

DB ETC plc

Directors' report and audited financial statements

For the year ended 31 December 2022

Registered number : 103781

DB ETC plc

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Directors and other information

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

Directors' report

The directors (the "Directors") present the Directors' report and audited financial statements of DB ETC plc (the "Company") for the year ended 31 December 2022.

Principal activities and business review

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

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

With respect to each Series of ETC Securities, the Company's main assets are its holdings of underlying Precious metals (the "Precious metals") and its interests under the related balancing agreement (the "Balancing Agreement"). The obligations of the Company under the ETC Securities of a Series will be secured in favour of the Trustee by an assignment by way of security of all the Company's rights, title, interest and benefit present and future against the secured account custodian (the "Secured Account Custodian"), the subscription account custodian (the "Subscription Account Custodian") and any sub-custodian (the "Sub-Custodian") relating to the underlying metal in respect of this Series of ETC Securities.

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

The ETC Securities issued are listed on various exchanges including London Stock Exchange, Swiss Stock Exchange, XETRA, Borsa Italiana and Euronext Dublin.

Key performance indicators

The Company is a Special Purpose Vehicle (the "SPV") whose sole business is the issue of asset-backed securities. The Company has established a programme for the issue of ETC Securities whose return is linked to the performance of a specified Precious metal: either gold, silver, platinum or rhodium. Each series of ETC Securities will be separate (or 'ring-fenced') from each other series of ETC Securities. The best benchmark is the price of the relevant metal in which the proceeds of the ETC Securities are invested in. For all Series, the performance closely follows the movement in the metal linked to the Series.

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

During the year:

- the Company made a profit of EUR nil (2021: EUR nil);
- the net fair value gain on Precious metals at fair value and Precious metal due from Deutsche Bank AG, London Branch (the "Programme Counterparty") at fair value amounted to EUR 226,481,155 (2021: net fair value loss amounting to EUR 247,933,647);
- the net fair value loss on financial liabilities designated at fair value through profit or loss amounted to EUR 226,481,155 (2021: net fair value gain of EUR 247,933,647); and
- there were additional subscriptions in the following existing Series of ETC Securities:

		Maturity date	CCY	Nominal
Series 1	Xtrackers Physical Gold ETC	15-Jun-60	USD	499,814
Series 2	Xtrackers Physical Gold EUR hedged ETC	15-Jun-60	EUR	4,888,000
Series 4	Xtrackers Physical Silver EUR Hedged ETC	15-Jun-60	EUR	804,496
Series 6	Xtrackers Physical Platinum EUR Hedged ETC	14-Jul-60	EUR	433,326
Series 9	Xtrackers Physical Gold ETC (EUR)	27-Aug-60	USD	4,286,672
Series 10	Xtrackers Physical Silver ETC (EUR)	27-Aug-60	USD	222,925
Series 13	Xtrackers Physical Gold GBP Hedged ETC	01-Apr-61	GBP	2,688,600

Directors' report (continued)

Key performance indicators (continued)

During the year (continued):

- the following Series of ETC Securities were partially redeemed:

Series	Description	Maturity date	CCY	Nominal
Series 1	Xtrackers Physical Gold ETC	15-Jun-60	USD	1,100,700
Series 2	Xtrackers Physical Gold EUR hedged ETC	15-Jun-60	EUR	5,060,700
Series 4	Xtrackers Physical Silver EUR Hedged ETC	15-Jun-60	EUR	1,106,300
Series 6	Xtrackers Physical Platinum EUR Hedged ETC	14-Jul-60	EUR	2,002,339
Series 9	Xtrackers Physical Gold ETC (EUR)	27-Aug-60	USD	6,763,463
Series 10	Xtrackers Physical Silver ETC (EUR)	27-Aug-60	USD	3,513,575
Series 11	Xtrackers Physical Rhodium ETC	19-May-61	USD	1,253
Series 12	Xtrackers Physical Rhodium ETC (EUR)	19-May-61	EUR	1,651
Series 13	Xtrackers Physical Gold GBP Hedged ETC	01-Apr-61	GBP	15,435,300

- the prices of Precious metals movement are as follows:

Series	Precious metals	CCY	Price per ounce as at 31 Dec 2022	Price per ounce as at 31 Dec 2021	Movement (%)
Series 1	Gold	USD	1,812.35	1,820.10	(0.43)
Series 2	Gold	EUR	1,699.03	1,605.95	5.80
Series 4	Silver	EUR	22.42	20.39	9.95
Series 6	Platinum	EUR	999.39	849.22	17.68
Series 9	Gold	USD	1,699.03	1,605.95	5.80
Series 10	Silver	USD	22.42	20.39	9.95
Series 11	Rhodium	USD	11,750.00	14,215.00	(17.34)
Series 12	Rhodium	EUR	10,998.78	12,541.91	(12.30)
Series 13	Gold	GBP	1,505.46	1,346.98	11.77

The prices of the metals have mostly increased during the year. The movement in prices for Gold in GBP and for Platinum in EUR are mainly due to exchange rates. The table below highlights the movement in foreign exchange during the year.

	31-Dec-22	31-Dec-21	Movement (%) in 31-Dec-22
USD - EUR	0.9341	0.8793	6.23%
GBP - EUR	1.1295	1.1893	-5.03%

As at 31 December 2022:

- the Company's total ETC Securities issued had a fair value of EUR 4,556,219,740 (2021: EUR 5,903,037,311);
- the Company has invested in Precious metals with a fair value of EUR 4,555,663,770 (2021: EUR 5,895,950,836);
- Precious metals with a value of EUR 555,970 (2021: EUR 7,086,475) was due to the Company from the Programme Counterparty under the terms of the Balancing Agreement; and
- the net assets were EUR 30,002 (2021: EUR 30,002).
- the Company had the following ETC Securities in issue:

