# DB ETC plc

**Directors' report and audited financial statements**

**For the year ended 31 December 2019**

**Registered number : 103781**

# DB ETC plc

## Contents

## Directors and other information

| | |
|---|---|
| **Directors** | Visdirect Services Limited<br>Viscom Services Limited<br>Marc Harris |
| **Registered Office** | 4th Floor<br>St Paul's Gate<br>22-24 New Street<br>St Helier<br>Jersey JE1 4TR<br>Channel Islands |
| **Company Secretary** | Vistra Secretaries Limited<br>4th Floor<br>St Paul's Gate<br>22-24 New Street<br>St Helier<br>Jersey JE1 4TR<br>Channel Islands |
| **Administrator** | Vistra Fund Services Limited<br>4th Floor<br>St Paul's Gate<br>22-24 New Street<br>St Helier<br>Jersey JE1 4TR<br>Channel Islands |
| **Determination Agent** | Apex Fund Services (Ireland) Limited<br>2nd Floor<br>Block 5<br>Irish Life Centre<br>Abbey Street Lower<br>Dublin D01 P767<br>Ireland |
| **Lead Authorised Participant, Arranger, Issuing and Paying Agent, Programme Counterparty and Metal Agent** | Deutsche Bank AG, London Branch<br>Winchester House<br>1 Great Winchester Street<br>London EC2N 2DB<br>United Kingdom |
| **Secured and Subscription Account Custodian** | JPMorgan Chase Bank, N.A. ("JPMorgan"), London Branch<br>25 Bank Street<br>Canary Wharf<br>London E14 5JP<br>United Kingdom |
| **Note Trustee** | Deutsche Trustee Company Limited<br>Winchester House<br>1 Great Winchester Street<br>London EC2N 2DB<br>United Kingdom |
| **Independent Auditor** | KPMG Channel Islands Limited<br>Chartered Accountants and Recognized Auditor<br>37 Esplanade<br>St Helier<br>Jersey JE4 8WQ<br>Channel Islands |

**Directors' report**

The directors (the "Directors") present the Directors' report and audited financial statements of DB ETC plc (the “Company”) for the year ended 31 December 2019.

**Principal activities and business review**

The Company was incorporated on 06 August 2009 as a public limited company in Jersey under the Companies (Jersey) Law 1991 with registration number 103781.

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

With respect to each Series of ETC Securities, the Company’s main 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.

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

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

**Key performance indicators**

The Company is a Special Purpose Vehicle (the "SPV") whose sole business is the issue of asset-backed securities. The Issuer 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, palladium or rhodium. Each series of ETC Securities will be separate (or ‘ring-fenced’) from each other series of ETC Securities. The best benchmark is the price of the relevant metal in which the proceeds of the ETC Securities are invested in. For all Series, the performance closely follows the movement in the metal linked to the Series.

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 EUR nil (2018: EUR nil);
- the net fair value gain on inventories at fair value less costs to sell and Metal bullion due from the Programme Counterparty at fair value amounted to EUR 1,083,848,615 (2018: EUR 10,310,040);
- the net fair value loss on financial liabilities designated at fair value through profit or loss amounted to EUR 1,083,848,615 (2018: EUR 10,310,040); and
- there were new subscriptions in the following existing Series of ETC Securities:
  Series 1 Xtrackers Physical Gold ETC
  Series 2 Xtrackers Physical Gold EUR hedged ETC
  Series 3 Xtrackers Physical Silver ETC
  Series 4 Xtrackers Physical Silver EUR Hedged ETC
  Series 5 Xtrackers Physical Platinum ETC
  Series 6 Xtrackers Physical Platinum EUR Hedged ETC
  Series 7 Xtrackers Physical Palladium ETC
  Series 8 Xtrackers Physical Palladium EUR Hedged ETC
  Series 9 Xtrackers Physical Gold ETC (EUR)
  Series 10 Xtrackers Physical Silver ETC (EUR)
  Series 13 Xtrackers Physical Gold GBP Hedged ETC
- the following Series of ETC Securities were partially redeemed:
  Series 1 Xtrackers Physical Gold ETC
  Series 2 Xtrackers Physical Gold EUR hedged ETC
  Series 3 Xtrackers Physical Silver ETC
  Series 4 Xtrackers Physical Silver EUR Hedged ETC
  Series 5 Xtrackers Physical Platinum ETC
  Series 6 Xtrackers Physical Platinum EUR Hedged ETC
  Series 7 Xtrackers Physical Palladium ETC

**Directors' report (continued)**

**Key performance indicators (continued)**

During the year (continued):

- the following Series of ETC Securities were partially redeemed (continued):

| | |
|---|---|
| Series 8 | Xtrackers Physical Palladium EUR Hedged ETC |
| Series 9 | Xtrackers Physical Gold ETC (EUR) |
| Series 10 | Xtrackers Physical Silver ETC (EUR) |
| Series 11 | Xtrackers Physical Rhodium ETC |
| Series 12 | Xtrackers Physical Rhodium ETC (EUR) |
| Series 13 | Xtrackers Physical Gold GBP Hedged ETC |

As at 31 December 2019:

- the Company's total ETC Securities issued had a fair value of EUR 7,337,487,485 (2018: EUR 4,945,002,267);
- the Company has invested in inventories with a fair value of EUR 7,322,766,180 (2018: EUR 4,925,173,487);
- Metal bullion with a value of EUR 14,721,305 (2018: EUR 19,828,780) was due to the Company from the Programme Counterparty under the terms of the Balancing Agreement; and
- the net assets were EUR 30,002 (2018: EUR 30,002).
- the Company had the following ETC Securities in issue:

| Series | Description | Maturity date | Ccy | Nominal (in units) | Metals held |
|---|---|---|---|---|---|
| 1 | Xtrackers Physical Gold ETC | 15-Jun-60 | USD | 8,034,550 | Gold |
| 2 | Xtrackers Physical Gold EUR hedged ETC | 15-Jun-60 | EUR | 22,209,500 | Gold |
| 3 | Xtrackers Physical Silver ETC | 15-Jun-60 | USD | 205,590 | Silver |
| 4 | Xtrackers Physical Silver EUR Hedged ETC | 15-Jun-60 | EUR | 1,343,250 | Silver |
| 5 | Xtrackers Physical Platinum ETC | 14-Jul-60 | USD | 381,011 | Platinum |
| 6 | Xtrackers Physical Platinum EUR Hedged ETC | 14-Jul-60 | EUR | 2,281,965 | Platinum |
| 7 | Xtrackers Physical Palladium ETC | 14-Jul-60 | USD | 61,879 | Palladium |
| 8 | Xtrackers Physical Palladium EUR Hedged ETC | 14-Jul-60 | EUR | 147,088 | Palladium |
| 9 | Xtrackers Physical Gold ETC (EUR) | 27-Aug-60 | EUR | 22,544,207 | Gold |
| 10 | Xtrackers Physical Silver ETC (EUR) | 27-Aug-60 | EUR | 2,110,920 | Silver |
| 11 | Xtrackers Physical Rhodium ETC | 19-May-61 | USD | 132,441 | Rhodium |
| 12 | Xtrackers Physical Rhodium ETC (EUR) | 19-May-61 | EUR | 60,929 | Rhodium |
| 13 | Xtrackers Physical Gold GBP Hedged ETC | 1-Apr-61 | GBP | 22,437,551 | Gold |

**Future developments**

The Directors expect that the present level of activity will be sustained for the foreseeable future. The board of Directors of the Company (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.

