db ETC Plc

Directors' report and audited financial statements

For the year ended 31 December 2010

Registered number: 103781

db ETC Plc

CONTENTS

Directors and other information

Directors	Ogier Corporate Director (Jersey) 3 Limited-appointed 11 May 2010 Ogier Corporate Director (Jersey) 4 Limited-appointed 11 May 2010 Ed Fletcher-appointed 11 May 2010 Alan Booth (alternate Director to Ed Fletcher)-appointed 12 May 2010 Christopher Byrne-resigned 11 May 2010 Peter Gatehouse-resigned 11 May 2010
Registered office	St Paul's Gate New Street St Helier Jersey JE4 8ZB Channel Islands
Administrator and company secretary	Deutsche International Corporate Services Limited St Paul's Gate New Street St Helier Jersey JE4 8ZB Channel Islands
Independent auditor	KPMG Channel Islands Limited 5 St Andrew's Place Charing Cross Jersey JE4 8WQ Channel Islands
Authorised participant, arranger, issuing and paying agent, programme counterparty 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

Directors' Report

The directors present their annual report and the audited financial statements of db ETC Plc (the "**Company**"), for the year ended to 31 December 2010.

Principal activities
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 the issue from time to time of secured precious metal linked securities ("**ETC Securities**"), where recourse in respect of such transactions is limited to the proceeds of enforcement of the security over the Company's assets.

With respect to each 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 will be 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 shall be held in the secured unallocated account. Such underlying metal shall be used to meet the Company's obligations under the relevant series of ETC Securities and the relevant balancing agreement.

The ETC Securities are listed on various exchanges, including London, Switzerland, Milan and Frankfurt.

Business review
During the year:
- the Company partly repaid 300,000 units of Series 1 for total proceeds of EUR 30,830,303;
- the Company made a profit of EUR 949,927 (2009: Nil);
- the net gain in fair value of inventories amounted to EUR 104,228,396 (2009: Nil); and
- the net loss on financial liabilities designated at fair value through profit or loss amounted to EUR 103,293,469 (2009: Nil);

As at 31 December 2010:
- the Company had the following series of ETC Securities in issue:
  -Series 01 - db Physical Gold ETC
  -Series 02 - db Physical Gold Euro Hedged ETC
  -Series 03 - db Physical Silver ETC
  -Series 04 - db Physical Silver Euro Hedged ETC
  -Series 05 - db Physical Platinum ETC
  -Series 06 - db Physical Platinum Euro Hedged ETC
  -Series 07 - db Physical Palladium ETC
  -Series 08 - db Physical Palladium Euro Hedged ETC
  -Series 09 - db Physical Gold ETC
  -Series 10 - db Physical Silver ETC
- the Company's total fair value of financial liabilities designated at fair value through profit or loss was EUR 718,884,792 (2009: Nil); and
- the net assets were EUR 949,929 (2009: EUR 2).

Future developments
The directors expect the present level of activity to be sustained for the foreseeable future.

Results and dividends for the year and state of affairs at 31 December 2010
The results for the year are set out on page 7. No dividends are recommended by the directors for the year under review (2009: Nil).

Changes in directors, secretary and registered office
During the year the following changes in directors occurred:

-Ogier Corporate Director (Jersey) 3 Limited was appointed as a director on 11 May 2010.
-Ogier Corporate Director (Jersey) 4 Limited was appointed as a director on 11 May 2010.
-Ed Fletcher was appointed as a director on 11 May 2010.
-Alan Booth was appointed as an alternate Director to Ed Fletcher on 12 May 2010.
-Christopher Byrne resigned as a director on 11 May 2010.
-Peter Gatehouse resigned as a director on 11 May 2010.

The secretary and registered office for the year and to date are as stated on page 1.

Director's Report (continued)

Directors, secretary and their interests
The directors and secretary who held office on 31 December 2010 did not hold any shares or ETC Securities in the Company at that date, or during the year.

Risk and uncertainties
The Company is subject to various risks and uncertainties. The principal risks and uncertainties facing the Company are outlined in note 13 to the financial statements.

