 December 2016: USD 14,531,022).
- The monetary amount receivable as a result of unsettled redemptions of Metal Securities is USD 166,574,144 (31 December 2016: USD Nil).

All Metal Bullion assets have been valued using the PM fix on 30 June 2017 as provided by the LBMA (being the last fix prices available at the period end).

6. Metal Securities

Whilst the Metal Securities are quoted on the open market, the Company's ultimate liability relates to its 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 monetary value of each creation and redemption of Metal Securities is recorded using the price provided by the LBMA on the transaction date, and is the "Contractual Value". Therefore, the issue and redemption of Metal Securities is recorded at a value that corresponds to the value of the Metal Bullion transferred in respect of the issue and redemption. As a result the Company has no net exposure to gains or losses on the Metal Securities and Metal Bullion.

The Company measures the Metal Securities at their market value in accordance with IFRS 13 rather than at the Contractual Value described above. The transferable value is deemed to be the prices quoted on stock exchanges or other markets where the Metal Securities are listed or traded. However Metal Bullion is valued based on the Metal Entitlement (which is calculated in accordance with an agreed formula published in the prospectus) of each class of Metal Securities, and applying the latest quoted prices published by the LBMA.

The fair values and movements in unrealised gains/losses during the period/year based on prices available on the open market as recognised in the financial statements are:

	As at	
	30 June 2017 Unaudited USD	31 December 2016 Audited USD
Change in Fair Value for the Period/Year	(496,439,189)	(313,223,366)
Metal Securities at Fair Value	7,698,987,232	7,274,133,341

The contractual redemption values and movements in unrealised gains/losses during the period/year based on the Contractual Values are:

	As at	
	30 June 2017 Unaudited USD	31 December 2016 Audited USD
Change in Contractual Value for the Period/Year	(490,757,054)	(306,006,513)
Metal Securities at Contractual Value	7,693,221,707	7,274,049,951

The gain or loss on the difference between the value of the Metal Bullion and the market price of Metal Securities would be reversed on a subsequent redemption of the Metal Securities and transfer of the corresponding Metal Bullion.

Notes to the Condensed Interim Financial Statements (Continued)

6. Metal Securities (continued)

The mismatched accounting values are as shown below and represent the non-statutory adjustment presented in the Condensed Statement of Profit or Loss and Other Comprehensive Income:

	Period ended 30 June 2017 Unaudited USD	Year ended 31 December 2016 Audited USD
Net Gain/(Loss) Arising on Contractual and Fair Value of Metal Bullion	490,757,054	306,006,513
Net (Loss)/Gain Arising on Fair Value of Metal Securities	(496,439,189)	(313,223,366)
	(5,682,135)	(7,216,853)

As at 30 June 2017, there were certain Metal Securities awaiting settlement in respect of creations or redemptions with transaction dates before the period end and settlement dates in the following period:

- The amount receivable as a result of unsettled creations of Metal Securities is USD 13,642,681 (31 December 2016: USD 14,531,022).
- The amount payable as a result of unsettled redemptions of Metal Securities is USD 166,574,144 (31 December 2016: USD Nil).

7. Trade and Other Payables

	As at	
	30 June 2017 Unaudited USD	31 December 2016 Audited USD
ManJer Fees Payable	2,617,397	2,579,427

The fair value of these payables is equal to the carrying value.

8. Stated Capital

	As at	
	30 June 2017 Unaudited USD	31 December 2016 Audited USD
2 Shares of Nil Par Value, Issued at GBP 1 Each	4	4

The Company can issue an unlimited capital of nil par value Shares in accordance with its Memorandum of Association.

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"). ETF Securities Limited ("ETFSL") is the parent company of HoldCo.

9. Related Party Disclosures

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

Fees charged by ManJer during the period:

	Period ended 30 June	
	2017	2016
	Unaudited	Unaudited
	USD	USD
ManJer Fees	15,722,999	12,668,513

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

	As at	
	30 June 2017	31 December 2016
	Unaudited	Audited
	USD	USD
ManJer Fees Payable	2,617,397	2,579,427

The following balances were due from HoldCo at the period/year end:

	As at	
	30 June 2017	31 December 2016
	Unaudited	Audited
	USD	USD
Due from Parent	3	3

As disclosed in the Directors' Report, ManJer paid directors' fees in respect of the Company of GBP 4,000 (30 June 2016: GBP 4,000).

Steven G Ross is a director of R&H Fund Services (Jersey) Limited ("R&H"), the administrator. During the period, R&H charged ManJer administration fees in respect of the Company of GBP 46,750 (30 June 2016: GBP 45,750), of which GBP 23,375 (30 June 2016: GBP 22,875) was outstanding at the period end.

Graham J Tuckwell is also a director of ETFSL, ManJer and HoldCo. Joseph L Roxburgh is also a director of ManJer and HoldCo. Christopher J M Foulds is the Compliance Officer of ManJer.

10. Ultimate Controlling Party

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

The value of the Metal Bullion backing the Metal Securities is wholly attributable to the holders of the Metal Securities.

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