The Directors continue to assess the potential impact of the proposed departure of the UK from the European Union ("Brexit") on the Company's operations. Measures are being put in place to ensure the Company's continuing ability to passport its ETC Securities into EU markets. Such measures include advanced preparations for gaining approval in an alternative home member state at the end of the transition period on 31 December 2020.

**Going concern**

The Company's financial statements for the year ended 31 December 2019 have been prepared on a going concern basis. Each Series of ETC Securities is referenced to a specific asset and any loss derived from the asset will be ultimately borne by the relevant ETC Security holders. The Directors anticipate that assets are readily realisable and hence, will continue to generate enough cash flows on an ongoing basis to meet the financial liabilities as they fall due. The ETC Securities in issue as at 31 December 2019 have final maturities ranging from 2060 to 2061. Therefore, for these reasons, the Directors believe that the going concern basis is appropriate. The Directors do not foresee any material redemptions in the next 12 months that would trigger going concern issues.

**Business risks and principal uncertainties**

The Company is subject to various risks. The key risks facing the Company relate to their use of financial instruments and other risks (i.e. market risk, credit risk, liquidity risk and operational risk) arising from the inventory which are set out in note 15 to the financial statements.

**Results and dividends for the year**

The results for the year are set out on page 11. The Directors do not recommend the payment of a dividend for the year under review (2018: nil).

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

There has been no change in Directors, Secretary and registered office during the year.

**Directors' report (continued)**

**Directors, Secretary and their interests**

None of the Directors or the Secretary who held office on 31 December 2019 held any shares or ETC Securities in the Company at that date, or during the year. There were no contracts of any significance in relation to the business of the Company in which the Directors had any interest. As disclosed in note 18, Related Party Transactions, Marc Harris, a Director of the Company is an employee of an affiliate company of the administrator and Visdirect Services Limited and Viscom Services Limited are affiliates of the administrator. See note 18 for full details of the relationships entered into between the Company and its related parties.

**Shares and shareholders**

The authorised share capital of the Company is GBP 10,000 divided into 10,000 limited shares of GBP 1 each (the "Shares") of which 2 are issued and fully paid and are directly or indirectly held by Vistra Nominees I Limited and Vistra Nominees II Limited (the "Share Trustees") under the terms of a declaration of trust (the "Declaration of Trust") under which the Share Trustees hold the benefit of the shares on trust for charitable purposes. There are no other rights that pertain to the shares and the shareholders.

**Subsequent events**

Subsequent events have been disclosed in note 21 to the financial statements.

**Independent auditor**

In accordance with the Companies (Jersey) Law 1991, KPMG Channel Islands Limited, Chartered Accountants and Recognized Auditor has been appointed to continue in office.

**On behalf of the Board**

**Director**

**Date: 17 April 2020**

## 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 (Jersey) Law, 1991. 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 also required by the Transparency (Directive 2004/109/EC) (Amendment) (No. 2) Regulations 2015 (the "Regulations") to include a Directors' Report containing a fair review of the business and a description of the principal risks and uncertainties facing the Company.

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

## 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 issuer, together with a description of the principal risks and uncertainties that they face.

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**

**Director**

**Date: 17 April 2020**

KPMG

# Independent Auditor's Report to the Members of DB ETC plc

## *Our opinion is unmodified*

We have audited the financial statements of DB ETC plc (the "Company"), which comprise the statement of financial position as at 31 December 2019, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

— give a true and fair view of the financial position of the Company as at 31 December 2019, and of the Company's financial performance and cash flows for the year then ended;

— are prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS"); and

— have been properly prepared in accordance with the Companies (Jersey) Law, 1991.

## *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including FRC Ethical Standards, as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## *Key Audit Matters: our assessment of the 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 were as follows:

# Independent Auditor's Report to the Members of DB ETC plc (Continued)

| | The risk | Our response |
|---|---|---|
| ***Valuation of inventories held at fair value less costs to sell***<br><br>*€7,322,766,180; (2018 €4,925,173,487)*<br><br>*Refer to the accounting policy in note 3(f), and to disclosures in note 10.* | *Basis:*<br><br>Inventories held at fair value less costs to sell (the "Metals") represent 99% of the Company's total assets at 31 December 2019.<br><br>The Metals act as collateral for the financial liabilities designated at fair value through profit or loss (the "ETC Securities") issued by the Company. The Metals are accounted for at fair value.<br><br>The Company determines fair value by revaluing the quantity of Metals held at the reporting date to the last market prices published by the sources described in note 3.<br><br>*Risk:*<br><br>The reported fair value of Metals held may be materially misstated. | *Our audit procedures included:*<br><br>*Internal Controls:* Assessed the design and implementation of controls over the valuation of Metals.<br><br>*Evaluating the work of experts engaged by the Company:* Observed an inspection, and reviewed the findings of experts engaged by the Company to sample basis, the Company's Metals.<br><br>*Independent confirmation:* Obtained independent confirmation from the custodians of the quantity of Metals held in custody at the reporting date.<br><br>*Independent evaluation:* Assessed the appropriateness of the pricing sources and considered whether the market prices represent fair value in accordance with IFRS. Performed an independent recalculation of fair value based on published market prices.<br><br>*Assessing disclosures:* Assessed the fair value disclosures in the financial statements for compliance with IFRS requirements. |

# Independent Auditor's Report to the Members of DB ETC plc (Continued)

| | The risk | Our response |
|---|---|---|
| ***Valuation of financial liabilities designated at fair value through profit or loss***<br><br>***("ETC Securities")***<br><br>*€7,337,487,485; (2018 €4,945,002,267)*<br><br>*Refer to the accounting policy in note 3(f), and to disclosures in note 10.* | *Basis:*<br><br>The issuance of ETC Securities is central to the Company's principal activity. ETC Securities allow investors to gain exposure to movements in prices of Metals without needing to take physical delivery.<br><br>ETC Securities are accounted for at fair value.<br><br>As described in note 3(g), the Company determines fair value in accordance with the formula set out in the prospectus to reflect the contractual price at which the ETC Securities will be issued or redeemed by the Company at the reporting date. This formula takes into account the quantity of ETC Securities in issue at the reporting date, and the price of the relevant Metals, adjusted for product fees.<br><br>*Risk:*<br><br>A discrepancy in the inputs or incorrect application of the formula used to determine the fair value of ETC Securities may cause the reported fair value of financial liabilities designated at fair value through profit or loss to be materially misstated. | *Our audit procedures included:*<br><br>*Internal Controls:* Assessed the design and implementation of the controls over the valuation of ETC Securities.<br><br>*Evaluation of fair value methodology:* Assessed the appropriateness of the methodology used to value the ETC Securities, and considered whether it represents fair value in accordance with IFRS.<br><br>*Independent evaluation:* Recalculated the fair value of ETC Securities using published market data on Metals prices. Compared the recalculated values to those determined by the Company.<br><br>*Assessing disclosures:* Assessed the fair value disclosures in the financial statements, for compliance with IFRS requirements. |

# Independent Auditor's Report to the Members of DB ETC plc (Continued)

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

Materiality for the financial statements as a whole was set at €73 million, determined with reference to a benchmark of total assets of €7,344,501,880, of which it represents approximately 1.0% (2018: 1%).

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding €3.6 million, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above, which has informed our identification of significant risks of material misstatement and the associated audit procedures performed in those areas as detailed above.

## *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.

## *We have nothing to report on the other information in the Directors' Report*

The directors are responsible for the other information presented in the Directors' Report together with the financial statements. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or 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.

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

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

— proper accounting records have not been kept by the Company;

— the financial statements are not in agreement with the accounting records; or

— we have not received all the information and explanations we require for our audit.

