

**XTRACKERS ETC PUBLIC LIMITED COMPANY**

**UNAUDITED CONDENSED  
INTERIM FINANCIAL STATEMENTS**

**FOR THE SIX-MONTH PERIOD FROM 1 OCTOBER 2023 TO 31 MARCH 2024**

**Company Registration Number 627079**









# XTRACKERS ETC PUBLIC LIMITED COMPANY

## INTERIM DIRECTOR'S REPORT

### FOR THE SIX-MONTH PERIOD FROM 1 OCTOBER 2023 TO 31 MARCH 2024

#### 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.

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 period:

- the Company made a profit of USD 1,622 (2023: USD 1,223);
- the net fair value (loss)/gain on Precious Metals at fair value and Precious Metals due from Series Counterparty amounted to USD 712,684,820 (2023: USD 859,320,115);
- the net fair value gain/(loss) on ETC securities at fair value amounted to USD 712,684,820 (2023: USD 859,320,115);
- there were new subscriptions in the following Series of ETC Securities:

Series	Description	Issuances in USD 31-Mar-24	Issuances in USD 30-Sep-23
Series 1	Xtrackers IE Physical Platinum ETC Securities	974,611	6,544,609
Series 2	Xtrackers IE Physical Gold ETC Securities	849,919,525	507,721,658
Series 3	Xtrackers IE Physical Silver ETC Securities	6,910,570	14,062,884
Series 4	Xtrackers IE Physical Silver EUR Hedged ETC Securities	8,377,655	10,628,688
Series 5	Xtrackers IE Physical Gold EUR Hedged ETC Securities	61,361,118	205,703,259
Series 6	Xtrackers IE Physical Gold GBP Hedged ETC Securities	11,826,869	87,355,684
Series 7	Xtrackers IE Physical Platinum EUR Hedged ETC Securities	3,070,317	4,052,000

As at 31 March 2024:

- the Company's total ETC Securities issued had a fair value of USD 4,736,440,154 (2023: USD 4,070,939,819)
- the Company has invested in metals with a fair value of USD 4,738,370,404 (2023: USD 4,067,249,325);
- Precious Metals with a value of USD 266,581 (2023: USD 2,689,877) was due to the Company from the Series Counterparty and Precious Metals with a value of USD 1,103,016 (2023: Nil) were due to the Series Counterparty. Amounts Receivable on Precious Metals awaiting settlement amounted to USD Nil (2023: USD 2,814,106), Amounts payable on Precious metals awaiting settlement amounted to USD 2,110,409 (2023: USD 73,566), Amounts payable on ETC securities awaiting settlement amounted to USD Nil (2023: USD: 6,243,267) and Amounts receivable on ETC securities awaiting settlement amounted to USD 1,140,214 (2023: USD 4,571,760) under the terms of the Balancing Agreement;
- the net assets were USD 36,827 (2023: USD 35,611); and
- the Company had the following ETC Securities in issue:

Series	Description	Maturity date	Ccy	Nominal (in units)	FV in USD	Precious Metals held
Series 1	Xtrackers IE Physical Platinum ETC Securities	17-Apr-80	USD	654,478	14,615,873	Platinum
Series 2	Xtrackers IE Physical Gold ETC Securities	23-Apr-80	USD	106,404,432	3,632,189,358	Gold
Series 3	Xtrackers IE Physical Silver ETC Securities	30-Apr-80	USD	3,150,899	111,109,449	Silver
Series 4	Xtrackers IE Physical Silver EUR Hedged ETC Securities*	15-Apr-80	EUR	1,152,283	35,502,563	Silver
Series 5	Xtrackers IE Physical Gold EUR Hedged ETC Securities*	21-May-80	EUR	21,658,430	668,676,790	Gold
Series 6	Xtrackers IE Physical Gold GBP Hedged ETC Securities**	23-May-80	GBP	8,016,807	265,532,566	Gold
Series 7	Xtrackers IE Physical Platinum EUR Hedged ETC Securities*	29-May-80	EUR	450,346	8,813,555	Platinum

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

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

The unaudited condensed interim financial statements and notes to the unaudited condensed interim 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.















