

db ETC Plc

**Management report and Condensed unaudited
interim financial statements**

For the half year ended 30 June 2016

Registered number : 103781

db ETC Plc

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db ETC Plc

Directors and other information

Directors

Elian Corporate Director 3 Limited
Elian Corporate Director 4 Limited
Carl McConnell

Registered Office

St Paul's Gate
New Street
St Helier
Jersey JE4 8ZB
Channel Islands

Administrator, Determination Agent & Company Secretary

Deutsche International Corporate Services Limited
St Paul's Gate
New Street
St Helier
Jersey JE4 8ZB
Channel Islands

Authorised Participant, Arranger, Issuing and Paying Agent, Programme Counterparty, Custodian and Metal Agent

Deutsche Bank AG
London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

Note Trustee

Deutsche Trustee Company Limited
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

Interim management report

The directors present their interim report and the unaudited financial statements of db ETC Plc (the "Company") for the half year ended 30 June 2016.

Principal activities and business review

The Company was incorporated on 6 August 2009 as a public limited company in Jersey under the Companies (Jersey) Law 1991 with Company number 103781.

The principal activity of the Company, under the secured ETC precious metal securities programme (the "Programme"), is to issue from time to time Series of secured precious metal linked securities ("ETC Securities"), where recourse in respect of each series is limited to the proceeds of enforcement of the security over each respective series' assets.

With respect to each series (each a "Series") of ETC Securities, the Company's main assets are its holdings of underlying metal and its interests under the related balancing agreement. The obligations of the Company under the ETC Securities of a Series will be secured in favour of the Trustee by an assignment by way of security of all the Company's rights, title, interest and benefit present and future against the secured account custodian, the subscription account custodian and any sub-custodian relating to the underlying metal in respect of this Series of ETC Securities.

The net proceeds from the issue of a Series of ETC Securities are used to purchase an amount of unallocated metal which, in accordance with the Custody Agreement for secured accounts will, to the extent possible, be allocated to physical metal bars or other metal shapes and be held in the secured allocated account. Any remaining metal is held in the secured unallocated account. Such underlying metal is used to meet the Company's obligations under the relevant Series of ETC Securities and the relevant balancing agreement.

During the half year ended:

- the Company made a profit of EUR nil (30 June 2015: EUR nil);
- the net fair value gain on inventories amounted to EUR 377,363,151 (30 June 2015: net fair value loss of EUR 13,485,001); and
- the net fair value loss on financial liabilities designated at fair value through profit or loss amounted to EUR 377,363,151 (30 June 2015: net fair value gain of EUR 13,485,001).

As at 30 June 2016:

- the Company's total fair value of financial liabilities designated at fair value through profit or loss was EUR 2,464,473,310 (31 December 2015: EUR 1,500,681,239); and
- the net assets of the Company was EUR 30,002 (31 December 2015: EUR 30,002).

Future developments

The directors expect that the present level of activity will be sustained for the foreseeable future. The Board will continue to seek new opportunities for the Company and will continue to ensure proper management of the current portfolio of Series of the Company.

Credit events

There was no credit event noted during the period.

Subsequent event

Subsequent events are disclosed under note 17 to the financial statements.

Results and dividends for the period

The results for the period are set out on page 4. The directors do not recommend the payment of a dividend for the period under review (30 June 2015: nil).

Changes in directors, secretary and registered office

There has been no changes in directors, secretary and registered office during the period.

Directors, secretary and their interests

None of the directors or the secretary who held office on 30 June 2016 held any shares or ETC securities in the Company at that date, or during the period. There were no contracts of any significance in relation to the business of the Company in which the directors had any interest. As disclosed in note 13, related party transactions, Carl McConnell, acting as director for the Company is an employee of Deutsche Bank International Limited who provide administrative services to the Company through their subsidiary, Deutsche International Corporate Services Limited. See note 13 for full details of the relationships entered into between the Company and the Deutsche Bank Group.

