



# **WisdomTree Commodity Securities Limited**

**Registered No: 90959**

**Unaudited Condensed Interim Financial Report for the  
Six Months to 30 June 2022**

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The directors of WisdomTree Commodity Securities Limited (“CSL” or the “Company”), submit herewith the unaudited interim financial report and interim financial statements of the Company for the period ended 30 June 2022.

### Directors

The names and particulars of the directors of the Company during or since the end of the financial period are:

Stuart Bell  
 Christopher Foulds  
 Steven Ross  
 Peter Ziemba

### Directors' Interests

No director has an interest in the Shares of the Company as at the date of this report.

### Principal Activities

During the period there were no significant changes in the nature of the Company's activities.

### Review of Operations

The most recent Prospectuses were issued on 26 July 2022 (Classic and Longer Dated) and 16 November 2021 (Short and Leveraged). As at 30 June 2022 the Company had the following number of classes, in aggregate, of Commodity Securities in issue and admitted to trading on the following exchanges:

|   | London<br>Stock<br>Exchange | Borsa<br>Italiana | Deutsche<br>Börse | NYSE-<br>Euronext<br>Paris | NYSE-<br>Euronext<br>Amsterdam | Tokyo<br>Stock<br>Exchange | Bolsa<br>Mexicana<br>de Valores |
|---|-----------------------------|-------------------|-------------------|----------------------------|--------------------------------|----------------------------|---------------------------------|
| Classic & Longer<br>Dated Commodity<br>Securities | 47                          | 32                | 35                | 10                         | -                              | 14                         | 2                               |
| Short & Leveraged<br>Commodity<br>Securities      | 28                          | 28                | 18                | -                          | 4                              | -                          | -                               |
| <b>Total Commodity<br/>Securities</b>             | <b>75</b>                   | <b>60</b>         | <b>53</b>         | <b>10</b>                  | <b>4</b>                       | <b>14</b>                  | <b>2</b>                        |

As at 30 June 2022, the fair value of assets under management amounted to USD 4,473.5 million (31 December 2021: USD 5,026.7 million). The Company recognises its financial assets (Commodity Contracts) and financial liabilities (Commodity Securities) at fair value in the Condensed Statement of Financial Position.

The Company has entered into contractual obligations to issue and redeem Commodity Securities at set prices on each trading day. These prices are based on agreed formulae published in the Prospectuses and are equal to the published NAV of each class of Commodity Security.

IFRS 13 requires the Company to identify the principal market and to utilise the available price within that principal market. The directors consider the stock exchanges where the Commodity Securities are listed to be the principal market and as a result the fair value of the Commodity Securities is the on-exchange price as quoted on the stock exchange demonstrating active trading with the highest trading volume on each day that the price is obtained. As a result of the difference in valuation between Commodity Contracts and Commodity Securities there is a mis-match between the values recognised, and the results of the Company reflect a gain or loss on the difference between the fair value of the Commodity Contracts and the price of Commodity Securities. The gain or loss on Commodity Securities and Commodity Contracts is recognised through profit or loss in line with the Company's accounting policy. This is presented in more detail in note 4 to these financial statements.

### Review of Operations (continued)

During the period, the Company generated income from creation and redemption fees, management fees and licence allowance as follows:

|                                       | 30 June 2022<br>USD | 30 June 2021<br>USD |
|---------------------------------------|---------------------|---------------------|
| Creation and Redemption Fees          | 304,083             | 334,837             |
| Management Fees and Licence Allowance | 15,921,978          | 13,987,704          |
| <b>Total Fee Income</b>               | <b>16,226,061</b>   | <b>14,322,541</b>   |

### Non-GAAP Performance Measures

Under the terms of the service agreement with WisdomTree Management (Jersey) Limited ("ManJer"), the Company accrued expenses equal to the management fee, licence allowance and creation and redemption fees, which, after taking into account other operating income and expenses, resulted in a result before fair value movements for the period of USD Nil (2021: USD Nil).

As the difference in the valuation of Commodity Contracts (held to support the Commodity Securities) and Commodity Securities would be reversed on a subsequent redemption of the Commodity Securities and cancellation of the corresponding Commodity Contracts (as further described in note 4), the Company presents an adjusted Condensed Statement of Profit or Loss and Other Comprehensive Income and an adjusted Condensed Statement of Changes in Equity in note 9 of the interim financial statements.

### Coronavirus disease (COVID-19)

The COVID-19 pandemic continues to persist and the ultimate duration of the pandemic and its short-term and long term impact on the global economy is unknown. National governments and supranational organisations in multiple states continue taking steps designed to protect their populations from COVID-19, including requiring or encouraging home working, the cancellation of sporting, cultural and other events and restricting or discouraging gatherings of people. COVID-19 has created market turmoil and increased market volatility generally. Mutations in the virus, a setback in vaccine distribution and negative global economic consequences arising from the pandemic, amongst other factors, could have a future adverse impact on the global financial markets. The steps outlined above, and public sentiment, may affect both the volatility and prices of Commodity Contracts and hence the prices of the Commodity Securities, and such effects may be significant and may be long-term in nature.

