

WisdomTree Multi Asset Issuer Plc

**Management report and
Condensed unaudited interim financial statements**

For the half financial year ended 30 June 2020

Registered number 515981

WisdomTree Multi Asset Issuer Plc

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WisdomTree Multi Asset Issuer Plc

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Directors and other information

Directors	Lisa Hand <i>(Irish) (Independent and Non-Executive)</i> Stuart Gallagher <i>(Irish) (Independent and Non-Executive)</i> Alexis Marinof <i>(British) (Independent and Non-Executive)</i> Bryan Governey <i>(Irish) (Independent and Non-Executive)</i>	
Registered Office	<i>As from 9 March 2020</i> 2nd floor, Block 5 Irish Life Centre Abbey Street Lower Dublin 1 Ireland	<i>Up to 9 March 2020</i> 2 Grand Canal Square Grand Canal Harbour Dublin 2 Ireland
Company Secretary, Issuing & Paying Agent	Apex IFS Limited 2nd floor, Block 5 Irish Life Centre Abbey Street Lower Dublin 1 Ireland	
Trustee & Security Trustee	The Law Debenture Trust Corporation Plc Fifth Floor, 100 Wood Street London EC2V 7EX United Kingdom	
Manager	WisdomTree Multi Asset Management Limited Ordnance House, 31 Pier Road St. Helier Jersey JE4 8PW	
Registrar	Link Market Services Trustees Limited The Registry, 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom	
Initial Swap Provider	BNP Paribas Arbitrage S.N.C. 160-162 Boulevard Macdonald 75019 Paris France	
Custodian & Collateral Administrator	The Bank of New York Mellon One Canada Square London E14 5AL United Kingdom	
Banker	Allied Irish Bank plc Currency Accounts Services 1 Adelaide Road Dublin 2 Ireland	
Solicitor	Matheson 70 Sir John Rogerson's Quay Dublin 2 Ireland	

Interim management report

The Board of Directors (or the "Directors") present the interim report and unaudited financial statements of WisdomTree Multi Asset Issuer Plc (the "Company") for the half financial year ended 30 June 2020.

Principal activities and key events for the first six months

The Company is a limited liability company, incorporated in Ireland on 30 July 2012 under Irish Company Law. The Company is an orphan vehicle, with the shares held for the benefit of a charitable trust (see note 13). The Company is registered in Ireland as a Section 110 vehicle. The Company has been established as a special purpose vehicle for the purpose of issuing exchange traded securities. The Company commenced trading on 5 December 2012.

The Company established a Collateralised ETP Securities Programme (the "Programme") under which the Company issues, on an ongoing basis, collateralised exchange traded securities (the "ETP Securities") of different classes (each a "Class") linked to indices providing exposure to a range of asset classes including equities, commodities, fixed income and currencies. The ETP Securities may have long or short, and leveraged or unleveraged, exposure to the daily performance of the referenced index.

Each Class constitutes limited recourse obligations of the Company, secured on and payable solely from the assets constituting the ETP Securities in respect of such Class. Each Class of ETP Securities may comprise one or more tranches.

The Company uses the net proceeds of the issuance of ETP Securities to enter into Total Return Swap Transactions (the "TRSs") to hedge its payment obligations in respect of each Class of the ETP Securities with one or more Swap Providers once the Swap Provider has delivered eligible collateral. The TRSs for each Class of ETP Securities will produce cash flows to service all of the Company's payment obligations in respect of that Class.

Cash flows are only as a result of subscriptions and redemptions of ETP Securities and expenses incurred. A movement in collateral does not generate a cash flow. The proceeds of the issuance of a tranche of ETP Securities of a Class will be paid by the Issuer to one or more of the Swap Providers with whom the Issuer has entered into a TRS in connection with that Class, in order to increase the aggregate number of Index Units in respect of the TRSs entered into by the Issuer in relation to that Class in proportion to the increase in the number of ETP Securities of that Class then outstanding. The Issuer's payment obligations in respect of the ETP Securities of a Class will be covered entirely from payments received by the Issuer from the Swap Provider(s) in respect of such TRSs. Pursuant to the terms of each Credit Support Document, the Issuer will be obliged to pay amounts equal to each distribution made on collateral held by it to the relevant Swap Provider upon receipt.

The ETP Securities do not bear interest at a prescribed rate. The return (if any) on the ETP Securities shall be calculated in accordance with the redemption provisions.

General information regarding the Company is further described in note 1 to the interim financial statements.

All ETP Securities in issue as at 30 June 2020 are listed for trading on the London Stock Exchange, Frankfurt Stock Exchange and/or on the Borsa Italiana (31 December 2019: Same) and applications may be made to other European Stock Exchanges.

Key performance indicators

During the half financial year:

- the Company made a profit before tax of EUR 500 (30 June 2019: EUR 500);
- the Company's realised losses on financial assets at fair value through profit or loss amounted to EUR 126,111,645 (30 June 2019: EUR 26,118,876);
- the Company's unrealised depreciation on financial assets at fair value through profit or loss amounted to EUR 53,242,441 (30 June 2019: appreciation of EUR 54,979,238);
- the Company's realised gains on financial liabilities at fair value through profit or loss amounted to EUR 126,111,645 (30 June 2019: EUR 26,118,876);
- the Company's unrealised appreciation on financial liabilities at fair value through profit or loss amounted to EUR 53,242,441 (30 June 2019: unrealised depreciation of EUR 54,979,238);
- the Company issued no new Class of ETP Securities (30 June 2019: two);
- there were subscriptions in the existing Class of ETP Securities as disclosed in note 10 to the interim financial statements;
- there were redemptions of Class of ETP Securities as disclosed in note 10 to the interim financial statements; and
- the following events took place regarding the below ETP Securities:

WisdomTree NASDAQ® 100 3x Daily Short Securities

On 6 January 2020, the Company announced the reduction in the principal amount of the WisdomTree NASDAQ® 100 3x Daily Short Securities.

WisdomTree WTI Crude Oil 3x Daily Short Securities

On 13 January 2020, a meeting was held to consider certain amendments, made under the powers set out in clause 2 of schedule 7 of the master trust deed of WisdomTree WTI Crude Oil 3x Daily Short (the "Affected Securities"), to documentation required to effect a reduction in the principal amount of the Affected Securities from USD 2 to USD 0.2.

On 23 March 2020, the Company announced that due to movements in oil prices, a Restrike Event has occurred with respect to WisdomTree WTI Crude Oil 3x Daily Short Securities.

Interim management report (continued)

Key performance indicators (continued)

During the half financial year (continued):

- the following events took place regarding the below ETP Securities (continued):

WisdomTree WTI Crude Oil 3x Daily Short Securities (continued)

On 8 April 2020, a meeting was held to consider certain amendments, made under the powers set out in clause 2 of schedule 7 of the master trust deed of the WisdomTree WTI Crude Oil 3x Daily Short Securities (the "Affected Securities"), to documentation required to effect a reduction in the principal amount of the Affected Securities from USD 2 to USD 0.2.

WisdomTree Silver 3x Daily Leveraged Securities

On 23 March 2020, a meeting was held to consider certain amendments, made under the powers set out in clause 2 of schedule 7 of the master trust deed of WisdomTree Silver 3x Daily Leveraged Securities (the "Affected Securities"), to documentation required to effect a reduction in the principal amount of the Affected Securities from USD 0.2 to USD 0.02.

WisdomTree Natural Gas 3x Daily Leveraged Securities

On 27 March 2020, a meeting was being held to consider certain amendments to documentation, made under the powers set out in clause 2 of schedule 7 of the master trust deed of WisdomTree Natural Gas 3x Daily Leveraged Securities (the "Affected Securities"), required to effect a reduction in the principal amount of the Affected Securities from USD 0.002 to USD 0.0002.