# Independent Auditor's Report to the Members of DB ETC plc (Continued)

## *Respective responsibilities*

### *Directors' responsibilities*

As explained more fully in their statement set out on page 5, 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; and assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using 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.

### *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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud 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.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

## *The purpose of this report and restrictions on its use by persons other than the Company's members as a body*

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

Brian Bethell
For and on behalf of KPMG Channel Islands Limited
*Chartered Accountants and Recognized Auditors, Jersey*

17 April 2020

## DB ETC plc



### Statement of comprehensive income
**For the year ended 31 December 2019**

| | Notes | Year ended 31-Dec-19 EUR | Year ended 31-Dec-18 EUR |
|---|---|---|---|
| Net fair value gain on inventories at fair value less costs to sell and Metal bullion due from the Programme Counterparty | 4 | 1,083,848,615 | 10,310,040 |
| Net fair value loss on financial liabilities designated at fair value through profit or loss | 5 | (1,083,848,615) | (10,310,040) |
| **Operating result** | | - | - |
| Other income | 6 | - | - |
| **Operating profit before taxation** | | - | - |
| Taxation | 7 | - | - |
| **Profit or loss and total comprehensive income for the year** | | - | - |

## Statement of financial position
**As at 31 December 2019**

| | Notes | 31-Dec-19 EUR | 31-Dec-18 EUR |
|---|---|---|---|
| **Assets** | | | |
| Cash and cash equivalents | 8 | 2 | 2 |
| Other receivables | 9 | 7,014,393 | 2,606,371 |
| Inventories held at fair value less costs to sell | 10 | 7,322,766,180 | 4,925,173,487 |
| Metal bullion due from the Programme Counterparty | 10 | 14,721,305 | 19,828,780 |
| **Total assets** | | 7,344,501,880 | 4,947,608,640 |
| **Liabilities and equity** | | | |
| **Liabilities** | | | |
| Other payables | 11 | 6,984,393 | 2,576,371 |
| Financial liabilities designated at fair value through profit or loss | 12 | 7,337,487,485 | 4,945,002,267 |
| **Total liabilities** | | 7,344,471,878 | 4,947,578,638 |
| **Equity** | | | |
| Share capital | 13 | 2 | 2 |
| Retained earnings | | 30,000 | 30,000 |
| **Total equity** | | 30,002 | 30,002 |
| **Total liabilities and equity** | | 7,344,501,880 | 4,947,608,640 |

The financial statements on pages 11 to 30 were approved by the Board and authorised for issue on 17 April 2020.

**On behalf of the Board**

**Director**

**Date: 17 April 2020**

**Statement of changes in equity**
**For the year ended 31 December 2019**

| | Share capital EUR | Retained earnings EUR | Total equity EUR |
|---|---|---|---|
| **Balance as at 01 January 2018** | 2 | 30,000 | 30,002 |
| *Total comprehensive income for the year* | | | |
| Profit for the year | - | - | - |
| Total comprehensive income for the year | - | - | - |
| **Balance as at 31 December 2018** | 2 | 30,000 | 30,002 |
| Balance as at 01 January 2019 | 2 | 30,000 | 30,002 |
| *Total comprehensive income for the year* | | | |
| Profit for the year | - | - | - |
| Total comprehensive income for the year | - | - | - |
| **Balance as at 31 December 2019** | 2 | 30,000 | 30,002 |

## DB ETC plc



### Statement of cash flows
**For the year ended 31 December 2019**

| | Notes | Year ended 31-Dec-19 EUR | Year ended 31-Dec-18 EUR |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit before taxation | | - | - |
| | | | |
| *Adjustments for:* | | | |
| (Increase)/decrease in other receivables | | (4,408,022) | 22,057,191 |
| Increase/(decrease) in other payables | | 4,408,022 | (22,057,191) |
| Net fair value gain on inventories at fair value less costs to sell and Metal bullion due from the Programme Counterparty at fair value | 4 | (1,083,848,615) | (10,310,040) |
| Net fair value loss on financial liabilities designated at fair value through profit or loss | 5 | 1,083,848,615 | 10,310,040 |
| | | | |
| **Net cash generated from operating activities** | | - | - |
| | | | |
| **Cash flows from investing activities** | | | |
| Purchase of inventories | | (3,514,550,366) | (3,273,589,819) |
| Proceeds from disposal of inventories | | 2,205,913,763 | 1,358,706,966 |
| **Net cash used in investing activities** | | (1,308,636,603) | (1,914,882,853) |
| | | | |
| **Cash flows from financing activities** | | | |
| Proceeds from issuance of financial liabilities designated at fair value through profit or loss | | 3,514,550,366 | 3,273,589,819 |
| Redemption of financial liabilities designated at fair value through profit or loss | | (2,205,913,763) | (1,358,706,966) |
| **Net cash generated from financing activities** | | 1,308,636,603 | 1,914,882,853 |
| | | | |
| **Movement in cash and cash equivalents** | | - | - |
| | | | |
| Cash and cash equivalents at start of the year | | 2 | 2 |
| | | | |
| **Cash and cash equivalents at end of the year** | 8 | 2 | 2 |

The notes on pages 15 to 30 form an integral part of the financial statements.

**1 General information**

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

The principal activity of the Company, under the Programme, is to issue from time to time Series of the ETC Securities, where recourse in respect of each Series is limited to the proceeds of enforcement of the security over each respective Series' assets.

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

**2 Basis of preparation**

**(a) Statement of compliance**

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2019; the comparative information for the year ended 31 December 2018 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.

**(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:

- Metal bullion due from the Programme Counterparty is measured at fair value;
- Inventories held at fair value are measured at fair value less costs to sell; and
- Financial liabilities designated at fair value through profit or loss are measured at fair value.

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

**(c) Functional and presentation currency**

Functional currency is the currency of the primary economic environment in which the entity operates. The Company does not have an investment strategy limited to one currency, as such the currency of the assets held and Notes in issue is expected to change periodically as a result of investor demand. The Directors believe that the functional and the presentation currency should be EUR, in line with prior year, as EUR is the currency that most faithfully represents the economic effects of the transactions, events and conditions of the Company's underlying operations.

**(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 note 3(f) "Inventories at fair value less costs to sell", note 3(g) “Financial instruments” and note 16 "Fair Values" to the financial statements.

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.

***Judgements***

*Determination of fair value of inventories at fair value less costs to sell*

In the absence of a specific precious metals or gold bullion accounting standard under IFRS, the Directors believe that the most appropriate basis for accounting for precious metals and gold bullion is under IAS 2, "Inventories" at fair value less cost to sell.

**2 Basis of preparation (continued)**

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

***Judgements (continued)***

*Determination of fair value of financial liabilities issued at fair value through profit or loss*

The financial liabilities designated at fair value through profit or loss are measured using the prices calculated by Apex Fund Services (Ireland) Limited (the "Determination Agent"), and not based on the quoted price available on the recognised stock exchanges for the financial liabilities at fair value through profit and loss. In the opinion of the Directors, this is the most appropriate method of estimating fair value, as the Company is contractually obliged to settle the ETC Securities at their calculated price. Please refer to note 3(g) “Financial instruments” for further details.

*Product fees*

The product fees are borne by investors through a daily reduction in the metal entitlement of each ETC Security. Accordingly the product fees form an integral component of the determination of the daily fair values of the ETC Securities, and are not separately accounted for as an expense of the Company. Please refer to note 3(g) “Financial instruments” for further details.

***Estimates***

*Inventories at fair value less costs to sell and Metal bullion due from the Programme Counterparty*

The Directors have determined that the main estimates are in relation to the determination of the fair value of inventories at fair value less costs to sell and Metal bullion due from the Programme Counterparty using prices quoted by the London Bullion Market Association. Further details have been described in accounting policy note 3(f) "Inventories at fair value less costs to sell" to the financial statements.