**XTRACKERS ETC PUBLIC LIMITED COMPANY**  
**UNAUDITED CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 31 MARCH 2024**

	<b>6-month period ended 31-Mar-24 USD</b>	<b>Year ended 30 Sept-23 USD</b>
	<b>Notes</b>	
<b>Cash flows from operating activities</b>		
Amount received from metal sold	3,361,077	7,428,662
Amount paid for operating expenses	(3,587,132)	(9,078,836)
<b>Net cash inflows from operating activities</b>	<b>(226,055)</b>	<b>(1,650,174)</b>
<b>Cash flows from financing activities</b>		
Fractional metal sale	-	-
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>-</b>
<b>Movement in cash and cash equivalents</b>	<b>(226,055)</b>	<b>(1,650,174)</b>
Cash and cash equivalents at start of the period	765,044	2,415,218
<b>Cash and cash equivalents at end of the period</b>	<b>9 538,989</b>	<b>765,044</b>

# XTRACKERS ETC PUBLIC LIMITED COMPANY

## UNAUDITED STATEMENT OF CHANGES IN EQUITY

### FOR THE SIX MONTHS ENDED 31 MARCH 2024

	Note	Called up Share Capital USD	Retained Earnings USD	Total Equity USD
<b>Balance as at 1 October 2023</b>		27,223	8,388	35,611
Issued share capital	13	-	-	-
Comprehensive income for the financial period		-	1,216	<b>1,216</b>
<b>Balance as at 31 March 2024</b>		<b>27,223</b>	<b>9,604</b>	<b>36,827</b>

	Note	Called up Share Capital USD	Retained Earnings USD	Total Equity USD
<b>Balance as at 1<sup>st</sup> October 2022</b>		27,223	6,004	33,227
Issued share capital	13	-	-	-
Comprehensive income for the financial year		-	2,384	<b>2,384</b>
<b>Balance as at 30 September 2023</b>		<b>27,223</b>	<b>8,388</b>	<b>35,611</b>

The accompanying notes on pages 13 to 21 form an integral part of the attached unaudited condensed interim financial statements.

# XTRACKERS ETC PUBLIC LIMITED COMPANY

## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

### FOR THE SIX-MONTH PERIOD FROM 1 OCTOBER 2023 TO 31 MARCH 2024

#### 1. Reporting entity

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 14. Further details regarding the application of IFRS 13 are disclosed in note 15.

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 Precious Metal entitlement (the “Precious Metal Entitlement”) expressed as an amount in weight (in troy or fine troy ounces) of the relevant metal linked to such Series. This Precious Metal Entitlement starts at a predetermined initial Precious Metal Entitlement for the relevant Series and is reduced weekly by a Product fee (in Precious 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 SE (the “Series Counterparty”) with respect to the rebalancing of the Precious 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 Precious 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 Precious Metal held by the Company should equal the aggregate Precious Metal entitlement per ETC Security in respect of all outstanding ETC Securities of the relevant Series. Where there are foreign exchange gains and the Precious Metal entitlement per ETC Security consequently increases, the Series Counterparty will be required to deliver additional Precious Metal equivalent to such increase to the Company under the Balancing Agreement. Where there are losses and the Precious Metal entitlement per ETC Security consequently decreases, the Company will be required to deliver Precious 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.

#### 2. Basis of preparation

##### (a) Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the last annual financial statements as at and for the year ended 30 September 2023. These unaudited condensed interim financial statements do not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards.

The comparative figures relate to the six-month period ended 31 March 2023 for the condensed statement of comprehensive income, cash flows and changes in equity. The comparative figures for the condensed statement of financial position are as at 30 September 2023.

##### (b) Judgements and estimates

Preparing the unaudited condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the unaudited condensed interim financial statements, significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 September 2023.

# XTRACKERS ETC PUBLIC LIMITED COMPANY

## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### FOR THE SIX-MONTH PERIOD FROM 1 OCTOBER 2023 TO 31 MARCH 2024

**3. Significant accounting policies**

The accounting policies applied by the Company in these unaudited condensed interim financial statements are the same as those applied by the Company in its financial statements as at and for the year ended 30 September 2023.