Subsequent events
Significant events that requires disclosure to the financial statement since the year end and up to the date of approving this report have been disclosed in note 19 to the financial statements.

Independent auditors
KPMG Channel Islands Limited have expressed their willingness to continue in office.

On behalf of the board

Director

Date 28/4/11

Statement of directors' responsibilities

The directors are responsible for preparing the financial statements, in accordance with applicable law and international financial reporting standards as adopted by the European Union (''EU'').

Company law requires the directors to prepare the financial statements for each financial year which give a true and fair view of the state of the affairs of the Company and of the profit or loss of the Company for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 financial statements; and
- 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 financial statements comply with the requirements of the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also required by the Transparency (Directive 2004/109/EC) Regulation 2007 to include a Directors' Report containing a fair review of the business and a description of the principal risks and uncertainties facing the Company.

The directors confirm that, to the best of their knowledge and belief:

- they have complied with the above requirements in preparing the financial statements;
- the financial statements, prepared in accordance with IFRS as adopted by the EU, give a true and fair view, of the state of the assets, liabilities, financial position and of the profit of the Company for the year then ended; and
- the Directors' report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board

Director

Date: 28/4/11

KPMG Channel Islands Limited
P.O. Box 453
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Jersey JE4 8WQ
Channel Islands

5 St Andrew's Place
Charing Cross, St Helier
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Channel Islands

Independent auditor's report to the members of db ETC Plc

We have audited the financial statements of db ETC Plc for the year ended 31 December 2010 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards.

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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Independent auditor's report to the members of db ETC Plc – continued

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Eric J. Bertrand
for and on behalf of KPMG Channel Islands Limited
Chartered Accountants and Recognized Auditor
28 April 2011

The maintenance and integrity of the db ETC Plc website is the responsibility of the directors; the work carried out by auditors does not involve consideration of these matters and accordingly, KPMG Channel Islands Limited accepts no responsibility for any changes that may have occurred to the financial statements or our audit report since 28 April 2011. KPMG Channel Islands Limited has carried out no procedures of any nature subsequent to 28 April 2011which in any way extends this date.

Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The directors shall remain responsible for establishing and controlling the process for doing so, and for ensuring that the financial statements are complete and unaltered in any way.

db ETC Plc

Statement of comprehensive income
For the year ended 31 December 2010

	Notes	Year ended 31-Dec-10 EUR	6 August 2009 to 31-Dec-09 EUR
Net gain from fair value of inventories	4	104,228,396	-
Net loss from fair value of financial liabilities designated at fair value through profit or loss	5	(103,293,469)	-
Other income	6	15,000	-
Operating profit before taxation		949,927	-
Taxation	7	-	-
Total comprehensive income for the year/period		949,927	-

The accompanying notes to the financial statements on pages 11 to 20 form an integral part of these financial statements.

db ETC Plc

Statement of financial position
As at 31 December 2010

	Notes	31-Dec-10	31-Dec-09
ASSETS		**EUR**	**EUR**
Cash and cash equivalents	8	15,002	2
Inventories held at fair value	9	719,819,719	-
Total assets		719,834,721	2
EQUITY AND LIABILITIES			
Equity			
Share capital	11	2	2
Retained earnings		949,927	-
Total equity		949,929	2
Liabilities			
Financial liabilities designated at fair value through profit or loss	10	718,884,792	-
Total liabilities		718,884,792	-
Total equity and liabilities		719,834,721	2

The financial statements were approved by the Board and authorised for issue on 28/4/11

Director

Date: 28/4/11

Statement of changes in equity
For the year ended 31 December 2010

	Share capital EUR	Retained earnings EUR	Total equity EUR
Issue of shares	2	-	2
Total comprehensive income for the period			
Profit for the period	-	-	-
Balance as at 31 December 2010	2	-	2
Balance as at 1 January 2010	2	-	2
Total comprehensive income for the year			
Profit for the year	-	949,927	949,927
Total comprehensive income for the year	2	949,927	949,929
Balance as at 31 December 2010	2	949,927	949,929

