

**Xtrackers ETC Public Limited Company**

**Directors' Report and Audited Financial Statements**

**For the year ended 30 September 2020**

*Registered number: 627079*

# Xtrackers ETC Public Limited Company

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**DIRECTORS AND OTHER INFORMATION**

**Directors**

Rhys Owens (appointed on 21 May 2018 and resigned 01 May 2020)  
Cliona O’Faolain  
Claudio Borza (appointed on 01 May 2020)

**Company Secretary**

Wilmington Trust SP Services (Dublin) Limited  
Fourth Floor  
3 George’s Dock  
IFSC  
Dublin 1, Ireland

**Registered Office**

Fourth Floor  
3 George’s Dock  
IFSC  
Dublin 1, Ireland

**Independent Auditors**

KPMG  
1 Stokes Place, St. Stephen’s Green  
Dublin 2, Ireland

**Corporate Administrator**

Wilmington Trust SP Services (Dublin) Limited  
Fourth Floor  
3 George’s Dock  
IFSC  
Dublin 1, Ireland

**Programme Administrator**

DWS International GmbH  
4th Floor Meinzer Landstrasse 11-17,  
60329 Frankfurt am Main  
Germany

**Secured Account Custodian, Subscription Account Custodian,  
Fee Account Custodian and Metal Agent**

JPMorgan Chase Bank, N.A. (“JPMorgan”), London Branch  
25 Bank Street Canary Wharf London E14 5JP  
United Kingdom

**Authorised Participants**

Jane Street Financial Limited  
30<sup>th</sup> Floor, 20 Fenchurch Street  
London EC3M 3BY  
United Kingdom

HSBC France Dublin Branch  
1 Grand Canal Harbour  
Dublin 2, Ireland

Susquehanna International Securities Limited  
6<sup>th</sup> Floor Pinnacle 2 Eastpoint Business Park  
Dublin, Ireland

Flow Traders B. V.  
Jacob Bontiusplaats 9  
1018 LL Amsterdam, The Netherlands

Deutsche Bank AG  
Mainzer Landstr 11-17  
60329 Frankfurt, Germany

**Determination and Issuing Agent**

State Street Fund Services (Ireland) Limited  
78 Sir John Rogerson’s Quay,  
Dublin 2, Ireland

**Trustee**

Wilmington Trust SP Services (Dublin) Limited  
Fourth Floor 3 George’s Dock  
IFSC  
Dublin 1, Ireland

**Series Counterparty**

J. P. Morgan AG  
Taunus Turm, Taunustor 1,  
60310 Frankfurt am Main  
Germany

**Directors' report**

The Board of Directors (the "Board") present the Directors' report and audited financial statements of Xtrackers ETC plc (the "Company") for the year ended 30 September 2020.

**Principal activities, business review and future activities**

Xtrackers ETC public limited company (the "Company") was incorporated in Ireland under registration number 627079 on 21 May 2018 with limited liability and is organised under the laws of Ireland as a Public Limited Company ("plc") pursuant to the Companies Act, 2014 (the "Companies Act"). It has been established as a special purpose vehicle for the purpose of issuing asset backed securities. The Company is taxable as a securitisation company pursuant to section 110 of the Taxes Consolidation Act 1997. Profits arising to the Company is taxable at a rate of 25 per cent. The Company has commenced trading on 16 April 2020.

The principal activity of the Company, under the Secured Xtrackers ETC Precious Metal Linked Securities Programme (the "Programme"), is issuance of several series (each a "Series/ETC Security") of ring-fenced notes listed on one or more of the following stock exchanges: the Frankfurt Stock Exchange, the Borsa Italiana, and the London Stock Exchange plc.

The metal for any Series of ETC Securities may consist of gold, silver, or platinum (the "Metal"). The main assets of the Company in respect of a Series of ETC Securities are its holdings of Metal held by or on behalf of the Company (through the Secured Account Custodian, the Subscription Account Custodian and/or sub-custodians) and its interests under the related metal agent agreement entered into by the Company and the Metal Agent (the "Metal Agent Agreement") and the Balancing Agreement.

The ETC Securities are designed to provide purchasers with exposure to a Metal without having to take physical delivery of the Metal. Each ETC Security relates to a specific amount in weight of Metal, specified in the relevant Final Terms, known as the metal entitlement per ETC Security. On any particular day, the ETC Security can be viewed as giving an exposure to that amount of Metal as the amount payable in respect of the ETC Securities and the Value per ETC Security is linked to the value of the Metal. In order to back its obligations under the ETC Securities, the Company will seek to hold enough Metal to meet its obligations under the ETC Securities. The precise amount it holds at any time may be more or less than the aggregate amount of the metal entitlement per ETC Security to reflect the periodic payment of product fees and, in respect of FX Hedged ETC Securities, an adjustment for any foreign exchange gains or losses. Because the Company obtains its exposure to the precious Metal by physically investing directly in the relevant Metal, these types of ETC Securities are known as physical replication exchange traded commodities. The proceeds from the disposal of the Underlying Metal, plus (where applicable) any interest received on the proceeds of such disposal less any negative interest, net of any deductions (and, in the case of FX Hedged ETC Securities, converted into the currency of the ETC Securities at the rate the Metal Agent determines would be obtainable at the time of conversion which shall be on or about the day of such sale (or, if such day is not an FX Business Day, the immediately following FX Business Day), and which may take into account a bid/offer spread quoted by a dealer), will equal the amount due under the ETC Securities (subject to certain minimum amounts owed).

The Master Balancing Terms (the "Balancing Agreement") sets out the arrangements between the Company and J.P. Morgan AG (the "Series Counterparty") with respect to the rebalancing of the Metal held by the Company for the relevant ETC securities. Such rebalancing will be made in respect of FX Hedged ETC Securities to reflect gains or losses in respect of the foreign exchange hedge element of the metal entitlement per ETC Security. The Balancing Agreement broadly seeks to account for any currency hedging gains or losses by requiring deliveries of Precious Metal to be made between the Company and the Series Counterparty so that, as a result of such deliveries, the amount of Underlying Metal held by the Company should equal the aggregate metal entitlement per ETC Security in respect of all outstanding ETC Securities of the relevant Series. Where there are foreign exchange gains and the metal entitlement per ETC Security consequently increases, the Series Counterparty will be required to deliver additional Metal equivalent to such increase to the Company under the Balancing Agreement. Where there are losses and the metal entitlement per ETC Security consequently decreases, the Company will be required to deliver Metal equivalent to such decrease to the Series Counterparty under the Balancing Agreement.

With respect to each Series of ETC Securities, the Company's primary assets are its holdings of underlying metal and its interests under the related Balancing Agreement (the "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 "Secured Account Custodian"), the subscription account custodian (the "Subscription Account Custodian") and any sub-custodian (the "Sub-Custodian") relating to the underlying metal in respect of this Series of ETC Securities. Subscription and redemption terms of the ETC Securities are disclosed in the notes of the financial statements.

Irish law requires the Directors to prepare financial statements for each financial period. Under that law they have elected to prepare these financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

**Directors and secretary and their interests in shares of the Company**

The Directors and secretary who served the Company during the period together with their beneficial interests in the shares of the Company were as follows:

	Ordinary Shares of €1 each 30 September 2020	Ordinary Shares of €1 each 30 September 2019
Claudio Borza	-	-
Cliona O'Faolain	-	-
Rhys Owens <sup>1</sup>	-	-
Wilmington Trust SP Services (Dublin) Limited	25,000	25,000

Wilmington Trust SP Services (Dublin) Limited is acting as Secretary of the Company and not as a Director.

**General information**

The Company is a public company limited by shares incorporated in Ireland with registered office at Fourth Floor, 3 George's Dock, IFSC, Dublin 1.

<sup>1</sup> Rhys Owens resigned as a Director on the 01 May 2020.

**Directors' report (continued)**

**ETC Securities Details**

The following Series of ETC Securities were in operation at 30 September 2020. The Series are priced daily, based on the metal reference price source in the table below:

<b>Series</b>	<b>Underlying Metal</b>
Xtrackers IE Physical Platinum ETC Securities	Platinum Price
Xtrackers IE Physical Gold ETC Securities	Gold Price
Xtrackers IE Physical Silver ETC Securities	Silver Price
Xtrackers IE Physical Silver EUR Hedged ETC Securities	Silver Price
Xtrackers IE Physical Gold EUR Hedged ETC Securities	Gold Price
Xtrackers IE Physical Gold GBP Hedged ETC Securities	Gold Price
Xtrackers IE Physical Platinum EUR Hedged ETC Securities	Platinum Price

Please refer to note 16 of the financial statements for the Company's fair value consideration under IFRS13.

**Stock Exchange Listings**

The Company maintains a listing on the Frankfurt Stock Exchange, the Borsa Italiana and the London Stock Exchange plc.

**Product fee**

Each Series pays a product fee prepared by the Determination Agent, which accrues on a daily basis. This fee is used to pay the agreed fees of Other service providers of the Company. The Product fee is the rate set out below for each Series and is applied to the Metal Entitlement on a daily basis to determine a daily deduction of an amount of Metal from the Metal Entitlement:

<b>Series</b>	<b>Annual Product fee as a % of metal entitlement</b>
Xtrackers IE Physical Platinum ETC Securities	0.38
Xtrackers IE Physical Gold ETC Securities	0.15*
Xtrackers IE Physical Silver ETC Securities	0.38
Xtrackers IE Physical Silver EUR Hedged ETC Securities	0.73
Xtrackers IE Physical Gold EUR Hedged ETC Securities	0.43*
Xtrackers IE Physical Gold GBP Hedged ETC Securities	0.43*
Xtrackers IE Physical Platinum EUR Hedged ETC Securities	0.73

\*Fees in relation to the below Series were reduced as of 21 September 2020:

<b>Series</b>	<b>Description</b>	<b>Old Product Fee Percentage</b>	<b>New Product Fee Percentage</b>
2	Xtrackers IE Physical Gold ETC Securities	18 bps	15 bps
5	Xtrackers IE Physical Gold EUR Hedged ETC Securities	54 bps	43 bps
6	Xtrackers IE Physical Gold GBP Hedged ETC Securities	54 bps	43 bps

Where the fees of other service providers of the Company exceed the product fee accrued, DWS International GmbH will pay the excess of such fees in accordance with the relevant Disbursement Agreement. Disclosures in respect of the Disbursement Agreement are made in notes 3 and 17 of the financial statements.