The board of directors (the "Board") is closely monitoring the advice and developments relating to COVID-19, which is fluid and rapidly changing. The WisdomTree group has, and continues to implement measures to maintain the ongoing safety and well-being of employees, whilst continuing to operate business as usual.

### Ukraine Invasion

On 24 February 2022, Russia engaged in military actions in the sovereign territory of Ukraine (the "Crisis"). The Board is closely monitoring developments that may impact financial markets including sanctions, actions by governments and developments of the Crisis.

As Russia is one of the world's major producers of Nickel, the Crisis has caused market turmoil which, inter alia, resulted in substantial changes in the price of Nickel.

On 7 March 2022, the calculation agent determined that the intra-day price of the Commodity Contracts of the same class as the WisdomTree Nickel 3x Daily Short Securities ("3NIS") had fallen to or below zero during the day of 7 March 2022. Furthermore, the Company also received notice from the Commodity Contract Counterparties that 7 March 2022 was determined to be a compulsory pricing date in respect of all of the Commodity Contracts of the same class as 3NIS and that therefore all of such Commodity Contracts were terminated on 7 March 2022 with no payments due to or from the Commodity Contract Counterparties, or from or to the Company. As a result, the Company released an announcement to the Stock Exchanges that 3NIS was suspended from trading and further that 3NIS was automatically subject to a compulsory redemption. The redemption amount of 3NIS available for distribution to holders of 3NIS was calculated as zero.

## Review of Operations (continued)

### *Ukraine Invasion (continued)*

Due to movements in Nickel prices since 7 March 2022, on 21 March 2022 the calculation agent determined that the intra-day price of the Commodity Contracts of the same class as the WisdomTree Nickel 3x Daily Leveraged Securities ("3NIL") had fallen to or below zero during the day of 21 March 2022. Furthermore, the Company also received notice from the Commodity Contract Counterparties that 22 March 2022 was determined to be a compulsory pricing date in respect of all of the Commodity Contracts of the same class as 3NIL and that therefore all of such Commodity Contracts have been terminated on 22 March 2022 with no payments due to or from the Commodity Contract Counterparties or from or to the Company. As a result, the Company released an announcement to the Stock Exchanges that 3NIL was suspended from trading and further that 3NIL was automatically subject to a compulsory redemption. The redemption amount of 3NIS available for distribution to holders of 3NIS was calculated as zero.

The Board will further assess the impact of the Crisis on the Company's portfolio operations and valuation and will take any potential actions needed or as required under the terms of the applicable Prospectuses, as facts and circumstances are subject to change and may be specific to investments and jurisdictions. Whilst it is not currently possible to predict future market conditions and therefore determine if any further action may be required on any other classes of Commodity Securities, the action that may be required includes, but is not limited to, temporarily not accepting applications for Commodity Securities, temporarily suspending Commodity Securities from trading on Stock Exchanges or a compulsory redemption of Commodity Securities. Other than the actions outlined above in respect of 3NIS and 3NIL, the Company has not initiated any of these further actions to date. Any such action will be undertaken in accordance with the constitutive documents of the Commodity Securities. Furthermore, there are mechanisms within the constitutive documents of the Commodity Securities that enable the Commodity Contract Counterparties to request a compulsory redemption in certain circumstances as set out and explained within the Prospectuses.

## Future Developments

The Board is not aware of any developments that might have a significant effect on the operations of the Company in subsequent financial periods not already disclosed in this report or the attached interim financial statements.

## Directors' Remuneration

No director has a service contract with the Company. The directors of the Company who are employees within the WisdomTree Investments, Inc group do not receive separate remuneration in their capacity as directors of the Company. R&H Fund Services (Jersey) Limited ("R&H" or the "Administrator") receives a fee in respect of the directors of the Company who are employees of R&H.

The following directors' fees have been paid by ManJer on behalf of the Company for the period:

|                    | 30 June 2022 | 30 June 2021 |
|--------------------|--------------|--------------|
|                    | GBP          | GBP          |
| Stuart Bell        | Nil          | Nil          |
| Christopher Foulds | 4,000        | 4,000        |
| Steven Ross        | 4,000        | 4,000        |
| Peter Ziembra      | Nil          | Nil          |

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**Going Concern**

The nature of the Company's business dictates that the outstanding Commodity Securities may be redeemed at any time by Authorised Participants and in certain circumstances by individual holders and also, in certain circumstances, may be compulsorily redeemed by the Company. As the redemption of Commodity Securities will always coincide with the cancellation of an equal amount of Commodity Contracts, liquidity risk is mitigated through this process which is considered to minimize exposure to liquidity risk. All other expenses of the Company are met by ManJer. The directors closely monitor the financial position and performance of ManJer, its assets under management, and therefore its related revenue streams, in respect of fulfilling the obligations under the services agreement. The directors consider the operations of the Company to be ongoing, with a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of 12 months from the date of these interim financial statements, and accordingly these financial statements have been prepared on the going concern basis.