On behalf of the board



Alexandra Nethercott-Parkes
Alternate Director

Director

Date: 31/07/16

Responsibility statement

The Company's directors are responsible for preparing the management report and the interim financial statements in accordance with applicable law and regulations. The directors confirm that, to the best of their knowledge:

- the condensed financial statements, which have been prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and results of the Company, and
- the Interim Management Report includes a fair review of:
 - important events that have occurred during the first six months of the year;
 - the impact of those events on the condensed financial statements; and
 - a description of the principal risks and uncertainties for the remaining six months of the financial year.

The directors further indicate that such interim financial statements for the half year ended 30 June 2016 have not been audited.

On behalf of the board

Director



Alexandra Nethercott-Parke
Alternate Director

Date:

31/8/16

Condensed statement of comprehensive income
For the half year ended 30 June 2016

	Notes	Period ended 30-Jun-16 EUR	Period ended 30-Jun-15 EUR
Net fair value gain/(loss) on inventories	4	377,363,151	(13,485,001)
Net fair value (loss)/gain on financial liabilities designated at fair value through profit or loss	5	(377,363,151)	13,485,001
Operating profit before taxation		-	-
Taxation	6	-	-
Total comprehensive income for the financial period		-	-

Condensed statement of financial position
As at 30 June 2016

	Notes	30-Jun-16 EUR	31-Dec-15 EUR
Assets			
Cash and cash equivalents	7	2	2
Other receivables	8	30,000	30,000
Inventories held at fair value less costs to sell	9	2,464,473,310	1,500,681,239
Total assets		<u>2,464,503,312</u>	<u>1,500,711,241</u>
Liabilities and equity			
Liabilities			
Financial liabilities designated at fair value through profit or loss	10	2,464,473,310	1,500,681,239
Total liabilities		<u>2,464,473,310</u>	<u>1,500,681,239</u>
Equity			
Share capital	11	2	2
Retained earnings		30,000	30,000
Total equity		<u>30,002</u>	<u>30,002</u>
Total liabilities and equity		<u>2,464,503,312</u>	<u>1,500,711,241</u>

The condensed interim financial statements on pages 4 to 14 were approved by the Board and authorised for issue on 31 AUGUST 2016.

On behalf of the board

Alexandra Nethercott-Parkes
Alternate Director

Director

Date: 31/8/16

Condensed statement of changes in equity
For the half year ended 30 June 2016

	Share capital	Retained earnings	Total equity
	EUR	EUR	EUR
Balance as at 1 January 2015	2	30,000	30,002
<i>Comprehensive income for the period</i>			
Profit for the period	-	-	-
Total comprehensive income for the period	-	-	-
Balance as at 30 June 2015	2	30,000	30,002
<i>Comprehensive income for the period</i>			
Profit for the period	-	-	-
Total comprehensive income for the period	-	-	-
Balance as at 31 December 2015	2	30,000	30,002
Balance as at 1 January 2016	2	30,000	30,002
<i>Comprehensive income for the period</i>			
Profit for the period	-	-	-
Total comprehensive income for the period	-	-	-
Balance as at 30 June 2016	2	30,000	30,002

Condensed statement of cash flows
For the half year ended 30 June 2016

	Notes	Period ended 30-Jun-16 EUR	Period ended 30-Jun-15 EUR
Cash flows from operating activities			
Profit before taxation		-	-
<i>Adjustments for:</i>			
Net fair value (gain)/loss on inventories	4	(377,363,151)	13,485,001
Net fair value loss/(gain) on financial liabilities designated at fair value through profit or loss	5	377,363,151	(13,485,001)
Net cash generated from operating activities		-	-
Cash flows from investing activities			
Purchase of inventories		(941,438,935)	(401,806,649)
Proceeds from disposal of inventories		355,010,015	176,377,549
Net cash used in investing activities		(586,428,920)	(225,429,100)
Cash flows from financing activities			
Issue of financial liabilities designated at fair value through profit or loss		941,438,935	401,806,649
Redemption of financial liabilities designated at fair value through profit or loss		(355,010,015)	(176,377,549)
Net cash generated from financing activities		586,428,920	225,429,100
Movement in cash and cash equivalents		-	-
Cash and cash equivalents at start of the period		2	2
Cash and cash equivalents at end of the period	7	2	2

The notes on pages 8 to 14 form an integral part of the financial statements.