WisdomTree Brent Crude Oil 3x Daily Short Securities

On 3 April 2020, the Company announced that due to movements in oil prices, a Restrike Event has occurred with respect to WisdomTree Brent Crude Oil 3x Daily Short.

On 30 June 2020, a meeting was held to consider certain amendments, made under the powers set out in clause 2 of schedule 7 of the master trust deed of WisdomTree Brent Crude Oil 3x Daily Short Securities (the "Affected Securities"), to documentation required to effect a reduction in the principal amount of the Affected Securities from USD 2 to USD 0.2.

Delisting of securities

On 1 April 2020, the following trading lines of securities issued by the Company were delisted from the London Stock Exchange:

WisdomTree BTP 10Y 3x Daily Leveraged

WisdomTree BTP 10Y 3x Daily Short

WisdomTree Bund 10Y 3x Daily Leveraged

WisdomTree Bund 10Y 3x Daily Short

WisdomTree Emerging Markets 3x Daily Leveraged

WisdomTree Emerging Markets 3x Daily Short

WisdomTree FTSE MIB 3x Daily Leveraged

WisdomTree FTSE MIB 3x Daily Short

WisdomTree FTSE MIB Banks

Compulsory redemption event

On the 9 March 2020, due to movements in oil prices, the Company was served a Transaction Early Termination Notice by BNP Paribas Arbitrage S.N.C. ("Swap Provider") with respect to the following products ("Impacted Products"):

- WisdomTree Brent Crude Oil 3x Daily Leveraged
- WisdomTree WTI Crude Oil 3x Daily Leveraged

Accordingly, on 9 March 2020, the Company announced that all ETP securities of the Impacted Products were to be redeemed compulsorily. Following this announcement, the Company confirmed the relevant compulsory redemption amounts per each ETP Security of the Impacted Products and subsequently arranged for the cash redemption proceeds to be made via CREST.

Similarly on 22 April 2020, due to movements in oil prices, the Company was served a Transaction Early Termination Notice by the Swap Provider with respect to the following product ("Impacted Product"):

- WisdomTree WTI Crude Oil 3x Daily Short

Accordingly, on 22 April 2020, the Company announced that all ETP Securities of the Impacted Product were to be redeemed compulsorily. Following this announcement, the Company confirmed the relevant compulsory redemption amounts per each ETP Security of the Impacted Product and subsequently arranged for the cash redemption proceeds to be made via CREST.

Interim management report (continued)

Key performance indicators (continued)

As at 30 June 2020:

- the total fair value of the ETP Securities in issue was EUR 587,007,033 (31 December 2019: EUR 621,430,671).
- the Company has invested in financial assets at fair value through profit or loss of EUR 587,007,033 (31 December 2019: EUR 621,430,671) as disclosed in note 7 to the financial statements;
- the net assets of the Company were EUR 15,613 (31 December 2019: EUR 15,238); and
- the ETP Securities that the Company has in issue in respect of each Class are included in note 10 to the interim financial statements.

Future developments

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

The Directors are satisfied that the derivative financial instruments in place appropriately manage the risk exposure of the Company as detailed in note 15 to the interim financial statements.

Going concern

The Board believe the Company is a going concern. The nature of the Company's business dictates that the outstanding ETP Securities may be redeemed at any time by the holders thereof and in certain circumstances may be redeemed by the Company. As the redemption of ETP Securities will coincide with the termination of an equal amount of TRSs, no liquidity risk is considered to arise. All other liabilities of the Company are being met by WisdomTree Multi Asset Management Limited. Therefore the Directors consider the Company to be a going concern and have prepared the interim financial statements on this basis.

Principal risks and uncertainties

Potential implication of Brexit

Pursuant to the European Referendum Act 2015, a referendum on the United Kingdom's membership of the EU was held on 23 June 2016 with the majority voting to leave the EU. On 29 March 2017, the UK Government exercised its right under Article 50 of the Treaty of the European Union ("Article 50") to leave the EU. The UK formally left the EU on 31 January 2020 with a transition period lasting until December 2020 during which EU law will continue to apply to the UK as if it were a member state. Arrangements are not yet in place to govern the relationship between the UK and the remaining member states of the EU at the end of the transition period.

Whilst the medium to long-term consequences of the decision to leave the EU remain uncertain, there could be short-term volatility which could have a negative impact on general economic conditions in the UK and business and consumer confidence in the UK, which may in turn have a negative impact elsewhere in the EU and more widely.

The longer-term consequences may be affected by the terms of any future arrangements the UK has with the remaining member states of the EU. Among other things, the UK's decision to leave the EU could lead to instability in the foreign exchange markets, including volatility in the value of the Pound sterling or the Euro.

Deteriorating business, consumer or investor confidence could lead to (i) reduced levels of business activity; (ii) higher levels of default rates and impairment; and (iii) mark to market losses in trading portfolios resulting from changes in credit ratings, share prices and solvency of counterparties.

Coronavirus disease (COVID-19)

On 11 March 2020, the Director-General of the World Health Organisation ("WHO") announced that the WHO had assessed the worldwide outbreak of COVID-19 as a pandemic. National governments and supranational organisations in multiple states have taken 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. The steps outlined above, and public sentiment, may affect both the volatility and prices of commodities and hence the prices of the ETPs, and such effects may be significant and may be long-term in nature.

The Directors have assessed the recent impact of COVID-19 on the assets under management, and therefore the Company's future revenue streams, and are satisfied that the Company has adequate resources to continue its operations for the foreseeable future. The Directors are closely monitoring the advice and developments relating to the spread of COVID-19, which is fluid and rapidly changing.

The key risks to the business relate to the use of financial instruments. A summary of these risks are set out in note 15 to the interim financial statements.

Interim management report (continued)

Results and dividends for the financial period

The results for the financial period are set out on page 8. The Directors do not recommend the payment of a dividend for the financial period (30 June 2019: EUR Nil).

Changes in Directors, secretary and registered office during the financial period

On 9 March 2020, the registered office address changed from 2 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland to 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, Ireland.

Apart from the above, there were no other changes in Directors, secretary and registered office during the financial period and/or since the financial period.

Directors, secretary and their interests

None of the Directors who held office on 1 January 2020 and 30 June 2020 held any shares or ETP Securities in the Company at that date, or during the half financial year. There were no contracts of any significance in relation to the business of the Company in which the Directors had any interest, as defined in Section 309 of the Companies Act 2014, at any time during the half financial year. During the half financial year, no fees were paid to the Directors for the services provided (30 June 2019: EUR Nil). Further information are set out in note 14 to the interim financial statements.

Shares and shareholders

The authorised share capital of the Company is EUR 100,000 out of which EUR 40,000 has been issued and paid up to EUR 0.25 each. The issued shares were held by Apex Financial Services (Nominees) Limited holding 39,994 shares. Apex Financial Services (Nominees 2) Limited, Apex Financial Services (Nominees 3) Limited, Apex Financial Services (Trustees) Limited, Forbrit Corporate Director 3 Limited, Forbrit Corporate Director 4 Limited and Apex Financial Services (Foundations) Limited, each holding 1 share in the Company. All shares are held in trust for charity under the terms of Declaration of Trust.

Accounting records

The Directors believe that they have complied with requirements of sections 281 to 285 of the Companies Act 2014 with regards to keeping adequate accounting records by employing accounting personnel with appropriate experience and expertise and by providing services to the financial function. The accounting records of the Company are maintained at 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, Ireland.