**Directors Statement**

With regard to Directive 2004/109/EC, amended by Directive 2013/50/EU (collectively the Transparency Directive), the Central Bank (Investment Market Conduct) Rules of the Central Bank of Ireland and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the directors confirm that to the best of their knowledge that:

- the interim financial statements for the period ended 30 June 2022 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by law and in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; and
- the Directors' Report gives a fair view of the development and performance of the Company's business, including financial position and the important events that have occurred during the period and their impact on these interim financial statements.

On behalf of the directors



**Christopher Foulds**

Director

Jersey

31 August 2022

|  | Notes | Period Ended 30 June     |                          |
|--|-------|--------------------------|--------------------------|
|  |       | 2022<br>Unaudited<br>USD | 2021<br>Unaudited<br>USD |
| Income   | 2     | 16,226,061               | 14,100,288               |
| Expenses   | 2     | (16,226,061)             | (14,100,288)             |
| <b>Result Before Fair Value Movements</b>                      |       | -                        | -                        |
| Change in Contractual and Fair Value of<br>Commodity Contracts | 4     | 888,587,433              | 1,270,410,983            |
| Change in Fair Value of Commodity Securities                   | 5     | (945,798,108)            | (1,261,696,949)          |
| <b>(Loss)/Profit for the Period<sup>1 2</sup></b>              |       | <b>(57,210,675)</b>      | <b>8,714,034</b>         |

The directors consider the Company's activities as continuing.

<sup>1</sup> A non-statutory and non-GAAP Condensed Statement of Profit or Loss and Other Comprehensive Income reflecting adjustments representing the movement in the difference between the value of the Commodity Contracts and the price of Commodity Securities is set out in note 9.

<sup>2</sup> There are no items of Other Comprehensive Income, therefore the (Loss)/Profit for the Period also represented the Total Comprehensive Income for the Period.

The notes on pages 9 to 16 form part of these condensed interim financial statements

|   | Notes | As At                            |                                    |
|---|-------|----------------------------------|------------------------------------|
|   |       | 30 June 2022<br>Unaudited<br>USD | 31 December 2021<br>Audited<br>USD |
| <b>Assets</b>   |       |                                  |                                    |
| Commodity Contracts   | 4     | 4,473,456,044                    | 5,026,725,552                      |
| Amounts Receivable on Commodity Contracts<br>Awaiting Settlement  | 4     | 118,102,833                      | 37,414,879                         |
| Amounts Receivable on Commodity Securities<br>Awaiting Settlement | 5     | 27,806,929                       | 5,922,436                          |
| Trade and Other Receivables                                       |       | 8,473,850                        | 4,391,640                          |
| <b>Total Assets</b>   |       | <b>4,627,839,656</b>             | <b>5,074,454,507</b>               |
| <b>Liabilities</b>  |       |                                  |                                    |
| Commodity Securities  | 5     | 4,524,375,086                    | 5,020,433,919                      |
| Amounts Payable on Commodity Securities<br>Awaiting Settlement    | 5     | 118,102,833                      | 37,414,879                         |
| Amounts Payable on Commodity Contracts<br>Awaiting Settlement     | 4     | 27,806,929                       | 5,922,436                          |
| Trade and Other Payables  |       | 8,473,848                        | 4,391,638                          |
| <b>Total Liabilities</b>  |       | <b>4,678,758,696</b>             | <b>5,068,162,872</b>               |
| <b>Equity</b>   |       |                                  |                                    |
| Stated Capital  |       | 2                                | 2                                  |
| Revaluation Reserve   |       | (50,919,042)                     | 6,291,633                          |
| <b>Total Equity</b>   |       | <b>(50,919,040)</b>              | <b>6,291,635</b>                   |
| <b>Total Equity and Liabilities</b>                               |       | <b>4,627,839,656</b>             | <b>5,074,454,507</b>               |

The assets and liabilities in the above Condensed Statement of Financial Position are presented in order of liquidity from most to least liquid.

The condensed interim financial statements on pages 5 to 16 were approved and authorised for issue by the board of directors and signed on its behalf on 31 August 2022.