Series	Description	Maturity date	Ccy	Nominal (in units)	Metals held
1	Xtrackers Physical Gold ETC	15-Jun-60	USD	2,197,162	Gold
2	Xtrackers Physical Gold EUR hedged ETC	15-Jun-60	EUR	14,530,182	Gold
4	Xtrackers Physical Silver EUR Hedged ETC	15-Jun-60	EUR	912,000	Silver
6	Xtrackers Physical Platinum EUR Hedged ETC	14-Jul-60	EUR	827,598	Platinum
9	Xtrackers Physical Gold ETC (EUR)	27-Aug-60	USD	12,190,449	Gold
10	Xtrackers Physical Silver ETC (EUR)	27-Aug-60	USD	1,137,632	Silver
11	Xtrackers Physical Rhodium ETC	19-May-61	USD	73,060	Rhodium
12	Xtrackers Physical Rhodium ETC (EUR)	19-May-61	EUR	26,759	Rhodium
13	Xtrackers Physical Gold GBP Hedged ETC	01-Apr-61	GBP	2,931,903	Gold

Directors' report (continued)**Significant events***Reclassification of Statement of Cash flows*

The reclassification is being disclosed in this financial year since no disclosure was made in the prior years. In the financial statements for the year ended 31 December 2020, certain of the 2019 comparative amounts in the Statement of cash flows were reclassified as non-cash flow disclosures. The disclosures mandated by paragraph 49 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, in respect of the reclassification are as follows:

All transactions are made through physical exchange which means for any amount of ETC securities issued/disposed a corresponding amount of metals will be exchanged. Therefore, there is no actual cashflow movement. Amounts previously presented as cashflows have been reclassified and are now presented as non-cash transactions.

A notice was issued on 05 April 2022 to notify the Securityholders on the above mentioned reclassification.

Neither amounts for this financial year nor amounts for comparative 31 December 2021 were affected.

On 1 December 2022, the Company informed Securityholders of the Series below that the Programme Counterparty determined to change the metal fixing time for the scheduled valuation days on 24 and 31 December 2022.

Series	Description	ISIN
Series 1	Xtrackers Physical Gold ETC	GB00B5840F36
Series 2	Xtrackers Physical Gold EUR Hedged ETC	DE000A1EK0G3
Series 6	Xtrackers Physical Platinum EUR Hedged ETC	DE000A1EK0H1
Series 9	Xtrackers Physical Gold ETC (EUR)	DE000A1E0HR8
Series 13	Xtrackers Physical Gold GBP Hedged ETC	GB00B68FL050

Future developments

The Directors expect that the present level of activity will be sustained for the foreseeable future. The board of Directors of the Company (the "Board") will continue to seek new opportunities for the Company and will continue to ensure proper management of the current portfolio of Series of the Company.

Going concern

The Company's financial statements for the year ended 31 December 2022 have been prepared on a going concern basis. Each Series of ETC Securities is referenced to a specific asset and any loss derived from the asset will be ultimately borne by the relevant ETC Securityholders. The Directors anticipate that assets are readily realisable and hence, will continue to generate enough cash flows on an ongoing basis to meet the financial liabilities as they fall due. The ETC Securities in issue as at 31 December 2022 have final maturities ranging from 2060 to 2061. The Directors do not foresee any material net redemptions in the next 12 months that would trigger going concern issues.

A high-level analysis was made on the liquidity and performance of the Company following the financial year end 31 December 2022. The Directors note that there has been a positive change in the value of the Precious metals due to an increase in the prices of the Precious metals as compared to the financial year end 31 December 2021 and the level of activity has remained stable post the financial year end. The Directors have also noted that the Administrator has taken measures to ensure business continuity.

Russia- Ukraine conflict

Russia began an invasion of Ukraine on 24 February 2022. The conflict has led to increased market price volatility in precious metals which is reflected in the daily value per ETC Security. There is also a general increase in the bid/offer spread of our ETC securities quoted by third party market makers on the secondary market as a consequence to increased volatility across the market. It is expected that prolonged conflict and sanctions could affect the structural supply of metal and therefore the price of metal on the international market given Russia is a large producer of gold, silver and platinum. On 7 March 2022, the London Bullion Market Association (the "LBMA") announced sanctions in respect to 6 Russian gold/silver refiners. Following the sanctions, the 6 refiners are no longer accepted as Good Delivery by LBMA. For precious metals, sanctions are applied from the date of the sanction to bars refined from that point onwards. Anything refined prior to the sanctions date is still considered "Good Delivery" and as such, can still be held by the Company. There is no impact on the ability of investors to redeem due to the sanctions.

The Directors believe that none of the Authorised Participants in the primary market are Russian entities and hence would not be subject to the Russian sanctions. The Directors also assessed that none of the operations of the counterparties are based in Ukraine. The Directors will continue to monitor the situation and appropriate steps will be taken for the smooth running of the Companies' business.

Directors' report (continued)**Business risks and principal uncertainties**

The Company is subject to various risks. The key risks facing the Company relate to their use of financial instruments and other risks (i.e. market risk, credit risk, liquidity risk, operational risk and climate risk) arising from the Precious metals which are set out in note 14 to the financial statements.

Climate risk

The Directors acknowledge that climate change is an emerging risk impacting the global economy and will continue to be of interest to all stakeholders with a focus on how climate change is expected to impact the operations of the precious metals industry in areas such as mining, processing, warehousing, transportation, societal response and the regulatory environment in the future. However, having considered such factors relating to climate change, the Directors have determined that there are no direct or immediate impacts of climate change on the business operations of the Company. Further details are provided in note 14 to the financial statements.

Results and dividends for the year

The results for the year are set out on page 14. The Directors do not recommend the payment of a dividend for the year under review (2021: nil).

Changes in Directors, Secretary and Registered Office

There has been no change in Directors, Secretary and Registered Office during the year.

Directors, Secretary and their interests

None of the Directors or the Secretary who held office on 31 December 2022 held any shares or ETC Securities in the Company at that date, or during the year. There were no contracts of any significance in relation to the business of the Company in which the Directors had any interest. As disclosed in note 18, Related Party Transactions, Marc Harris, a director of the Company is an employee of an affiliate company of the administrator and Visdirect Services Limited and Viscom Services Limited are affiliates of the administrator. See note 18 for full details of the relationships entered into between the Company and its related parties.