Political donations

The Electoral Act, 1997 (as amended by the Electoral Amendment Political Funding Act, 2012) requires companies to disclose all political donations over EUR 200 in aggregate made during a financial year. The Directors, on enquiry, have satisfied themselves that no such donations in excess of this amount have been made by the Company during the financial period to 30 June 2020 (30 June 2019: EUR Nil).

Subsequent events

Subsequent events have been disclosed in note 16 to the interim financial statements.

Research and development costs

The Company did not incur any research and development costs during the financial period (30 June 2019: EUR Nil).

Audit committee

The sole business of the Company relates to the issuance of exchange traded securities.

Given the functions performed by the Issuing and Paying Agent (the "IPA") and the limited recourse nature of the securities issued by the Company, the Directors has concluded that there is currently no need for the Company to have a separate audit committee in order for the Board to perform effective monitoring and oversight of the internal controls and risk management systems of the Company in relation to the financial reporting process. Accordingly the Company has availed itself of the exemption under Section 1551 of the Companies Act 2014.

Interim management report (continued)

Directors' compliance statement

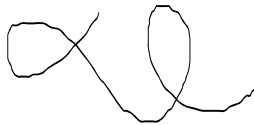
The Directors confirm that:

- they acknowledge that they are responsible for securing the company's compliance with its relevant obligations and have, to the best of their knowledge, complied with its relevant obligations as defined in section 225 of the Companies Act 2014;
- they have drawn up a compliance policy statement setting out the Company's policies (that, in the Directors' opinion, are appropriate to the Company) respecting compliance by the company with its relevant obligations;
- relevant arrangements and structures have been put in place that provide a reasonable assurance of compliance in all material respects by the Company with its relevant obligations, which arrangements and structures may, if the Directors so decide, include reliance on the advice of one or more than one person employed by the Company or retained by it under a contract for services, being a person who appears to the Directors to have the requisite knowledge and experience to advise the Company on compliance with its relevant obligations; and
- the arrangements and structures in place are reviewed on an annual basis.

On behalf of the Board of Directors



Stuart Gallagher
Director



Lisa Hand
Director

Date: 28 September 2020

Directors' responsibilities statement

The Directors are responsible for preparing the management report and the interim financial statements in accordance with the Companies Act 2014 and the applicable regulations.

The Directors confirm that, to the best of their knowledge:

- the condensed financial statements, which have been prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and results of the Company; and

- the Interim Management Report includes a fair review of:
 - important events that have occurred during the first six months of the financial year;
 - the impact of those events on the condensed financial statements; and
 - a description of the principal risks and uncertainties for the remaining six months of the financial year.

The Directors further indicate that such interim financial statements for the half financial year ended 30 June 2020 have not been audited.

On behalf of the Board of Directors



Stuart Gallagher
Director



Lisa Hand
Director

Date: 28 September 2020

Statement of comprehensive income
For the half financial year ended 30 June 2020

	Note	Half financial year ended 30-Jun-20 EUR	Half financial year ended 30-Jun-19 EUR
Realised losses on financial assets at fair value through profit or loss		(126,111,645)	(26,118,876)
Realised gains on financial liabilities at fair value through profit or loss		126,111,645	26,118,876
Unrealised (depreciation)/appreciation on financial assets at fair value through profit or loss		(53,242,441)	54,979,238
Unrealised appreciation/(depreciation) on financial liabilities at fair value through profit or loss		53,242,441	(54,979,238)
Revenue	4	2,319,012	2,443,858
Operating expenses	5	<u>(2,318,512)</u>	<u>(2,443,358)</u>
Operating profit before tax		500	500
Tax on profit on ordinary activities	6	<u>(125)</u>	<u>(125)</u>
Operating profit after tax		375	375
Total comprehensive income		<u><u>375</u></u>	<u><u>375</u></u>

The notes on pages 12 to 23 form an integral part of the interim financial statements.

Statement of financial position

As at 30 June 2020

	Note	30-Jun-20 EUR	31-Dec-19 EUR
Assets			
Financial assets at fair value through profit or loss	7	587,007,033	621,430,671
Other receivables	8	380,748	473,568
Cash and cash equivalents	9	17,335	448,105
Total assets		<u>587,405,116</u>	<u>622,352,344</u>
Liabilities			
Financial liabilities at fair value through profit or loss	10	587,007,033	621,430,671
Other payables	11	382,470	906,435
Total liabilities		<u>587,389,503</u>	<u>622,337,106</u>
Total assets less total liabilities		<u>15,613</u>	<u>15,238</u>
Share capital and retained earnings			
Called up share capital presented as equity	12	10,000	10,000
Retained earnings		5,613	5,238
Total shareholders' funds		<u>15,613</u>	<u>15,238</u>

The financial statements were approved by the Board of Directors on ...28 September 2020... and signed on its behalf by:



Stuart Gallagher
Director



Lisa Hand
Director

Date: 28 September 2020

Statement of changes in equity

For the half financial year ended 30 June 2020

	Share capital	Retained	Total equity
	EUR	earnings	EUR
	10,000	4,488	14,488
Balance as at 1 January 2019			
<i>Total comprehensive income for the financial period</i>			
Net profit	-	375	375
Total comprehensive income for the financial period	-	375	375
Balance as at 30 June 2019	10,000	4,863	14,863
Balance as at 1 July 2019	10,000	4,863	14,863
<i>Total comprehensive income for the financial period</i>			
Net profit	-	375	375
Total comprehensive income for the financial period	-	375	375
Balance as at 31 December 2019	10,000	5,238	15,238
Balance as at 1 January 2020	10,000	5,238	15,238
<i>Total comprehensive income for the financial period</i>			
Net profit	-	375	375
Total comprehensive income for the financial period	-	375	375
Balance as at 30 June 2020	10,000	5,613	15,613

Statement of cash flows

For the half financial year ended 30 June 2020

	Half financial year ended 30-Jun-20 EUR	Half financial year ended 30-Jun-19 EUR
Cash flows from operating activities		
Profit on ordinary activities before taxation	500	500
<i>Adjustments for:</i>		
Realised losses on financial assets at fair value through profit or loss	126,111,645	26,118,876
Unrealised depreciation/(appreciation) on financial assets at fair value through profit or loss	53,242,441	(54,979,238)
Realised gains on financial liabilities at fair value through profit or loss	(126,111,645)	(26,118,876)
Unrealised (appreciation)/depreciation on financial liabilities at fair value through profit or loss	(53,242,441)	54,979,238
TRS executions during the financial period	(1,027,581,719)	(550,279,589)
TRS terminations during the financial period	882,798,984	543,863,460
<i>Movements in working capital</i>		
Decrease in other receivables	92,820	53,770
Decrease in other payables	(524,090)	(54,911)
Net cash used in operating activities	<u>(145,213,505)</u>	<u>(6,416,770)</u>
Cash flows from investing activities	-	-
Net cash (used in)/generated from investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities		
ETP Securities issuances during the financial period	1,027,581,719	550,279,589
ETP Securities redemptions during the financial period	(882,798,984)	(543,863,460)
Net cash generated from financing activities	<u>144,782,735</u>	<u>6,416,129</u>
Decrease in cash and cash equivalents	(430,770)	(641)
Cash and cash equivalents at start of the financial period	448,105	17,429
Cash and cash equivalents at end of the financial period	<u>17,335</u>	<u>16,788</u>

Notes to the financial statements

For the half financial year ended 30 June 2020

1 General information

The Company is a public limited company, incorporated in Ireland on 30 July 2012, under registered number 515981 and has registered address at 2nd floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, Ireland. The Company has been established as an SPV for the purpose of issuing exchange traded securities. The Company commenced trading on 5 December 2012.