Notes to the condensed interim financial statements
For the half year ended 30 June 2016

1 General information

The Company was incorporated on 6 August 2009 as a public limited company in Jersey under the Companies (Jersey) Law 1991, as amended, with company number 103781.

The principal activity of the Company, under the secured ETC precious metal securities programme (the "Programme"), is to issue from time to time Series of secured precious metal linked securities ("ETC Securities"), where recourse in respect of each series is limited to the proceeds of enforcement of the security over each respective series' assets.

2 Basis of preparation

The condensed interim financial statements for the half year ended 30 June 2016 have been prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting'. The condensed interim unaudited financial statements should be read in conjunction with the annual audited financial statements for the year ended 31 December 2015 and condensed interim unaudited financial statements for the period ended 30 June 2015.

3 Significant accounting policies

The same accounting policies, presentation and methods of computation are followed in these condensed interim financial statements as were applied in the preparation of the Company's financial statements for the year ended 31 December 2015.

4 Net fair value gain/(loss) on inventories	Period ended	Period ended
	30-Jun-16	30-Jun-15
	EUR	EUR
Net fair value gain/(loss) on inventories	377,363,151	(13,485,001)
	<u>377,363,151</u>	<u>(13,485,001)</u>
5 Net fair value (loss)/gain on financial liabilities designated at fair value through profit or loss	Period ended	Period ended
	30-Jun-16	30-Jun-15
	EUR	EUR
Net fair value (loss)/gain on ETC Securities	(377,363,151)	13,485,001
	<u>(377,363,151)</u>	<u>13,485,001</u>
6 Taxation		
The Company is not a regulated financial service company from a Jersey Income Tax perspective. Therefore, the Company is liable to Jersey Income Tax at 0%.		
7 Cash and cash equivalents	30-Jun-16	31-Dec-15
	EUR	EUR
Cash at bank	2	2
	<u>2</u>	<u>2</u>
8 Other receivables	30-Jun-16	31-Dec-15
	EUR	EUR
Corporate benefit receivable due from Arranger	30,000	30,000
	<u>30,000</u>	<u>30,000</u>
9 Inventories held at fair value less costs to sell	30-Jun-16	31-Dec-15
	EUR	EUR
Inventories	2,464,473,310	1,500,681,239
	<u>2,464,473,310</u>	<u>1,500,681,239</u>
Movement in inventories	30-Jun-16	31-Dec-15
	EUR	EUR
At beginning of the period/year	1,500,681,239	1,655,948,151
Additions during the period/year	941,438,935	447,455,178
Disposals during the period/year	(355,010,015)	(409,585,967)
Net changes in fair value during the period/year	<u>377,363,151</u>	<u>(193,136,123)</u>
At end of period/year	<u>2,464,473,310</u>	<u>1,500,681,239</u>

Notes to the condensed interim financial statements (continued)
For the half year ended 30 June 2016

10 Financial liabilities designated at fair value through profit or loss

	30-Jun-16		31-Dec-15	
	Nominal units issued	Fair value Amount EUR	Nominal units issued	Fair value Amount EUR
ETC Securities issued	23,824,000	2,464,473,310	18,519,000	1,500,681,239

Movement in financial liabilities	30-Jun-16 EUR	31-Dec-15 EUR
At beginning of the period/year	1,500,681,239	1,655,948,151
Issue of financial liabilities during the period/year	941,438,935	447,455,178
Redemption of financial liabilities during the period/year	(355,010,015)	(409,585,967)
Net changes in fair value during the period/year	377,363,151	(193,136,123)
At end of period/year	2,464,473,310	1,500,681,239

The ETC Securities issued are listed on various exchanges, including London, Switzerland, Milan and Frankfurt. Refer to note 15 for a description of the key risks regarding the issue of these instruments.