Statement of cash flows
For the year ended 31 December 2010

	Notes	Year ended 31-Dec-10 EUR	6 August 2009 to 31-Dec-09 EUR
Cash flows from operating activities			
Total comprehensive income for the year/period		949,927	-
Adjustments for:			
Net gain from fair value of inventories	4	(104,228,396)	-
Net loss from fair value of financial liabilities designated at fair value through profit or loss	5	103,293,469	-
Net cash generated from operating activities		15,000	-
Cash flows used in investing activities			
Purchase of inventories	9	(646,421,626)	-
Proceeds from disposal of inventories	9	30,830,303	
Net cash used in investing activities		(615,591,323)	-
Cash flows from financing activities			
Proceeds from issuance of share capital	11	-	2
Proceeds from issuance of financial liabilities designated at fair value through profit or loss	10	646,421,626	-
Redemption of financial liabilities designated at fair value through profit or loss	10	(30,830,303)	
Net cash generated from financing activities		615,591,323	2
Net increase in cash and cash equivalents		15,000	2
Cash and cash equivalents at the start of the year/period		2	-
Cash and cash equivalents at the end of the year/period	8	15,002	2

Notes to the financial statements
For the year ended 31 December 2010

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 secured precious metal linked securities ("**ETC Securities**"), where recourse in respect of such transactions is limited to the proceeds of enforcement of the security over the Company's assets.

The Company has no direct employees.

The ETC Securities are listed on various exchanges, including London, Switzerland, Milan and Frankfurt.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (''EU'') and with the Companies (Jersey) Law 1991.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2010; the comparative information for the period from 6 August 2009 (date of incorporation) to 31 December 2009 presented in these financial statements has been prepared on a consistent basis.

These financial statements have been prepared on a going concern basis.

(b) Changes in accounting policy and disclosures and adoption of new accounting standards

New and amended standards effective but not yet adopted

- During 2010, the Company did not adopt any new standards or amendments to standards, because none became effective that were relevant to the Company.

(i) Applicable standards and interpretations not currently effective or adopted

The Company's assessment of the impact of these new standards is set out below:

- IFRS 9, 'Financial Instruments', published in November 2009 as part of phase 1 of the IASB's comprehensive project to replace IAS 39, deals with the classification and measurement of financial assets. The requirements of this standard represent a significant change from the existing requirements in IAS 39 in respect of financial assets. The standard contains two primary measurement categories for financial assets: amortised cost and fair value. A financial asset would be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held-to-maturity, available-for-sale and loans and receivables. In October 2010, IFRS 9 was amended to include provisions relating to the measurement and recognition of financial liabilities. Most of IAS 39's requirements for financial liabilities are retained, including amortised cost accounting for most financial liabilities with bifurcation of embedded derivatives. However, fair value changes attributable to changes in own credit risk for financial liabilities designated under the fair value option other than loan commitments and financial guarantee contracts are to be presented in the statement of other comprehensive income. These amounts are not subsequently reclassified to the income statement but may be transferred within equity.

The standard is not applicable until 1 January 2013 but is available for early adoption. However, the standard has not yet been endorsed by the EU.

IFRS 9, 'Financial Instruments', which becomes mandatory for the Company's 2013 financial statements could change the classification and measurement of financial instruments.

The Company has not adopted any other new standards or interpretations that are not mandatory. The directors anticipate that the adoption of those standards or interpretations will have no material impact on the financial statements of the Company in the period of initial application.

2 Basis of preparation (continued)

(c) Basis of measurement
The financial statements have been prepared on the historical cost basis except for the following:

- Inventories held at fair value are measured at fair value; and
- Financial liabilities designated at fair value through profit or loss are measured at fair value.

The methods used to measure fair values are discussed further in note 2(e).

(d) Functional and presentation currency
In 2010, the functional currency has been amended from pounds sterling (GBP) to Euro (EUR). Functional currency is the currency of the primary economic environment in which the entity operates. The financial liabilities designated at fair value through profit or loss are primarily denominated in EUR. Hence, the directors believe that the functional and the presentation currency should be EUR instead of GBP as EUR most faithfully represents the economic effects of the underlying transactions, events and conditions of the Company. No adjustments were necessary to the prior year financial statements as a result of this change.