The Company established a Collateralised ETP Securities Programme under which the Company issues, on an ongoing basis, collateralised ETP Securities of different Classes linked to indices providing exposure to a range of asset classes including equities, commodities, fixed income and currencies. The ETP Securities may have long or short, and leveraged or unleveraged, exposure to the daily performance of the referenced index.

Each Class constitutes limited recourse obligations of the Company, secured on and payable solely from the assets constituting the ETP Securities in respect of such Class. Each Class of ETP Securities may comprise one or more tranches.

The Company uses the net proceeds of the issuance of ETP Securities to enter into TRSs to hedge its payment obligations in respect of each Class of the ETP Securities with one or more Swap Provider(s) once the Swap Provider has delivered eligible collateral. The TRSs for each Class of ETP Securities will produce cash flows to service all of the Company's payment obligations in respect of that Class.

The ETP securities are issued as demand requires. The Company purchases a matching TRSs from the Swap Providers to hedge its liabilities and ensure the assets can service its liabilities. The number and terms of ETP securities outstanding will match the number and terms of ETP Swap Contracts so that the obligations of the Company and the Swap Provider match. The Swap Provider will use the same pricing formulae as the Determination Agent (the "DA") so both the DA and the Swap Provider should be able to calculate the same price independently of each other – the price of an ETP Swap Contract will equal the price of an ETP. WisdomTree Multi Asset Management Limited supplied and/or arranged for the supply of all administrative services to the Company and paid all management and administration costs of the Company, in return for which the Company pays WisdomTree Multi Asset Management Limited a Management Fee.

The ETP Securities do not bear interest at a prescribed rate. The return (if any) on the ETP Securities shall be calculated in accordance with the redemption provisions.

The Company considers the capital management and its current capital resources to be adequate to maintain the on-going listing and issue of ETP Securities.

All ETP Securities in issue as at 30 June 2020 are listed for trading on the London Stock Exchange, Frankfurt Stock Exchange and/or on the Borsa Italiana (31 December 2019: Same) and applications may be made to other European Stock Exchanges.

2 Basis of preparation

(a) Statement of compliance

The condensed financial statements for the half financial year ended 30 June 2020 have been prepared in accordance with International Accounting Standard ("IAS") 34 'Interim Financial Reporting'. The condensed interim financial statements should be read in conjunction with the annual financial statements for the financial year ended 31 December 2019 and the unaudited interim financial statements for the financial period ended 30 June 2019.

(b) New standards, amendments or interpretations

Effective for periods beginning after 1 January 2020

A number of new standards and interpretations have been EU endorsed and adopted by the Company:

Description	Effective date*
IFRS 10 and IAS 28 amendments: Sale or Contribution of Asset between Investor or its Associate or Joint Venture	1 January 2020
IFRS 3 amendments: Definition of a business	1 January 2020
IAS 1 and IAS 8 amendments: Definition of material	1 January 2020
Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures (Sep 2019): Interest Rate Benchmark Reform	1 January 2020
Amendments to the References to the Conceptual Framework in IFRS Standards	1 January 2020

The above new standards and the related consequential amendments to other IFRS Standards are effective for all the accounting periods beginning on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these interim financial statements.

Notes to the financial statements (continued)

For the half financial year ended 30 June 2020

2 Basis of preparation (continued)

(b) New standards, amendments or interpretations (continued)

Standards not yet effective, but available for early adoption

Description	Effective date
IFRS 17: Insurance contracts	1 January 2021

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

(c) Segmental reporting

The standard on segmental reporting puts emphasis on the “management approach” to reporting on operating segments. An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses. The Directors are considered to be the chief operating decision makers of the Company.

The Company is engaged as one segment in the Programme under which the Company issues on an ongoing basis ETP Securities of different classes linked to indices providing exposure to a range of asset classes including equities, commodities, fixed income, and currencies.

The following is a geographical analysis of the revenue by the country of the counterparty:

	Half financial year ended 30-Jun-20 EUR	Half financial year ended 30-Jun-19 EUR
France (BNP Paribas Arbitrage S.N.C.)	2,317,844	2,442,708
Jersey (WisdomTree Multi Asset Management Limited)	1,168	1,150
	2,319,012	2,443,858

3 Significant accounting policies

The same accounting policies, presentation and methods of computation are followed in these condensed interim financial statements as were applied in the preparation of the Company's financial statements for the financial year ended 31 December 2019.

4 Revenue

	Half financial year ended 30-Jun-20 EUR	Half financial year ended 30-Jun-19 EUR
Management fee income	2,317,844	2,442,708
Other income	1,168	1,150
	2,319,012	2,443,858

The Company is entitled to receive a management fee under the terms of each TRS. The Swap Provider will pay the Company variable amounts by way of payments under the terms of the relevant TRS, calculated by reference to the current annual management fee rate as specified in note 10 to the interim financial statements.

5 Operating expenses

	Half financial year ended 30-Jun-20 EUR	Half financial year ended 30-Jun-19 EUR
Management fee expense	(2,317,844)	(2,442,708)
Other expenses	(668)	(650)
	(2,318,512)	(2,443,358)

The Company pays a management fee under the terms of a management agreement entered into between the Manager and the Company, calculated based on the management fees received from the Swap Provider (current annual management fee rates outlined in note 10 to the interim financial statements) plus any order form fees received by the Company.

General operational expenses such as IPA fees, determination agent fees, registrar fees, trustee fees, London Stock Exchange (LSE) fees and Regulatory News Service (RNS) fees, audit fees, tax fees and legal fees are borne by WisdomTree Multi Asset Management Limited on behalf of the Company.

Notes to the financial statements (continued)

For the half financial year ended 30 June 2020

5 Operating expenses (continued)

The auditor's remuneration (excluding VAT) was EUR 18,850 (30 June 2019: EUR 15,300) for audit services and EUR 2,500 (30 June 2019: EUR 2,500) for taxation services. There are no fees relating to other assurance services and non-audit services in the current financial period or prior financial period. The Company did not pay any fees to the Directors (30 June 2019: EUR Nil).

The Company had no employees during the financial period (30 June 2019: None).

6 Tax on profit on ordinary activities

	Half financial year ended 30-Jun-20 EUR	Half financial year ended 30-Jun-19 EUR
(a) Analysis of tax charge in the financial period		
Current tax	125	125
Deferred tax	-	-
Total tax charge on profit for the financial period	125	125
(b) Reconciliation of effective tax rate		
Operating profit before tax	500	500
Expected tax charge based on standard rate of 12.5%	63	63
(c) Effects of:		
Higher tax rate applicable under Section 110 TCA, 1997	62	62
Adjustments for reconciliation to Old Irish GAAP as it stood at 31 December 2004	-	-
Total tax charge on profit for the financial period	125	125

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 at a rate of 25%, but are computed in accordance with the provisions applicable to Case I of Schedule D of the TCA. There were no deferred tax assets or liabilities at 30 June 2020 (30 June 2019: EUR Nil).

7 Financial assets at fair value through profit or loss

	30-Jun-20 EUR	31-Dec-19 EUR
Total return swaps	587,007,033	621,430,671
Movement in financial assets at fair value through profit or loss		
	30-Jun-20 EUR	31-Dec-19 EUR
At beginning of the financial period/year	621,430,671	561,183,426
Additions during the financial period/year	1,027,581,719	1,367,482,558
Disposals during the financial period/year	(882,798,984)	(1,322,005,032)
Realised losses on financial assets at fair value through profit or loss	(126,111,645)	(33,682,479)
Unrealised (depreciation)/appreciation on financial assets at fair value through profit or loss	(53,242,441)	40,299,101
Foreign exchange movements	147,713	8,153,097
At end of the financial period/year	587,007,033	621,430,671

Total return swaps

All unrealised (depreciation)/appreciation on financial assets are attributable to market risk arising from price, commodity, currency and interest rate risk.