*Financial liabilities issued at fair value through profit or loss*

The Directors have determined that prices calculated by the Determination Agent are used as measurement basis at 31 December 2019 and 31 December 2018 as these prices most accurately reflect the obligations of the Company under the terms of the Series issue deeds. Please refer to note 3(g) “Financial instruments” for further details.

**(e) Changes in accounting standards**

*(i) New standards, amendments and interpretations issued effective as of 1 January 2019:*

| **Description** | **Effective date** |
|---|---|
| IFRS 16: Leases | 1 January 2019 |
| IFRIC 23: Uncertainty over Income Tax Treatments | 1 January 2019 |
| Amendments to IFRS 9: Prepayment Features with Negative Compensation | 1 January 2019 |
| Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures | 1 January 2019 |
| Annual Improvements to IFRS Standards 2015–2017 Cycle | 1 January 2019 |
| Amendments to IAS 19: Plan Amendment, Curtailment or Settlement | 1 January 2019 |

*(ii) Standards not yet effective, but available for early adoption*

| **Description** | **Effective date** |
|---|---|
| Amendments to References to the Conceptual Framework in IFRS Standards | 1 January 2020 |
| Amendments to IAS 1 and IAS 8: Definition of Material | 1 January 2020 |

The Directors have considered the new standards, amendments and interpretations as detailed in the above table and does not plan to adopt these standards early. The application of all of these standards, amendments or interpretations will be considered in detail in advance of a confirmed effective date by the Company.

**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 retranslated into the functional currency at the exchange rate at that date.

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

Gains and losses arising on retranslation of financial liabilities designated at fair value through profit or loss and inventories at fair value less costs to sell are included in the Statement of comprehensive income together with fair value gains and losses as noted below.

**3 Significant accounting policies (continued)**

**(b) Net fair value gain on inventories at fair value less costs to sell and Metal bullion due from the Programme Counterparty**

Net fair value gain on inventories relates to the movement in the prices of metals and includes all realised and unrealised fair value changes and foreign exchange differences. Any gains and losses arising from changes in fair value less costs to sell of the inventories and changes in fair value of Metal bullion due from the Programme Counterparty are recorded in net fair value gain on inventories at fair value less costs to sell and Metal bullion due from the Programme Counterparty at fair value in the Statement of comprehensive income. Details of recognition and measurement of inventories are disclosed in the accounting policy for inventories (note 3(f)).

**(c) Net fair value loss on financial liabilities designated at fair value through profit or loss**

Net fair value loss on financial liabilities designated at fair value through profit or loss relates to ETC Securities issued and includes all realised and unrealised fair value changes and foreign exchange differences. Any gains and losses arising from changes in the fair value of the financial liabilities designated at fair value through profit or loss 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)).

**(d) Other income**

Other income is recognised in the Statement of comprehensive income when the right to receive income is established, on an accruals

**(e) Other expenses**

All expenses, other than product fees recorded as a reduction in metal entitlement, are paid by the Arranger and as such, are not reflected in these financial statements. Product fees are recorded as a reduction in metal entitlement in calculation of the fair value of the ETC Securities.

**(f) Inventories held at fair value less cost to sell**

The Directors believe that the Company effectively acts as commodity trader as defined in IAS 2, Inventories for each of the ETC Security holders. Therefore, inventories are measured at fair value less costs to sell in accordance with IFRS 13 Fair value measurement.

*Initial recognition*

Inventories held at fair value less costs to sell are recognised initially at trade date when the Company becomes a party to its contractual provisions.

*Derecognition*

The Company derecognises inventories held at fair value less costs to sell when the contractual rights to the cash flows from the asset have expired, or the Company has transferred the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership are transferred.

*Valuation of inventories*

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 on 31 December 2019 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 less costs to sell using the last available price, nearest or at year-end, quoted by the London Bullion Market Association. The fix on 31 December 2019 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 less costs to sell using the last available price, nearest or at year-end, quoted by the London Platinum and Palladium Market. The AM fix on 31 December 2019 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.

The palladium is recorded at fair value less costs to sell using the last available price, nearest or at year-end, quoted by the London Platinum and Palladium Market. The AM fix on 31 December 2019 was used to value the palladium as this was the last available fix price available from the London Platinum and Palladium Market for the year.

The rhodium is recorded at fair value less costs to sell using the last available price, nearest or at year-end, quoted by Comdaq. The fix on 31 December 2019 was used to value the rhodium as this was the last fix price available from Comdaq for the year.

**3 Significant accounting policies (continued)**

**(f) Inventories held at fair value less cost to sell (continued)**

The metal prices derived from the above sources are then adjusted for product fees charged at 0.25% to 0.95% per annum of metal entitlement and any purchase or sale transactions between the Observation Date (as defined in the Master Balancing Terms) and the year end date. The product fees are accrued on a daily basis.

The valuation of inventories held at fair value in the Statement of financial position is calculated after taking account of adjustments to the Company's metal entitlement arising from the accrual of product fees and other rebalancing adjustments, consistent with the Balancing Agreements which are in place for each Series.

Metal bullion due from the Programme Counterparty represents the amount of metal entitlement of ETC Securities which is not held as physical metal inventory as at the reporting date but which is due to be received from the Programme Counterparty under the Balancing Agreement. Metal bullion due from the Programme Counterparty is accounted for as a financial asset at fair value through profit and loss.

**(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 at fair value through profit or loss:

- Metal bullion due from the Programme Counterparty

Financial liabilities at fair value through profit or loss:

- Financial liabilities designated at fair value through profit or loss

Financial assets at amortised cost:

- Cash and cash equivalents and other receivables

Financial liabilities at amortised cost:

- Other payables

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.

The Company has designated financial liabilities at fair value through profit or loss in either of the following circumstances:
- the liabilities are managed, evaluated and reported internally on a fair value basis; and
- the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

*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 inventories above.

**3 Significant accounting policies (continued)**

**(g) Financial instruments (continued)**

*Fair value measurement principles (continued)*

Financial liabilities designated at fair value through profit and loss are measured using the prices calculated by Apex Fund Services (Ireland) Limited (the "Determination Agent"). Quoted prices are also available on recognised stock exchanges for the financial liabilities designated at fair value through profit or loss. However, the Directors have determined that prices calculated by the Determination Agent should be used as a measurement basis at 31 December 2019 and 31 December 2018 as these prices most accurately reflect the obligations of the Company under the terms of the Series Issue Deeds.

The prices are calculated using the spot price of the relevant underlying metal adjusted for product fees. The product fees range from 0.25% to 0.95% per annum and are accrued on a daily basis by reducing the metal entitlement of each ETC Security.

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

When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment is reversed through the Statement of comprehensive income.

*Identification and measurement of impairment*

Accounts which are carried at amortised cost use the effective interest method less any allowance for the expected credit losses. The effective interest method is a method of calculating the amortised cost of an instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on inital recognition. Impairment losses, including reversals of impairment losses and impairment gains, are presented in the Statement of comprehensive income and other comprehensive income.

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

When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment is reversed through the Statement of comprehensive income.

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

**(h) Other receivables**

Other receivables are accounted for at amortised cost.

**(i) Cash and cash equivalents**

Cash and cash equivalents includes 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 Pound Sterling ("GBP"). 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 decision 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.