**Christopher Foulds**  
Director



|   | Period Ended 30 June     |                          |
|---|--------------------------|--------------------------|
|   | 2022<br>Unaudited<br>USD | 2021<br>Unaudited<br>USD |
| <b>(Loss)/Profit for the Period</b>                         | <b>(57,210,675)</b>      | <b>8,714,034</b>         |
| <b>Non-cash Reconciling Items</b>                           |                          |                          |
| Change in Contractual and Fair Value of Commodity Contracts | (888,587,433)            | (1,270,410,983)          |
| Change in Fair Value of Commodity Securities                | 945,798,108              | 1,261,696,949            |
|   | -                        | -                        |
| Cash Generated from Operating Activities                    | -                        | -                        |
| <b>Net Movement in Cash and Cash Equivalents</b>            | <b>-</b>                 | <b>-</b>                 |
| Cash and Cash Equivalents at the Beginning of the Period    | -                        | -                        |
| Net Movement in Cash and Cash Equivalents                   | -                        | -                        |
| <b>Cash and Cash Equivalents at the End of the Period</b>   | <b>-</b>                 | <b>-</b>                 |

Commodity Securities are issued through a direct transfer of cash from the Authorised Participants to the Commodity Contract Counterparties or redeemed by the direct transfer of cash by the Commodity Contract Counterparties to the Authorised Participants. As such the Company is not a party to any cash transactions. The creations and redemptions of Commodity Securities and creations and cancellations of Commodity Contracts, which are non-cash transactions for the Company, are disclosed in notes 5 and 4 respectively, in the reconciliation of opening to closing Commodity Securities and Commodity Contracts.

The Company has entered into a service agreement with WisdomTree Management Jersey Limited (“ManJer” or the “Manager”), whereby ManJer is responsible for supplying or procuring the supply of all management and administration services required by the Company, (including marketing) as well as the payment of costs relating to the listing and issue of Commodity Securities. In return for these services, the Company has an obligation to remunerate ManJer with an amount equal to the aggregate of the management fee, licence allowance and the creation and redemption fees (the “ManJer Fee”). As a result, the management fee and licence allowance are transferred directly to ManJer by the Commodity Contract Counterparties under the terms of the Commodity Contracts and ManJer receives creation and redemption fees directly from the Authorised Participants. Accordingly, there are no cash flows through the Company.

|  | Stated<br>Capital<br>USD | Retained<br>Earnings<br>USD | Revaluation<br>Reserve<br>USD | Total<br>Equity<br>USD |
|--|--------------------------|-----------------------------|-------------------------------|------------------------|
| Audited Opening Balance at 1 January 2021            | 2                        | -                           | 31,794,765                    | 31,794,767             |
| Result and Total Comprehensive Loss for the Period   | -                        | 8,714,034                   | -                             | 8,714,034              |
| Transfer to Revaluation Reserve                      | -                        | (8,714,034)                 | 8,714,034                     | -                      |
| <b>Unaudited Balance at 30 June 2021</b>             | <b>2</b>                 | <b>-</b>                    | <b>40,508,799</b>             | <b>40,508,801</b>      |
| Unaudited Opening Balance at 1 July 2021             | 2                        | -                           | 40,508,799                    | 40,508,801             |
| Result and Total Comprehensive Income for the Period | -                        | (34,217,166)                | -                             | (34,217,166)           |
| Transfer to Revaluation Reserve                      | -                        | 34,217,166                  | (34,217,166)                  | -                      |
| <b>Audited Balance at 31 December 2021</b>           | <b>2</b>                 | <b>-</b>                    | <b>6,291,633</b>              | <b>6,291,635</b>       |
| Audited Opening Balance at 1 January 2022            | 2                        | -                           | 6,291,633                     | 6,291,635              |
| Result and Total Comprehensive Income for the Period | -                        | (57,210,675)                | -                             | (57,210,675)           |
| Transfer to Revaluation Reserve                      | -                        | 57,210,675                  | (57,210,675)                  | -                      |
| <b>Unaudited Balance at 30 June 2022<sup>3</sup></b> | <b>2</b>                 | <b>-</b>                    | <b>(50,919,042)</b>           | <b>(50,919,040)</b>    |

<sup>3</sup> A non-statutory and non-GAAP Condensed Statement of Changes in Equity reflecting adjustments representing the difference between the value of Commodity Contracts and the price of Commodity Securities is set out in note 9.

The notes on pages 9 to 16 form part of these condensed interim financial statements

## 1. Accounting Policies

The main accounting policies of the Company are described below.

### Basis of Preparation

The interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with IAS 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB. The interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2021. Except as described below under *Changes in Accounting Standards* the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2021. The changes in accounting policies are also expected to be reflected in the financial statements for the year ended 31 December 2022.

The presentation of interim financial statements in conformity with International Financial Reporting Standards (“IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key accounting judgement required to prepare these interim financial statements is in respect of the presentation of non-statutory and non-GAAP adjustments to the Condensed Statement of Profit or Loss and Other Comprehensive Income and the Condensed Statement of Changes in Equity, as disclosed in note 9.

This half yearly report has not been audited or reviewed by the Company’s auditors.

### Changes in Accounting Standards

On 1 January 2022 the Company adopted all applicable annual improvements to IFRSs and have assessed that the adoption of these revised and amended accounting standards has not resulted in any changes to the accounting policies and disclosures within these financial statements.