**Key performance indicators**

The Company is a Special Purpose Vehicle (the "SPV") whose sole business is the issue of asset-backed securities. The Company has established a programme for the issue of ETC Securities whose return is linked to the performance of a specified precious metal: either gold, silver, platinum. Each series of ETC Securities will be separate (or 'ring-fenced') from each other series of ETC Securities. The ETC uses a hedging mechanism ("Balancing Agreement") which is designed to reduce exposure of the underlying precious metal to exchange rate fluctuations between US dollars and the currency in which the ETC is denominated.

Directors' report (continued)

Key performance indicators (continued)

The Directors confirm that the key performance indicators as disclosed below are those that are used to assess the performance of the Company.

During the year:

- the Company made a profit of USD Nil (2019: USD Nil);
- the net fair value gain on Precious metals at fair value and Precious metals due from Series Counterparty amounted to USD 11,960,291 (2019: USD Nil);
- the net fair value loss on ETC securities at fair value amounted to USD 11,960,291 (2019: USD Nil);
- there were new subscriptions in the following Series of ETC Securities:

Series	Description	Subscription in USD 30-Sep-20
1	Xtrackers IE Physical Platinum ETC Securities	25,016,892
2	Xtrackers IE Physical Gold ETC Securities	184,344,231
3	Xtrackers IE Physical Silver ETC Securities	3,346,878
4	Xtrackers IE Physical Silver EUR Hedged ETC Securities	5,295,784
5	Xtrackers IE Physical Gold EUR Hedged ETC Securities	118,758,943
6	Xtrackers IE Physical Gold GBP Hedged ETC Securities	103,974,080
7	Xtrackers IE Physical Platinum EUR Hedged ETC Securities	286,000

- the following Series of ETC Securities were partially redeemed:

Series	Description	Redemption in USD 30-Sep-20
1	Xtrackers IE Physical Platinum ETC Securities	(23,632,316)
2	Xtrackers IE Physical Gold ETC Securities	(4,314,357)
3	Xtrackers IE Physical Silver ETC Securities	(2,532,016)
4	Xtrackers IE Physical Silver EUR Hedged ETC Securities	(886,377)

As at 30 September 2020:

- the Company's total ETC Securities issued had a fair value of USD 421,618,033 (2019: USD Nil);
- the Company has invested in Precious metals with a fair value of USD 389,471,120 (2019: USD Nil);
- Precious metals with a value of USD 9,001 (2019: USD Nil) was due to the Company from the Series Counterparty and Precious metals with a value of USD 291,204 was due to the Series Counterparty, Amounts Receivable on Precious metals awaiting settlement amounted to USD 428,188 (2019: Nil) under the terms of the Balancing Agreement;
- the net assets were USD 27,223 (2019: USD 27,223); and
- the Company had the following ETC Securities in issue:

Series	Description	Maturity date	Ccy	Nominal (in units)	FV in USD	Precious metals held
1	Xtrackers IE Physical Platinum ETC Securities	17-Apr-80	USD	78,000	1,720,729	Platinum
2	Xtrackers IE Physical Gold ETC Securities	23-Apr-80	USD	6,231,000	182,091,101	Gold
3	Xtrackers IE Physical Silver ETC Securities	30-Apr-80	USD	25,000	858,616	Silver
4	Xtrackers IE Physical Silver EUR Hedged ETC Securities*	15-Apr-80	EUR	120,000	4,399,772	Silver
5	Xtrackers IE Physical Gold EUR Hedged ETC Securities*	21-May-80	EUR	3,930,000	122,638,553	Gold
6	Xtrackers IE Physical Gold GBP Hedged ETC Securities**	23-May-80	GBP	3,605,000	109,588,661	Gold
7	Xtrackers IE Physical Platinum EUR Hedged ETC Securities*	29-May-80	EUR	13,750	320,601	Platinum

\* with a EUR/USD hedge in terms of the Balancing Agreement.

\*\* with a GBP/USD hedge in terms of the Balancing Agreement.

The financial statements and notes to the financial statements are presented in US Dollar ("USD" or "\$") which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which the entity operates. The Directors of the Company believe that USD most faithfully represents the economic effects of the underlying transactions, events and conditions.

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.

**Directors' report (continued)****Going concern**

The nature of the Company's business dictates that the outstanding ETC Securities may be redeemed at any time by the holder and in certain circumstances may be compulsorily redeemed by the Company. As the redemption of ETC Securities will always coincide with the transfer of an equal amount of Precious metals, no net liquidity risk is considered to arise. The Directors are closely monitoring the advice and developments relating to the spread of COVID-19, particularly with its impact on the Programme Administrator, its assets under management, and therefore its related revenue streams, in respect of fulfilling the obligations under the Programme Administrator Agreement. The Directors consider the Company to be a going concern.

**Currency Risk**

In addition to metal price risk, the Company has exposure to currency risk as some of the ETC Securities are priced in currencies other than US Dollars and hedged against exchange rate movements between the US Dollar and the Euro or Pound Sterling.

An ETC Security is a debt instrument whose redemption price is linked to the value of the relevant underlying Precious metals and Precious metals due from Series Counterparty. The ETC Securities are issued under limited recourse arrangements whereby the holders have recourse only to the Precious metals and Precious metals due from Series Counterparty attributable to the class of Security held and not to the Company. In addition, since any movements in the value of the Precious metals and Precious metals due from Series Counterparty are wholly attributable to the holders of the ETC Securities, the Company has no residual exposure to movements in the value of the Precious metals and Precious metals due from Series Counterparty. From a commercial perspective, the gains or losses on the liability represented by the ETC Securities are matched economically by corresponding losses or gains attributable to the Precious metals and Precious metals due to/from Series Counterparty under the Balancing Agreement. The Company does not retain any net gains or losses or net risk exposures. Further details surrounding the value of the Precious metals and Precious metals due to/from Series Counterparty are disclosed in note 11.

Movements in the value of the underlying Precious metals and Precious metals due from Series Counterparty, and thus the value of the ETC Securities, may vary widely which could have an impact on the demand for the ETC Securities issued by the Company. These movements are shown in note 12.

**Results and dividends for the year**

The results for the year are set out on page 13. The Directors do not recommend the payment of a dividend for the year ended 30 September 2020 (2019: nil).

**Corporate Governance Statement***General Principles*

The Company is subject to and complies with Irish statute comprising the Companies Act 2014. As the Company's ETC Securities have been admitted to trade on the regulated market of the Frankfurt Stock Exchange, the Borsa Italiana, and the London Stock Exchange plc., the Company adheres to the Listing Rules of these exchanges in so far as it relates to an overseas company trading in secured metal linked debt securities.

The Board of Directors of the Company is responsible for establishing and maintaining adequate internal control and risk management systems for the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

*Board Composition*

In accordance with the Company's Articles of Association, the number of Directors, from time to time, shall be not less than two and not more than twelve. The Company may from time to time, by ordinary resolution, increase or reduce the number of Directors provided that any resolution to appoint a director approved by the members that would result in the maximum number of Directors being exceeded shall be deemed to constitute an ordinary resolution increasing the number of Directors to the number in office following such a resolution of appointment.

The Directors are responsible for managing the business affairs of the Company in accordance with the Constitution of the Company, which allows it to enter into contracts and perform all tasks necessary to conduct the business of the Company. The directors may delegate certain functions to the Administrator and other parties, subject to supervision and direction by the directors.

*Internal Control and Risk Management Systems in Relation to Financial Reporting*

The Directors are responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives. The Board has put in place a formal procedure to ensure that relevant accounting records for the Company are properly maintained and are readily available and includes the procedure for the production of half yearly and annual audited financial statements for the Company. The annual audited financial statements of the Company are produced by the Corporate Administrator, reviewed by the Programme Administrator, then presented to the Board of Directors for consideration and approval and are filed with the Companies Registration Office in accordance with the provisions of the Transparency Directive (2004/109/EC Regulations 2007).

*Board Appointments*

The Directors who served during the financial year are shown on page 1.

**Director's Report (continued)****Audit Committee**

As set out in Section 1551 (11) (c) of the Act, a Company issuing asset backed securities may avail itself of an exemption from the requirements to establish an audit committee. The sole business of the Company relates to the issuing of asset-backed securities. Given the contractual obligations of the Administrator and the limited recourse nature of the securities issued by the Company, the Board of Directors have concluded that there is currently no need for the Company to have a separate audit committee in order for the Board to perform effective monitoring and oversight of the internal control and risk management systems of the Company. In relation to the financial reporting process and the monitoring of the statutory audit and the independence of the statutory auditors. Accordingly, the Company has availed itself of the exemption under Section 1551 (11) (c) of the Act not to establish an audit committee.

**Programme Administrator**

The Company has appointed DWS International GmbH as its Programme Administrator pursuant to a Programme Administrator Agreement.

**Remuneration**

Details of remuneration paid to the Directors are set out in Note 17 on page 33.

**Risk and uncertainties**

The Company is subject to various risks. The principal risks facing the Company are outlined in Note 15 to the financial statements.

**Changes in Directors, Secretary and registered office**

With effect from 01 May 2020, Claudio Borza replaced Rhys Owens as a director of the Company. There has been no change in Secretary and registered office during the year.

**Accounting records**

The Directors are responsible for ensuring that adequate accounting records, as outlined in Section 281 to 285 of the Companies Act 2014, are kept by the Company. The measures taken by Directors to secure compliance with the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and ensuring that competent persons are responsible for the accounting records. The accounting records are kept at the following address: Wilmington Trust SP Services (Dublin) Limited, Fourth Floor, 3 George's Dock, IFSC, Dublin 1, Ireland.

**Political donations**

The Electoral Act 1997 (as amended by the Electoral Amendment Political Funding Act 2012) requires companies to disclose all political donations over €200 in aggregate made during the financial year. The Directors, on enquiry, have satisfied themselves that no such donation in excess of this amount has been made by the company.

**Significant events since the financial period end**

On 11 March 2020, the World Health Organization officially declared COVID-19, the disease caused by novel coronavirus, a pandemic. The Directors have assessed the impact of market conditions arising from the outbreak on the Company's ability to meet its investment objective. Based on the latest available information, the Company continues to be managed in line with its investment objective, with no disruption to the operation of the Company and the publication of the net asset values.