The financial liabilities in issue at 30 June 2016 are as follows:

Series	Description	CCY	Maturity	30-Jun-16 Units Outstanding	30-Jun-16 NAV per unit (CCY)	30-Jun-16 Fair value EUR
Series 1	db Physical Gold ETC	USD	15-Jun-60	5,230,000	129.75	610,988,443
Series 2	db Physical Gold Euro Hedged ETC	EUR	15-Jun-60	8,965,000	99.20	889,293,017
Series 3	db Physical Silver ETC	USD	15-Jun-60	335,000	178.60	53,873,070
Series 4	db Physical Silver Euro Hedged ETC	EUR	15-Jun-60	1,170,000	132.52	155,050,302
Series 5	db Physical Platinum ETC	USD	15-Jun-60	375,000	97.22	32,824,878
Series 6	db Physical Platinum Euro Hedged ETC	EUR	15-Jun-60	355,000	71.66	25,441,051
Series 7	db Physical Palladium ETC	USD	15-Jun-60	195,000	57.32	10,063,667
Series 8	db Physical Palladium Euro Hedged ETC	EUR	15-Jun-60	755,000	41.55	31,368,824
Series 9	db Physical Gold ETC (EUR)	EUR	15-Jun-60	4,580,000	116.83	535,087,174
Series 10	db Physical Silver ETC (EUR)	EUR	15-Jun-60	455,000	160.39	72,976,005
Series 11	db Physical Rhodium ETC	USD	19-May-61	334,000	60.44	18,177,070
Series 12	db Physical Rhodium ETC (EUR)	EUR	19-May-61	265,000	54.45	14,429,898
Series 13	db Physical Gold GBP Hedged ETC	GBP	19-May-61	735,000	7.92	6,980,209
Series 16	db Physical Gold CHF Hedged ETC	CHF	05-Dec-62	75,000	114.47	7,919,702
				23,824,000		2,464,473,310

Notes to the condensed interim financial statements (continued)
For the half year ended 30 June 2016

10 Financial liabilities designated at fair value through profit or loss (continued)

The financial liabilities in issue at 31 December 2015 are as follows:

Series	Description	CCY	Maturity	31-Dec-15 Units outstanding	31-Dec-15 NAV per unit (CCY)	31-Dec-15 Fair value EUR
Series 1	db Physical Gold ETC	USD	15-Jun-60	4,480,000	104.51	431,197,580
Series 2	db Physical Gold Euro Hedged ETC	EUR	15-Jun-60	4,815,000	80.65	388,350,563
Series 3	db Physical Silver ETC	USD	15-Jun-60	335,000	134.75	41,573,756
Series 4	db Physical Silver Euro Hedged ETC	EUR	15-Jun-60	620,000	100.86	62,534,250
Series 5	db Physical Platinum ETC	USD	15-Jun-60	375,000	85.05	29,374,216
Series 6	db Physical Platinum Euro Hedged ETC	EUR	15-Jun-60	355,000	63.35	22,490,491
Series 7	db Physical Palladium ETC	USD	15-Jun-60	595,000	53.35	29,236,328
Series 8	db Physical Palladium Euro Hedged ETC	EUR	15-Jun-60	355,000	39.09	13,877,531
Series 9	db Physical Gold ETC (EUR)	EUR	15-Jun-60	3,730,000	95.92	357,764,133
Series 10	db Physical Silver ETC (EUR)	EUR	15-Jun-60	405,000	123.80	50,139,359
Series 11	db Physical Rhodium ETC	USD	19-May-61	759,000	58.34	40,783,578
Series 12	db Physical Rhodium ETC (EUR)	EUR	19-May-61	285,000	53.62	15,282,645
Series 13	db Physical Gold GBP Hedged ETC	GBP	19-May-61	1,335,000	6.39	11,569,405
Series 16	db Physical Gold CHF Hedged ETC	CHF	05-Dec-62	75,000	94.43	6,507,404
				18,519,000		1,500,681,239