The Company enters into a derivative contract with the Swap Provider, BNP Paribas Arbitrage S.N.C. each time ETP Securities are issued or redeemed to eliminate its exposure to market risk, interest rate risk and currency risk within the Company.

The TRSs entered into as at 30 June 2020 and 31 December 2019 have a value equal but opposite in sign to the value of the ETP Securities in issue as at 30 June 2020 and 31 December 2019 as disclosed in note 10 to the interim financial statements.

	30-Jun-20 EUR	31-Dec-19 EUR
Collateral received on TRS		
Bonds (market value)	111,042,920	153,384,430
Equities (market value)	466,730,273	471,951,894
	577,773,193	625,336,324

The Swap Provider transfers collateral to the Company in respect of its obligations under a relevant swap agreement. Collateral is in the form of government bonds or listed equities. The Bank of New York Mellon, as collateral administrator determines the market value of the collateral held on behalf of the Company.

Notes to the financial statements (continued)

For the half financial year ended 30 June 2020

7 Financial assets at fair value through profit or loss (continued)

The collateral coverage over the market value of the ETP Securities as at 30 June 2020 was 98% (31 December 2019: 101%).

Collateral consists of equities and/or bonds satisfying certain criteria and subject to certain margin percentages and concentration limits. Collateral amounts as agreed between the Company and the Swap Provider are held by The Bank of New York Mellon and identified as held on behalf of the Company; the collateral cannot be re-used or repledged. All collateral as at 30 June 2020 and 31 December 2019 consists of listed equities and Government bonds as agreed between the Swap Provider and the Company.

8 Other receivables	30-Jun-20	31-Dec-19
	EUR	EUR
Management fees receivable	377,309	471,256
Other receivables	3,439	2,312
	<u>380,748</u>	<u>473,568</u>

The Company earns a management fee on each swap transaction from the Swap Provider. The swap management fee is calculated as defined in each swap transaction supplement which is entered into between the Swap Provider and the Company.

9 Cash and cash equivalents	30-Jun-20	31-Dec-19
	EUR	EUR
Cash at bank	17,335	448,105

The cash at bank is held with Allied Irish Banks Plc.

10 Financial liabilities at fair value through profit or loss	30-Jun-20	31-Dec-19
	EUR	EUR
ETP Securities issued	587,007,033	621,430,671

ETP Securities issued for a particular Class are measured at fair value through profit or loss.

The Company's obligations under the financial liabilities issued are secured by the TRSs as per note 7 to the interim financial statements. The investors' recourse per Class is limited to the assets of that particular Class. The legal maturity of the ETP Securities is 30 November 2062. ETP Securities cannot be issued without a matching TRSs being in place. The maturity profile of the TRSs is a minimum of two years with one year rolling contracts thereafter. Should the swap counterparty wish to terminate there is a requirement for one year notice of termination to be issued to the Company. This allows the Company the time to obtain a new Swap Provider. If no replacement Swap Provider can be identified the Company would redeem all outstanding ETP Securities. ETP Securities can be issued and redeemed daily. Therefore, the Class have an option for early redemption.

All unrealised appreciation/(depreciation) on financial liabilities are attributable to market risk arising from price, commodity and interest rate risk.

All ETP Securities in issue as at 30 June 2020 are listed for trading on the London Stock Exchange, Frankfurt Stock Exchange and/or on the Borsa Italiana (31 December 2019: Same) and applications may be made to other European Stock Exchanges.

Movement in financial liabilities at fair value through profit or loss	30-Jun-20	31-Dec-19
	EUR	EUR
At beginning of the financial period/year	621,430,671	561,183,426
Issued during the financial period/year	1,027,581,719	1,367,482,558
Redeemed during the financial period/year	(882,798,984)	(1,322,005,032)
Realised gains on financial liabilities at fair value through profit or loss	(126,111,645)	(33,682,479)
Unrealised (appreciation)/depreciation on financial liabilities at fair value through profit or loss	(53,242,441)	40,299,101
Foreign exchange movements	147,713	8,153,097
At end of financial period/year	<u>587,007,033</u>	<u>621,430,671</u>

Notes to the financial statements (continued)

For the half financial year ended 30 June 2020

10 Financial liabilities at fair value through profit or loss (continued)

The financial liabilities in issue at 30 June 2020 and 31 December 2019 are as follows:

Description	Management Fee rate	ISIN	CCY	Outstanding Units 30-Jun-20	Fair value 30-Jun-20 EUR	Outstanding Units 31-Dec-19	Fair value 31-Dec-19 EUR
WisdomTree DAX 30 3x Daily Leveraged	0.75%	IE00B878KX55	EUR	111,603	16,622,410	25,934	6,422,160
WisdomTree DAX 30 3x Daily Short	0.80%	IE00B8GKPP93	EUR	4,356,758	13,126,474	2,617,705	10,867,864
WisdomTree EURO STOXX 50® 3x Daily Leveraged	0.75%	IE00B7SD4R47	EUR	82,702	11,943,305	41,847	11,814,193
WisdomTree EURO STOXX 50® 3x Daily Short	0.80%	IE00B8JF9153	EUR	4,534,456	14,818,932	2,048,023	7,527,889
WisdomTree FTSE MIB 3x Daily Leveraged	0.75%	IE00B8NB3063	EUR	969,996	39,752,501	313,747	32,682,963
WisdomTree FTSE MIB 3x Daily Short	0.80%	IE00B873CW36	EUR	5,605,813	23,358,020	9,067,562	40,124,023
WisdomTree Bund 10Y 3x Daily Short	0.30%	IE00BKS8QN04	EUR	134,174	4,957,636	159,174	6,642,476
WisdomTree Bund 10Y 3x Daily Leveraged	0.30%	IE00BKT09255	EUR	2,954	525,896	2,954	482,533
WisdomTree BTP 10Y 3x Daily Short	0.60%	IE00BKS8QM96	EUR	117,961	3,123,269	178,288	5,391,653
WisdomTree BTP 10Y 3x Daily Leveraged	0.60%	IE00BKT09149	EUR	9,626	1,669,737	6,728	1,149,526
WisdomTree EURO STOXX Banks 3x Daily Leveraged	0.89%	IE00BLS09N40	EUR	13,131,614	26,352,347	1,712,617	23,549,248
WisdomTree EURO STOXX Banks 3x Daily Short	0.89%	IE00BLS09P63	EUR	205,063	4,444,658	316,688	5,535,937
WisdomTree BTP 10Y 5x Daily Short	0.99%	IE00BYNXNS22	EUR	515,321	6,975,328	457,506	8,134,624
WisdomTree Bund 10Y 5x Daily Short	0.49%	IE00BYNXPH56	EUR	111,040	2,656,469	150,880	4,458,029
WisdomTree FTSE MIB Banks	0.35%	IE00BYMB4Q22	EUR	103,503	11,677,127	51,523	7,510,691
WisdomTree Bund 30Y 3x Daily Short	0.30%	IE00BF4TW453	EUR	9,340	315,489	9,340	448,682
WisdomTree FTSE 100 3x Daily Leveraged	0.75%	IE00B88D2999	GBP	147,356	18,459,931	38,384	11,397,358
WisdomTree FTSE 100 3x Daily Short	0.80%	IE00B7VB3908	GBP	899,399	11,492,083	635,755	7,457,346
WisdomTree FTSE 100 2x Daily Leveraged	0.49%	IE00B94QKC83	GBP	11,804	1,467,390	3,909	822,155
WisdomTree FTSE 100 2x Daily Short	0.55%	IE00B94QKF15	GBP	41,380	1,666,565	56,180	2,042,866
WisdomTree FTSE 100 1x Daily Short	0.49%	IE00B94QKG22	GBP	28,484	2,059,986	22,484	1,550,147
WisdomTree FTSE 250 2x Daily Leveraged	0.60%	IE00B94QKJ52	GBP	30,333	5,103,482	19,982	6,337,857
WisdomTree FTSE 250 1x Daily Short	0.65%	IE00BBGBF313	GBP	576,789	32,196,626	54,608	2,805,121
WisdomTree Gilts 10Y 3x Daily Leveraged	0.30%	IE00BKT09479	GBP	1,178	255,912	1,178	232,653
WisdomTree Gilts 10Y 3x Daily Short	0.30%	IE00BKS8QQ35	GBP	174,390	6,176,452	151,850	7,026,399
WisdomTree Gilts 10Y 1x Daily Short	0.25%	IE00BF4TW560	GBP	4,801	459,607	4,801	525,840
Balance carried forward					<u>261,657,632</u>		<u>212,940,233</u>