	<b>Period ended 31 Mar-24</b>	<b>Period ended 31-Mar-23</b>
	<b>USD</b>	<b>USD</b>
<b>4. Net fair value gain/(loss) on Precious Metals and Precious Metals due from the Series Counterparty</b>		
Net fair value gain/(loss) on Precious Metal	697,417,645	855,479,304
Net fair value gain/(loss) on Precious Metals due from the Series Counterparty	15,267,175	3,840,811
	<b><u>712,684,820</u></b>	<b><u>859,320,115</u></b>
<b>5. Net fair value gain/(loss) on ETC Securities</b>		
Net fair value gain/(loss) on ETC Securities	(712,684,820)	(859,320,115)
	<b><u>(712,684,820)</u></b>	<b><u>(859,320,115)</u></b>
<b>6. Revenue</b>		
Revenue from contracts with customers – Product Fee	3,361,077	3,761,079
	<b><u>3,361,077</u></b>	<b><u>3,761,079</u></b>
<b>7. Operating expenses</b>		
Product fees due to Programme Administrator	3,359,455	2,515,667
Other expenses	-	1,243,781
	<b><u>3,359,455</u></b>	<b><u>3,759,448</u></b>

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 service providers of the Company. The Product fee is the rate set out for each Series as of 31 March 2024 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.

Pursuant to the Programme Administrator Agreement, DWS International GmbH the Programme Administrator receives 100% of the Product fee for each series issued. In return DWS International GmbH pays a designated list of Programme expenses as set out in the amended Programme Administrator Agreement, including where the aggregate of such expenses exceeds the Product Fee due to DWS International GmbH.



# XTRACKERS ETC PUBLIC LIMITED COMPANY

## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### FOR THE SIX-MONTH PERIOD FROM 1 OCTOBER 2023 TO 31 MARCH 2024

#### 8. 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.

	<b>Period ended 31 Mar-24</b>	<b>Period ended 31 Mar-23</b>
	<b>USD</b>	<b>USD</b>
<i>Net result for the financial period before tax</i>	1,622	1,631
Corporation tax rate 25%	(406)	(408)
<b>Taxation charge</b>	<b>(406)</b>	<b>(408)</b>

#### 9. Cash and cash equivalents

	<b>31-Mar-24</b>	<b>30-Sep-23</b>
	<b>USD</b>	<b>USD</b>
Cash at bank	528,989	765,044
	<b>528,989</b>	<b>765,044</b>

#### 10. Precious Metals at fair value and Precious Metals due to/from Series Counterparty

	<b>Precious Metal 31-Mar-24</b>	<b>Net Precious Metals due to/from Series Counterparty 31-Mar-24</b>
	<b>USD</b>	<b>USD</b>
Precious Metals at fair value	4,738,370,404	-
Precious Metals due from Series Counterparty	-	266,581
Precious Metals due to Series Counterparty	-	(1,103,016)
	<b>4,738,370,404</b>	<b>(836,435)</b>

#### Precious Metals at fair value and Precious Metals due to/from Series Counterparty

	<b>Precious Metal 30-Sep-23</b>	<b>Net Precious Metals due to/from Series Counterparty 30-Sep-23</b>
	<b>USD</b>	<b>USD</b>
Precious Metals at fair value	4,067,249,325	-
Precious Metals due from Series Counterparty	-	2,689,877
	<b>4,067,249,325</b>	<b>2,689,877</b>

# XTRACKERS ETC PUBLIC LIMITED COMPANY

## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### FOR THE SIX-MONTH PERIOD FROM 1 OCTOBER 2023 TO 31 MARCH 2024

#### 10. Precious Metals at fair value and Precious Metals due to/from Series Counterparty (continued)

Movement in Precious Metals and Precious Metals due to/from Series Counterparty	31-Mar-24	31-Mar-24
	USD	USD
	Precious Metal	Net Precious Metals due to/from Series Counterparty
At beginning of the financial period	4,067,249,325	2,689,877
Additions during the financial period	951,109,618	-
Disposals/settlements during the financial period	(977,461,384)	(18,793,487)
Net changes in fair value during the financial period	697,472,845	15,267,175
At end of the financial period	<u>4,783,370,404</u>	<u>(836,435)</u>

Movement in Precious Metals and Precious Metals due to/from Series Counterparty	30-Sep-23	30-Sep-23
	USD	USD
	Precious Metal	Net Precious Metals due to/from Series Counterparty
At beginning of the financial year	4,155,236,718	5,833,251
Additions during the financial year	848,154,524	-
Disposals/settlements during the financial year	(1,436,265,061)	(68,253,239)
Net changes in fair value during the financial year	500,123,144	65,109,865
At end of the financial year	<u>4,067,249,325</u>	<u>2,689,877</u>