Movement in fair values by Series for the half year ended 30 June 2016

Series	Description	Opening balance 01-Jan-16 EUR	Issuances EUR	Redemptions EUR	Net changes in fair values EUR	Closing balance 30-Jun-16 EUR
Series 1	db Physical Gold ETC	431,197,580	81,167,172	-	98,623,691	610,988,443
Series 2	db Physical Gold Euro Hedged ETC	388,350,563	589,524,963	(219,906,573)	131,324,064	889,293,017
Series 3	db Physical Silver ETC	41,573,756	-	-	12,299,314	53,873,070
Series 4	db Physical Silver Euro Hedged ETC	62,534,250	64,039,291	-	28,476,761	155,050,302
Series 5	db Physical Platinum ETC	29,374,216	-	-	3,450,662	32,824,878
Series 6	db Physical Platinum Euro Hedged ETC	22,490,491	-	-	2,950,560	25,441,051
Series 7	db Physical Palladium ETC	29,236,328	-	(18,031,436)	(1,141,225)	10,063,667
Series 8	db Physical Palladium Euro Hedged ETC	13,877,531	19,594,164	(3,634,410)	1,531,539	31,368,824
Series 9	db Physical Gold ETC (EUR)	357,764,133	180,222,335	(81,297,324)	78,398,030	535,087,174
Series 10	db Physical Silver ETC (EUR)	50,139,359	6,891,010	-	15,945,636	72,976,005
Series 11	db Physical Rhodium ETC	40,783,578	-	(25,218,029)	2,611,521	18,177,070
Series 12	db Physical Rhodium ETC (EUR)	15,282,645	-	(1,200,588)	347,841	14,429,898
Series 13	db Physical Gold GBP Hedged ETC	11,569,405	-	(5,721,655)	1,132,459	6,980,209
Series 16	db Physical Gold CHF Hedged ETC	6,507,404	-	-	1,412,298	7,919,702
		1,500,681,239	941,438,935	(355,010,015)	377,363,151	2,464,473,310

Notes to the condensed interim financial statements (continued)
For the half year ended 30 June 2016

10 Financial liabilities designated at fair value through profit or loss (continued)

Movement in fair values by Series for the year ended 31 December 2015

Series	Description	Opening balance 01-Jan-15 EUR	Issuances EUR	Redemptions EUR	Net changes in fair values EUR	Closing balance 31-Dec-15 EUR
Series 1	db Physical Gold ETC	511,558,970	83,305,066	(157,705,175)	(5,961,281)	431,197,580
Series 2	db Physical Gold Euro Hedged ETC	446,047,578	156,914,911	(141,066,221)	(73,545,705)	388,350,563
Series 3	db Physical Silver ETC	35,556,687	7,958,239	-	(1,941,170)	41,573,756
Series 4	db Physical Silver Euro Hedged ETC	61,874,470	18,306,102	(5,371,020)	(12,275,302)	62,534,250
Series 5	db Physical Platinum ETC	46,549,474	9,344,883	(17,591,331)	(8,928,810)	29,374,216
Series 6	db Physical Platinum Euro Hedged ETC	22,794,724	8,535,882	-	(8,840,115)	22,490,491
Series 7	db Physical Palladium ETC	50,088,773	1,345,216	(13,528,676)	(8,668,985)	29,236,328
Series 8	db Physical Palladium Euro Hedged ETC	22,012,327	6,087,158	(8,644,117)	(5,577,837)	13,877,531
Series 9	db Physical Gold ETC (EUR)	283,603,141	151,077,223	(60,328,407)	(16,587,824)	357,764,133
Series 10	db Physical Silver ETC (EUR)	52,166,242	-	-	(2,026,883)	50,139,359
Series 11	db Physical Rhodium ETC	79,430,323	-	(3,603,182)	(35,043,563)	40,783,578
Series 12	db Physical Rhodium ETC (EUR)	27,862,036	-	-	(12,579,391)	15,282,645
Series 13	db Physical Gold GBP Hedged ETC	12,496,238	-	-	(926,833)	11,569,405
Series 14	db Physical Silver GBP Hedged ETC	1,638,200	-	(1,747,838)	109,638	-
Series 16	db Physical Gold CHF Hedged ETC	2,268,968	4,580,498	-	(342,062)	6,507,404
		<u>1,655,948,151</u>	<u>447,455,178</u>	<u>(409,585,967)</u>	<u>(193,136,123)</u>	<u>1,500,681,239</u>