(e) Use of estimates and judgements
The preparation of the financial statements requires management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and any future periods affected.

Key sources of estimation uncertainty
Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below and in note 14.

Critical accounting judgements in applying the Company's accounting policies
The Company's accounting policy on fair value measurements for financial instruments is discussed in note 3(c) "Financial Instruments". Critical accounting judgements made in applying the Company's accounting policies in relation to the valuation of financial instruments are as follows:

Valuation of financial instruments
The Company measures fair values using the following hierarchy of methods:
- Quoted market price in an active market for an identical instrument.
- Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Determining fair values
The determination of fair value for financial liabilities is described in note 14 "Fair value". For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currency translation

Transactions in foreign currencies are translated into the functional currency at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

Gains and losses arising on retranslation of inventories and financial instruments at fair value through profit or loss are included in the statement of comprehensive income together with other fair value gains and losses.

(b) Inventories

Inventories are held at fair value less costs to sell, in accordance with IAS 2 ''Inventories'', to ensure that the inventory value matches the liability due to holders of the ETC Securities.

Valuation of inventories

The gold is recorded at market value using the AM fix on 31 December 2010 quoted by the London Bullion Market Association. The AM fix on 31 December 2010 was used to value the gold as this was the last fix price available from the London Bullion Market Association for the year.

The silver is recorded at market value using the AM fix on 31 December 2010 quoted by the London Bullion Market Association. The AM fix on 31 December 2010 was used to value the silver as this was the last fix price available from the London Bullion Market Association for the year.

The platinum is recorded at market value using the AM fix on 31 December 2010 quoted by the London Platinum and Palladium Market. The AM fix on 31 December 2010 was used to value the platinum as this was the last fix price available from the London Platinum and Palladium Market for the year.

The palladium is recorded at market value using the AM fix on 31 December 2010 quoted by the London Platinum and Palladium Market. The AM fix on 31 December 2010 was used to value the palladium as this was the last fix price available from the London Platinum and Palladium Market for the year.

(c) Financial instruments

Initial recognition

Financial assets and liabilities at fair value through profit or loss are recognised initially at the trade date at which the Company becomes a party to the contractual provisions of the instrument. Other financial assets and liabilities are recognised on the date they are originated.

Financial assets and financial liabilities at fair value through profit or loss are measured at fair value, with transaction costs recognized in the Statement of comprehensive income. Financial assets and liabilities not at fair value through profit or loss are measured initially at fair value plus transaction costs that are directly attributable to their acquisition or issue.

Classification

The Company has classified financial liabilities into the following categories:

Financial liabilities at fair value through profit or loss:

- Designated at fair value through profit or loss – ETC Securities issued

Financial assets at amortised cost:

- Cash and cash equivalents

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective rate method or any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

Notes to the financial statements (continued)
For the year ended 31 December 2010

3 Significant accounting policies (continued)

(c) Financial instruments (continued)

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Subsequent measurement

After initial measurement, the Company measures financial instruments which are classified as at fair value through profit or loss at their fair value. Subsequent changes in the fair value of financial instruments designated at fair value through profit or loss are recognised directly in the statement of comprehensive income. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value measurement principles

Financial liabilities at fair value through profit or loss are measured using the quoted ask price in an active market. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective rate method or any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

Identification and measurement of impairment

At each reporting date, the Company assesses whether there is objective evidence that financial assets measured at amortised cost are impaired. A financial asset is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the assets, and that the loss event has an impact on the future cash flows of the assets that can be estimated reliably.

When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment is reversed through profit or loss.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognised in profit or loss in the statement of comprehensive income. The Company writes off financial assets carried at amortised cost when they are determined to be uncollectible.

(d) Cash and cash equivalents

Cash and cash equivalents includes deposits held at call with banks which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short term commitments.