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

Series	Description	Precious Metal 31-Mar-24 Troy Ounces	Fair value 31-Mar-24 USD	Precious Metal 30 Sep -23 Troy Ounces	Fair value 30-Sept-23 USD
Series 1	Xtrackers IE Physical Platinum ETC Securities	16,115	14,616,762	18,669	17,231,689
Series 2	Xtrackers IE Physical Gold ETC Securities	1,640,326	3,632,256,644	1,586,348	2,967,263,841
Series 3	Xtrackers IE Physical Silver ETC Securities	4,527,838	111,113,154	4,779,561	110,288,367
Series 4	Xtrackers IE Physical Silver EUR Hedged ETC Securities	1,457,187	35,759,362	1,595,525	36,816,735
Series 5	Xtrackers IE Physical Gold EUR Hedged ETC Securities	302,701	670,285,034	336,621	629,649,302
Series 6	Xtrackers IE Physical Gold GBP Hedged ETC Securities	119,896	265,490,957	158,697	296,843,189
Series 7	Xtrackers IE Physical Platinum EUR Hedged ETC Securities	9,756	8,848,491	9,920	9,156,202
		<u>8,073,819</u>	<u>4,738,370,404</u>	<u>8,485,341</u>	<u>4,067,249,325</u>

# XTRACKERS ETC PUBLIC LIMITED COMPANY

## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### FOR THE SIX-MONTH PERIOD FROM 1 OCTOBER 2023 TO 31 MARCH 2024

#### 11. ETC securities at fair value through profit or loss

	31-Mar-24		30-Sep-23	
	Nominal units issued	Fair value USD	Nominal units issued	Fair value USD
ETC Securities issued	141,487,675	4,736,440,154	144,024,756	4,070,939,819
<b>Movement in ETC Securities issued</b>			<b>31-March-24</b>	<b>30-Sep-23</b>
			<b>USD</b>	<b>USD</b>
At beginning of the year			4,070,939,819	4,159,401,905
Issue of ETC Securities issued during the year			942,440,665	836,068,782
Redemption of ETC Securities issued during the year			(989,625,150)	(1,489,763,878)
Net changes in fair value during the year			712,684,820	565,233,010
At end of the year			<b>4,736,440,154</b>	<b>4,070,939,819</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 14 for a description of the key risks regarding the issue of these instruments.

The ETC securities in issue at 31 March 2024 are as follows:

Series	Description	CCY	Maturity Date	Units outstanding 31-Mar-24	Metal entitlement per ETC Security* (ounces)	Value per ETC Security (Local CCY) 31-Mar-24	Value per ETC Security USD 31-Mar-24	Fair value USD 31-Mar-24
Series 1	Xtrackers IE Physical Platinum ETC	USD	17-Apr-80	654,478	0.0246	\$22.3321	\$22.3321	14,615,873
Series 2	Xtrackers IE Physical Gold ETC	USD	23-Apr-80	106,404,432	0.0154	\$34.1357	\$34.1357	3,632,189,358
Series 3	Xtrackers IE Physical Silver ETC	USD	30-Apr-80	3,150,899	1.4370	\$35.2628	\$35.2628	111,109,449
Series 4	Xtrackers IE Physical Silver EUR Hedged ETC	EUR	23-Apr-80	1,152,283	1.2555	€28.5694	\$30.8106	35,502,563
Series 5	Xtrackers IE Physical Gold EUR Hedged ETC	EUR	21-May-80	21,658,430	0.0132	€28.5881	\$30.8737	668,676,790
Series 6	Xtrackers IE Physical Gold GBP Hedged ETC	GBP	23-May-80	8,016,807	0.0150	£26.2114	\$33.1220	265,532,566
Series 7	Xtrackers IE Physical Platinum EUR Hedged ETC	EUR	29-May-80	450,346	0.0216	€18.0950	\$19.5706	8,813,555
<b>Total</b>				<b>141,487,675</b>				<b>4,736,440,154</b>

# XTRACKERS ETC PUBLIC LIMITED COMPANY

## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### FOR THE SIX-MONTH PERIOD FROM 1 OCTOBER 2023 TO 31 MARCH 2024

#### 11. ETC securities at fair value through profit or loss (continued)

The ETC securities in issue at 30 September 2023 are as follows:

Series	Description	CCY	Maturity Date	Units outstanding 30 -Sep-23	Metal entitlement per ETC Security* (ounces)	Value per ETC Security (Local CCY) 30-Sept-23	Value per ETC Security USD 30-Sept-23	Fair value USD 30-Sept-23
Series 1	Xtrackers IE Physical Platinum ETC	USD	17-Apr-80	756,734	0.0247	\$22.7694	\$22.7694	17,230,386
Series 2	Xtrackers IE Physical Gold ETC	USD	23-Apr-80	102,823,390	0.0154	\$28.8515	\$28.8515	2,966,605,505
Series 3	Xtrackers IE Physical Silver ETC	USD	30-Apr-80	3,292,199	1.4384	\$33.1910	\$33.1910	109,271,386
Series 4	Xtrackers IE Physical Silver EUR Hedged ETC	EUR	23-Apr-80	1,274,583	1.2580	€27.3572	\$29.0288	36,999,552
Series 5	Xtrackers IE Physical Gold EUR Hedged ETC	EUR	21-May-80	24,453,307	0.0132	€24.4665	\$25.8855	632,986,670
Series 6	Xtrackers IE Physical Gold GBP Hedged ETC	GBP	23-May-80	10,960,773	0.0146	£22.3046	\$27.2473	298,650,999
Series 7	Xtrackers IE Physical Platinum EUR Hedged ETC	EUR	29-May-80	463,770	0.0215	€18.7077	\$19.8273	9,195,321
<b>Total</b>				<b>144,024,756</b>				<b>4,070,939,819</b>

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

#### 12. Share Capital

*Authorised:*

1,000,000 ordinary shares of EUR 1 each

**31-Mar-24    30-Sep-23**

**EUR            EUR**

1,000,000    1,000,000

*Issued and fully paid:*

25,000 ordinary shares of EUR 1 each

**USD            USD**

27,223            27,223

**27,223            27,223**

As at 31 March 2024, the ordinary share capital was held by the following non-beneficial nominees:

**31-Mar-24    30-Sep-23**

**USD            USD**

Wilmington Trust SP Services (Dublin) Limited

27,223            27,223

**27,223            27,223**

#### 13. 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.

# XTRACKERS ETC PUBLIC LIMITED COMPANY

## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### FOR THE SIX-MONTH PERIOD FROM 1 OCTOBER 2023 TO 31 MARCH 2024

#### 14. 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 Precious 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 Precious 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.

##### (iii) *Price risk*

Price risk is the risk that changes in market prices of Precious 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 Precious Metals. However, the risk is mitigated by the Company holding quantities of Precious Metals equivalent to the weight of Precious Metal entitlement for each Series of ETC Securities issued.

##### 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.

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.

##### 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.

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.

# XTRACKERS ETC PUBLIC LIMITED COMPANY

## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### FOR THE SIX-MONTH PERIOD FROM 1 OCTOBER 2023 TO 31 MARCH 2024

#### 14. 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 Wilmington Trust SP Services (Dublin) Limited, Deutsche Bank AG, Jane Street Financial Limited, HSBC Bank Plc, Susquehanna International Securities Limited, Optiver VOF, Virtu Financial Ireland Limited, Flow Traders B.V, Morgan Stanley & Co International and CitiGroup Global Markets Limited 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.

#### 15. 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 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 period 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 period.

The Company does not have any financial instruments at Level 3 and there has not been any transfer between levels during the period ended 31 March 2024.

#### 16. 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 ("WTD"). The Company's connected party is the Programme Administrator. During the financial period, the Company received services to the value of USD 43,188 (2023: USD 57,781) from Wilmington Trust SP Services (Dublin) Limited ("WTD") in line with the Corporate Services Agreement dated 16 March 2020 of which €Nil was outstanding at year end. Claudio Borza is a Director of the Company and is also Directors of WTD. Eileen Starrs is a director of the Company and an employee 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 (2023: 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.

# XTRACKERS ETC PUBLIC LIMITED COMPANY

## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### FOR THE SIX-MONTH PERIOD FROM 1 OCTOBER 2023 TO 31 MARCH 2024

#### 16. Related Party Transactions and Connected Parties (continued)

##### *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 2021 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 period ended 31 March 2024, the Board is composed of two Directors, whom are employees of the corporate services provider.

##### **Connected Parties**

Connected parties are those parties with significant agreements with the service providers which we have listed below.