## 2. Result Before Fair Value Movements

Result Before Fair Value Movements for the period comprised:

|   | Period Ended 30 June     |                          |
|---|--------------------------|--------------------------|
|   | 2022<br>Unaudited<br>USD | 2021<br>Unaudited<br>USD |
| Management Fees                           | 14,548,435               | 12,608,064               |
| Licence Allowance                         | 1,373,543                | 1,157,387                |
| Creation and Redemption Fees              | 304,083                  | 334,837                  |
| <b>Total Income</b>                       | <b>16,226,061</b>        | <b>14,100,288</b>        |
| ManJer Fees                               | (16,226,061)             | (14,100,288)             |
| <b>Total Operating Expenses</b>           | <b>(16,226,061)</b>      | <b>(14,100,288)</b>      |
| <b>Result Before Fair Value Movements</b> | <b>-</b>                 | <b>-</b>                 |

### 3. Segmental Reporting

The Company reports information on its operations for each of the Company's business segments only, as the Company only has one geographic segment which is Europe. In addition the Company has no single major customer from which greater than 10% of revenue is generated. The directors believe that the Company has two operating segments; Classic & Longer Dated and Short & Leveraged. The Company earns revenues from each of these sources.

| <b>For the period ended 30 June 2022<br/>Unaudited</b> | <b>Classic &amp;<br/>Longer Dated<br/>USD</b> | <b>Short &amp;<br/>Leveraged<br/>USD</b> | <b>Total<br/>USD</b> |
|--|---|--|----------------------|
| Management Fees  | 11,959,812                                    | 2,588,623                                | 14,548,435           |
| Licence Allowance                                      | 1,241,484                                     | 132,059                                  | 1,373,543            |
| Creation and Redemption Fees                           | 152,968                                       | 151,115                                  | 304,083              |
| Total Income   | <u>13,354,264</u>                             | <u>2,871,797</u>                         | <u>16,226,061</u>    |
| Total Operating Expenses                               | <u>(13,354,264)</u>                           | <u>(2,871,797)</u>                       | <u>(16,226,061)</u>  |
| <b>Segmental Result</b>                                | <u>-</u>                                      | <u>-</u>                                 | <u>-</u>             |
| <b>For the period ended 30 June 2021<br/>Unaudited</b> | <b>Classic &amp;<br/>Longer Dated<br/>USD</b> | <b>Short &amp;<br/>Leveraged<br/>USD</b> | <b>Total<br/>USD</b> |
| Management Fees  | 10,076,714                                    | 2,531,350                                | 12,608,064           |
| Licence Allowance                                      | 1,028,236                                     | 129,151                                  | 1,157,387            |
| Creation and Redemption Fees                           | 169,500                                       | 165,337                                  | 334,837              |
| Total Income   | <u>11,274,450</u>                             | <u>2,825,838</u>                         | <u>14,100,288</u>    |
| Total Operating Expenses                               | <u>(11,274,450)</u>                           | <u>(2,825,838)</u>                       | <u>(14,100,288)</u>  |
| <b>Segmental Result</b>                                | <u>-</u>                                      | <u>-</u>                                 | <u>-</u>             |

Additional information relating to the assets and liabilities associated with these securities is disclosed in notes 4, 5 and 6.

### 4. Commodity Contracts

| <b>Change in Fair Value</b>                | <b>Period Ended 30 June</b>       |                                   |
|--|-----------------------------------|-----------------------------------|
|  | <b>2022<br/>Unaudited<br/>USD</b> | <b>2021<br/>Unaudited<br/>USD</b> |
| Classic & Longer Dated Commodity Contracts | 703,942,424                       | 1,038,111,422                     |
| Short & Leveraged Commodity Contracts      | 184,645,009                       | 232,299,561                       |
|  | <u>888,587,433</u>                | <u>1,270,410,983</u>              |

4. Commodity Contracts (continued)

| Fair Value of Commodity Contracts          | As At                            |                                    |
|--|----------------------------------|------------------------------------|
|  | 30 June 2022<br>Unaudited<br>USD | 31 December 2021<br>Audited<br>USD |
| Classic & Longer Dated Commodity Contracts | 4,016,592,014                    | 4,335,628,285                      |
| Short & Leveraged Commodity Contracts      | 456,864,030                      | 691,097,267                        |
| <b>Total Commodity Contracts</b>           | <b>4,473,456,044</b>             | <b>5,026,725,552</b>               |

As at 30 June 2022, there were certain Commodity Contracts awaiting settlement in respect of the creation or redemption of Commodity Securities with transaction dates before the period end and settlement dates in the following period:

- The amount payable on Commodity Contracts as a result of unsettled creations of Commodity Securities is USD 27,806,929 (31 December 2021: USD 5,922,436).
- The amount receivable on Commodity Contracts as a result of unsettled redemptions of Commodity Securities is USD 118,102,833 (31 December 2021: USD 37,414,879).