(e) Share capital

Share capital is issued in GBP. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

(f) Net gain from fair value of inventories held at fair value

Net changes from fair value of inventories relates to movement in prices of metals and includes all realised and unrealised fair value changes and foreign exchange differences.

(g) Net loss from fair value of financial liabilities designated at fair value through profit or loss

Net loss from fair value of financial liabilities designated at fair value through profit or loss relates to ETC Securities issued and includes all realised and unrealised fair value changes and foreign exchange differences.

Notes to the financial statements (continued)
For the year ended 31 December 2010

3 Significant accounting policies (continued)

(h) Tax on profit on ordinary activities
Profits arising in the Company are subject to tax at the rate of 0%.

(i) Other income
Other income is recognised in the statement of comprehensive income when the right to receive income is established, on an accruals basis.

(j) Other expenses
All expenses incurred by the Company are paid by the arranger and as such, are not reflected in these financial statements.

(k) Segment reporting
A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The board of directors believe that each series can be treated as a segment as the return on each series is linked to a different commodity.

The split of financial liabilities designated at fair value through profit or loss by series is shown in note 10 to the financial statements. Financial liabilities relate to ETC Securities. Details of the fair value movement by series and the year end unit price by series are included in note 10 which are the key measures of performance for each series. Cash and cash equivalents and other receivables at 31 December 2010 have not been split by series. There were no transactions between reportable segments during the year.

4 Net gain from fair value of inventories

	Year ended 31-Dec-10 EUR	6 August 2009 to 31-Dec-09 EUR
Unrealised fair value gain on inventories	101,128,340	-
Realised gain from disposal of inventories	3,100,056	-
	104,228,396	-

5 Net loss from fair value of financial liabilities designated at fair value through profit or loss

	Year ended 31-Dec-10 EUR	6 August 2009 to 31-Dec-09 EUR
Unrealised fair value loss from financial liabilities designated at fair value through profit or loss	(100,221,335)	-
Realised loss from redemption of financial liabilities designated at fair value through profit or loss	(3,072,134)	-
	(103,293,469)	-

6 Other income

	Year ended 31-Dec-10 EUR	6 August 2009 to 31-Dec-09 EUR
Corporate benefit fee	15,000	-
	15,000	-

7 Taxation

Effective 1 January 2009, Jersey's tax regime changed. The new regime imposed a general corporate income tax rate of 0%, A 10% rate applies to certain regulated financial services companies and a 20% rate applies to utilities and income from Jersey land (i.e. rents and development profits). Jersey registered companies are treated as resident for tax purposes and are subject to zero or ten percent standard income tax rate. Since the Company is not a regulated financial service company it is liable to Jersey income tax at 0%.

8 Cash and cash equivalents

	31-Dec-10	31-Dec-09
	EUR	EUR
Cash at bank	15,002	2

9 Inventories held at fair value

	31-Dec-10	31-Dec-09
	EUR	EUR
Inventories	719,819,719	-
Movements during the year/period:		
At start of year/period	-	-
Additions during the year/period	646,421,626	-
Disposals during the year/period	(30,830,303)	-
Net gain from fair value of inventories	104,228,396	-
At end of year year/period	719,819,719	-

10 Financial liabilities designated at fair value through profit or loss

	Nominal units issued	31-Dec-10 EUR	31-Dec-09 EUR
ETC Securities issued	5,925,000	718,884,792	-
Movements during the year/period:			
At start of year/period		-	-
Issued during the year/period		646,421,626	-
Redeemed during the year/period		(30,830,303)	-
Net loss from fair value of financial liabilities designated at fair value through profit or loss		103,293,469	-
At end of year/period		718,884,792	-