**3 Significant accounting policies (continued)**

**(k) Segment reporting (continued)**

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. Financial liabilities relate to ETC Securities. Details of the fair value movement by Series and the year end unit price by Series are included in note 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.

| 4 Net fair value gain on inventories at fair value less costs to sell and Metal bullion due from the Programme Counterparty | Year ended 31-Dec-19 EUR | Year ended 31-Dec-18 EUR |
|---|---|---|
| Net fair value gain on inventories at fair value less costs to sell and Metal bullion due from the Programme Counterparty | 1,083,848,615 | 10,310,040 |
| | 1,083,848,615 | 10,310,040 |

| 5 Net fair value loss on financial liabilities designated at fair value through profit or loss | Year ended 31-Dec-19 EUR | Year ended 31-Dec-18 EUR |
|---|---|---|
| Net loss on ETC Securities | (1,083,848,615) | (10,310,040) |
| | (1,083,848,615) | (10,310,040) |

**6 Other income**

Other income relates to corporate benefits which are receivable from the Arranger, Deutsche Bank AG and represent the Company's profit as a result of entering into the Programme. No corporate benefit was received for the year ended 31 December 2019 and 31 December 2018.

**7 Taxation**

The Company is not a regulated financial service company from a Jersey Income Tax perspective. Therefore, the Company is liable to Jersey Income Tax at 0%.

| 8 Cash and cash equivalents | 31-Dec-19 EUR | 31-Dec-18 EUR |
|---|---|---|
| Cash at bank | 2 | 2 |
| | 2 | 2 |

| 9 Other receivables | 31-Dec-19 EUR | 31-Dec-18 EUR |
|---|---|---|
| ETC securities receivables** | 6,984,393 | - |
| Corporate benefit receivable due from the Arranger | 30,000 | 30,000 |
| Inventories receivable* | - | 2,576,371 |
| | 7,014,393 | 2,606,371 |

* As at 31 December 2019, there were no unsettled disposals (31 December 2018: the disposal of 2,307 ounces of Gold @ EUR 1,279.00 each for Series 2 Xtrackers Physical Gold EUR Hedged ETC due 2060)

** As at 31 December 2019, there were issuances of 34,495 ETC Securities @ USD 147.12 each for Series 1 Xtrackers Physical Gold ETC due 2060 and 15,000 ETC Securities @ EUR 182.44 each for Series 7 Xtrackers Physical Palladium ETC due 2060 (31 December 2018: there were no unsettled issuances) remained unsettled and were subsequently settled on 3 January 2020 and 2 January 2020 respectively.

**10 Inventories held at fair value less costs to sell and Metal bullion due from the Programme Counterparty**

| | 31-Dec-19 | 31-Dec-18 |
|---|---|---|
| | EUR | EUR |
| Inventories | 7,322,766,180 | 4,925,173,487 |
| Metal bullion due from the Programme Counterparty | 14,721,305 | 19,828,780 |
| | 7,337,487,485 | 4,945,002,267 |

| Movement in inventories | 31-Dec-19 | 31-Dec-18 |
|---|---|---|
| | EUR | EUR |
| At beginning of the year | 4,945,002,267 | 3,022,385,745 |
| Additions during the year | 3,514,550,366 | 3,273,589,819 |
| Disposals during the year | (2,205,913,763) | (1,361,283,337) |
| Net changes in fair value during the year | 1,083,848,615 | 10,310,040 |
| At end of the year | 7,337,487,485 | 4,945,002,267 |

Metal bullion due from the Programme Counterparty represents the amount of metal entitlement of ETC Securities which is not held as physical metal inventory as at the reporting date but which is due to be received from the Programme Counterparty under the Balancing Agreement.

**11 Other payables**

| | 31-Dec-19 | 31-Dec-18 |
|---|---|---|
| | EUR | EUR |
| Inventories payable** | 6,984,393 | - |
| ETC securities payables* | - | 2,576,371 |
| | 6,984,393 | 2,576,371 |

* As at 31 December 2019, there were no unsettled redemptions (31 December 2018: the redemption of 29,000 ETC securities @ EUR 88.84 each for Series 2 Xtrackers Physical Gold EUR Hedged ETC due 2060)

** As at 31 December 2019, the acquisition of 3,358 ounces of Gold @ USD 1511.50 each for Series 1 Xtrackers Physical Gold ETC due 2060 and 1,437 ounces of Palladium @ USD 1,905 each for Series 7 Xtrackers Physical Palladium ETC due 2060 (31 December 2018: there were no unsettled acquisitions) remained unsettled and were subsequently settled on 3 January 2020 and 2 January 2020 respectively.

**12 Financial liabilities designated at fair value through profit or loss**

| | 31-Dec-19 | | 31-Dec-18 | |
|---|---|---|---|---|
| | Nominal units issued | Fair value EUR | Nominal units issued | Fair value EUR |
| ETC Securities issued | 81,950,881 | 7,337,487,485 | 54,954,870 | 4,945,002,267 |

| Movement in ETC Securities issued | 31-Dec-19 | 31-Dec-18 |
|---|---|---|
| | EUR | EUR |
| At beginning of the year | 4,945,002,267 | 3,022,385,745 |
| Issue of ETC Securities issued during the year | 3,514,550,366 | 3,273,589,819 |
| Redemption of ETC Securities issued during the year | (2,205,913,763) | (1,361,283,337) |
| Net changes in fair value during the year | 1,083,848,615 | 10,310,040 |
| At end of the year | 7,337,487,485 | 4,945,002,267 |

The ETC Securities issued are listed on various exchanges including London, Switzerland, Milan and Frankfurt. Refer to note 16 for a description of the key risks regarding the issue of these instruments.

The financial liabilities in issue at 31 December 2019 are as follows:

| Series | Description | CCY | Maturity date | Units Outstanding 31-Dec-19 | NAV per unit (CCY) 31-Dec-19 | Fair value EUR 31-Dec-19 |
|---|---|---|---|---|---|---|
| Series 1 | Xtrackers Physical Gold ETC | USD | 15-Jun-60 | 8,034,550 | 148.24 | 1,062,267,181 |
| Series 2 | Xtrackers Physical Gold EUR Hedged ETC | EUR | 15-Jun-60 | 22,209,500 | 101.87 | 2,262,395,191 |
| Series 3 | Xtrackers Physical Silver ETC | USD | 15-Jun-60 | 205,590 | 172.98 | 31,719,024 |

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

The financial liabilities in issue at 31 December 2019 are as follows (continued):

| Series | Description | CCY | Maturity date | Units Outstanding 31-Dec-19 | NAV per unit (CCY) 31-Dec-19 | Fair value EUR 31-Dec-19 |
|---|---|---|---|---|---|---|
| Series 4 | Xtrackers Physical Silver EUR Hedged ETC | EUR | 15-Jun-60 | 1,343,250 | 114.62 | 153,963,821 |
| Series 5 | Xtrackers Physical Platinum ETC | USD | 14-Jul-60 | 381,011 | 92.99 | 31,600,972 |
| Series 6 | Xtrackers Physical Platinum EUR Hedged ETC | EUR | 14-Jul-60 | 2,281,965 | 61.42 | 140,159,869 |
| Series 7 | Xtrackers Physical Palladium ETC | USD | 14-Jul-60 | 61,879 | 183.88 | 10,148,180 |
| Series 8 | Xtrackers Physical Palladium EUR Hedged ETC | EUR | 14-Jul-60 | 147,088 | 120.33 | 17,698,937 |
| Series 9 | Xtrackers Physical Gold ETC (EUR) | EUR | 27-Aug-60 | 22,544,207 | 132.27 | 2,981,983,888 |
| Series 10 | Xtrackers Physical Silver ETC (EUR) | EUR | 27-Aug-60 | 2,110,920 | 154.22 | 325,541,258 |
| Series 11 | Xtrackers Physical Rhodium ETC | USD | 19-May-61 | 132,441 | 557.22 | 65,820,709 |
| Series 12 | Xtrackers Physical Rhodium ETC (EUR) | EUR | 19-May-61 | 60,929 | 496.10 | 30,226,725 |
| Series 13 | Xtrackers Physical Gold GBP Hedged ETC | GBP | 1-Apr-61 | 22,437,551 | 8.44 | 223,961,730 |
| | | | | 81,950,881 | | 7,337,487,485 |