Shares and shareholders

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

Subsequent events

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

Independent auditor

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

On behalf of the Board**Director****Date:** 29 March 2023

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the EU and applicable law.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that year. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies (Jersey) Law, 1991. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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

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

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

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Directors' report includes a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that they face. The principal risks facing the Company are outlined in note 14 of the financial statements.

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

On behalf of the Board



Director

Date: 29 March 2023

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

Our opinion is unmodified

We have audited the financial statements of DB ETC plc (the "Company"), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2022, and of the Company's financial performance and cash flows for the year then ended;
- are prepared in accordance with International Financial Reporting Standards as adopted by the EU; and
- have been properly prepared in accordance with the Companies (Jersey) Law, 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as required by the Crown Dependencies' Audit Rules and Guidance. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Key audit matters: our assessment of the risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters were as follows (unchanged from 2021):

	<i>The risk</i>	<i>Our response</i>
<p>Valuation of precious metals at fair value</p> <p>Euro 4,555,663,770; (2021 Euro 5,895,950,836)</p> <p>Refer to note 3(e) accounting policy and note 9 disclosures</p>	<p>Basis:</p> <p>Precious metals at fair value (the "Metals") represent 99.9% of the Company's total assets at 31 December 2022 (2021: 99.9%).</p> <p>The Metals act as collateral for the financial liabilities designated at fair value through profit or loss ("the ETC Securities") issued by the Company. The Metals are accounted for at fair value.</p> <p>The Company determines fair value by revaluing the quantity of Metals held at the reporting date to the last market prices published by</p>	<p><i>Our audit procedures included:</i></p> <ul style="list-style-type: none"> •Assessed the design and implementation of controls over valuation of precious metals. •Assessed the appropriateness of the methodology used to value the Exchange Traded Commodities ("ETC") Securities, and considered whether it represents fair value in accordance with IFRS. •Performed an independent recalculation of fair value based on published market prices and compared the recalculated values to those determined by the Company.

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

(continued)

The risk	Our response
<p>the sources described in the financial statements.</p> <p>Risk:</p> <p>The reported fair value of precious metals held may be materially misstated</p>	<p>•Assessed the fair value disclosures in the financial statements for compliance with IFRS requirements.</p>

The risk	Our response	
<p>Existence of precious metals at fair value</p> <p>Euro 4,555,663,770; (2021 Euro 5,895,950,836)</p> <p>Refer to note 3(e) accounting policy and note 9 disclosures</p>	<p>Basis:</p> <p>Precious metals at fair value (the "Metals") represent 99.9% of the Company's total assets at 31 December 2022 (31 December 2021: 99.9%).</p> <p>The Metals act as collateral for the financial liabilities designated at fair value through profit or loss ("the ETC Securities") issued by the Company. The Metals are accounted for at fair value.</p> <p>The Metals are held on behalf of the Company by JPMorgan as custodian (for all metals other than Rhodium) and Johnson Matthey as sub custodian (for Rhodium).</p> <p>Risk:</p> <p>Precious metals recorded do not exist.</p>	<p>Our audit procedures included:</p> <p>•Assessed the design and implementation of controls over existence of precious metals.</p> <p>•Obtained a portfolio listing of physical metals from the administrator of the Company as at 31 December 2022.</p> <p>•Obtained independent confirmation from the custodians of the quantity of metals held in custody at the reporting date.</p> <p>•Agreed the amounts per the accounting records to the independent custody records and verified to support any reconciling items.</p>

The risk	Our response
<p>Valuation of financial liabilities designated at fair value through profit or loss ("ETC Securities")</p>	<p>Basis:</p> <p>The issuance of ETC Securities is central to the Company's principal</p> <p>Our audit procedures included:</p>

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

(continued)

	<i>The risk</i>	<i>Our response</i>
Euro 4,556,219,740; (2021 Euro 5,903,037,311) Refer to note 3(e) accounting policy and note 11 disclosures	<p>activity. ETC Securities allow investors to gain exposure to movements in prices of Metals without needing to take physical delivery.</p> <p>ETC Securities are accounted for at fair value.</p> <p>The Company determines fair value in accordance with the formula set out in the prospectuses to reflect the contractual price at which the ETC Securities will be issued or redeemed by the Company at the reporting date. This formula takes into account the quantity of ETC Securities in issue at the reporting date, and the price of the relevant metals, adjusted for product and related fees.</p> <p>Risk:</p> <p>A discrepancy in the inputs or incorrect application of the formula used to determine the fair value of ETC Securities may cause the reported fair value of financial liabilities designated at fair value through profit or loss to be materially misstated.</p>	<ul style="list-style-type: none"> •Assessed the design and implementation of the controls over the valuation of ETC Securities. •Assessed the appropriateness of the methodology used to value the ETC Securities, and considered whether it represents fair value in accordance with IFRS. •Recalculated the fair value of ETC Securities using published market data on Metals prices and compared the recalculated values to those determined by the Company. •Assessed the fair value disclosures in the financial statements, for compliance with IFRS requirements

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

Materiality for the financial statements as a whole was set at Euro 45.6 million, determined with reference to a benchmark of total assets of Euro 4,560,508,517, of which it represents approximately 1.0% (2021: 1.0%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality for the Company was set at 75% (2021: 75%) of materiality for the financial statements as a whole, which equates to Euro 34.2 million. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding Euro 2.28 million, in addition to other identified misstatements that warranted reporting on qualitative grounds.

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

(continued)

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

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the "going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to affect the Company's financial resources or ability to continue operations over this period were:

- The Arranger's requirement to continue using the Company; and
- The risk of securityholders redeeming a significant amount of the securities;

We considered whether this risk could plausibly affect the liquidity in the going concern period by comparing severe, but plausible downside scenarios that could arise from this risk against the level of available financial resources indicated by the Company's financial forecasts.