		31-Dec-10				
Series	**Description**	**Units outstanding**		**NAV per unit (CCY)**	**Maturity**	**Fair value EUR**
Series 1	db Physical Gold ETC	1,285,000	USD	140.47%	15-Jun-60	134,854,501
Series 2	db Physical Gold Euro Hedged	2,550,000	EUR	113.92%	15-Jun-60	290,496,000
Series 3	db Physical Silver ETC	275,000	USD	304.33%	15-Jun-60	62,525,359
Series 4	db Physical Silver Euro Hedged	320,000	EUR	245.10%	15-Jun-60	78,432,000
Series 5	db Physical Platinum ETC	70,000	USD	175.54%	15-Jun-60	9,180,215
Series 6	db Physical Platinum Euro Hedged ETC	155,000	EUR	137.90%	15-Jun-60	21,374,500
Series 7	db Physical Palladium ETC	250,000	USD	79.53%	15-Jun-60	14,854,216
Series 8	db Physical Palladium Euro Hedged ETC	280,000	EUR	62.06%	15-Jun-60	17,376,800
Series 9	db Physical Gold ETC	650,000	EUR	106.02%	15-Jun-60	68,913,000
Series 10	db Physical Silver ETC	90,000	EUR	231.98%	15-Jun-60	20,878,200
		5,925,000				718,884,792

Notes to the financial statements (continued)
For the year ended 31 December 2010

11 Share capital

	31-Dec-10	31-Dec-09
	EUR	EUR
Authorised:		
10,000 ordinary shares of £1 each	10,000	10,000
Issued and fully paid up		
2 ordinary shares of £1 each	2	2

As at 31 December, the ordinary share capital was held by the following non-beneficial nominees:

	31-Dec-10	31-Dec-09
	EUR	EUR
Ogier Nominees (Jersey) Limited	1	1
Reigo Nominees (Jersey) Limited	1	1
	2	2

12 Capital risk management

The share capital of the Company is GBP 2. The Company is not subject to any external capital requirements. As such the directors do not actively manage the Company's capital.

13 Financial risk management

Risk management framework

The Company has 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 these risks.

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, personnel 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 note 1. All 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.

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 and other receivables.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31-Dec-10	31-Dec-09
	EUR	EUR
Cash and cash equivalents	15,002	2
	15,002	2

As at 31 December 2010, no financial assets carried at amortised cost were past due or impaired (2009: Nil). Assets that have been pledged as collateral for financial liabilities are disclosed in note 9.

Market risk

Market 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.

13 Financial risk management (continued)

Market risk (continued)
(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 market interest rates. The ETC Securities do not bear interest. As such, the Company has limited exposure to interest rate risk.

(ii) Currency risk
Currency risk is the risk which arises due to 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.

The Company is not exposed to currency risk on its financial liabilities as any changes in foreign exchange rates are adjusted through the metal entitlement of the ETC Securities. ETC Security holders of series 2, 4, 6 and 8 are hedged against the movement of EUR against USD through adjustment of their metal entitlement.

As at the reporting date, the carrying value of the Company's assets and liabilities held in individual foreign currencies was as follows:

	Amounts in EUR	
31-Dec-10	**USD**	**Total**
Inventories	221,757,598	221,757,598
Financial liabilities designated at fair value through profit or loss	(221,414,292)	(221,414,292)
	343,306	343,306

Sensitivity analysis
The impact of changes in exchange rates on the assets is offset by foreign exchange rate changes on the financial liabilities. Therefore any change in the exchange rates would not net affect the equity or the profit or loss of the Company.

At 31 December 2010, had the EUR strengthened against the USD by 10% with all other variables held constant, the fair value of the ETC Securities issued would have increased by EUR 22,141,429 (2009: EUR Nil). A 10% weakening of the EUR against the USD would have increased the fair value of the inventories by EUR 22,175,760 (2009: EUR Nil).

(iii) Other price risk
Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. The ETC Securities issued are exposed to other price risk. The Company mitigates its exposure to other price risk, caused by the issue of ETC Securities, through the purchase of inventory.

Any changes in the quoted prices of the financial liabilities designated at fair value through profit or loss or the fair value of the inventories held by the Company would not have any material net effect on the equity or statement of comprehensive income of the Company as any fair value fluctuations in the financial liabilities at fair value through profit or loss would be offset by corresponding changes in the fair value of the inventories and as such any changes are ultimately borne by the ETC Securities 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.