Gold price which is the main collateral (98.31%) of the Company's ETC Securities touched a record high of \$2,067 in August 2020 and corrected slightly in January 2021 to \$1,842, whilst Silver reached a low of \$11.64 in March 2020 and recovered in January 2021 touching a high of \$25.25. Platinum presented a similar trend with \$565 in March 2020 and high in January 2021 of \$1,108.

Precious metals investors have also been closely following the Fed's interest rate plans. Rate cuts had positive impact for physical silver and gold bullion prices, because when rates are lower it is more profitable to invest in Precious metals rather than in products that can accrue interest. As a result of these factors Directors are expecting the prices of Precious metals will keep raising in the nearest future.

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

**Independent Auditor**

KPMG, Chartered Accountants and Statutory Audit Firm, are willing to continue in office in accordance with section 383(2) of the Companies Act 2014.

**Relevant audit information**

Each Director at the date of approval of this report confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of this information.



**Director's Report (continued)**

**Responsibility statement of the Directors in respect of the Directors' Report**

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Directors' report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face. The principal risks facing the Company are outlined in Note 15 to the financial statements.

**Directors' Compliance Statement**

The Directors, in accordance with section 225(2) of the Companies Act, acknowledge that they are responsible for securing the Company's compliance with certain obligations specified in that section arising from the Companies Act and Tax laws ("relevant obligations").

The Directors confirm that:


- a compliance policy statement has been drawn up setting out the Company's policies that in their opinion are appropriate with regard to such compliance;
- appropriate arrangements and structures have been put in place that, in their opinion, are designed to provide reasonable assurance of compliance in all material respects with those relevant obligations; and
- a review has been conducted, during the financial period, of those arrangements and structures.

In discharging their responsibilities under section 225 of the Companies Act, the Directors relied upon, among other things, the services provided, advice and/or representations from third parties whom the Directors believe have the requisite knowledge and experience in order to secure material compliance with the Company's relevant obligations.

**On behalf of the Board**



**Cliona O'Faolain**  
Director



**Claudio Borza**  
Director

**Date: 29 January 2021**

**Statement of Directors' responsibilities**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the EU 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 its profit or loss for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

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 its financial statements comply with the Companies Act, 2014. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 preparing the annual report which comprise the Directors' Report and audited financial statements in accordance with Irish law. In particular, in accordance with the Transparency Directive (2004/109/EC) Regulations 2007 (S.I.No.277 of 2007) (the Transparency Directive), the Directors are required to include in this report a fair review of the business, a description of the principal risks and uncertainties facing the Company and a responsibility statement relating to these and other matters.

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

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

**On behalf of the Board**

**Cliona O'Faolain**  
**Director**



**Claudio Borza**  
**Director**

**Date: 29 January 2021**



**KPMG**  
**Audit**  
1 Harbourmaster Place  
IFSC  
Dublin 1  
D01 F6F5  
Ireland

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XTRACKERS ETC PLC**

### **Report on the audit of the financial statements**

#### ***Opinion***

We have audited the financial statements of Xtrackers ETC Plc ('the Company') for the year ended 30 September 2020 set out on pages 13 to 34, which comprise Statement of comprehensive income, Statement of financial position, Statement of changes in equity, Statement of cash flows and related notes, including the summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 30 September and of its results from operations for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

#### ***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities section of our report. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were appointed as auditor of the Company by the directors on 4 June 2020 and completed an audit of the Company for the period ended 30 September 2019. The period of total uninterrupted engagement for the EU Public Interest Entity is 1 year for the year ended 30 September 2020. We have fulfilled our ethical responsibilities under, and we remained independent of the Company in accordance with, ethical requirements applicable in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

#### **Key audit matters: our assessment of risks of material misstatement**

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XTRACKERS ETC PLC *(continued)*

### Key audit matters: our assessment of risks of material misstatement *(continued)*

#### Valuation of precious metals at fair value \$389,471,120

*Refer to note 3 (accounting policy) and note 11 (Precious metals at fair value and Metal bullion due to/from Programme Counterparty)*

<b>The key audit matter - Valuation of precious metals at fair value</b>	<b>How the matter was addressed in our audit</b>
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The Company's precious metal at fair value make up a significant amount of the Company's Statement of financial position and is considered a key driver of the Company's performance. While the nature of the Company's valuation of precious metal do not require significant levels of judgement, due to their significance in the context of the financial statements as a whole, the valuation of precious metals at fair value was identified as the matter which had the greatest effect on the overall audit strategy and allocation of resources in planning and completing our audit.

Our procedures over the valuation of precious metals portfolio included, but were not limited to:

- We obtained and documented our understanding of the process in place to value the portfolio of precious metal; and
- We involved our own valuation specialist to assess the valuation of precious metals, by comparing the Company's valuation to an independent fair value pricing source.

Based on the evidenced obtained, we concluded that the valuation of precious metals at fair value was not materially misstated.

#### Existence of precious metals at fair value \$389,471,120

*Refer to note 3 (accounting policy) and note 11 (Precious metals at fair value and Metal bullion due to/from Programme Counterparty)*

<b>The key audit matter - Existence of precious metals at fair value</b>	<b>How the matter was addressed in our audit</b>
--	--

Due to the size of the portfolio and the fact that the precious metal are the main asset owned by the Company, the existence of precious metals at fair value was identified as a key audit matter which had a significant effect on our overall audit strategy and allocation of resources in planning and completing our audit.

Our procedures over the existence of precious metals portfolio included, but were not limited to:

- We obtained an independent third-party confirmation directly from the custodian, JPMorgan Chase Bank, N.A and agreed the confirmation to the quantity of precious metals held at year end.

Based on the evidenced obtained, we concluded that the existence of precious metals at fair value was not materially misstated.

#### Our application of materiality and an overview of the scope of our audit

The materiality for the Company financial statements as a whole was set at \$4.2 Million. This has been calculated with reference to a benchmark of the Company's total asset value, (of which it represents 100 basis points) as at 30 September 2020, which we consider to be one of the principal considerations for members of the Company in assessing the financial performance of the Company. We report to the directors all corrected and uncorrected misstatements we identified through our audit with a value in excess of 5 basis points of the Company's total asset value, in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was all performed by the one engagement team in Dublin.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XTRACKERS ETC PLC *(continued)*

### ***We have nothing to report on going concern***

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### ***Other information***

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Directors and other information, Directors' report and Statement of Directors' responsibilities. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information, we report that:

- we have not identified material misstatements in the Directors' report;
- in our opinion, the information given in the Directors' report is consistent with the financial statements; and
- in our opinion, the Directors' report has been prepared in accordance with the Companies Act 2014.

### ***Corporate governance disclosures***

As required by the Companies Act 2014, we report, in relation to information given in the Corporate Governance Statement on page 5, that:

- based on the work undertaken for our audit, in our opinion, the description of the main features of internal control and risk management systems in relation to the financial reporting process is consistent with the financial statements and has been prepared in accordance with the Act; and
- based on our knowledge and understanding of the Company and its environment obtained in the course of our audit, we have not identified any material misstatements in that information.

We also report that, based on work undertaken for our audit, the information required by the Act is contained in the Corporate Governance Statement.

### ***Our opinions on other matters prescribed the Companies Act 2014 are unmodified***

We have obtained all the information and explanations which we consider necessary for the purpose of our audit.

In our opinion, the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the Company's financial statements are in agreement with the accounting records.

### ***We have nothing to report on other matters on which we are required to report by exception***

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made.

### ***Respective responsibilities and restrictions on use***

#### ***Directors' responsibilities***

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XTRACKERS ETC PLC *(continued)*

### Respective responsibilities and restrictions on use *(continued)*

#### **Directors' responsibilities** *(continued)*

going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud or other irregularities is higher than for one resulting from error, as they may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control and may involve any area of law and regulation and not just those directly affecting the financial statements.

A fuller description of our responsibilities is provided on IAASA's website at

[https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf)

#### **The purpose of our audit work and to whom we owe our responsibilities**

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. 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 our report, or for the opinions we have formed.

*Jorge Fernandez Revilla*

**for and on behalf of**

**KPMG**

**Chartered Accountants, Statutory Audit Firm**

*1 Harbourmaster Place*

*IFSC*

*Dublin 1*

*29 January 2021*

## Statement of comprehensive income

For the year ended 30 September 2020

		Year ended 30-Sep-20	Period ended* 30-Sep-19
	Notes	USD	USD
Revenue	6	761,508	-
Net fair value gain on Precious metals at fair value and Precious metals due from Series Counterparty	4	11,960,291	-
Net fair value loss on ETC Securities at fair value	5	(11,960,291)	-
<b>Net operating income</b>		<b>761,508</b>	<b>-</b>
Operating expenses	7	(761,508)	-
<b>Operating profit before taxation</b>		<b>-</b>	<b>-</b>
Taxation	9	-	-
<b>Profit or loss and total comprehensive income for the year/period</b>		<b>-</b>	<b>-</b>

\*Comparative information is in respect of the period from incorporation on 21 May 2018 to 30 September 2019.

## Statement of financial position

As at 30 September 2020

	Notes	30-Sep-20 USD	30-Sep-19 USD
<b>Assets</b>			
Cash and cash equivalents	10	165,852	-
Precious metals at fair value	3,11	389,471,120	-
Precious metals due from Series Counterparty	3,11	9,001	-
Amounts receivable on Precious metals awaiting settlement	3	428,188	-
Amounts receivable on ETC Securities awaiting settlement	3	32,000,928	-
Other receivables		12,570	27,223
<b>Total assets</b>		<b>422,087,659</b>	<b>27,223</b>
<b>Liabilities and equity</b>			
ETC securities at fair value	3,12	421,618,033	-
Precious metals due to Series Counterparty	3,11	291,204	-
Other payables		151,199	-
<b>Total liabilities</b>		<b>422,060,436</b>	<b>-</b>
<b>Equity</b>			
Share capital	13	27,223	27,223
Retained earnings		-	-
<b>Total equity</b>		<b>27,223</b>	<b>27,223</b>
<b>Total liabilities and equity</b>		<b>422,087,659</b>	<b>27,223</b>

The financial statements on pages 13 to 34 were approved by the Board and authorised for issue on 29 January 2021.