Notes to the financial statements (continued)

For the half financial year ended 30 June 2020

10 Financial liabilities at fair value through profit or loss (continued)

The financial liabilities in issue at 30 June 2020 and 31 December 2019 are as follows (continued):

Description	Management Fee rate	ISIN	CCY	Outstanding Units 30-Jun-20	Fair value 30-Jun-20 EUR	Outstanding Units 31-Dec-19	Fair value 31-Dec-19 EUR
Balance brought forward					261,657,632		212,940,233
WisdomTree NASDAQ 100 3x Daily Leveraged	0.75%	IE00B8W5C578	USD	27,482	52,134,297	16,888	28,426,212
WisdomTree NASDAQ 100 3x Daily Short	0.80%	IE00B8VZVH32	USD	75,245,560	19,110,928	33,835,560	25,295,585
WisdomTree S&P 500 3x Daily Leveraged	0.75%	IE00B7Y34M31	USD	47,517	23,983,791	22,769	18,129,149
WisdomTree S&P 500 3x Daily Short	0.80%	IE00B8K7KM88	USD	27,220,752	39,667,087	12,464,827	31,124,400
WisdomTree Gold 3x Daily Leveraged	0.99%	IE00B8HGT870	USD	809,739	31,445,997	784,842	20,993,470
WisdomTree Gold 3x Daily Short	0.99%	IE00B6X4BP29	USD	200,837	6,060,302	69,207	4,026,756
WisdomTree Copper 3x Daily Leveraged	0.99%	IE00B8JVMZ80	USD	555,189	4,966,584	400,985	4,392,715
WisdomTree Copper 3x Daily Short	0.99%	IE00B8KD3F05	USD	21,731	1,074,129	19,131	1,018,359
WisdomTree Natural Gas 3x Daily Leveraged	0.99%	IE00B8VC8061	USD	11,639,211,145	32,362,269	3,345,831,145	61,186,901
WisdomTree Natural Gas 3x Daily Short	0.99%	IE00B76BRD76	USD	146,724	2,965,111	292,572	3,356,398
WisdomTree Silver 3x Daily Leveraged	0.99%	IE00B7XD2195	USD	14,586,563	27,629,098	12,152,007	29,260,416
WisdomTree Silver 3x Daily Short	0.99%	IE00B8JG1787	USD	28,848	879,953	32,874	1,895,059
WisdomTree Palladium 1x Daily Short	0.95%	IE00B94QLR02	USD	398,114	5,541,278	208,153	3,909,746
WisdomTree Palladium 2x Daily Leveraged	0.95%	IE00B94QLN63	USD	23,705	8,084,360	9,129	3,844,040
WisdomTree US Treasuries 10Y 3x Daily Leveraged	0.30%	IE00BKT09032	USD	20,000	2,632,870	14,055	1,455,825
WisdomTree WTI Crude Oil Pre-roll	0.25%	IE00BVFZGC04	USD	2,224,479	19,093,149	52,970	951,913
WisdomTree Brent Crude Oil Pre-roll	0.25%	IE00BVFZGD11	USD	1,058,072	12,891,622	267,290	6,023,420
WisdomTree US Treasuries 10Y 5x Daily Leveraged	0.50%	IE00BYNXPJ70	USD	26,354	973,668	4,454	259,598
WisdomTree Brent Crude Oil 3x Daily Short	0.99%	IE00BYTYHR65	USD	10,523,954	3,998,482	2,119,652	5,912,374
WisdomTree Emerging Markets 3x Daily Leveraged	0.99%	IE00BYTYHN28	USD	80,277	6,619,519	51,777	8,434,063
WisdomTree Emerging Markets 3x Daily Short	0.99%	IE00BYTYHM11	USD	102,268	1,254,517	59,668	912,369
WisdomTree S&P 500 VIX Short-Term Futures 2.25x Daily Leveraged	0.99%	IE00BYTYHQ58	USD	1,865,606,972	18,721,506	3,688,006,972	16,171,618
WisdomTree US Treasuries 30Y 3x Daily Short	0.30%	IE00BF4TW784	USD	11,300	332,505	3,500	224,338
WisdomTree US Treasuries 10Y 3x Daily Short	0.30%	IE00BKS8QT65	USD	33,111	1,633,092	33,211	2,137,908
WisdomTree Industrial Metals Enhanced	0.40%	IE00BF4TWC33	USD	30,187	590,096	16,670	354,221
Balance carried forward					<u>586,303,842</u>		<u>492,637,086</u>

Notes to the financial statements (continued)

For the half financial year ended 30 June 2020

10 Financial liabilities at fair value through profit or loss (continued)

The financial liabilities in issue at 30 June 2020 and 31 December 2019 are as follows (continued):

Description	Management Fee rate	ISIN	CCY	Outstanding Units 30-Jun-20	Fair value 30-Jun-20 EUR	Outstanding Units 31-Dec-19	Fair value 31-Dec-19 EUR
Balance brought forward					586,303,842		492,637,086
WisdomTree Energy Enhanced	0.40%	IE00BF4TWF63	USD	45,161	703,191	6,500	143,425
WisdomTree WTI Crude Oil 3x Daily Leveraged	0.99%	IE00B7ZQC614	USD	-	-	128,228,729	73,128,172
WisdomTree WTI Crude Oil 3x Daily Short	0.99%	IE00B7SX5Y86	USD	-	-	5,697,095	51,088,940
WisdomTree Brent Crude Oil 3x Daily Leveraged	0.99%	IE00BYTYHS72	USD	-	-	122,145	4,433,048
					<u>587,007,033</u>		<u>621,430,671</u>

All ETP Securities in issue have a maturity date as at 30 November 2062.

There has been no change in the management fee rates since 31 December 2019.

The net proceeds of issuance of ETP Securities are paid by the Company to the Swap Provider through the TRSs in order to hedge its obligations in connection with the ETP Securities, provided that prior to payment the Swap Provider has delivered eligible collateral to the collateral administrator on behalf of the Company. Any increase in the Company's exposure to the Swap Provider resulting from the entry into, or increase in the size of, a swap transaction must be collateralised by delivering eligible collateral meeting the relevant requirements.