The financial liabilities in issue at 31 December 2018 are as follows:

| Series | Description | CCY | Maturity date | Units outstanding 31-Dec-18 | NAV per unit (CCY) 31-Dec-18 | Fair value EUR 31-Dec-18 |
|---|---|---|---|---|---|---|
| Series 1 | Xtrackers Physical Gold ETC | USD | 15-Jun-60 | 6,008,480 | 125.06 | 655,401,010 |
| Series 2 | Xtrackers Physical Gold EUR Hedged ETC | EUR | 15-Jun-60 | 18,456,500 | 89.01 | 1,642,867,932 |
| Series 3 | Xtrackers Physical Silver ETC | USD | 15-Jun-60 | 266,500 | 148.85 | 34,599,461 |
| Series 4 | Xtrackers Physical Silver EUR Hedged ETC | EUR | 15-Jun-60 | 1,024,500 | 102.32 | 104,824,049 |
| Series 5 | Xtrackers Physical Platinum ETC | USD | 14-Jul-60 | 383,900 | 76.39 | 25,577,831 |
| Series 6 | Xtrackers Physical Platinum EUR Hedged ETC | EUR | 14-Jul-60 | 638,100 | 52.36 | 33,407,931 |
| Series 7 | Xtrackers Physical Palladium ETC | USD | 14-Jul-60 | 60,079 | 121.51 | 6,367,238 |
| Series 8 | Xtrackers Physical Palladium EUR Hedged ETC | EUR | 14-Jul-60 | 158,088 | 82.31 | 13,011,777 |
| Series 9 | Xtrackers Physical Gold ETC (EUR) | EUR | 27-Aug-60 | 20,266,500 | 109.38 | 2,216,841,316 |
| Series 10 | Xtrackers Physical Silver ETC (EUR) | EUR | 27-Aug-60 | 757,520 | 130.10 | 98,556,226 |
| Series 11 | Xtrackers Physical Rhodium ETC | USD | 19-May-61 | 195,470 | 227.18 | 38,731,834 |
| Series 12 | Xtrackers Physical Rhodium ETC (EUR) | EUR | 19-May-61 | 106,168 | 198.43 | 21,066,793 |
| Series 13 | Xtrackers Physical Gold GBP Hedged ETC | GBP | 1-Apr-61 | 6,633,065 | 7.29 | 53,748,869 |
| | | | | 54,954,870 | | 4,945,002,267 |

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

*Movement in fair values by Series for the period ended 31 December 2019*

| Series | Description | Opening balance 1-Jan-19 EUR | Issuances EUR | Redemptions EUR | Net changes in fair values EUR | Closing balance 31-Dec-19 EUR |
|---|---|---|---|---|---|---|
| Series 1 | Xtrackers Physical Gold ETC | 655,401,010 | 640,436,639 | (393,423,868) | 159,853,400 | 1,062,267,181 |
| Series 2 | Xtrackers Physical Gold EUR Hedged ETC | 1,642,867,932 | 1,127,583,558 | (753,724,797) | 245,668,498 | 2,262,395,191 |
| Series 3 | Xtrackers Physical Silver ETC | 34,599,461 | 6,550,799 | (14,409,707) | 4,978,471 | 31,719,024 |
| Series 4 | Xtrackers Physical Silver EUR Hedged EC | 104,824,049 | 88,567,751 | (59,110,345) | 19,682,366 | 153,963,821 |
| Series 5 | Xtrackers Physical Platinum ETC | 25,577,831 | 8,385,807 | (8,876,670) | 6,514,004 | 31,600,972 |
| Series 6 | Xtrackers Physical Platinum EUR Hedged ETC | 33,407,931 | 164,625,175 | (79,330,206) | 21,456,969 | 140,159,869 |
| Series 7 | Xtrackers Physical Palladium ETC | 6,367,238 | 15,115,509 | (15,575,320) | 4,240,753 | 10,148,180 |
| Series 8 | Xtrackers Physical Palladium EUR Hedged ETC | 13,011,777 | 8,989,526 | (9,818,719) | 5,516,353 | 17,698,937 |
| Series 9 | Xtrackers Physical Gold ETC (EUR) | 2,216,841,316 | 991,847,428 | (704,476,960) | 477,772,104 | 2,981,983,888 |
| Series 10 | Xtrackers Physical Silver ETC (EUR) | 98,556,226 | 265,779,197 | (82,156,173) | 43,362,008 | 325,541,258 |
| Series 11 | Xtrackers Physical Rhodium ETC | 38,731,834 | - | (18,700,907) | 45,789,782 | 65,820,709 |
| Series 12 | Xtrackers Physical Rhodium ETC (EUR) | 21,066,793 | - | (15,119,380) | 24,279,312 | 30,226,725 |
| Series 13 | Xtrackers Physical Gold GBP Hedged ETC | 53,748,869 | 196,668,977 | (51,190,711) | 24,734,595 | 223,961,730 |
| | | 4,945,002,267 | 3,514,550,366 | (2,205,913,763) | 1,083,848,615 | 7,337,487,485 |

*Movement in fair values by Series for the year ended 31 December 2018*

| Series | Description | Opening balance 1-Jan-18 EUR | Issuances EUR | Redemptions EUR | Net changes in fair values EUR | Closing balance 31-Dec-18 EUR |
|---|---|---|---|---|---|---|
| Series 1 | Xtrackers Physical Gold ETC | 639,429,719 | 258,839,172 | (264,548,673) | 21,680,792 | 655,401,010 |
| Series 2 | Xtrackers Physical Gold EUR Hedged ETC | 1,420,828,764 | 692,746,968 | (410,750,959) | (59,956,841) | 1,642,867,932 |
| Series 3 | Xtrackers Physical Silver ETC | 38,762,749 | 10,243,619 | (12,577,583) | (1,829,324) | 34,599,461 |
| Series 4 | Xtrackers Physical Silver EUR Hedged EC | 114,824,040 | 194,493,964 | (191,577,602) | (12,916,353) | 104,824,049 |
| Series 5 | Xtrackers Physical Platinum ETC | 25,195,821 | 9,624,138 | (6,183,130) | (3,058,998) | 25,577,831 |
| Series 6 | Xtrackers Physical Platinum EUR Hedged ETC | 29,534,916 | 74,205,739 | (56,224,188) | (14,108,536) | 33,407,931 |
| Series 7 | Xtrackers Physical Palladium ETC | 8,484,784 | 2,185,260 | (5,497,217) | 1,194,411 | 6,367,238 |
| Series 8 | Xtrackers Physical Palladium EUR Hedged ETC | 15,282,034 | 5,045,662 | (9,120,976) | 1,805,057 | 13,011,777 |
| Series 9 | Xtrackers Physical Gold ETC (EUR) | 546,286,429 | 1,906,045,560 | (287,348,206) | 51,857,533 | 2,216,841,316 |
| Series 10 | Xtrackers Physical Silver ETC (EUR) | 77,371,268 | 73,920,278 | (49,775,237) | (2,960,083) | 98,556,226 |