On behalf of the Board



Cliona O'Faolain  
Director



Claudio Borza  
Director



**Statement of changes in equity**  
**For the year ended 30 September 2020**

	Note	Called up Share Capital USD	Retained Earnings USD	Total Equity USD
<b>Balance as at 21<sup>st</sup> May 2018</b>		-	-	-
Issued share capital	13	27,223	-	27,223
Comprehensive income for the financial period		-	-	-
<b>Balance as at 30 September 2019</b>		<b>27,223</b>	-	<b>27,223</b>

	Note	Called up Share Capital USD	Retained Earnings USD	Total Equity USD
<b>Balance as at 1<sup>st</sup> October 2019</b>		27,223	-	27,223
Issued share capital	13	-	-	-
Comprehensive income for the financial year		-	-	-
<b>Balance as at 30 September 2020</b>		<b>27,223</b>	-	<b>27,223</b>

**Statement of cash flows**  
**For the year ended 30 September 2020**

		Year ended 30-Sept-20 USD	Period ended 30-Sept-19* USD
	<b>Notes</b>		
<b>Cash flows from operating activities</b>			
Amount received from metal sold		207,684	-
Amount received from Programme Administrator		541,254	-
Amount paid for operating expenses		(610,309)	-
<b>Net cash inflows from operating activities</b>		<b>138,629</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Issuance of share capital	13	27,223	-
<b>Net cash generated from financing activities</b>		<b>27,223</b>	<b>-</b>
<b>Movement in cash and cash equivalents</b>			
Cash and cash equivalents at start of the year/period		165,852	-
<b>Cash and cash equivalents at end of the year/period</b>	<b>10</b>	<b>165,852</b>	<b>-</b>

\*Comparative information is in respect of the period from incorporation on 21 May 2018 to 30 September 2019.

**Non-cash Transactions during the year include:**

	USD	USD
Issuance of ETC Securities	441,022,808	-
Redemptions of ETC Securities	(31,365,066)	-
Additions of Precious metals	412,580,962	-
Disposals of Precious metals	(31,157,382)	-
Settlements of Precious metals due to/from Series Counterparty	(3,987,270)*	-

\*Settlements of Precious metals due to/from Series Counterparty comprise of gross outflows amounting to USD23,956,175 and gross inflows amounting to USD19,968,905.

**Notes to the financial statement**  
**For year ending 30 September 2020****1 General information**

Xtrackers ETC Plc (the “Company”), the reporting entity, was incorporated on 18 May 2018 as a public limited company with limited liability under the Companies Act 2014, as amended, with registration number 627079. The Company commenced operations on 16 April 2020. The registered office of the Company is at 4th Floor, 3 George’s Dock, IFSC, Dublin 1, Ireland.

The purpose of the Company is to provide a vehicle that facilitates the issuance and subsequent listing and trading of ETC Securities. The ETC Securities are issued under limited recourse arrangements whereby the Company has no residual exposure to the value of the Precious metals and Precious metals due from Series Counterparty, therefore from a commercial and accounting perspective the aggregate gains and losses in respect of Precious metals and Precious metals due from Series Counterparty will always be offset by a corresponding loss or gain on the ETC Securities. Further details regarding the risks of the Company are disclosed in note 15. Further details regarding the application of IFRS 13 are disclosed in note 16.

Exchange traded products are not typically actively managed, are significantly lower in cost when compared to actively managed mutual funds and are easily accessible to investors. No active trading or management of Precious metals and Precious metals due from Series Counterparty is required because the Company only receives or delivers Precious metals on the issue and redemption of ETC Securities, and only holds Precious metals to support the ETC Securities.

The ETC Securities issued are listed on the following exchanges: the Frankfurt Stock Exchange, the Borsa Italiana and the London Stock Exchange plc. In all cases, the ETC securities issued by the Company are limited recourse.

Each ETC Security of a Series has metal entitlement (the “Metal Entitlement”) expressed as an amount in weight (in troy or fine troy ounces) of the relevant metal linked to such Series. This Metal Entitlement starts at a predetermined initial Metal Entitlement for the relevant Series and is reduced weekly by a Product fee (in metal) for the Series, and in respect of FX Hedged ETC Securities, an adjustment is also required for any exchange gains or losses under the relevant Balancing Agreement.

The Balancing Agreement sets out the arrangements between the Company and J.P. Morgan AG (the “Series Counterparty”) with respect to the rebalancing of the Metal held by the Company for the relevant ETC securities. Such rebalancing will be made in respect of FX Hedged ETC Securities to reflect gains or losses in respect of the foreign exchange hedge element of the metal entitlement per ETC Security. The Balancing Agreement broadly seeks to account for any currency hedging gains or losses by requiring deliveries of Precious Metal to be made between the Company and the Series Counterparty so that, as a result of such deliveries, the amount of Underlying Metal held by the Company should equal the aggregate metal entitlement per ETC Security in respect of all outstanding ETC Securities of the relevant Series. Where there are foreign exchange gains and the metal entitlement per ETC Security consequently increases, the Series Counterparty will be required to deliver additional Metal equivalent to such increase to the Company under the Balancing Agreement. Where there are losses and the metal entitlement per ETC Security consequently decreases, the Company will be required to deliver Metal equivalent to such decrease to the Series Counterparty under the Balancing Agreement. The balancing agreement is recognised as a derivative in the financial statements of the Company. Refer to note 3(b) and 3(f) for more detail.

**Subscriptions**

Only Authorised Participants may subscribe for ETC Securities from the Company. The Authorised Participant(s) in respect of each Series of ETC Securities at the relevant Tranche Issue Date of such Series will be specified in the relevant Final Terms, and have been disclosed on page 1. The Company will, as subscription proceeds for the issue of ETC Securities, receive an amount of the relevant Metal from the Authorised Participants subscribing for the ETC Securities sufficient to cover the relevant metal entitlement per ETC Security.

Securities may be offered by the Authorised Participant to any category of potential investors on the secondary market provided that the offer complies with the selling restrictions set out in the Company’s prospectus.

**Redemptions and Buy-backs***Buy-backs*

An Authorised Participant may request that the Company buys back ETC Securities from such Authorised Participant. Prior to settlement of a Buy-Back, the Authorised Participant will be required to deliver to the Issuing Agent acting on behalf of the Company the relevant ETC Securities being bought back. The Company will not cancel such ETC Securities and deliver to the Authorised Participant an amount of Metal equal to the product of the Metal Entitlement on the relevant trade date and the total number of ETC Securities being bought back, until the Issuing Agent has confirmed receipt of such ETC Securities.

*Redemptions*

The ETC Securities of a Series may become due and payable prior to their Scheduled Maturity Date, which is known as an “Early Redemption Event” as defined in the Company’s Prospectus. If any of the Early Redemption Events occur, each ETC Security will become due and payable at an amount (the “Early Redemption Amount”) equal to the greater of (i) the Early Metal Redemption Amount (defined below) plus the Specified Interest Amount (as defined in the Company’s prospectus) and (ii) the Minimum Debt Principal Amount (as defined in the Company’s prospectus) plus the Specified Interest Amount.

The “Early Metal Redemption Amount” is determined by multiplying (i) the metal entitlement per ETC Security as at the Early Redemption Valuation Date (defined below); and (ii) the Average Metal Sale Price during the Early Redemption Disposal Period (defined below), net of associated fees, deductions and taxes.

The “Early Redemption Valuation Date” is (i) the date specified as such in relation to the relevant Early Redemption Event or if not specified, the date of the occurrence of such Early Redemption Event or (ii) the date on which the Trustee gives notice that due to the occurrence of an event of default, the ETC Securities shall become due and payable at their Early Redemption Amount on the Scheduled Early Redemption Date, or if such day is not a business day, the next following business day.

**Notes to the financial statements (continued)**  
**For the year ended 30 September 2020**

**1 General information (continued)**

**Redemptions and Buy-backs (continued)**

The “Early Redemption Disposal Period” is the period which lasts for the number of days specified in the Final Terms, which shall start from (but exclude) the date falling four non-disrupted business days following the /Early Redemption Valuation Date.

On the Scheduled Maturity Date, each ETC Security will become due and payable at an amount (the “Final Redemption Amount”) equal to the greater of (i) the Final Metal Redemption Amount (defined below) plus the Specified Interest Amount and (ii) 10 per cent. of the Issue Price per ETC Security as at the Series Issue Date (the “Minimum Debt Principal Amount”) plus the Specified Interest Amount.

The “Final Metal Redemption Amount” is determined by multiplying (i) the metal entitlement per ETC Security as at the Final Redemption Valuation Date (defined below); and (ii) the volume-weighted average prices per metal unit at which the Metal Agent is able to sell the Underlying Metal (“Average Metal Sale Price”) during the Final Redemption Disposal Period (defined below), net of associated fees, deductions and taxes.

“Final Redemption Valuation Date” is the date specified in the Final Terms or, if such day is not business day, the next following business day.

The “Final Redemption Disposal Period” is the period which lasts for the number of days specified in the Final Terms, which shall start from (but exclude) the date falling four non-disrupted business days following the Final Redemption Valuation Date.

**2 Basis of preparation**

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 September 2020; the comparative information for the period ended 30 September 2019 presented in these financial statements has been prepared using the same accounting policies.

These financial statements have been prepared on a going concern basis as disclosed in the Directors' report.

**a) Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted for use in the European Union (“EU”) and in accordance with the Companies Act 2014.

**b) Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following material items in the Statement of financial position:

- i. Precious metals measured at fair value;
- ii. Precious metals due to/from Series Counterparty measured at fair value; and
- iii. ETC securities at fair value.

The method used to measure fair values are discussed further in note 3(e, f, g) and 16.

**c) Functional and presentation currency**

The financial statements and notes to the financial statements are presented in US Dollar (“USD” or “\$”) which is the Company’s functional currency. Functional currency is the currency of the primary economic environment in which the entity operates. The Directors of the Company believe that USD most faithfully represents the economic effects of the underlying transactions, events and conditions.

**d) Use of estimates and judgements**

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and 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.

The 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 in any future periods affected. Details of material judgements and estimates have been further described in accounting policy notes 3(e), 3(f), 3(g) and note 16.