We considered whether the going concern disclosure in note 2a to the financial statements gives a full and accurate description of the directors' assessment of going concern.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period; and
- we found the going concern disclosure in the notes to the financial statements to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Company's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company's revenue streams are

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

(continued)

simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including

- Identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation; and
- incorporating an element of unpredictability in our audit procedures.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence, if any, and discussed with management the policies and procedures regarding compliance with laws and regulations. As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or impacts on the Company's ability to operate. We identified financial services regulation as being the area most likely to have such an effect, recognising the regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have

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

(continued)

performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- adequate accounting records have not been kept by the Company; or
- the Company's financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

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

Report on Regulatory Requirements

European Single Electronic Format (ESEF)

The Company has prepared its annual report in ESEF. The requirements for this format are set out in the Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (these requirements are hereinafter referred to as: the RTS on ESEF).

In our opinion, the annual report prepared in the XHTML format, including the financial statements as included in the reporting package by the Company, has been prepared in all material respects in accordance with the RTS on ESEF.

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

(continued)

The directors are responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby the directors combine the various components into a single reporting package. Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package, is in accordance with the RTS on ESEF.

Our procedures included amongst others:

- obtaining an understanding of the Company's financial reporting process, including the preparation of the annual report in XHTML format;
- examining whether the annual report in XHTML-format is in accordance with the RTS on ESEF.



Brian Bethell

For and on behalf of KPMG Channel Islands Limited

Chartered Accountants and Recognized Auditors

Jersey

29 March 2023

Statement of comprehensive income
For the year ended 31 December 2022

	Notes	Year ended 31-Dec-22 EUR	Year ended 31-Dec-21 EUR
Net fair value gain/(loss) on Precious metals at fair value and Precious metal due from the Programme Counterparty	4	226,481,155	(247,933,647)
Net fair value (loss)/gain on financial liabilities designated at fair value through profit or loss	5	(226,481,155)	247,933,647
Operating profit before taxation		-	-
Taxation	6	-	-
Profit or loss and total comprehensive income for the year		-	-

Statement of financial position
As at 31 December 2022

	Notes	31-Dec-22 EUR	31-Dec-21 EUR
Assets			
Cash and cash equivalents	7	2	2
Other receivables	8	4,288,775	279,672
Precious metals at fair value	9	4,555,663,770	5,895,950,836
Precious metal due from the Programme Counterparty	9	555,970	7,086,475
Total assets		<u>4,560,508,517</u>	<u>5,903,316,985</u>
Liabilities and equity			
Liabilities			
Other payables	10	4,258,775	249,672
Financial liabilities designated at fair value through profit or loss	11	4,556,219,740	5,903,037,311
Total liabilities		<u>4,560,478,515</u>	<u>5,903,286,983</u>
Equity			
Share capital	12	2	2
Retained earnings		30,000	30,000
Total equity		<u>30,002</u>	<u>30,002</u>
Total liabilities and equity		<u>4,560,508,517</u>	<u>5,903,316,985</u>

The financial statements on pages 14 to 37 were approved by the Board and authorised for issue on 29 March 2023.

On behalf of the Board



Director

Date: 29 March 2023

Statement of changes in equity
For the year ended 31 December 2022

	Share capital EUR	Retained earnings EUR	Total equity EUR
Balance as at 01 January 2021	2	30,000	30,002
<i>Total comprehensive income for the year</i>			
Profit for the year	-	-	-
Total comprehensive income for the year	-	-	-
Balance as at 31 December 2021	2	30,000	30,002
Balance as at 01 January 2022	2	30,000	30,002
<i>Total comprehensive income for the year</i>			
Profit for the year	-	-	-
Total comprehensive income for the year	-	-	-
Balance as at 31 December 2022	2	30,000	30,002

Statement of cash flows

For the year ended 31 December 2022

	Notes	Year ended 31-Dec-22 EUR	Year ended 31-Dec-21 EUR
Cash flows from operating activities			
Profit before taxation		-	-
Adjustments for:			
Increase in other receivables		(4,009,103)	(249,672)
Increase in other payables		4,009,103	249,672
Net cash generated from operating activities		<u>-</u>	<u>-</u>
Movement in cash and cash equivalents			
Cash and cash equivalents at start of the year		2	2
Cash and cash equivalents at end of the year	7	<u>2</u>	<u>2</u>
Non-cash Transactions during the year include:			
Issuance of ETC Securities	11	1,546,133,393	1,531,033,751
Redemptions of ETC Securities	11	(3,119,432,119)	(4,191,509,216)
Additions of Precious metals	9	(1,546,133,393)	(1,531,033,751)
Disposals of Precious metals	9	3,119,432,119	4,191,509,216
Net fair value loss/(gain) on financial liabilities designated at fair value through profit or loss	5	226,481,155	(247,933,647)
Net fair value (gain)/loss on Precious metals at fair value and Precious metal due from the Programme Counterparty	4	(226,481,155)	247,933,647
		<u>-</u>	<u>-</u>

Notes to the financial statements
For the year ended 31 December 2022

1 General information

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

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

With respect to each Series of ETC Securities, the Company's main assets are its holdings of underlying metal and its interests under the Balancing Agreement. The obligations of the Company under the ETC Securities of a Series will be secured in favour of the Trustee by an assignment by way of security of all the Company's rights, title, interest and benefit present and future against the Secured Account Custodian, the Subscription Account Custodian and any Sub-Custodian relating to the underlying metal in respect of this Series of ETC Securities.

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

The ETC Securities issued are listed on various exchanges including London Stock Exchange, Swiss Stock Exchange, XETRA, Borsa Italiana and Euronext Dublin.

2 Basis of preparation

(a) Statement of compliance

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2022; the comparative information for the year ended 31 December 2021 presented in these financial statements has been prepared using the same accounting policies.

Going concern

The Company's financial statements for the year ended 31 December 2022 have been prepared on a going concern basis. Each Series of ETC Securities is referenced to a specific asset and any loss derived from the asset will be ultimately borne by the relevant ETC Securityholders. The Directors anticipate that assets are readily realisable and hence, will continue to generate enough cash flows on an ongoing basis to meet the financial liabilities as they fall due. The ETC Securities in issue as at 31 December 2022 have final maturities ranging from 2060 to 2061. The Directors do not foresee any material net redemptions in the next 12 months that would trigger going concern issues.