11 Share capital

Authorised:

10,000 ordinary shares of GBP 1 each

	30-Jun-16 GBP	31-Dec-15 GBP
10,000 ordinary shares of GBP 1 each	10,000	10,000

Issued and fully paid

2 ordinary shares of GBP 1 each

	EUR	EUR
2 ordinary shares of GBP 1 each	2	2
	<u>2</u>	<u>2</u>

As at 30 June 2016 and 31 December 2015, the ordinary share capital was held by the following non-beneficial nominees:

	30-Jun-16 GBP	31-Dec-15 GBP
Elian Nominees (Jersey) Limited	1	1
Naile Nominees (Jersey) Limited	1	1
	<u>2</u>	<u>2</u>

The authorised share capital of the Company is GBP 10,000 out of which 2 ordinary shares have been issued and fully paid. The nominees have no beneficial interest in and derives no benefit from its holding of the shares. There are no other rights that pertain to the shares and the shareholders.

Notes to the condensed interim financial statements (continued)
For the half year ended 30 June 2016

12 Capital risk management

The Company views the share capital as its capital. The Company is a special purpose vehicle set up to issue ETC Securities for the purpose of making investments as defined under the programme memorandum and in each of the Series memorandum agreements. Share capital of GBP 2 was issued in line with Jersey Company Law and is not used for financing the investment activities of the Company. The Company is not subject to any other externally imposed capital requirements.

The Company can issue further series of ETC Securities to meet the demand of its investors.

13 Related Party Transactions

Elian Corporate Director 3 Limited and Elian Corporate Director 4 Limited act solely in the capacity as directors of Jersey companies, pursuant to the Companies (Jersey) Law 1991, as amended. Both are part of the Elian group of companies. No fee was charged or paid to the Elian Group during the period under review by the Company for the provision of directors. Most expenses of the Company are borne by the Arranger, Deutsche Bank AG, London Branch, including fees paid to Elian.

Carl McConnell, acting as director for the Company is an employee of Deutsche Bank International Limited. Deutsche International Corporate Services Limited, which acts as administrator to the Company, is a subsidiary of Deutsche Bank International Limited and is part of Deutsche Bank AG, London Branch.

As at 30 June 2016, corporate benefit fees amounting to EUR 30,000 (31 December 2015: EUR 30,000) were receivable from the Arranger, Deutsche Bank AG, London Branch.

Product fees accrued for the period ended 30 June 2016 due to Deutsche Bank AG, London branch in its capacity as Arranger amounted to EUR 2,476,653 (31 December 2015: EUR 8,136,033).

As at 30 June 2016, the number of ETC Securities held by Deutsche Bank AG, London Branch, as authorised participant was 652,538 units (EUR 57,103,995) (31 December 2015: 1,340,280 units (EUR 73,205,444)).

14 Ultimate controlling party

The directors of the Company consider Elian Corporate Trustee (Jersey) Limited as trustee of the db ETC Charitable Trust (the beneficial owner of the issued share capital of the Company) to be the ultimate controlling party of the Company.