*Judgements*

The following are the critical judgements and estimates that the Directors have made in the process of applying the Company’s accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

*Accounting for Precious metals at fair value*

Under IFRS there is no standard treatment for the classification of physical metals. The Precious metals are held to provide the security holders with the exposure to changes in the fair value of Precious metals and therefore the Directors consider that carrying the Precious metals at fair value through profit or loss, consistent with the treatment that would be applicable to a financial instrument, reflects the objectives and the purpose of holding this asset.

**Notes to the financial statements (continued)**  
**For the year ended 30 September 2020**

**2. Basis of preparation (continued)**

**d) Use of estimates and judgements (continued)**

*Estimates*

*Precious metals at Fair Value*

The Directors have determined that the main estimates are in relation to the determination of the fair value of Precious metals at fair value using prices quoted by the London Bullion Market Association. Further details have been described in accounting policy note 3(e) to the financial statements.

**e) Accounting standards**

***New standards, amendments and interpretations effective for the financial year***

IFRIC 23 “Uncertainty over Income Tax Treatments” was issued by the IASB on 7 June 2017 and became effective for periods beginning on or after 1 January 2019, with earlier adoption permitted. IFRIC 23 is an interpretation which clarifies how to apply the recognition and measurement requirements in IAS 12 “Income Taxes” when there is uncertainty over tax treatments. IFRIC 23 was developed as an interpretation of IAS 12 and so it relates only to income taxes within the scope of that standard. The new standard does not have an impact on the Company’s financial position or performance.

There are no other new standards, amendments and interpretations effective for the financial year which are considered to be applicable to the financial statements of the Company.

***Standards, amendments and interpretations not applicable to the Company***

The following standards that have been revised, issued and became effective but are not considered applicable to the Company:

- i. IFRS 3 Business Combinations
- ii. IFRS 10 Consolidated Financial Statements
- iii. IFRS 16 Leases
- iv. IAS 12 Income Taxes
- v. IAS 19 Employee Benefits Employee Benefits
- vi. IAS 23 Borrowing Costs
- vii. IAS 28 Investments in Associates and Joint Ventures

***New and revised IFRSs in issue but not yet effective***

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

- viii. IFRS 17 Insurance Contracts (effective for annual periods beginning on or after 1 January 2021)
- ix. Annual Improvements to IFRS (impacting IFRS 3, IFRS 7, IFRS 8, IAS 1 and IAS 8)

The Directors do not expect that the adoption of the above 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.

**3. Significant accounting policies**

**a) Foreign currency transactions**

Transactions in foreign currencies are translated into the functional currency at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated 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 translated 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 translation are recognised in the Statement of comprehensive income.

Gains and losses arising on translation of ETC securities at fair value and Precious metals at fair value are included in the Statement of comprehensive income together with fair value gains and losses as noted in note 3b and 3c.

**b) Net fair value gain on Precious Metal at fair value and Precious metals due from Series Counterparty**

Net fair value gain on Precious metals and Precious metals due from Series Counterparty relates to the movement in the prices of metals and hedging in respect of the derivative embedded in the Balancing Agreement and includes all realised and unrealised fair value changes. Any gains and losses arising from changes in fair value of the Precious metals and changes in fair value of Precious metals due from Series Counterparty are recorded in net fair value gain on Precious metals at fair value and Precious metals due from Series Counterparty in the Statement of comprehensive income.

**c) Net fair value loss on ETC securities at fair**

Net fair value loss on ETC securities at fair value relates to ETC Securities issued and includes all realised and unrealised fair value changes and foreign exchange differences. Any gains and losses arising from changes in the fair value of the ETC securities at fair value are recorded in net fair value loss on ETC Securities in the Statement of comprehensive income. Details of recognition and measurement of financial liabilities are disclosed in the accounting policy of financial instruments (note 3(g)). Further details regarding the application of IFRS 13 are disclosed in note 16.

**Notes to the financial statements (continued)**  
**For the year ended 30 September 2020**

**3. Significant accounting policies (continued)**

**d) Revenue and Expenses**

Revenue is measured based on a consideration of the amount to which the Company expects to be entitled. All other income and expenses are recognised on an accrual basis.

*i) Product Fees*

Each Series pays a product fee prepared by the Determination Agent, which accrues on a daily basis. This fee is used to pay the agreed fees of other service providers of the Company at an annual rate ranging between 0.15% and 0.73%, and is applied to the Metal Entitlement of the ETC Securities on a daily basis to determine a daily deduction of an amount of Metal from the Metal Entitlement of the ETC Securities.

*ii) Corporate Benefit*

In line with the Disbursement agreement between the Company and DWS International GmbH (“DWS” or the “Programme Administrator”), to the extent that the Company does not have sufficient funds to make such payments, or where total expenses exceed product fee accrued, DWS agrees to reimburse the Company against certain fees, costs, charges, disbursements and expenses paid or payable by the Company.

**e) Precious metals at fair value**

The Company hold Precious metals at least equal to the amount due to holders of ETC Securities solely for the purposes of meeting its obligations under the ETC Securities.

The Precious metals are measured at fair value and changes in fair value are recognised in the Statement of Comprehensive Income. Any costs to sell precious metal that arise in the course of settling the Company’s obligations under the ETC Securities are borne by the holders of the ETC Securities (“ETC Security holders”).

*Initial recognition*

The precious metal is recognised when the metal is received into the vault of the Custodian. The precious metal is derecognised when the risks and rewards of ownership have all been substantially transferred.

*Derecognition*

The Company derecognises Precious metals held at fair value when the contractual rights to the asset have expired, or the Company has transferred the rights to the asset in a transaction in which substantially all the risks and rewards of ownership are transferred.

*Valuation of Precious metals*

The gold is recorded at fair value using the last available price, nearest or at year-end, quoted by the London Bullion Market Association. The AM fix (the “AM fix”) on 30 September 2020 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 fair value using the last available price, nearest or at year-end, quoted by the London Bullion Market Association. The fix on 30 September 2020 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 fair value using the last available price, nearest or at year-end, quoted by the London Platinum and Palladium Market. The AM fix on 30 September 2020 was used to value the platinum as this was the last available fix price available from the London Platinum and Palladium Market for the year.

**f) Precious metals due to/from Series Counterparty**

Precious metals due from Series Counterparty (the Balancing Agreement) comprise a financial instrument whose value is linked to the Precious Metal. These instruments are mandatorily classified as financial assets/liabilities at fair value through profit or loss upon initial recognition under IFRS 9 in consideration of contractual terms.

**Notes to the financial statements (continued)**  
**For the year ended 30 September 2020****3 Significant accounting policies (continued)****g) Financial instruments***Initial recognition*

Financial 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 liabilities are recognised on the date they are originated.

*Classification*

The Company has classified financial assets and financial liabilities into the following categories:

Financial assets and liabilities at fair value through profit or loss:

- Precious metals due to/from the Series Counterparty

Counterparty Financial liabilities at fair value through profit or loss:

- ETC securities at fair value through profit or loss

Financial assets at amortised cost:

- Cash and cash equivalents, receivables awaiting settlement and other receivables

Financial liabilities at amortised cost:

- Other payables

ETC Securities comprise a financial instrument whose redemption price is linked to exchange quoted prices. The ETC Securities are classified as financial liabilities at fair value through profit or loss upon initial recognition under IFRS 9 as they are irrevocably designated by the entity as such. The Company designates the ETC Securities issued as financial liabilities at fair value through profit or loss both on initial recognition and on an ongoing basis as a result of the derivative embedded in the Hedged ETC securities.

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 interest rate method or any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

*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 profit or loss in the Statement of comprehensive income. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

*Derecognition*

The Company derecognises a financial asset when the contractual rights to the asset expire, or it transfers the rights to 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.

*Fair value measurement principles*

Financial assets designated at fair value through profit or loss are valued using the appropriate metal prices, consistent with the description in the accounting policy for Precious metals and Precious metals due to/from Series Counterparty above.

The exchange quoted value of the ETC Securities is determined by reference to exchange quoted prices. Changes in the fair value of the ETC Securities are recognised in the Statement of Comprehensive Income.

*Identification and measurement of impairment*

IFRS 9 requires an impairment assessment to be carried out on its financial assets. The Directors have assessed that impairment does not apply to financial assets classified as fair value through profit or loss. The Directors consider the probability of default to be close to zero, as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised in the financial statements based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Company.

**3. Significant accounting policies (continued)**

**h) Other receivables**

Other receivables are accounted for at amortised cost.

**i) Cash and cash equivalents**

Cash and cash equivalents include deposits held at call with the cash custodian 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.

**j) Share capital**

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

**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 Directors are responsible for ensuring that the Company carries out business activities in line with the transaction documents. They may delegate some or all of the day-to-day management of the business including the decisions to purchase and sell securities to other parties both internal and external to the Company. The decisions of such parties are reviewed on a regular basis to ensure compliance with the policies and legal responsibilities of Directors. Therefore, the Directors, as chief operating decision maker, retain full responsibility as to major allocation decisions of the Company.

The Board believe that each Series can be treated as a segment as the return on each Series is linked to a different metal. Furthermore, financial information reviewed by the Board of Directors is split out by Series and decisions are made on the basis of this information. The split of financial liabilities designated at fair value through profit or loss by Series is shown in note 12 to the financial statements. Details of the fair value movement by Series and the year end unit price by Series are included in note 12 which are the key measures of performance for each Series. There were no transactions between reportable segments during the year. All the entity-wide disclosures are covered in the Statement of financial position and the Statement of comprehensive income and the related notes. In addition, the Company has no single major customer from which greater than 10% of revenue is generated.