A high-level analysis was made on the liquidity and performance of the Company following the financial year end 31 December 2022. The Directors note that there has been a positive change in the value of the Precious metals due to an increase in the prices of the Precious metals as compared to the financial year end 31 December 2021 and the level of activity has remained stable post the financial year end. The Directors have also noted that the Administrator has taken measures to ensure business continuity.

Russia- Ukraine conflict

Russia began an invasion of Ukraine on 24 February 2022. The conflict has led to increased market price volatility in precious metals which is reflected in the daily value per ETC Security. There is also a general increase in the bid/offer spread of our ETC securities quoted by third party market makers on the secondary market as a consequence to increased volatility across the market. It is expected that prolonged conflict and sanctions could affect the structural supply of metal and therefore the price of metal on the international market given Russia is a large producer of gold, silver and platinum. On 7 March 2022, the London Bullion Market Association (the "LBMA") announced sanctions in respect to 6 Russian gold/silver refiners. Following the sanctions, the 6 refiners are no longer accepted as Good Delivery by LBMA. For precious metals, sanctions are applied from the date of the sanction to bars refined from that point onwards. Anything refined prior to the sanctions date is still considered "Good Delivery" and as such, can still be held by the Company. There is no impact on the ability of investors to redeem due to the sanctions.

The Directors believe that none of the Authorised Participants in the primary market are Russian entities and hence would not be subject to the Russian sanctions. The Directors also assessed that none of the operations of the counterparties are based in Ukraine. The Directors will continue to monitor the situation and appropriate steps will be taken for the smooth running of the Companies' business.

Notes to the financial statements (continued)
For the year ended 31 December 2022

2 Basis of preparation (continued)

(b) Basis of measurement

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

- Precious metal due from the Programme Counterparty is measured at fair value;
- Precious metals at fair value are measured at fair value; and
- Financial liabilities designated at fair value through profit or loss are measured at fair value.

The method used to measure fair values are discussed further in note 3(e, f) and 15.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Details of material judgements and estimates have been further described in accounting policy note 3(e) "Precious metals at fair value and Precious metal due from the Programme Counterparty", note 3(f) "Financial instruments" and note 15 "Fair Values" to the financial statements.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Determination of measurement basis for precious metals

In the absence of a specific precious metals or gold bullion accounting standard under IFRS, the Directors believe that the most appropriate basis for accounting for precious metals and gold bullion is at fair value. Please refer to note 3(e) "Precious metals at fair value and Precious metals due from the Programme Counterparty" for further details.

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

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

Product fees

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

Notes to the financial statements (continued)
For the year ended 31 December 2022

2 Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of Precious metals and liabilities within the next financial year, are discussed below.

Precious metals at fair value and Precious metal due from the Programme Counterparty

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

Financial liabilities issued at fair value through profit or loss

The Directors have determined that prices calculated by the Determination Agent are used as the measurement basis at 31 December 2022 and 31 December 2021 as these prices most accurately reflect the obligations of the Company under the terms of the Series issue deeds. Please refer to note 3(f) "Financial instruments" for further details.

(e) Changes in accounting standards

(i) New standards, amendments and interpretations issued effective as of 01 January 2022:

Description	Effective date
IAS 16: Property Plant and Equipment: Proceeds before Intended Use	1 January 2022*
Amendments to IFRS 3 Business Combinations	1 January 2022*
2018-20 Annual Improvements and Onerous Contracts	1 January 2022*

The Directors have considered the impact of the new standards, amendments and interpretations and do not consider there to be a significant impact from these newly effective standards, amendments and interpretations.

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

Description	Effective date
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors	1 January 2023*
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies	1 January 2023*
Amendments to IAS 12 Income Taxes	1 January 2023*
Amendments to IFRS 17 Insurance contracts	1 January 2023*
Amendments to IFRS 4 Insurance Contracts	1 January 2023*
Amendments to IAS 1 Presentation of Financial Statements: Amendments regarding the classification of liabilities	1 January 2024**

*Where new requirements are endorsed, the EU effective date is disclosed. For un-endorsed standards and interpretations, the IASB's effective date is noted. Where any of the requirements are applicable to the Company, it will apply them from their EU effective date.

** Not endorsed.

Directors have considered the new standards, amendments and interpretations as detailed in the above table and do not plan to adopt these standards early. The Directors anticipate that the adoption of those standards or interpretations will have no material impact on the financial statements of the Company in the period of initial application.

Notes to the financial statements (continued)
For the year ended 31 December 2022

3 Significant accounting policies

(a) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the exchange rate at that date.

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

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

(b) Net fair value gain/(loss) on Precious metals at fair value and Precious metal due from the Programme Counterparty

Net fair value gain/(loss) on Precious metal relates to the movement in the prices of metals and includes all realised and unrealised fair value changes and foreign exchange differences. Any gains and losses arising from changes in fair value of Precious metals and changes in fair value of Precious metals due from the Programme Counterparty are recorded in net fair value gain on Precious metals at fair value and Precious metals due from the Programme Counterparty at fair value in the Statement of comprehensive income. Under normal circumstances, there is no realised gain on metals as realisation occurs at the value computed and there is no difference between realisation proceeds and carrying amount of the metals. Details of recognition and measurement of Precious metals are disclosed in the accounting policy for Precious metals (note 3(e)).

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

Net fair value (loss)/gain on financial liabilities designated at fair value through profit or loss relates to ETC Securities issued by the Company and includes all realised and unrealised fair value changes and foreign exchange differences. Any gains and losses arising from changes in the fair value of the financial liabilities designated at fair value through profit or loss are recorded in net fair value loss on ETC Securities in the Statement of comprehensive income. Details of recognition and measurement of financial liabilities are disclosed in the accounting policy of financial instruments (note 3(f)).

(d) Other expenses

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

(e) Precious metals at fair value and Precious metal due from the Programme Counterparty

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

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

Initial recognition

The Precious metal is recognised when the metal is received into the vault of the Custodian.