The below reconciliation of changes in the Commodity Contracts includes only non-cash changes.

|                                      | Period Ended 30 June     |                          |
|--------------------------------------|--------------------------|--------------------------|
|                                      | 2022<br>Unaudited<br>USD | 2021<br>Unaudited<br>USD |
| <b>Opening Commodity Contracts</b>   | <b>5,026,725,552</b>     | <b>4,218,667,859</b>     |
| Additions                            | 4,901,062,363            | 4,084,397,035            |
| Disposals                            | (6,326,997,326)          | (4,781,253,786)          |
| Management Fee and Licence Allowance | (15,921,978)             | (13,765,451)             |
| Change in Fair Value                 | 888,587,433              | 1,270,410,983            |
| <b>Closing Commodity Contracts</b>   | <b>4,473,456,044</b>     | <b>4,778,456,640</b>     |

5. Commodity Securities

| Change in Fair Value                       | Period Ended 30 June     |                          |
|--|--------------------------|--------------------------|
|  | 2022<br>Unaudited<br>USD | 2021<br>Unaudited<br>USD |
| Classic & Longer Dated Commodity Contracts | (755,223,563)            | (1,029,362,461)          |
| Short & Leveraged Commodity Contracts      | (190,574,545)            | (232,334,488)            |
|  | <b>(945,798,108)</b>     | <b>(1,261,696,949)</b>   |

| Fair Value of Commodity Securities         | As At                            |                                    |
|--|----------------------------------|------------------------------------|
|  | 30 June 2022<br>Unaudited<br>USD | 31 December 2021<br>Audited<br>USD |
| Classic & Longer Dated Commodity Contracts | 4,062,217,314                    | 4,331,946,185                      |
| Short & Leveraged Commodity Contracts      | 462,157,772                      | 688,487,734                        |
| <b>Total Commodity Contracts</b>           | <b>4,524,375,086</b>             | <b>5,020,433,919</b>               |

## 5. Commodity Securities (continued)

The gain or loss on the difference between the value of the Commodity Contracts and the fair value of Commodity Securities would be reversed on a subsequent redemption of the Commodity Securities and cancellation of the corresponding Commodity Contracts. Refer to note 9 for the non-statutory and non-GAAP adjustments which reflect the results of this reversal.

As at 30 June 2022, there were certain Commodity Securities awaiting settlement in respect of creations or redemptions with trade dates before the period end and settlement dates in the following period:

- The amount payable as a result of unsettled redemptions of Commodity Securities is USD 118,102,833 (31 December 2021: USD 37,414,879).
- The amount receivable as a result of unsettled creations of Commodity Securities is USD 27,806,929 (31 December 2021: USD 5,922,436).

The below reconciliation of changes in the Commodity Securities, being liabilities arising from financing activities, includes only non-cash changes.

|   | <b>Period Ended 30 June</b> |                      |
|---|-----------------------------|----------------------|
|   | <b>2022</b>                 | <b>2021</b>          |
|   | <b>Unaudited</b>            | <b>Unaudited</b>     |
|   | <b>USD</b>                  | <b>USD</b>           |
| <b>Opening Commodity Securities</b>               | <b>5,020,433,919</b>        | <b>4,186,873,094</b> |
| Securities Created                                | 4,901,062,363               | 4,084,397,035        |
| Securities Redeemed                               | (6,326,997,326)             | (4,781,253,786)      |
| Management Fee and Licence Allowance              | (15,921,978)                | (13,765,451)         |
| Change in fair value                              | 945,798,108                 | 1,261,696,949        |
| <b>Closing Commodity Securities at Fair Value</b> | <b>4,524,375,086</b>        | <b>4,737,947,841</b> |

## 6. Fair Value Hierarchy

The fair value hierarchy levels are defined as follows:

- Level 1 Fair value based on quoted prices in active markets for identical assets.
- Level 2 Fair values based on valuation techniques using observable inputs other than quoted prices.
- Level 3 Fair values based on valuation techniques using inputs that are not based on observable market data.

Categorisation within the hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement of each relevant asset/liability.

The Company is required to utilise the available market price as the Commodity Securities are quoted and traded on the open market. Where the market on which the Commodity Securities prices are quoted is determined to be active at the relevant reporting date, the Commodity Securities are classified as level 1 financial liabilities. Where the market on which the Commodity Securities prices are quoted is determined to be inactive at the relevant reporting date, the Commodity Securities are classified as level 2 financial liabilities. The Company values the Level 2 Commodity Securities using the unadjusted market price available at each reporting date. This is considered to most appropriately reflect the price at which transactions would occur as at the reporting date.

The Company's rights in respect of Commodity Contracts relate to its contractual obligations to issue and redeem Commodity Securities at set prices on each trading day. These prices are based on an agreed formula (set out in the Prospectus) and are equal to the published NAVs of each class of Commodity Security. Therefore, Commodity Contracts are classified as level 2 financial assets, as the value is calculated using third party pricing sources supported by observable, verifiable inputs.