Notes to the financial statements (continued)  
For the year ended 30 September 2020

4. Net fair value gain on Precious Metals and Precious metals due from the Series Counterparty	Year ended 30-Sept-20	Period ended 30-Sept-19
	USD	USD
Net fair value gain on Precious metal	8,255,224	-
Net fair value gain on Precious metals due from the Series Counterparty	3,705,067	-
	<b>11,960,291</b>	<b>-</b>
5. Net fair loss on ETC Securities	Year ended 30-Sept-20	Period ended 30-Sept-19
	USD	USD
Net fair value loss on ETC Securities	11,960,291	-
	<b>11,960,291</b>	<b>-</b>
6. Revenue		
Revenue relates to:		
	Year ended 30-Sept-20	Period ended 30-Sept-19
	USD	USD
Revenue from contracts with customers – product fee	207,684	-
Corporate benefit	553,824	-
	<b>761,508</b>	<b>-</b>
7. Operating expenses	Year ended 30-Sept-20	Period ended 30-Sept-19
	USD	USD
Legal and tax advisory fees	475,396	-
Audit fees	72,004	-
Corporate Service Provider and Trustee fees	98,148	-
Listing fees	84,037	-
Miscellaneous fees	31,923	-
	<b>761,508</b>	<b>-</b>
<p>Each Series pays a product fee prepared by the Determination Agent, which accrues on a daily basis. The product fee accrued for the year ended 30 September 2020 was accrued to cover the above operating expenses of the Company. Where operating expenses of the Company exceed the product fee accrued, DWS International GmbH (“DWS” or the “Programme Administrator”) will pay the excess of such fees in accordance with the relevant Disbursement Agreement. Refer to note 3 and 17 for more information. Refer to note 6 for amounts earned through the Disbursement agreement.</p>		
8. Auditor’s remuneration		
	30-Sep-20	30-Sep-19
	USD	USD
<i>Audit fees</i>		
Statutory audit of financial statements	72,004	5,989
<i>Other Non-Audit Services fees</i>		
Tax advisory services	5,854	2,722
	<b>77,858</b>	<b>8,711</b>

Notes to the financial statements (continued)  
For the year ended 30 September 2020

### 9. Taxation

The Company has been advised that it should fall within the Irish regime for the taxation of qualifying companies as set out in Section 110 of the Taxes Consolidation Act 1997 (“Section 110”), and as such should be taxed only on the amount of its retained profit after deducting all amounts of interest and other revenue expenses due to be paid by the Company. If, for any reason, the Company is not or ceases to be entitled to the benefits of Section 110, then profits or losses could arise in the Company which could have tax effects not contemplated in the cashflows for the transaction and as such adversely affect the tax treatment of the Company and consequently the payments on the ETC Securities.

The Company will be taxable as a securitisation Company pursuant to Section 110 of the Taxes Consolidation Act (“TCA”) 1997. Profits arising to the Company are charged at a corporate tax rate of 25%. All expenses that are not capital in nature and are for the purposes of the Company’s activities will be deductible from income in order to determine taxable profits.

The Company is a qualifying Company within the meaning of Section 110 of the TCA. As such, the profits are chargeable to corporation tax under Case III of Schedule D of the TCA at the rate of 25% but are computed in accordance with the provisions applicable to Case I Schedule D of the TCA.

	Year ended 30-Sept-20	Period ended 30-Sept-19
	USD	USD
<i>Net result for the financial year before tax</i>	-	-
Corporation tax rate 25%	-	-
<b>Taxation charge</b>	<b>-</b>	<b>-</b>
	<b>30-Sep-20</b>	<b>30-Sep-19</b>
	USD	USD
Cash at bank	165,852	-
	<b>165,852</b>	<b>-</b>
<b>11. Precious metals at fair value and Precious metals due to/from Series Counterparty</b>	<b>Precious Metal</b>	<b>Net Precious metals due to/from Series Counterparty</b>
	<b>30-Sep-20</b>	<b>30-Sep-20</b>
	USD	USD
Precious metals at fair value	389,471,120	-
Precious metals due from Series Counterparty	-	9,001
Precious metals due to Series Counterparty	-	(291,204)
	<b>389,471,120</b>	<b>(282,203)</b>
<b>Movement in Precious metals and Precious metals due to/from Series Counterparty</b>	<b>30-Sep-20</b>	<b>30-Sep-20</b>
	USD	USD
		<b>Net Precious metals due to/from Series Counterparty</b>
At beginning of the year	-	-
Additions during the year	412,580,962	-
Disposals/settlements during the year	(31,365,066)	(3,987,270)
Net changes in fair value during the year	8,255,224	3,705,067
At end of the year	<b>389,471,120</b>	<b>(282,203)</b>

Settlements of Net Precious metals due to/from Series Counterparty were in respect of Precious metals per the Balancing agreement into metals at fair value.

There was no movement in Precious metals for the period ended 30 September 2019.

Notes to the financial statements (continued)  
For the year ended 30 September 2020

11. Precious metals at fair value and Precious metals due to/from Series Counterparty (continued)

Movement in Metal in troy ounces for the year ended 30 September 2020

Series	Description	Opening balance 1-Oct-19 Troy Ounces	Metal contributed Troy Ounces	Metal distributed Troy Ounces	Metal 30 Sep -20 Troy Ounces	Fair value USD 30-Sept-20 USD
Series 1	Xtrackers IE Physical Platinum ETC	-	31,869	(29,922)	1,947	1,720,729
Series 2	Xtrackers IE Physical Gold ETC	-	85,886	(2,252)	83,634	157,844,308
Series 3	Xtrackers IE Physical Silver ETC	-	152,125	(115,933)	36,192	858,616
Series 4	Xtrackers IE Physical Silver EUR Hedged EC	-	220,149	(66,223)	153,925	3,651,828
Series 5	Xtrackers IE Physical Gold EUR Hedged ETC	-	64,000	(2,858)	61,142	115,369,309
Series 6	Xtrackers IE Physical Gold GBP Hedged ETC	-	65,492	(7,351)	58,141	109,706,874
Series 7	Xtrackers IE Physical Platinum EUR Hedged ETC	-	415	(54)	361	319,456
		-	<b>619,936</b>	<b>(224,593)</b>	<b>395,343</b>	<b>389,471,120</b>

12. ETC securities at fair value through profit or loss

	30-Sep-20		30-Sep-19	
	Nominal units issued	Fair value USD	Nominal units issued	Fair value USD
ETC Securities issued	14,002,750	421,618,033	-	-
<b>Movement in ETC Securities issued</b>			<b>30-Sep-20 USD</b>	<b>30-Sep-19 USD</b>
At beginning of the year/period			-	-
Issue of ETC Securities issued during the year/period			441,022,808	-
Redemption of ETC Securities issued during the year/period			(31,365,066)	-
Net changes in fair value during the year/period			11,960,291	-
At end of the year/period			<b>421,618,033</b>	-

The ETC Securities issued are listed on following exchanges: the Frankfurt Stock Exchange, the Borsa Italiana and the London Stock Exchange plc. Refer to note 15 for a description of the key risks regarding the issue of these instruments.

Notes to the financial statements (continued)  
For the year ended 30 September 2020

12. ETC securities at fair value through profit and loss (continued)

The ETC securities in issue at 30 September 2020 are as follows:

Series	Description	CCY	Maturity Date	Units outstanding 30-Sep-20	Metal entitlement per ETC Security* (ounces)	Value per ETC Security (Local CCY) 30-Sept-20	Value per ETC Security USD 30-Sept-20	Fair value USD 30-Sept-20
Series 1	Xtrackers IE Physical Platinum ETC	USD	17-Apr-80	78,000	0.0250	\$22.0606	\$22.0606	1,720,729
Series 2	Xtrackers IE Physical Gold ETC	USD	23-Apr-80	6,231,000	0.0155	\$29.2234	\$29.2234	182,091,101
Series 3	Xtrackers IE Physical Silver ETC	USD	30-Apr-80	25,000	1.4476	\$34.3446	\$34.3446	858,616
Series 4	Xtrackers IE Physical Silver EUR Hedged ETC	EUR	23-Apr-80	120,000	1.5453	€31.3067	\$36.6617	4,399,772
Series 5	Xtrackers IE Physical Gold EUR Hedged ETC	EUR	21-May-80	3,930,000	0.0165	€26.6781	\$31.2040	122,638,553
Series 6	Xtrackers IE Physical Gold GBP Hedged ETC	GBP	23-May-80	3,605,000	0.0161	£23.6426	\$30.3973	109,588,661
Series 7	Xtrackers IE Physical Platinum EUR Hedged ETC	EUR	29-May-80	13,750	0.0264	€19.9103	\$23.3140	320,601
<b>Total</b>				<b>14,002,750</b>				<b>421,618,033</b>

\*Metal entitlement per ETC security is calculated exclusive of ETC securities awaiting settlement.

The Company issued Series during current year ending 30 September 2020 and there is no comparable period available.

Movement in fair values by Series for the year ended 30 September 2020

Series	Description	Opening balance 1-Oct-19 USD	Issuances USD	Redemptions USD	Net changes in fair values USD	Closing balance 30-Sept-20 USD
Series 1	Xtrackers IE Physical Platinum ETC	-	25,016,892	(23,632,316)	336,153	1,720,729
Series 2	Xtrackers IE Physical Gold ETC	-	184,344,231	(4,314,357)	2,061,227	182,091,101
Series 3	Xtrackers IE Physical Silver ETC	-	3,346,878	(2,532,016)	43,754	858,616
Series 4	Xtrackers IE Physical Silver EUR Hedged ETC	-	5,295,784	(886,377)	(9,635)	4,399,772
Series 5	Xtrackers IE Physical Gold EUR Hedged ETC	-	118,758,943	-	3,879,610	122,638,553
Series 6	Xtrackers IE Physical Gold GBP Hedged ETC	-	103,974,080	-	5,614,581	109,588,661
Series 7	Xtrackers IE Physical Platinum EUR Hedged ETC	-	286,000	-	34,601	320,601
		-	<b>441,022,808</b>	<b>(31,365,066)</b>	<b>11,960,291</b>	<b>421,618,033</b>

The Company issued Series during current year ending 30 September 2020 and there is no comparable period available.

# Xtrackers ETC Public Limited Company

Notes to the financial statements (continued)  
For the year ended 30 September 2020

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13. Share Capital	30-Sep-20	30-Sep-19
<i>Authorised:</i>	<b>EUR</b>	<b>EUR</b>
1,000,000 ordinary shares of EUR 1 each	1,000,000	1,000,000
	<hr/>	<hr/>
<i>Issued and fully paid:</i>	<b>USD</b>	<b>USD</b>
25,000 ordinary shares of EUR 1 each	27,223	27,223
	<hr/>	<hr/>
	<b>27,223</b>	<b>27,223</b>
	<hr/>	<hr/>
As at 30 September 2020, the ordinary share capital was held by the following non-beneficial nominees:	<b>30-Sep-20</b>	<b>30-Sep-19</b>
	<b>USD</b>	<b>USD</b>
Wilmington Trust SP Services (Dublin) Limited		
	27,223	27,223
	<hr/>	<hr/>
	<b>27,223</b>	<b>27,223</b>
	<hr/>	<hr/>

The issued share capital of the Company is EUR 25,000 divided into 25,000 ordinary shares of EUR 1 each, all of which have been issued and fully paid up (2019: only issued). The nominee has 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.