The contractual maturity profile of financial liabilities as at 31 December 2010 is as follows:

	Carrying amount EUR	Gross contractual cash flows EUR	More than 5 years EUR
Financial liabilities designated at fair value through profit or loss	718,884,792	718,884,792	718,884,792
	718,884,792	718,884,792	718,884,792

The carrying amount and the gross contractual cashflows are equal to the fair value of each liability as stated in the statement of financial position.

There were no financial liabilities issued during the year 2009, and as such no comparatives are shown.

14 Fair value

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

The Company's accounting policy on fair value measurement for inventory is disclosed in note 2(b) and for financial liabilities at fair value through profit or loss, in note 2(c) of the financial statements. 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 markets for an identical instrument.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the 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.

Fair values of financial liabilities that are traded in active markets, level 1, are based on quoted market prices or dealer price quotations. The financial liabilities have all been measured using the quoted ask price in an active market.

The Company does not have any financial instruments at Level 2 or 3.

At 31 December 2010, the carrying amounts of financial liabilities issued by the Company which fair values were determined directly, in full, by reference to published price quotations are as follows:

	31-Dec-10		
	Level 1	Level 2	Level 3
	EUR	EUR	EUR
Financial liabilities designated at fair value through profit or loss	(718,884,792)	-	-
	(718,884,792)	-	-

Although the directors believe that their estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value as fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument.

15 Classification of financial instruments

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are shown as follows:

31-Dec-10	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total fair value
	31-Dec-10	31-Dec-10	31-Dec-10	31-Dec-10
Assets	EUR	EUR	EUR	EUR
Cash and cash equivalents	15,002	-	-	15,002
	15,002	-	-	15,002
Liabilities				-
Financial liabilities designated at fair value through profit or loss	-	-	(718,884,792)	(718,884,792)
	-	-	(718,884,792)	(718,884,792)

As at 31 December 2009, the cash and cash equivalents of EUR 2 were carried at amortised cost.

16 Related party transactions

Ogier Corporate Director (Jersey) 3 Limited and Ogier Corporate Director (Jersey) 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 Ogier group of companies. No fee was charged or paid to the Ogier Group by the Company during the year under review for the provision of directors. As disclosed in note 3(j), all expenses are borne by a third party.

Ed Fletcher, acting as director for the Company and Alan Booth, as alternate director for Ed Fletcher, are employees 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.

Corporate benefit fees amounting to EUR15,000 (31 December 2009: EUR Nil) are receivable from Deutsche Bank AG, London Branch.

Product fees earned for the year ended 31 December 2010 due to Deutsche Bank AG amounted to EUR 1,012,357 (2009: EUR Nil).

As at 31 December 2010, the number of ETC Securities held by Deutsche Bank AG, London Branch, as authorised participant was 1,906,270 units (EUR 227,713,466) (2009: Nil).

17 Ultimate controlling party

The directors of the Company consider Ogier 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.

18 Key management personnel

The key management personnel has been identified as being the directors of the Company. The directors are employees of Deutsche Bank International Limited. Their emoluments are paid by Deutsche Bank International Limited and other related entities and no re-charge is made to the Company. It is therefore not possible to make a reasonable apportionment of their emoluments in respect of the Company.

19 Subsequent events

The following ETC Securities have been issued or redeemed after the reporting date:

Series	Units issued
Series 02 - db Physical Gold Euro Hedged ETC	2,450,000
Series 04 - db Physical Silver Euro Hedged ETC	45,000
Series 05 - db Physical Platinum ETC	415,000
Series 06 - db Physical Platinum Euro Hedged ETC	70,000
Series 10 - db Physical Silver ETC	10,000
Series 13 - db Physical Gold GBP Hedged ETC	500,000
Series 14 - db Physical Silver GBP Hedged ETC	200,000

Series	Units redeemed
Series 01 - db Physical Gold ETC	340,000
Series 03 - db Physical Silver ETC	140,000
Series 07 - db Physical Palladium ETC	130,000
Series 08 - db Physical Palladium Euro Hedged ETC	100,000
Series 09 - db Physical Gold ETC	150,000

There has been no other significant events that requires disclosure to the financial statement since the year end and up to the date of approving the financial statements.