11 Other payables

	30-Jun-20 EUR	31-Dec-19 EUR
Management fees payable	382,145	906,235
Other payables	200	200
Corporation tax payable	125	-
	<u>382,470</u>	<u>906,435</u>

12 Called up share capital presented as equity

	30-Jun-20 EUR	31-Dec-19 EUR
<i>Authorised:</i>		
100,000 ordinary shares of EUR1 each	<u>100,000</u>	<u>100,000</u>
<i>Issued:</i>		
40,000 ordinary shares of EUR1 each (paid up to EUR 0.25 each)	<u>10,000</u>	<u>10,000</u>
<i>Presented as follows:</i>		
Called up share capital presented as equity	<u>10,000</u>	<u>10,000</u>

13 Ownership of the Company

The issued shares were held by Apex Financial Services (Nominees) Limited holding 39,994 shares. Apex Financial Services (Nominees 2) Limited, Apex Financial Services (Nominees 3) Limited, Apex Financial Services (Trustees) Limited, Forbrit Corporate Director 3 Limited, Forbrit Corporate Director 4 Limited and Apex Financial Services (Foundations) Limited, each holding 1 share in the Company. All shares are held in trust for charity under the terms of Declaration of Trust.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings. No dividends were paid during the financial period or proposed by the Directors at the reporting date (2019: EUR Nil).

The Share Trustees have appointed a Board of Directors to run the day to day activities of the Company. The Directors have considered the issue as to who is the ultimate controlling party. It has been determined that the control of the day to day activities of the Company rests with the Board.

Notes to the financial statements (continued)

For the half financial year ended 30 June 2020

14 Related party transactions including transactions with Administrator and Manager*Transactions with Administrator and Directors*

Apex IFS Limited (the "Administrator") provides services such as Accounting and Reporting, Company Secretarial, Issuing and Paying Agent and other administration services to the Company. In respect of the aforementioned services, WisdomTree Multi Asset Management Limited paid fees amounting to EUR 81,783 (30 June 2019: EUR 78,285) to Apex IFS Limited during the financial period ended 30 June 2020. As at 30 June 2020, EUR 75,456 (31 December 2019: EUR 81,783) was payable by WisdomTree Multi Asset Management Limited to Apex IFS Limited.

Two of the Directors are employees of Apex IFS Limited, which is the Administrator of the Company. The terms of the corporate services agreement provide for a single fee for the provision of corporate services (including making available of individuals to act as Directors of the Company). As a result, the allocation of fees between the different services provided is a subjective and approximate calculation. The individuals acting as Directors do not (and will not), in their personal capacity or any other capacity, receive any fee for acting or having acted as Directors of the Company.

Directors of the Company, who are also employees of the WisdomTree Group, do not receive any additional remuneration for their role as Director of the Company (30 June 2019: EUR Nil).

Transactions with Manager

WisdomTree Multi Asset Management Limited, as Manager, provides management services to the Company which includes paying operating costs of the Company such as audit fees and corporate service fees. The Company was supplied services amounting to EUR 2,323,140 (30 June 2019: 2,442,708) from the Manager during the half year ended 30 June 2020. As at 30 June 2020, EUR 382,145 (31 December 2019: EUR 906,235) was payable by the Company to the Manager. The Company earns a corporate benefit fee of EUR 500 for the half year ended 30 June 2020 (30 June 2019: EUR 500) from the Manager and an amount of EUR 1,939 (31 December 2019: EUR 1,312) was receivable as at 30 June 2020.

15 Financial risk management***Risk management framework***

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The risk profile of the Company is such that market, credit, liquidity and other risks of the investment securities are borne fully by the holders of ETP Securities issued.

The Company, and ultimately the holders of the ETP 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

The Company's liabilities in respect of the ETP Securities issued is referenced to various equity and commodity indices and is managed by the Company by entering into a TRSs with Swap Provider(s) which exactly match the liability created by the issue of ETP Securities. Any movement in the value of the ETP Securities issued will be offset by an equal movement in the matching TRSs. Therefore the Company's sensitivity to market movements is fully hedged.

(i) Interest rate risk

As the Company has entered into TRSs to match the ETP Securities in issue there is deemed to be no net interest rate risk to the Company.

The Company holds a current account and three currency accounts at Allied Irish Banks Plc in Ireland. Due to the level of cash held in the account the Directors do not believe that any move in interest rates would affect the operations of the Company. The Company does not have any interest bearing financial assets or financial liabilities.

Notes to the financial statements (continued)

For the half financial year ended 30 June 2020

15 Financial risk management (continued)

(a) Market risk (continued)

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As the Company has entered into TRSs to match the ETP Securities in issue there is deemed to be no net currency risk to the Company. Any changes in the values of the TRSs held by the Company would not have any effect on the equity or profit or loss of the Company as any fair value fluctuations are ultimately borne by either the swap counterparties or the holders of the ETP Securities issued by the Company.

The following significant exchange rates applied during the financial period:

	Closing rate		
	30-Jun-20	31-Dec-19	30-Jun-19
USD : EUR	0.8904	0.8909	0.8781
GBP : EUR	1.1001	1.1802	1.1176
JPY : EUR	0.0083	0.0085	0.0082

The impact of any change in the exchange rates on the financial assets is offset by the 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.

(iii) Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its Company or all factors affecting all instruments traded in the market. The Company does not consider price risk to be a significant risk to the Company as any fluctuation in the value of financial assets at fair value through profit or loss held by the Company will be offset by movements in the fair value of the issued ETP Securities.

(b) Credit risk

Credit/Counterparty risk refers to the risk that each counterparty to a Swap Agreement will default on its contractual obligations as Swap Provider resulting in the Company being unable to make payment of amounts due to the ETP holders. Accordingly, the Company and the ETP Securities holders are exposed to the creditworthiness of each relevant Swap Provider.

In order to mitigate this risk the Swap Provider will collateralise its obligations to the Company with eligible collateral being delivered with respect to the Company's net exposure to the Swap Provider in respect of all swap transactions entered into. Collateral is monitored on a daily basis with the aggregate euro market value of eligible collateral required to be transferred to the Company by the relevant Swap Provider in respect of any London Business Day calculated based on the Company's net exposure to the Swap Provider in respect of each swap transaction entered into with that Swap Provider daily (converted, if applicable, into euros at the prevailing currency exchange rate). Custody risk on the collateral is managed by The Bank of New York Mellon who monitor the credit ratings of the collateral daily and ensure the collateral is not re-used or repledged.

(c) Liquidity risk

Liquidity risk is the risk that the Company may be unable to fulfil its obligations (by delivery of cash) whether expected or unexpected. The legal maturity of the ETP Securities is 30 November 2062. ETP Securities cannot be issued without a matching TRS being in place. The maturity profile of the TRS is a minimum of two years with one year rolling contracts thereafter. Should the swap counterparty wish to terminate there is a requirement for one year notice of termination to be issued to the Company. This allows the Company the time to obtain a new Swap Provider. If no replacement Swap Provider can be identified the Company would redeem all outstanding ETP Securities. ETP Securities can be issued and redeemed daily.

(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, personnel and infrastructure, and from external factors other than credit, markets and liquidity issues such as those arising from legal and regulatory requirements and generally accepted standards to 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 the preceding paragraphs. Certain management and administration functions are outsourced to Apex IFS Limited and WisdomTree Multi Asset Management Limited.

The Company is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of collateral held in custody occasioned by the insolvency or negligence of the collateral administrator. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the Company to transfer the securities might be temporarily impaired.