##### *Product fee*

Each Series pays a product fee calculated by the Determination Agent, which accrues on a daily basis. This fee is used to pay expenses of the Company including Product fee paid to DWS International GmbH for providing its service as Programme Administrator. The Product fee rate for each Series as at 31 March 2024 is set out below. This rate is applied to the Metal Entitlement on a daily basis.

Series	Description	Annual Product fee as a % of metal entitlement
Series 1	Xtrackers IE Physical Platinum ETC Securities	0.38
Series 2	Xtrackers IE Physical Gold ETC Securities	0.11
Series 3	Xtrackers IE Physical Silver ETC Securities	0.20
Series 4	Xtrackers IE Physical Silver EUR Hedged ETC Securities	0.73
Series 5	Xtrackers IE Physical Gold EUR Hedged ETC Securities	0.24
Series 6	Xtrackers IE Physical Gold GBP Hedged ETC Securities	0.24
Series 7	Xtrackers IE Physical Platinum EUR Hedged ETC Securities	0.73

Pursuant to the Programme Administrator Agreement, DWS International GmbH as Programme Administrator receives 100% of the Product fee for each series issued. In return DWS International GmbH pays designated list of Programme expenses as set out in the amended Programme Administrator Agreement, even where the aggregate of such expenses exceeds the Product Fee due to DWS International GmbH.

#### 17. 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.

#### 18. Significant events during the financial period

On 24 February 2022, Russia launched a large-scale military invasion of Ukraine and is now engaged in a broad military conflict with Ukraine. In response, the United States, the European Union, the United Kingdom and other countries have imposed broad, far-reaching sanctions against Russia, certain Russian persons and certain activities involving Russia or Russian persons. This conflict has continued into 2024. The business of the Company can be affected by a number of factors that are beyond the Company's control, such as geopolitical, economic and business conditions. The Ukraine Conflict and possible outbreaks elsewhere in the world may lead to instability in certain regions together with sanctions being imposed against certain countries and airlines which could have an adverse economic impact.

On 29 November 2023, the Company informed Securityholders of the below Series of the following fee changes, with effect from 1 December 2023:

Series	Description	Old Base Fee Percentage	Old Product Fee Percentage	New Base Fee Percentage	New Product Fee Percentage
Series 2	Xtrackers IE Physical Gold ETC Securities	12 bps	12 bps	11 bps	11 bps

# XTRACKERS ETC PUBLIC LIMITED COMPANY

## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### FOR THE SIX-MONTH PERIOD FROM 1 OCTOBER 2023 TO 31 MARCH 2024

#### 18. Significant events during the financial period (continued)

On 26 February 2024, the Company informed Securityholders of the below Series of the following fee changes, with effect from 1 March 2024;

Series	Description	Old FX Hedging Fee Percentage	Old Product Fee Percentage	New FX Hedging Fee Percentage	New Product Fee Percentage
Series 5	Xtrackers IE Physical Gold EUR Hedged ETC Securities	13 bps	28 bps	9 bps	24 bps
Series 6	Xtrackers IE Physical Gold GBP Hedged ETC Securities	13 bps	28 bps	9 bps	24 bps

On 26 February 2024, the Company informed Securityholders of the below Series of the following changes, with effect from 27 March 2024:

Series	Description	Old Maximum FX Bid-Offer Spread Adjustment	New Maximum FX Bid-Offer Spread Adjustment
Series 5	Xtrackers IE Physical Gold EUR Hedged ETC Securities	18 bps	22 bps
Series 6	Xtrackers IE Physical Gold GBP Hedged ETC Securities	18 bps	45 bps

#### 19. Significant Subsequent events

Gold price which is the main collateral (96.41%) of the Company's ETC Securities touched \$2,214.35 per ounce as at 31 March 2024 and continued steady growth reaching \$2,401.50 as at 12 April 2024 whilst Silver reached \$24.54 per ounce as at 31 March 2024 and changed to \$29.025 on the 12 April 2024. Platinum presented a similar trend with \$907 per ounce as at 31 March 2024 and high of \$999 per ounce on the 12 April 2024.

There were no other significant subsequent events since the financial period end to the date of approval of these attached unaudited condensed interim financial statements requiring amendment to these statements.

#### 20. Approval of financial statements

The unaudited condensed interim financial statements were approved and authorised for issue by the Board of Directors on \_\_\_\_\_ 2024.