## 14. 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 EUR 25,000 was issued in line with Irish 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.

## 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:

- (a) Market risk;
- (b) Credit risk;
- (c) Liquidity risk; and
- (d) Operational 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.

### a) **Market risk**

Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. The ETC Security holders are exposed to the market risk of the financial instruments.

#### (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, the Precious metals due from the Series Counterparty and the Precious metals do not bear interest. As such, the Company and ETC Security holders have limited exposure to interest rate risk.

#### (ii) *Currency risk*

The Company has exposure to currency risk as some of the Currency-Hedged Metal Securities are priced in currencies other than US Dollars and hedged against exchange rate movements between the US Dollar and the Euro or Pound Sterling. However, the Directors do not consider the Company to have a significant exposure to currency risk arising from the current economic uncertainties facing a number of countries around the world as the gains or losses on the liability represented by the Currency-Hedged Metal Securities are matched economically by corresponding losses or gains attributable to the Precious metals and Precious metals due to/from Series Counterparty as result of the Balancing Agreement. Refer to note 1 and note for more detail.

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

Notes to the financial statements (continued)  
For the year ended 30 September 2020

## 15. Financial risk management (continued)

## a) Market risk (continued)

## a. Currency risk (continued)

	Series 4 Xtrackers IE Physical Silver EUR Hedged ETC		
	USD	USD	USD
	ETC Security at fair value	Balancing Agreement	Net exposure
EUR	(4,399,772)	4,399,772	-
<b>Total</b>	<b>(4,399,772)</b>	<b>4,399,772</b>	<b>-</b>

In the event that the Euro moved by either +1% or -1% against the USD, the value of the ETC Security would move by USD 43,998 and USD (43,998) respectively. However, the Balancing Agreement would offset these movements by USD (43,998) and USD 43,998 respectively, resulting in a zero net exposure to the ETC security holders.

	Series 5 Xtrackers IE Physical Gold EUR Hedged ETC		
	USD	USD	USD
	ETC Security at fair value	Balancing Agreement	Net exposure
EUR	(122,638,553)	122,638,553	-
<b>Total</b>	<b>(122,638,553)</b>	<b>122,638,553</b>	<b>-</b>

In the event that the Euro moved by either +1% or -1% against the USD, the value of the ETC Security would move by USD 1,226,385 and USD (1,226,385) respectively. However, the Balancing Agreement would offset these movements by USD (1,226,385) and USD 1,226,385 respectively, resulting in a zero net exposure to the ETC security holders.

	Series 6 Xtrackers IE Physical Gold GBP Hedged ETC		
	USD	USD	USD
	ETC Security at fair value	Balancing Agreement	Net exposure
GBP	(109,588,661)	109,588,661	-
<b>Total</b>	<b>(109,588,661)</b>	<b>109,588,661</b>	<b>-</b>

In the event that the Pound Sterling moved by either +1% or -1% against the USD, the value of the ETC Security would move by USD 1,095,886 and USD (1,095,886) respectively. However, the Balancing Agreement would offset these movements by USD (1,095,886) and USD 1,095,886 respectively, resulting in a zero net exposure to the ETC security holders.

**Notes to the financial statements (continued)**  
**For the year ended 30 September 2020**

**15. Financial risk management (continued)**

**a) Market risk (continued)**

*(ii) Currency risk (continued)*

	Series 7 Xtrackers IE Physical Platinum EUR Hedged ETC		
	USD	USD	USD
	ETC Security at fair value	Balancing Agreement	Net Exposure
EUR	(320,601)	320,601	-
<b>Total</b>	<b>(320,601)</b>	<b>320,601</b>	<b>-</b>

In the event that the Euro moved by either +1% or -1% against the USD, the value of the ETC Security would move by USD 3,206 and USD (3,206) respectively. However, the Balancing Agreement would offset these movements by USD (3,206) and USD 3,206 respectively, resulting in a zero net exposure to the ETC security holders.

No currency risk exposure existed as at 30 September 2019.

*(iii) Price risk*

Price risk is the risk that changes in market prices of metals will affect the Company's income, expense, Precious metals and ETC securities 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 the Company holding quantities of Precious metals equivalent to the weight of metal entitlement for each Series of ETC Securities issued.

The following table assess the sensitivity of the fair value of the series of assets to an impact of a 1% movement in the price of Precious metals

Series	Total for each series	1% increase in price of Precious metals in USD	1% decrease in price of Precious metals in USD
Xtrackers IE Physical Platinum ETC Securities	1,720,729	17,207	(17,207)
Xtrackers IE Physical Gold ETC Securities	182,091,101	1,820,911	(1,820,911)
Xtrackers IE Physical Silver ETC Securities	858,616	8,586	(8,586)
Xtrackers IE Physical Silver EUR Hedged ETC Securities	4,399,772	43,998	(43,998)
Xtrackers IE Physical Gold EUR Hedged ETC Securities	122,638,553	1,226,259	(1,226,259)
Xtrackers IE Physical Gold GBP Hedged ETC Securities	109,588,661	1,095,802	(1,095,802)
Xtrackers IE Physical Platinum EUR Hedged ETC Securities	320,601	3,204	(3,204)

Notes to the financial statements (continued)  
For the year ended 30 September 2020

15. Financial risk management (continued)

b) 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, Amounts Receivable on Precious metals awaiting settlement and Precious metals due from the Series Counterparty which represents the Company's maximum exposure to credit risk. All credit risks are ultimately borne by the ETC Security holders.

	30-Sep-20	30-Sept-19
	USD	USD
Precious metals due from Series Counterparty	9,001	-
Amounts Receivable on Precious metals awaiting settlement	428,188	-
Receivable on ETC Securities awaiting settlement	32,000,928	-
Other receivables	12,570	27,223
Cash and cash equivalents	165,852	-
	<b>32,616,539</b>	<b>27,223</b>

The Company has no net credit risk given its obligations to the ETC Security holders are limited in recourse to the amount received on the Precious metals for each series of ETC Securities.

As at 30 September 2020, no financial assets carried at amortised cost were past due or impaired (2019: Nil). The Directors have also considered the credit risk and counterparty risk with JPMorgan as custodian (the "Custodian"), Sub-Custodian and Series Counterparty respectively, of the Precious metals held by the Company given the significance of the Precious metals to the overall financial position of the Company. As at 30 September 2020, the Company held Precious metals at fair value of USD 389,471,120 (2019: Nil) with JP Morgan. Precious metals due from the Series Counterparty with a fair value of USD 9,001 (2019: USD Nil) and Precious metals due to the Series Counterparty with a fair value of USD 291,204 (2019: USD Nil) was held with JPMorgan as at 30 September 2020. Net Precious metals awaiting settlement with a fair value of USD 428,188 and cash to the amount of USD 165,852 was held with JPMorgan.

With an overall credit rating status of JPMorgan (2020: S&P A+) (2019: S&P A+), the Directors are of opinion that counterparty risk is acceptable.

Ultimately, all credit and counterparty risks associated with JP Morgan are borne by the ETC Security holders.

*Concentration risk*

At the reporting date, the Company's Precious metals due from Series Counterparty were concentrated in the following asset types and geographical location:

By industry	30-Sep-20	30-Sep-19
<i>Types of collaterals</i>	%	%
Gold	98.31	-
Silver	1.16	-
Platinum	0.53	-
	<b>100</b>	<b>-</b>

By Geographical location	30-Sep-20	30-Sep-19
<i>Country of origin</i>	%	%
United Kingdom*	100	-
	<b>100</b>	<b>-</b>

\*the Precious metals are held in a vault in the United Kingdom.



**Notes to the financial statements (continued)**  
**For the year ended 30 September 2020**

**15. Financial risk management (continued)**

**c) 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 Precious metals. All liquidity risk associated with the Precious metals are ultimately borne by the ETC Security holders.

The contractual maturity profile of financial liabilities as at 30 September 2020 is as follows:

	Carrying amount	Gross contractual cash flows	Less than one year
	USD	USD	USD
ETC securities at fair value through profit or loss	421,618,033	421,618,033	421,618,033
Precious metals due from Counterparty	291,204	291,204	291,204
Other payables	151,199	151,199	151,199
	<b>422,060,436</b>	<b>422,060,436</b>	<b>422,060,436</b>

The contractual maturity profile of financial liabilities as at 30 September 2019 was nil.

Due to the fact that the ETC Security holders have the option to redeem the securities before the final scheduled maturity date, the ETC securities at fair value have been classified as due in less than one year. Maturity dates across the ETC Securities range between April 2080 and May 2080.

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.

**Subscriptions**

Only Authorised Participants may subscribe for ETC Securities from the Company. The Authorised Participant(s) in respect of each Series of ETC Securities at the relevant Tranche Issue Date of such Series will be specified in the relevant Final Terms. The Company will, as subscription proceeds for the issue of ETC Securities, receive an amount of the relevant Metal from the Authorised Participants subscribing for the ETC Securities sufficient to cover the relevant metal entitlement per ETC Security.

Securities may be offered to any category of potential investors provided that the offer complies with the selling restrictions set out in the Company's prospectus.

**Redemptions and Buy-backs**

*Buy-backs*

An Authorised Participant may request that the Company buys back ETC Securities from such Authorised Participant. Prior to settlement of a Buy-Back, the Authorised Participant will be required to deliver to the Issuing Agent acting on behalf of the Company the relevant ETC Securities being bought back. The Company will not cancel such ETC Securities and deliver to the Authorised Participant an amount of Metal equal to the product of the Metal Entitlement on the relevant trade date and the total number of ETC Securities being bought back, until the Issuing Agent has confirmed receipt of such ETC Securities.