## 6. Fair Value Hierarchy (continued)

The categorisation of the Company's assets and (liabilities) are as shown below:

|                      | As At                            |                                    |
|----------------------|----------------------------------|------------------------------------|
|                      | 30 June 2022<br>Unaudited<br>USD | 31 December 2021<br>Audited<br>USD |
| <b>Level 1</b>       |                                  |                                    |
| Commodity Securities | <u>(4,519,182,573)</u>           | <u>(5,016,967,024)</u>             |
| <b>Level 2</b>       |                                  |                                    |
| Commodity Securities | (5,192,513)                      | (3,466,895)                        |
| Commodity Contracts  | 4,473,456,044                    | 5,026,725,552                      |
|                      | <u><b>4,468,263,531</b></u>      | <u><b>5,023,258,657</b></u>        |

The Commodity Securities and the Commodity Contracts are recognised at fair value through profit or loss upon initial recognition and revalued to fair value in line with the Company's accounting policy. There are no assets or liabilities classified in level 3.

Transfers between levels would be recognised if there was a change in circumstances that prevented public information in respect of Level 1 inputs from being available. Any such transfers would be recognised on the date of the change in circumstances that cause the transfer. Transfers between levels may also be recognised if the primary market on which the Commodity Securities prices are quoted was determined to be inactive at the relevant reporting date. The Company considers both the last trade date and trading volumes during the 5 trading days leading up to each reporting date to determine if the market for a particular Commodity Security is active. Transfers as a result of the analysis of the activity levels of the market are identified and recognised at each reporting date.

There were no transfers or reclassifications between Level 1 and Level 2 for any of the assets during the period or at the reporting date. As at 30 June 2022 Commodity Securities with a fair value of USD Nil were transferred from Level 1 to Level 2 (31 December 2021: USD 3,466,895). Commodity Securities with a fair value (as at 1 January 2022) of USD Nil were transferred from Level 2 to Level 1 (2021: USD 2,181,420).

## 7. Related Party Disclosures

Entities and individuals which have a significant influence over the Company, either through ownership or by virtue of being a director of the Company, are considered to be related parties. In addition, entities with common ownership to the Company and entities with common directors are also considered to be related parties.

*Fees charged by ManJer during the period:*

|             | Period Ended 30 June     |                          |
|-------------|--------------------------|--------------------------|
|             | 2022<br>Unaudited<br>USD | 2021<br>Unaudited<br>USD |
| ManJer Fees | <u>16,226,061</u>        | <u>14,100,288</u>        |

## 7. Related Party Disclosures (continued)

The following balances were due to ManJer at period end:

|                     | As At                            |                                    |
|---------------------|----------------------------------|------------------------------------|
|                     | 30 June 2022<br>Unaudited<br>USD | 31 December 2021<br>Audited<br>USD |
| ManJer Fees Payable | <u>8,473,850</u>                 | <u>4,391,636</u>                   |

At 30 June 2022, USD 2 is receivable from ManJer (31 December 2021: USD 2).

As disclosed in the Directors' Report, ManJer paid directors' fees in respect of the Company of GBP 8,000 (30 June 2021: GBP 8,000).

Steven Ross is a director of R&H Fund Services (Jersey) Limited ("R&H" or, the "Administrator") and a partner of Rawlinson & Hunter, Jersey Partnership, which wholly owns R&H. Christopher Foulds is a senior employee of R&H. During the period, R&H charged ManJer administration fees in respect of the Company of GBP 204,232 (30 June 2021: GBP 197,419), of which GBP 107,116 (31 December 2021: GBP 107,116) was outstanding at the period end.

Peter Ziemba and Stuart Bell are executive officers of WisdomTree Investments, Inc.

## 8. Events Occurring After the Reporting Period

There have been no significant events that have occurred since the end of the reporting period up to the date of signing the interim financial statements which would impact on the financial position of the Company disclosed in the Condensed Statement of Financial Position as at 30 June 2022 or on the results and cash flows of the Company for the period ended on that date.

## 9. Non-GAAP and Non-Statutory Information

As a result of the mis-match in the accounting valuation of Commodity Contracts (held to support the Commodity Securities) and Commodity Securities (as disclosed in notes 4 and 5) the profits and losses and comprehensive income of the Company presented in the Condensed Statement of Profit or Loss and Other Comprehensive Income reflect gains and losses which represent the movement in the cumulative difference between the value of the Commodity Contracts and the price of Commodity Securities. The Condensed Statement of Changes in Equity also reflects the fair value movements on both the Commodity Contracts (held to support the Commodity Securities) and the Commodity Securities.

These gains or losses on the difference between the value of the Commodity Contracts (held to support the Commodity Securities) and the price of Commodity Securities would be reversed on a subsequent redemption of the Commodity Securities and cancellation of the corresponding Commodity Contracts. Furthermore, each class of Commodity Security is issued under limited recourse arrangements whereby the holders have recourse only to the relevant Commodity Contracts (held to support the Commodity Securities) and not to the Commodity Contracts of any other class of Commodity Security or to the Company. As a result, the Company does not make gains from trading in the underlying Commodity Contracts (held to support the Commodity Securities) and, from a commercial perspective (with the exception of the impact of Management Fees and Licence Allowance) gains and losses in respect of Commodity Contracts (held to support the Commodity Securities) will always be offset by a corresponding loss or gain on the Commodity Securities and the Company does not retain any net gains or losses.