Notes to the financial statements (continued)

For the half financial year ended 30 June 2020

15 Financial risk management (continued)

(e) Fair values

Fair Value Measurement Principles of ETP

The price per ETP is calculated daily to reflect the daily change in the relevant Index of the ETP, and will take into account all applicable fees and adjustments. On the issue date of the class, the price per ETP will be equal to its issue price. On any valuation date thereafter, the price per ETP is calculated according to a formula which reflects the price per ETP on the immediately preceding valuation date, and adjusted based on the following observable inputs:

Inputs	Source
Underlying index	Daily rate quoted on Bloomberg
Fees	Product specific rate outlined in the Final Terms
Cash borrowing costs	Daily rate quoted on Bloomberg; with product specific rate outlined in the Final Terms
Cash lending revenues	Daily rate quoted on Bloomberg; with product specific rate outlined in the Final Terms
Stock borrowing costs	Product specific rate outlined in the Final Terms
Revenues on collateral	Daily rate quoted on Bloomberg; with product specific rate outlined in the Final Terms

“Index Adjustments” reflect any cash borrowing costs, cash lending revenues, stock borrowing costs, revenues on collateral or costs of transaction taxes, which are not already reflected in the Index. Costs and revenues such as these would be incurred by a hypothetical investor seeking to gain a leveraged or a short exposure to a Benchmark Index.

The ETP Securities are valued independently of the Company and Swap Provider by a calculation agent using readily available, observable inputs. No inputs need to be obtained by the calculation agent from the Company or the Swap Provider.

Derivatives

Derivatives comprise TRSs and are valued at fair value utilising predefined formulae and market prices consistent with the ETP valuation process outlined below.

The price per TRS is calculated daily to reflect the daily change in the relevant Index of the TRS, and will take into account all applicable fees and adjustments. On the issue date of the class, the price per TRS will be equal to its issue price. On any valuation date thereafter, the price per TRS is calculated according to a formula which reflects the price per TRS on the immediately preceding valuation date, and adjusted based on the following observable inputs:

Inputs	Source
Underlying index	Daily rate quoted on Bloomberg
Fees	Product specific rate outlined in the Final Terms
Cash borrowing costs	Daily rate quoted on Bloomberg; with product specific rate outlined in the Final Terms
Cash lending revenues	Daily rate quoted on Bloomberg; with product specific rate outlined in the Final Terms
Stock borrowing costs	Product specific rate outlined in the Final Terms
Revenues on collateral	Daily rate quoted on Bloomberg; with product specific rate outlined in the Final Terms

“Index Adjustments” reflect any cash borrowing costs, cash lending revenues, stock borrowing costs, revenues on collateral or costs of transaction taxes, which are not already reflected in the Index. Costs and revenues such as these would be incurred by a hypothetical investor seeking to gain a leveraged or a short exposure to a benchmark index.

In the absence of readily available market prices the Swap Provider will provide the inputs for the valuation. Where possible management independently calculate the fair value and verify to the Swap Provider valuation and any variation is investigated. The valuation determined by the swap counterparty may be based on assumptions of market conditions at the time of valuation, similar arms’ length market transactions if available, reference to the current fair value of similar instruments and a variety of different valuation techniques such as the discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Notes to the financial statements (continued)

For the half financial year ended 30 June 2020

15 Financial risk management (continued)

(e) Fair values (continued)

The fair value of financial instruments carried at fair value is determined according to the following hierarchy:

- (i) Level 1: Financial instruments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. Quoted prices for these instruments are not adjusted.
- (ii) Level 2: Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include investment-grade corporate bonds and over-the-counter derivatives. As level 2 financial instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.
- (iii) Level 3: Financial instruments classified within level 3 have significant unobservable inputs, as they trade infrequently. Pricing inputs are unobservable for the financial instrument and include situations where there is little, if any, market activity for the financial instrument. As observable prices are not available for these securities, the Company has used valuation techniques to derive the fair value, if applicable.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the last day of the accounting period. There were no transfers during the half financial year between levels of the fair value hierarchy for financial assets which are recorded at fair value.

The ETP Securities and TRSs are considered to be fair valued under level 2 (31 December 2019: same); as prices are calculated using a model, rather than using quoted exchange rates, to reflect the amount received by ETP holders on redemption.

16 Subsequent events

The following events took place after the half financial period regarding the below ETP Securities:

On 20 July 2020, a meeting was held to consider and approve the annual update of the Company's programme for the issue of ETP Securities.

WisdomTree Emerging Markets 3x Daily Short Securities

On 5 August 2020, a meeting was held to consider certain amendments, made under the powers set out in clause 2 of schedule 7 of the master trust deed of WisdomTree Emerging Markets 3x Daily Short Securities (the "Affected Securities"), to documentation required to effect a reduction in the principal amount of the Affected Securities from USD 2 to USD 0.2.

On 28 August 2020, the Company announced the holders of WisdomTree Emerging Markets 3x Daily Short Securities (the "Affected Securities") that the meeting scheduled on that date has been adjourned, in accordance with paragraph 20 of Schedule 7 of the Trust Deed, for lack of a quorum. The adjourned meeting would be reconvened on 15 September 2020.

On 16 September 2020, the Company announced that the Extraordinary Resolution regarding the reduction in the principal amount of the WisdomTree Emerging Markets 3x Daily Short Securities (the "Affected Securities") from USD 2 to USD 0.2, as set out in a notice to holders of the Affected Securities dated 5 August 2020, was not passed at the adjourned meeting of the holders of the Affected Securities held on 15 September 2020.

WisdomTree Silver 3x Daily Short Securities

On 4 September 2020, the Company announced the holders of WisdomTree Silver 3x Daily Short Securities (the "Affected Securities") that the meeting scheduled on that date has been adjourned, in accordance with paragraph 20 of Schedule 7 of the Trust Deed, for lack of a quorum. The adjourned meeting would be reconvened on 21 September 2020.

On 21 September 2020, a meeting was held to announce the Extraordinary Resolution regarding the reduction in the principal amount of the WisdomTree Silver 3x Daily Short Securities (the "Affected Securities") from USD 2 to USD 0.2.

On 22 September 2020, a notice was hereby given that, pursuant to the provisions of the trust deed dated 16 March 2016 (as amended) constituting (inter alia) the WisdomTree Emerging Markets 3x Daily Short Securities (the "Affected Securities") and made between the Company, the Trustee and the "Manager", a meeting of the holders of the Affected Securities (the "Affected Securities Holders"), convened by the Company will be held by way of virtual meeting on Thursday 15 October 2020.

Notes to the financial statements (continued)

For the half financial year ended 30 June 2020

16 Subsequent events (continued)

Impact of COVID-19

There have been no adjustments made to the valuation of assets and liabilities as at 30 June 2020. In reaching this conclusion, the Directors have assessed the impact of COVID-19 on the assets under management, hence the Company's future revenue streams, and are of the opinion that as at the signing date, the Company has adequate resources to continue its operations for the foreseeable future. The longer-term impact of this pandemic is at present unclear, however there are no immediate impacts on the financial position or performance of the Company as at 30 June 2020.

Apart from the above, there have been no other significant subsequent events after the half financial year up to the date of signing this report that require disclosure and/or adjustment to the condensed financial statements.

17 Capital management

The Company monitors its cash and ordinary shares as capital. The Company outsources the capital management of funds relating to the ETP Securities and relevant TRS to Link Market Services Trustees Limited and Apex IFS Limited, whereby all redemptions and subscriptions are settled through CREST. All other capital is managed through the Company's Allied Irish Banks Plc currency accounts. The Board of Directors reviews the capital structure periodically to determine the appropriate level of capital required to meet the Company's objectives. The Company's objectives when maintaining capital are to maintain sufficient capital base in order to meet its short-term obligations and at the same time preserve the long term goals of the Company.

18 Comparatives

In line with IAS 34, the comparative information for the Statement of comprehensive income, Statement of cash flows and Statement of changes in equity are for the half financial year ended 30 June 2019 and the comparative information for the Statement of financial position is as at 31 December 2019.

19 Approval of financial statements

The Board of Directors approved these financial statements on 28 September 2020.....