*Redemptions*

The ETC Securities of a Series may become due and payable prior to their Scheduled Maturity Date, which is known as an "Early Redemption Event" as defined in the Company's Prospectus. If any of the Early Redemption Events occur, each ETC Security will become due and payable at an amount (the "Early Redemption Amount") equal to the greater of (i) the Early Metal Redemption Amount (defined below) plus the Specified Interest Amount and (ii) the Minimum Debt Principal Amount plus the Specified Interest Amount.

The "Early Metal Redemption Amount" is determined by multiplying (i) the metal entitlement per ETC Security as at the Early Redemption Valuation Date (defined below); and (ii) the Average Metal Sale Price during the Early Redemption Disposal Period (defined below), net of associated fees, deductions and taxes.

The "Early Redemption Valuation Date" is (i) the date specified as such in relation to the relevant Early Redemption Event or if not specified, the date of the occurrence of such Early Redemption Event or (ii) the date on which the Trustee gives notice that due to the occurrence of an event of default, the ETC Securities shall become due and payable at their Early Redemption Amount on the Scheduled Early Redemption Date, or if such day is not a business day, the next following business day.

The "Early Redemption Disposal Period" is the period which lasts for the number of days specified in the Final Terms, which shall start from (but exclude) the date falling four non-disrupted business days following the Early Redemption Valuation Date.

**Notes to the financial statements (continued)**  
**For the year ended 30 September 2020**

**15. Financial risk management (continued)**

**c) Liquidity risk**

The “Early Redemption Disposal Period” is the period which lasts for the number of days specified in the Final Terms, which shall start from (but exclude) the date falling four non-disrupted business days following the Early Redemption Valuation Date.

On the Scheduled Maturity Date, each ETC Security will become due and payable at an amount (the “Final Redemption Amount”) equal to the greater of (i) the Final Metal Redemption Amount (defined below) plus the Specified Interest Amount and (ii) 10 per cent. of the Issue Price per ETC Security as at the Series Issue Date (the “Minimum Debt Principal Amount”) plus the Specified Interest Amount.

The “Final Metal Redemption Amount” is determined by multiplying (i) the metal entitlement per ETC Security as at the Final Redemption Valuation Date (defined below); and (ii) the volume-weighted average prices per metal unit at which the Metal Agent is able to sell the Underlying Metal (“Average Metal Sale Price”) during the Final Redemption Disposal Period (defined below), net of associated fees, deductions and taxes.

“Final Redemption Valuation Date” is the date specified in the Final Terms or, if such day is not business day, the next following business day.

The “Final Redemption Disposal Period” is the period which lasts for the number of days specified in the Final Terms, which shall start from (but exclude) the date falling four non-disrupted business days following the Final Redemption Valuation Date.

**d) 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 administration functions are undertaken by Wilmington Trust SP Services (Dublin) Limited. Deutsche Bank AG, Jane Street Financial Limited, HSBC France Dublin Branch, Susquehanna International Securities Limited and Flow Traders B.V. act as the Company’s authorised participants (the “ Authorised Participants”), DWS International GmbH acts as arranger (the “Arranger”) and Programme Administrator, JPMorgan Chase Bank N.A. acts as metal agent (the “Metal Agent”), Secured Account Custodian, Fee Account Custodian, Subscription Account Custodian and Series Counterparty (“Series Counterparty”) and State Street Fund Services (Ireland) Limited acts as issuing and determination agent.

**16. Fair values**

The Company’s financial assets 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 Precious metals is disclosed in note 3(e) to the financial statements. The Company’s accounting policy on fair value measurement of ETC securities at fair value is disclosed in note 3(g). The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- a. Level 1: Quoted market price in an active market for an identical instrument.
- b. 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).
- c. 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.

Level 2 prices use widely recognized valuation models for determining the fair value of common and more simple financial instruments that use only observable market data and require little management judgement and estimation. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

Transfers between levels are determined based on changes to the significant inputs used in their fair value measurement. The Directors evaluate whether significant inputs to the valuation models are observable at the year end in making a decision to transfer a valuation from one level to another.

The Company determines the effective date of transfer at the beginning of the reporting year.

The Company does not have any financial instruments at Level 3 and there has not been any transfer between levels during the year ended 30 September 2020.

**Notes to the financial statements (continued)**  
**For the year ended 30 September 2020**

**16. Fair values (continued)**

At 30 September 2020, the fair values of ETC securities and Precious metals due to/from Series Counterparty are as follows:

	<b>30-Sep-20</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Precious metals due from Series Counterparty	-	9,001	-	9,001
ETC securities at fair value	(419,897,304)	(1,720,729)	-	(421,618,033)
Precious metals due to Series Counterparty	-	(291,204)	-	(291,204)
	<b>(419,897,304)</b>	<b>(2,002,932)</b>	<b>-</b>	<b>(421,900,236)</b>

Other financial assets and liabilities are classified as Level 2.

At 30 September 2019, the fair values of ETC securities issued by the Company amounted Nil.

**17. Related Party Transactions and Connected Parties**

Parties are considered to be related if one party has the ability to control the other party or is able to exercise significant influence over the party, in making financial or operational decisions.

The Company's related parties are the Directors and Wilmington Trust SP Services (Dublin) Limited. The Company's connected party is the Programme Administrator. Amounts incurred during the period to these related and connected parties are disclosed in Note 7. During the financial year, the Company purchased services to the value of €76,024 (2019: €Nil) from Wilmington Trust SP Services (Dublin) Limited ("WTD") in line with the Corporate Services Agreement dated 13 March 2020 of which €Nil was outstanding at year end. Cliona O'Faolain and Claudio Borza are Directors of the Company and are also employees of WTD. The Director's fees are included as part of the above purchased services, and consideration paid to WTD that can be said to relate to the provision of director services amounted to USD 2,000.

All of the ordinary shares of the Company are held by Wilmington Trust SP Services (Dublin) Limited as share trustee on trust for charitable purposes to the value of EUR 25,000.

*Product fee*

Each Series pays a product fee prepared by the Determination Agent, which accrues on a daily basis and is payable to the Programme Administrator. This fee is used to pay the agreed fees of other service providers of the Company. The Product fee is the rate set out below for each Series and is applied to the Metal Entitlement on a daily basis to determine a daily deduction of an amount of Metal from the Metal Entitlement:

Series	Product fee%
Xtrackers IE Physical Platinum ETC Securities	0.38
Xtrackers IE Physical Gold ETC Securities	0.15*
Xtrackers IE Physical Silver ETC Securities	0.38
Xtrackers IE Physical Silver EUR Hedged ETC Securities	0.73
Xtrackers IE Physical Gold EUR Hedged ETC Securities	0.43*
Xtrackers IE Physical Gold GBP Hedged ETC Securities	0.43*
Xtrackers IE Physical Platinum EUR Hedged ETC Securities	0.73

\* Fees in relation to the below Series were reduced as of 21 September 2020:

Series	Description	Old Product Fee Percentage	New Product Fee Percentage
2	Xtrackers IE Physical Gold ETC Securities	18 bps	15 bps
5	Xtrackers IE Physical Gold EUR Hedged ETC Securities	54 bps	43 bps
6	Xtrackers IE Physical Gold GBP Hedged ETC Securities	54 bps	43 bps

**Notes to the financial statements (continued)**  
**For the year ended 30 September 2020**

**17. Related Party Transactions and Connected Parties (continued)**

*Product fee (continued)*

Where the fees of other service providers of the Company exceed the product fee accrued, DWS International GmbH will pay the excess of such fees in accordance with the relevant Disbursement Agreement. Disclosures in respect of the Disbursement Agreement are made in notes 3 and 17 of the financial statements. During the year the Company received USD 553,824 from DWS of which USD 12,570 was outstanding at year end and USD 207,684 as Product fee.

DWS International GmbH the holder of a Profit Participating note in principal amount of EUR 100. The Note was issued for the period from 30 September 2019 to 30 September 2020 and reissued with a Note Issuing and Purchase Agreement dated 1 October 2020 for an additional period from 30 September 2020 to 30 September 2021, in consideration of the Disbursement agreement of the Company to issue limited recourse secured Notes under the Programme; to the extent that the Company does not have sufficient funds to make such payments, DWS agrees to either settle on the Company's behalf or provide funds to the Company so that the Company can make such payments, or to reimburse the Company for the following amounts paid or payable by the Company, subject to the receipt of evidence satisfactory to DWS in its absolute discretion regarding the payment by the Company.

*Legal Ownership of the Company*

The principle shareholders of the Wilmington Trust SP Services (Dublin) Limited, 25,000 shares in trust. The shares are held under the terms of the declarations of trust dated 14 April 2020 under which the relevant share trustee holds the issued shares of the Company on trust for charitable purposes. The profit of the Company is retained until the Company winds up its operation whereby any excess profit will be distributed to its shareholders.

The Board of Directors are responsible for the day-to-day management of the Company. As of the year ended 30 September 2020, the Board is composed of two Directors, whom are employees of the corporate services provider.

**18. Charges**

The ETC Securities issued by the Company are secured in favor of the Trustee for the benefit of the ETC Security holders by security over the portfolio of Precious metals held by the Company and other assets not attributable to the equity holders.

**19. Subsequent events**

On 11 March 2020, the World Health Organization officially declared COVID-19, the disease caused by novel coronavirus, a pandemic. The Directors have assessed the impact of market conditions arising from the outbreak on the Company's ability to meet its investment objective. Based on the latest available information, the Company continues to be managed in line with its investment objective, with no disruption to the operation of the Company and the publication of the net asset values.

Gold price which is the main collateral (98.31%) of the Company's ETC Securities touched a record high of \$2,067 in August 2020 and corrected slightly in January 2021 to \$1,842, whilst Silver reached a low of \$11.64 in March 2020 and recovered in January 2021 touching a high of \$25.25. Platinum presented a similar trend with \$565 in March 2020 and high in January 2021 of \$1,108.

Precious metals investors have also been closely following the Fed's interest rate plans. Rate cuts had positive impact for physical silver and gold bullion prices, because when rates are lower it is more profitable to invest in Precious metals rather than in products that can accrue interest. As a result of these factors Directors are expecting the prices of Precious metals will keep raising in the nearest future.

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

**20. Approval of financial statements**

The financial statements were approved and authorised for issue by the Board of Directors on 29 January 2021.