**9. Non-GAAP and Non-Statutory Information (continued)**

The mismatched accounting values are as shown below:

|   | <b>Period Ended 30 June</b> |                  |
|---|-----------------------------|------------------|
|   | <b>2022</b>                 | <b>2021</b>      |
|   | <b>Unaudited</b>            | <b>Unaudited</b> |
|   | <b>USD</b>                  | <b>USD</b>       |
| Change in Contractual and Fair Value of Commodity Contracts | 888,587,433                 | 1,270,410,983    |
| Change in Fair Value of Commodity Securities                | (945,798,108)               | (1,261,696,949)  |
|   | <b>(57,210,675)</b>         | <b>8,714,034</b> |

To reflect the commercial results, the Company has presented below a non-GAAP and non-Statutory Condensed Statement of Profit or Loss and Other Comprehensive Income and Condensed Statement of Changes in Equity for the period which reflect an Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Commodity Securities, together with those gains or losses being transferred to a separate reserve which is deemed non-distributable.

(a) *Non-GAAP and Non-Statutory Condensed Statement of Profit or Loss and Other Comprehensive Income*

|  | <b>Period Ended 30 June</b> |                  |
|--|-----------------------------|------------------|
|  | <b>2022</b>                 | <b>2021</b>      |
|  | <b>Unaudited</b>            | <b>Unaudited</b> |
|  | <b>USD</b>                  | <b>USD</b>       |
| Income   | 16,226,061                  | 14,100,288       |
| Expenses   | (16,226,061)                | (14,100,288)     |
| <b>Result Before Fair Value Movement</b>   | <b>-</b>                    | <b>-</b>         |
| Change in Fair Value of Commodity Contracts  | 888,587,433                 | 1,270,410,983    |
| Change in Fair Value of Commodity Securities   | (945,798,108)               | (1,261,696,949)  |
| <b>(Loss)/Profit for the Period</b>  | <b>(57,210,675)</b>         | <b>8,714,034</b> |
| Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Commodity Securities | 57,210,675                  | (8,714,034)      |
| <b>Adjusted Result</b>   | <b>-</b>                    | <b>-</b>         |

9. Non-GAAP and Non-Statutory Information (continued)

(b) Non-GAAP and Non-Statutory Condensed Statement of Changes in Equity

|   | Stated<br>Capital<br>USD | Retained<br>Earnings<br>USD | Revaluation<br>Reserve <sup>4</sup><br>USD | Total<br>Equity<br>USD | Adjusted<br>Total Equity<br>USD |
|---|--------------------------|-----------------------------|--|------------------------|---------------------------------|
| Audited Opening Balance at 1 January 2021   | 2                        | -                           | 31,794,765                                 | 31,794,767             | 2                               |
| Result and Total Comprehensive Loss for the Period  | -                        | 8,714,034                   | -  | 8,714,034              | 8,714,034                       |
| Transfer from Revaluation Reserve   | -                        | (8,714,034)                 | 8,714,034                                  | -                      | -                               |
| Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Commodity Securities              | -                        | -                           | -  | -                      | (8,714,034)                     |
| <b>Unaudited Balance at 30 June 2021</b>  | <b>2</b>                 | <b>-</b>                    | <b>40,508,799</b>                          | <b>40,508,801</b>      | <b>2</b>                        |
| Unaudited Opening Balance at 1 July 2021  | 2                        | -                           | 40,508,799                                 | 40,508,801             | 2                               |
| Result and Total Comprehensive Income for the Period  | -                        | (34,217,166)                | -  | (34,217,166)           | (34,217,166)                    |
| Transfer to Revaluation Reserve   | -                        | 34,217,166                  | (34,217,166)                               | -                      | -                               |
| <sup>4</sup> Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Commodity Securities | -                        | -                           | -  | -                      | 34,217,166                      |
| <b>Audited Balance at 31 December 2021</b>  | <b>2</b>                 | <b>-</b>                    | <b>6,291,633</b>                           | <b>6,291,635</b>       | <b>2</b>                        |
| Audited Opening Balance at 1 January 2022   | 2                        | -                           | 6,291,633                                  | 6,291,635              | 2                               |
| Result and Total Comprehensive Income for the Period  | -                        | (57,210,675)                | -  | (57,210,675)           | (57,210,675)                    |
| Transfer to Revaluation Reserve   | -                        | 57,210,675                  | (57,210,675)                               | -                      | -                               |
| Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Commodity Securities              | -                        | -                           | -  | -                      | 57,210,675                      |
| <b>Unaudited Balance at 30 June 2022</b>  | <b>2</b>                 | <b>-</b>                    | <b>(50,919,042)</b>                        | <b>(50,919,040)</b>    | <b>2</b>                        |

<sup>4</sup> This represents the difference between the value of Commodity Contracts and the price of Commodity Securities.