Derecognition

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

Notes to the financial statements (continued)
For the year ended 31 December 2022

3 Significant accounting policies (continued)

(e) Precious metals at fair value and Precious metal due from the Programme Counterparty (continued)

Fair value measurement principles

The metal assets are valued using the appropriate metal prices:

- the gold is recorded at fair value using the last available price, nearest or at year-end, quoted by the London Bullion Market Association. The morning ("AM") fix on 30 December 2022 was used to value the gold as this was the last fix price available from the London Bullion Market Association for the year.
- the silver is recorded at fair value using the last available price, nearest or at year-end, quoted by the London Bullion Market Association. The fix on 30 December 2022 was used to value the silver as this was the last fix price available from the London Bullion Market Association for the year.
- the platinum is recorded at fair value using the last available price, nearest or at year-end, quoted by the London Platinum and Palladium Market. The AM fix on 30 December 2022 was used to value the platinum as this was the last available fix price available from the London Platinum and Palladium Market for the year.
- the palladium is recorded at fair value using the last available price, nearest or at year-end, quoted by the London Platinum and Palladium Market.
- the rhodium is recorded at fair value using the last available price, nearest or at year-end, quoted by Comdaq. The fix on 30 December 2022 was used to value the rhodium as this was the last fix price available from Comdaq for the year.

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

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

Precious metals due from Programme Counterparty

The Precious metals due from the Programme Counterparty represents the amount of metal entitlement of ETC Securities which is not held physically by the custodian / sub custodian on behalf of the Company as at the reporting date but is due to be received from the Programme Counterparty under the Balancing Agreement. Precious metals due from the Programme Counterparty are accounted for at fair value through profit or loss.

(f) Financial instruments

Initial recognition

Financial assets and financial liabilities are recognised initially at the trade date at which the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to their acquisition or issue.

Classification

The Company has designated the debt financial liabilities issued at fair value through profit or loss. For other financial instruments, the classification is based on both the Company's business model for managing those Instruments and the contractual cash flow characteristics of the instruments.

Accordingly, the financial assets and financial liabilities are classified into the following categories:

Financial assets at fair value through profit or loss:

- Precious metals at fair value
- Precious metals due from the Programme Counterparty

Financial liabilities at fair value through profit or loss:

- Financial liabilities designated at fair value through profit or loss

Financial assets at amortised cost:

- Cash and cash equivalents and other receivables

Financial liabilities at amortised cost:

- Other payables

Notes to the financial statements (continued)
For the year ended 31 December 2022

3 Significant accounting policies (continued)

(f) Financial instruments (continued)

Subsequent measurement

After initial measurement, the instruments at amortised cost are recorded at the amount at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate method or any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment. The effective interest method is a method of calculating the amortised cost of an instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Impairment losses, including reversals of impairment losses and impairment gains, are presented in the Statement of comprehensive income.

Financial liabilities designated at fair value through profit and loss are measured using the prices calculated by Apex Fund Services (Ireland) Limited (the "Determination Agent"). Quoted prices are also available on recognised stock exchanges for the financial liabilities designated at fair value through profit or loss. However, the Directors have determined that prices calculated by the Determination Agent should be used as a measurement basis at 31 December 2022 and 31 December 2021 as these prices most accurately reflect the obligations of the Company under the terms of the Series Issue Deeds. The prices are calculated using the spot price of the relevant underlying metal adjusted for product fees. The product fees range from 0.25% to 0.95% per annum and are accrued on a daily basis by reducing the metal entitlement of each ETC Security. Details of product fees for each Series is described in notes 5 and 11.

Derecognition

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

Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(g) Other receivables

Other receivables are accounted for at amortised cost.

(h) Cash and cash equivalents

Cash and cash equivalents include deposits held at call with the cash custodian which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short term commitments.

(i) Share capital

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

(j) Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity). The Chief Operating Decision Maker (CODM) of the operating segment is the Board. The CODM is responsible for all the Company's activities. The Company is a special purpose vehicle whose principal activities are the issuance of secured precious metal linked securities and has invested in precious metals. The Board believes that each Series can be treated as a segment as the return on each Series is linked to a different precious metal. Refer to notes 10 and 11 for the fair values of the precious metals and ETC securities by Series.

Notes to the financial statements (continued)
For the year ended 31 December 2022

4 Net fair value gain/(loss) on Precious metals at fair value and Precious metal due from the Programme Counterparty	Year ended 31-Dec-22 EUR	Year ended 31-Dec-21 EUR
Net fair value gain/(loss) on Precious metals at fair value and Precious metal due from the Programme Counterparty	226,481,155	(247,933,647)
	<u>226,481,155</u>	<u>(247,933,647)</u>
5 Net fair value (loss)/gain on financial liabilities designated at fair value through profit or loss	Year ended 31-Dec-22 EUR	Year ended 31-Dec-21 EUR
Net fair value (loss)/gain on ETC Securities	(226,481,155)	247,933,647
	<u>(226,481,155)</u>	<u>247,933,647</u>

Product fees are recorded as a reduction in metal entitlement in calculation of the fair value of the ETC Securities and hence not recorded separately in the statement of comprehensive income as they are all included in the net fair value (loss)/gain on the financial liabilities. During the year, the Company incurred the following product fees:

Series	Description	Year ended 31-Dec-22 EUR	Year ended 31-Dec-21 EUR
Series 1	Xtrackers Physical Gold ETC	1,060,565	1,505,561
Series 2	Xtrackers Physical Gold EUR hedged ETC	10,408,727	13,046,887
Series 3	Xtrackers Physical Silver ETC	-	128,180
Series 4	Xtrackers Physical Silver EUR Hedged ETC	973,062	1,382,573
Series 5	Xtrackers Physical Platinum ETC	-	111,804
Series 6	Xtrackers Physical Platinum EUR Hedged ETC	503,427	1,208,622
Series 7	Xtrackers Physical Palladium ETC	-	28,136
Series 8	Xtrackers Physical Palladium EUR Hedged ETC	-	155,048
Series 9	Xtrackers Physical Gold ETC (EUR)	5,531,201	6,202,683
Series 10	Xtrackers Physical Silver ETC (EUR)	1,580,269	3,858,041
Series 11	Xtrackers Physical Rhodium ETC	904,397	1,207,446
Series 12	Xtrackers Physical Rhodium ETC (EUR)	336,143	455,547
Series 13	Xtrackers Physical Gold GBP Hedged ETC	682,369	726,625
		<u>21,980,160</u>	<u>30,017,153</u>