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

*Movement in fair values by Series for the year ended 31 December 2018 (continued)*

| Series | Description | Opening balance 1-Jan-18 EUR | Issuances EUR | Redemptions EUR | Net changes in fair values EUR | Closing balance 31-Dec-18 EUR |
|---|---|---|---|---|---|---|
| Series 11 | Xtrackers Physical Rhodium ETC | 41,186,488 | - | (19,508,360) | 17,053,706 | 38,731,834 |
| Series 12 | Xtrackers Physical Rhodium ETC (EUR) | 26,859,630 | - | (15,385,671) | 9,592,834 | 21,066,793 |
| Series 13 | Xtrackers Physical Gold GBP Hedged ETC | 38,339,103 | 46,239,459 | (32,785,535) | 1,955,842 | 53,748,869 |
| | | 3,022,385,745 | 3,273,589,819 | (1,361,283,337) | 10,310,040 | 4,945,002,267 |

**13 Share capital**

| | 31-Dec-19 | 31-Dec-18 |
|---|---|---|
| *Authorised:* | GBP | GBP |
| 10,000 ordinary shares of GBP 1 each | 10,000 | 10,000 |
| | | |
| *Issued and fully paid:* | EUR | EUR |
| 2 ordinary shares of GBP 1 each | 2 | 2 |
| | 2 | 2 |

As at 31 December 2019, the ordinary share capital was held by the following non-beneficial nominees:

| | 31-Dec-19 GBP | 31-Dec-18 GBP |
|---|---|---|
| Vistra Nominees I Limited | 1 | 1 |
| Vistra Nominees II Limited | 1 | 1 |
| | 2 | 2 |

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

**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 GBP 2 was issued in line with Jersey Company Law and is not used for financing the investment activities of the Company. The Company is not subject to any other externally imposed capital requirements.

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

**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.

**15 Financial risk management (continued)**

**(a) Market risk (continued)**

*(i) Interest rate risk*

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

*(ii) Currency risk*

Currency risk is the risk which arises where the assets and liabilities of the Company are denominated in currencies other than its functional currency. As at 31 December 2019, the Company is exposed to assets and liabilities denominated in US Dollars (USD) and Pound Sterling (GBP).

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

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

| **31-Dec-19** | **USD** | **GBP** | **Total** |
|---|---|---|---|
| | **EUR** | **EUR** | **EUR** |
| Inventories held at fair value less cost to sell denominated in USD / GBP | 1,201,556,066 | 223,961,730 | 1,425,517,796 |
| **Total assets** | 1,201,556,066 | 223,961,730 | 1,425,517,796 |
| Financial liabilities designated at fair value through profit or loss denominated in USD / GBP | (1,201,556,066) | (223,961,730) | (1,425,517,796) |
| **Total liabilities** | (1,201,556,066) | (223,961,730) | (1,425,517,796) |
| **Net exposure** | - | - | - |

| **31-Dec-18** | **USD** | **GBP** | **Total** |
|---|---|---|---|
| | **EUR** | **EUR** | **EUR** |
| Inventories held at fair value less cost to sell denominated in USD / GBP | 760,677,374 | 53,748,869 | 814,426,243 |
| **Total assets** | 760,677,374 | 53,748,869 | 814,426,243 |
| Financial liabilities designated at fair value through profit or loss denominated in USD / GBP | (760,677,374) | (53,748,869) | (814,426,243) |
| **Total liabilities** | (760,677,374) | (53,748,869) | (814,426,243) |
| **Net exposure** | - | - | - |

The value of Metal bullion due from the Programme Counterparty represents quantity of metal bullion, accordingly it is not considered to be a currency exposure.

The following exchange rates have been applied during the year:

| | **Average rate - year ended** | | **Closing rate** | |
|---|---|---|---|---|
| | **31-Dec-19** | **31-Dec-18** | **31-Dec-19** | **31-Dec-18** |
| USD-EUR | 0.89346 | 0.84771 | 0.89190 | 0.87220 |
| GBP-EUR | 1.14088 | 1.13029 | 1.18250 | 1.11220 |

The impact of changes in foreign exchange rates on the inventories less cost to sell is offset by the impact of foreign exchange rate changes on the financial liabilities. Therefore any change in the exchange rates would have no net effect on the equity or the profit or loss of the Company.

**15 Financial risk management (continued)**

**(a) Market risk (continued)**

*(iii) Price risk*

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

When a shortfall of metal inventory occurs, the shortfall is made up, in accordance with the terms of the Balancing Agreement, through a balance of metal bullion being due from the Programme Counterparty. Accordingly, the ETC Security holders are exposed to the market price risk of their metal entitlement under the ETC Securities.

Any changes in the metal spot prices on the inventories held by the Company would not have any net effect on the equity or the profit or loss of the Company since changes in the fair value of inventories or in the balance of Metal bullion due from the Programme Counterparty would be offset by corresponding changes in the fair value of the ETC Securities and as such any price risk is ultimately borne by the ETC Security holders.

**(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, Metal bullion due from the Programme Counterparty and inventories which represents the Company's maximum exposure to credit risk. All credit risks are ultimately borne by the ETC Security holders.

| | **31-Dec-19** | **31-Dec-18** |
|---|---|---|
| | **EUR** | **EUR** |
| Metal bullion due from the Programme Counterparty | 14,721,305 | 19,828,780 |
| Other receivables | 7,014,393 | 2,606,371 |
| Cash and cash equivalents | 2 | 2 |
| | 21,735,700 | 22,435,153 |

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 inventories for each series of ETC Securities.

As at 31 December 2019, no financial assets carried at amortised cost were past due or impaired (2018:Nil). Assets that have been pledged as collateral for financial liabilities are disclosed in note 10.

The Directors have also considered the credit risk and counterparty risk with JPMorgan as custodian (the "Custodian"), Johnson Matthey as Sub-Custodian and Deutsche Bank AG, as Programme Counterparty, respectively of the allocated and unallocated inventories held by the Company given the significance of the inventories to the overall financial position of the Company. As at 31 December 2019, the Company held inventories with a fair value less costs to sell of EUR 7,322,766,180 (2018: EUR 4,925,173,487 with JP Morgan and Johnson Matthey, and Metal bullion due from the Programme Counterparty with a fair value of EUR 14,721,305 (2018: EUR 19,828,780) from Deutsche Bank AG.

With an overall credit rating status of JPMorgan (2019: S&P A-) (2018: S&P A-), the Directors are of opinion that counterparty risk is acceptable.

With an overall credit rating status of Deutsche Bank AG (2019: S&P BBB+) (2018: S&P BBB+), 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.

The Directors believe that the counterparty risk and credit risk exposure of the Company to the Sub-Custodian is not significant given that only approximately 1% (2018: 1%) of the total value of inventories are held with this Sub-Custodian.

**15 Financial risk management (continued)**

**(b) Credit risk (continued)**

*Concentration risk*

At the reporting date, the Company's inventories at fair value less costs to sell were concentrated in the following asset types and geographical location:

| **By industry** | **31-Dec-19** | **31-Dec-18** |
|---|---|---|
| ***Types of collaterals*** | **%** | **%** |
| Inventories held at fair value through profit or loss and Metal bullion due from the Programme Counterparty | 100 | 100 |
| | 100 | 100 |

| **By Geographical location** | **31-Dec-19** | **31-Dec-18** |
|---|---|---|
| ***Country of origin*** | **%** | **%** |
| United Kingdom | 100 | 100 |
| | 100 | 100 |

*Other receivables*

Other receivables is mainly ETC securities receivable. It also comprises corporate benefit receivable by the Company at the year end from the Arranger. The credit ratings of Deutsche Bank AG are as follows:

| | **2019 Short term ratings** | **2019 Long term ratings** | **2018 Short term ratings** | **2018 Long term ratings** |
|---|---|---|---|---|
| Moody | P-2 | A3 | P-2 | A3 |
| Standard & Poor's | A-2 | BBB+ | A-2 | BBB+ |
| Fitch | F2 | BBB+ | F2 | A- |

**(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 inventory. All liquidity risk associated with the inventories are ultimately borne by the ETC Security holders.