15 Financial risk management

Risk management framework

The Company, and ultimately the holders of the ETC securities, have exposure to the following risks from its use of financial instruments:

- Operational risk;
- Credit risk;
- Market risk; and
- Liquidity risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes and infrastructure, and from external factors other than credit, markets and liquidity issues such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

Operational risks arise from all of the Company's operations. The Company was incorporated with the purpose of engaging in those activities outlined in note 1. All management and administration functions are outsourced to Deutsche International Corporate Services Limited. Deutsche Bank AG, London Branch acts as the Company's authorised participant, arranger, issuing and paying agent, programme counterparty, custodian and metal agent.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's principal financial assets are cash and cash equivalents, other receivables and inventories which represents the Company's maximum exposure to credit risk. All credit risk are ultimately borne by the ETC Securities holders.

Notes to the condensed interim financial statements (continued)
For the half year ended 30 June 2016

15 Financial risk management (continued)

Market risk

Market risk comprises three types of risk: interest rate risk, currency risk and other price risk as described below.

(i) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of a change in interest rates. The ETC Securities do not bear interest. As such, the Company and ETC Securities holders have limited exposure to interest rate risk.

(ii) *Currency risk*

Currency risk is the risk which arises where the assets and liabilities of the Company that are denominated in currencies other than its functional currency, those assets and liabilities being denominated in US Dollars (USD), Pound Sterling (GBP) and Swiss Franc (CHF).

The Company is not exposed to net currency risk since the foreign exchange movements in its financial liabilities will be offset by the foreign exchange movements in its inventories. Any net foreign currency risk is borne by the ETC security holders.

The following significant exchange rates have been applied at the following period ends:

	Average rate			Closing rate		
	30-Jun-16	31-Dec-15	30-Jun-15	30-Jun-16	31-Dec-15	30-Jun-15
USD-EUR	0.8959	0.8738	0.8523	0.9004	0.9210	0.8979
GBP- EUR	1.2844	1.3224	1.3287	1.1984	1.3571	1.4103
CHF-EUR	0.9124	0.8756	0.9479	0.9225	0.9188	0.9594

(iii) *Price risk*

Price risk is the risk that changes in market prices of metals will affect the Company's income, expense, inventories and financial liabilities designated at fair value through profit or loss. The Company's liabilities are exposed to the market prices of the metals. However, the risk is mitigated by holding the relevant quantities of inventory for each Series of ETC Securities issued. The ETC Security holders are exposed to the market price risk of their metal entitlement under the ETC Securities.

Any changes in the metal spot prices on the inventories held by the Company would not have any net effect on the equity or condensed statement of comprehensive income of the Company since changes in the fair value of inventories would be offset by corresponding changes in the fair value of the ETC Securities and as such any price risk is ultimately borne by the ETC Security holders.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company limits its exposure to liquidity risk through the purchase of inventory. All liquidity risk associated with the inventories are ultimately borne by the ETC Securities holders.

Fair values

The Company's inventories and financial liabilities designated at fair value through profit or loss are carried at fair value in the condensed statement of financial position.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Quoted prices (unadjusted) in active market for an identical instrument.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

The Company does not have any financial instruments at level 1 or 3 and there has not been any transfer between levels during the half year ended 30 June 2016.

Notes to the condensed interim financial statements (continued)
For the half year ended 30 June 2016

16 Operating expenses

All costs associated with the Company are paid by Deutsche Bank AG, London Branch, the Arranger.

17 Subsequent events

There has been no significant events that require disclosure to the condensed interim financial statement since the period end and up to the date of approving the interim report.

18 Comparatives

In line with IAS 34, the comparative information for the condensed statement of comprehensive income, condensed statement of cash flows and condensed statement of changes in equity are for the period ended 30 June 2015 and the comparative information for the statement of financial position is as at 31 December 2015.

19 Approval of financial statements

The board of directors approved these condensed interim financial statements on **31 AUGUST**2016.

**This announcement has been issued through the Companies Announcement Service of
The London Stock Exchange.**