6 Taxation

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

7 Cash and cash equivalents	31-Dec-22 EUR	31-Dec-21 EUR
Cash at bank	2	2
	<u>2</u>	<u>2</u>

Notes to the financial statements (continued)
For the year ended 31 December 2022

8 Other receivables	31-Dec-22	31-Dec-21
	EUR	EUR
Other receivable	30,000	30,000
Precious metal receivables*	4,258,775	249,672
	<u>4,288,775</u>	<u>279,672</u>

* As at 31 December 2022, there were 1,449 units of Gold @ \$1,792.55 each, in respect to Series 1 and 1,063 units of Gold @ €1,697.81 each, in respect of Series 9 that were unsettled (31 December 2021: 20 units of Rhodium @ \$14,175 each, in respect to Series 11 that were unsettled).

9 Precious metals at fair value and Precious metal due from the Programme Counterparty at fair value	31-Dec-22	31-Dec-21
	EUR	EUR
Precious metals at fair value	4,555,663,770	5,895,950,836
Precious metal due from the Programme Counterparty	555,970	7,086,475
	<u>4,556,219,740</u>	<u>5,903,037,311</u>

Movement in Precious metals at fair value	31-Dec-22	31-Dec-21
	EUR	EUR
At beginning of the year	5,903,037,311	8,811,446,423
<i>Non-cash transactions</i>		
Additions during the year	1,546,133,393	1,531,033,751
Disposals during the year	(3,119,432,119)	(4,191,509,216)
Net changes in fair value during the year	226,481,155	(247,933,647)
At end of the year	<u>4,556,219,740</u>	<u>5,903,037,311</u>

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

The non-cash transactions relate to physical delivery of Precious metals to meet the redemption requests on debt financial liabilities or as payment for subscriptions.

The fair values of the Precious Metal by Series as at 31 December 2022 are as follows:

Series name	Metals	Currency	Total Metal holdings (Ounce)	Adjusted Price per ounce	Fair value CCY	Fair value EUR
Series 1	Gold	USD	212,259	1,812.14	384,642,988	359,295,015
Series 2	Gold	EUR	968,502	1,699.03	1,645,511,746	1,645,511,746
Series 4	Silver	EUR	5,654,739	22.44	126,882,467	126,882,467
Series 6	Platinum	EUR	51,151	998.73	51,085,623	51,085,623
Series 9	Gold	USD	1,178,355	1,698.84	2,143,064,536	2,001,836,583
Series 10	Silver	USD	10,785,428	22.42	258,863,098	241,804,020
Series 11	Rhodium	USD	6,528	11,756.98	76,749,877	71,692,060
Series 12	Rhodium	EUR	2,394	10,992.51	26,313,253	26,313,253
Series 13	Gold	GBP	19,266	1,461.27	28,153,141	31,798,973
					<u>4,556,219,740</u>	

Notes to the financial statements (continued)
For the year ended 31 December 2022

9 Precious metals at fair value and Precious metal due from the Programme Counterparty at fair value (continued)

The fair values of the Precious Metal by Series as at 31 December 2021 are as follows:

Series name	Metals	Currency	Total Metal	Adjusted Price per ounce	Fair value CCY	Fair value EUR
Series 1	Gold	USD	270,994	1,819.88	493,175,945	433,649,608
Series 2	Gold	EUR	1,069,687	1,608.76	1,720,867,242	1,720,867,242
Series 4	Silver	EUR	8,308,971	20.37	169,259,897	169,259,897
Series 6	Platinum	EUR	163,005	849.93	138,542,893	138,542,894
Series 9	Gold	USD	1,421,366	1,605.76	2,595,669,987	2,282,372,620
Series 10	Silver	USD	42,153,276	20.39	977,494,803	859,511,180
Series 11	Rhodium	USD	6,704	14,222.68	95,355,022	83,845,671
Series 12	Rhodium	EUR	2,566	12,534.55	32,163,763	32,163,763
Series 13	Gold	GBP	111,916	1,373.58	153,724,406	182,824,436
						5,903,037,311

Movement in fair values by Series for the year ended 31 December 2022

Series	Metal description	CCY	Opening balance	Issuances	Redemptions	Net changes in fair values	Closing balance
			01-Jan-22 EUR	EUR	EUR	EUR	31-Dec-22 EUR
Series 1	Gold	USD	433,649,608	83,492,445	(182,241,760)	24,394,722	359,295,015
Series 2	Gold	EUR	1,720,867,242	575,068,135	(575,416,378)	(75,007,253)	1,645,511,746
Series 4	Silver	EUR	169,259,897	103,096,308	(145,555,001)	81,263	126,882,467
Series 6	Platinum	EUR	138,542,894	24,485,884	(128,246,536)	16,303,381	51,085,623
Series 9	Gold	USD	2,282,372,620	687,068,716	(1,140,665,815)	173,061,062	2,001,836,583
Series 10	Silver	USD	859,511,180	42,875,830	(765,196,601)	104,613,611	241,804,020
Series 11	Rhodium	USD	83,845,671	-	(1,803,371)	(10,350,240)	71,692,060
Series 12	Rhodium	EUR	32,163,763	-	(2,502,479)	(3,348,031)	26,313,253
Series 13	Gold	GBP	182,824,436	30,046,075	(177,804,178)	(3,267,360)	31,798,973
			5,903,037,311	1,546,133,393	(3,119,432,119)	226,481,155	4,556,219,740