The contractual maturity profile of financial liabilities as at 31 December 2019 is as follows:

| | **Carrying amount** | **Gross contractual cash flows** | **Less than one year** |
|---|---|---|---|
| | **EUR** | **EUR** | **EUR** |
| Financial liabilities designated at fair value through profit or loss | 7,337,487,485 | 7,337,487,485 | 7,337,487,485 |
| Other payables | (6,984,393) | (6,984,393) | (6,984,393) |
| | 7,330,503,092 | 7,330,503,092 | 7,330,503,092 |

The contractual maturity profile of financial liabilities as at 31 December 2018 is as follows:

| | **Carrying amount** | **Gross contractual cash flows** | **Less than one year** |
|---|---|---|---|
| | **EUR** | **EUR** | **EUR** |
| Financial liabilities designated at fair value through profit or loss | (4,945,002,267) | (4,945,002,267) | (4,945,002,267) |
| Other payables | (2,576,371) | (2,576,371) | (2,576,371) |
| | (4,947,578,638) | (4,947,578,638) | (4,947,578,638) |

Due to the fact that the ETC Security holders have the option to redeem the securities before the final scheduled maturity date, the financial liabilities designated at fair value through profit or loss have been classified as due in less than one year.

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.

For further information regarding risk factors, refer to the risk factors section of the Prospectus.

**15 Financial risk management (continued)**

**(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 Vistra Fund Services Limited. Deutsche Bank AG acts as the Company's lead authorised participant (the "Lead Authorised Participant"), arranger (the "Arranger"), metal agent (the "Metal Agent"), issuing and paying agent (the "Issuing and Paying Agent") and programme counterparty (the "Programme Counterparty").

**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 inventory is disclosed in note 3(f) to the financial statements. The Company's accounting policy on fair value measurement of financial assets designated at fair value through profit or loss and financial liabilities designated at fair value through profit or loss 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.

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

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

Level 2 prices use widely recognised 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 1 or 3 and there has not been any transfer between levels during the year ended 31 December 2019.

At 31 December 2019, the carrying amounts of Inventories held at fair value less costs to sell, Metal bullion due from the Programme Counterparty and financial liabilities issued by the Company are as follows:

| | 31-Dec-19 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| | **EUR** | **EUR** | **EUR** | **EUR** |
| Metal bullion due from the Programme Counterparty | - | 14,721,305 | - | 14,721,305 |
| Inventories held at fair value less costs to sell | - | 7,322,766,180 | - | 7,322,766,180 |
| Financial liabilities designated at fair value through profit or loss | - | (7,337,487,485) | - | (7,337,487,485) |
| | - | - | - | - |

**Notes to the financial statements (continued)**
**For the year ended 31 December 2019**

**16 Fair values (continued)**

At 31 December 2018, the carrying amounts of Inventories held at fair value less costs to sell, Metal bullion due from the Programme Counterparty and financial liabilities issued by the Company are as follows:

| | 31-Dec-18 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| | **EUR** | **EUR** | **EUR** | **EUR** |
| Metal bullion due from the Programme Counterparty | - | 19,828,780 | - | 19,828,780 |
| Inventories held at fair value less costs to sell | - | 4,925,173,487 | - | 4,925,173,487 |
| Financial liabilities designated at fair value through profit or loss | - | (4,945,002,267) | - | (4,945,002,267) |
| | - | - | - | - |

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

**17 Classification of financial instruments**

| | **Carrying value 31-Dec-19** | **Fair value 31-Dec-19** | **Carrying value 31-Dec-18** | **Fair value 31-Dec-18** |
|---|---|---|---|---|
| *At fair value* | **EUR** | **EUR** | **EUR** | **EUR** |
| Metal bullion due from the Programme Counterparty | 14,721,305 | 14,721,305 | 19,828,780 | 19,828,780 |
| Financial liabilities designated at fair value through profit or loss | (7,337,487,485) | (7,337,487,485) | (4,945,002,267) | (4,945,002,267) |
| | (7,322,766,180) | (7,322,766,180) | (4,925,173,487) | (4,925,173,487) |
| *At amortised cost* | | | | |
| Cash and cash equivalents | 2 | 2 | 2 | 2 |
| Other receivables | 7,014,393 | 7,014,393 | 2,606,371 | 2,606,371 |
| Other payables | (6,984,393) | (6,984,393) | (2,576,371) | (2,576,371) |
| | 30,002 | 30,002 | 30,002 | 30,002 |

**18 Related Party Transactions**

Visdirect Services Limited and Viscom Services Limited act solely in the capacity as Directors of Jersey companies, pursuant to the Companies (Jersey) Law 1991, as amended. Visdirect Services Limited and Viscom Services Limited are both part of the Vistra group of companies. No fee was charged or paid to the Vistra Group during the period under review by the Company for the provision of Directors. Most expenses of the Company are borne by the Arranger including fees paid to Vistra.

Product fees incurred for the year ended 31 December 2019 due to Arranger amounted to EUR 24,317,537 (2018: EUR 17,582,188). No amount was payable as at 31 December 2019 (2018: EUR Nil).

Marc Harris, a Director of the Company is an employee of an affiliate company of the administrator and Visdirect Services Limited and Viscom Services Limited are affiliates of the administrator.

As at 31 December 2019, corporate benefit fees amounting to EUR 30,000 (31 December 2018: EUR 30,000) were receivable from the Arranger.

Metal bullion due from the Programme Counterparty amounting to 14,721,305 (31 December 2018: EUR 19,828,780) were outstanding as at 31 December 2019.

As at 31 December 2019, the number of ETC Securities held by the Lead Authorised Participant was 57,762 units (EUR 6,695,134) (31 December 2018: 223,829 units (EUR 13,154,147)).

**19 Ultimate controlling party**

The Directors of the Company consider Vistra Corporate Services Limited as trustee of the db ETC Charitable Trust (the beneficial owner of the issued share capital of the Company) to be the ultimate controlling party of the Company.

**20 Key management personnel**

The key management personnel have been identified as being the Directors of the Company.

Marc Harris is an employee of Vistra (Jersey) Limited during the year ended 31 December 2019. His emoluments are paid by Vistra Fund Services Limited and other related entities and no re-charge is made to the Company. It is therefore not possible to make a reasonable apportionment of his emoluments in respect of the Company.

**21 Subsequent events**

*Novel Coronavirus COVID-19 Global Pandemic*

The Directors continue to assess the potential impact of the COVID-19 Global Pandemic on the Company. The main impact on the investors of each Series has been the increased volatility in the financial markets and the volatility of pricing of each Series. The amounts stated in these financial statements reflect conditions existing as at the balance sheet date. The impact of COVID-19 is considered a non-adjusting post balance sheet event. While the pandemic is developing too quickly to allow for definitive conclusions, the Directors currently believe that any impact on the operations of the Company is likely to be limited as:

- The investors' recourse per Series is limited to the performance of the specified precious metal for each Series respectively and each Series has continued to operate as per the investor prospectus;
- All service providers have extensive business continuity plans, and should still be able to provide services to the Company in the event of a prolonged pandemic.

The Directors will monitor on a continuous basis changes in risk and exposure.

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.