Movement in fair values by Series for the year ended 31 December 2021

Series	Metal description	CCY	Opening balance	Issuances	Redemptions	Net changes in fair values	Closing balance
			01-Jan-21 EUR	EUR	EUR	EUR	31-Dec-21 EUR
Series 1	Gold	USD	923,999,394	108,871,896	(588,599,866)	(10,621,816)	433,649,608
Series 2	Gold	EUR	2,881,386,303	585,860,678	(1,575,048,874)	(171,330,865)	1,720,867,242
Series 4	Silver	EUR	170,325,298	161,452,805	(136,177,306)	(26,340,900)	169,259,897
Series 6	Platinum	EUR	182,192,625	40,852,679	(66,104,989)	(18,397,421)	138,542,894
Series 9	Gold	USD	3,183,923,379	453,071,799	(1,396,190,431)	41,567,873	2,282,372,620
Series 10	Silver	USD	951,554,967	109,966,425	(146,472,089)	(55,538,123)	859,511,180
Series 11	Rhodium	USD	118,000,954	-	(34,975,401)	820,118	83,845,671
Series 12	Rhodium	EUR	45,578,800	-	(12,348,376)	(1,066,661)	32,163,763
Series 13	Gold	GBP	235,020,769	37,070,837	(89,903,234)	636,064	182,824,436
Series 3	Silver	USD	49,035,422	12,434,844	(58,251,232)	(3,219,034)	-
Series 5	Platinum	USD	36,472,238	7,013,208	(43,629,396)	143,950	-
Series 7	Palladium	USD	6,595,228	1,936,347	(7,648,604)	(882,971)	-
Series 8	Palladium	EUR	27,361,046	12,502,233	(36,159,418)	(3,703,861)	-
			8,811,446,423	1,531,033,751	(4,191,509,216)	(247,933,647)	5,903,037,311

Notes to the financial statements (continued)
For the year ended 31 December 2022

10 Other payables

	31-Dec-22 EUR	31-Dec-21 EUR
ETC securities payables*	4,258,775	249,672
	<u>4,258,775</u>	<u>249,672</u>

* As at 31 December 2022, there were unsettled redemption of 15,000 units of Xtrackers Physical Gold ETC at \$173.17 each and 11,000 units of Xtrackers Physical Gold ETC at €164.11 each (31 December 2021: unsettled redemption of 221 units of Xtrackers Physical Rhodium ETC at \$1,279.577 each).

11 Financial liabilities designated at fair value through profit or loss

	31-Dec-22		31-Dec-21	
	Nominal units issued	Fair value EUR	Nominal units issued	Fair value EUR
ETC Securities issued	34,826,745	4,556,219,740	55,988,193	5,903,037,311

Movement in ETC Securities issued

	31-Dec-22 EUR	31-Dec-21 EUR
At beginning of the year	5,903,037,311	8,811,446,423
<i>Non-cash transactions</i>		
Issue of ETC Securities issued during the year	1,546,133,393	1,531,033,751
Redemption of ETC Securities issued during the year	(3,119,432,119)	(4,191,509,216)
Net changes in fair value during the year	226,481,155	(247,933,647)
At end of the year	<u>4,556,219,740</u>	<u>5,903,037,311</u>

The ETC Securities issued are listed on various exchanges including London, Switzerland, Milan, Dublin and Frankfurt. Refer to note 14 for a description of the key risks regarding the issue of these instruments. The Company's obligations under the financial liabilities issued are secured by the precious metals as per note 9. The investors' recourse per Series is limited to the assets of that particular Series. The Series have an option for early redemption.

The non-cash transactions relate to physical delivery of ETC Securities to meet the redemption requests on debt financial liabilities or as payment for subscriptions.

The financial liabilities in issue at 31 December 2022 are as follows:

Series	Description	CCY	Product fees	Maturity date	Units Outstanding 31-Dec-22	Value per unit (CCY) 31-Dec-22	Fair value EUR 31-Dec-22
Series 1	Xtrackers Physical Gold ETC	USD	0.25%	15-Jun-60	2,197,162	175.06	359,295,015
Series 2	Xtrackers Physical Gold EUR Hedged ETC	EUR	0.59%	15-Jun-60	14,530,182	113.25	1,645,511,746
Series 4	Xtrackers Physical Silver EUR Hedged ETC	EUR	0.75%	15-Jun-60	912,000	139.13	126,882,467
Series 6	Xtrackers Physical Platinum EUR Hedged ETC	EUR	0.75%	14-Jul-60	827,598	61.73	51,085,623
Series 9	Xtrackers Physical Gold ETC (EUR)	USD	0.25%	27-Aug-60	12,190,449	164.21	2,001,836,583

Notes to the financial statements (continued)

For the year ended 31 December 2022

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

The financial liabilities in issue at 31 December 2022 are as follows: (continued)

Series	Description	CCY	Product fees	Maturity date	Units Outstanding 31-Dec-22	Value per unit (CCY) 31-Dec-22	Fair value EUR 31-Dec-22
Series 10	Xtrackers Physical Silver ETC (EUR)	USD	0.40%	27-Aug-60	1,137,632	212.55	241,804,020
Series 11	Xtrackers Physical Rhodium ETC	USD	0.95%	19-May-61	73,060	1,050.50	71,692,060
Series 12	Xtrackers Physical Rhodium ETC (EUR)	EUR	0.95%	19-May-61	26,759	983.34	26,313,253
Series 13	Xtrackers Physical Gold GBP Hedged ETC	GBP	0.69%	01-Apr-61	2,931,903	9.60	31,798,973
					34,826,745		4,556,219,740

The financial liabilities in issue at 31 December 2021 are as follows:

Series	Description	CCY	Product fees	Maturity date	Units outstanding 31-Dec-21	Value per unit (CCY) 31-Dec-21	Fair value EUR 31-Dec-21
Series 1	Xtrackers Physical Gold ETC	USD	0.25%	15-Jun-60	2,798,048	176.26	433,649,608
Series 2	Xtrackers Physical Gold EUR Hedged ETC	EUR	0.59%	15-Jun-60	14,702,882	117.04	1,720,867,242
Series 4	Xtrackers Physical Silver EUR Hedged ETC	EUR	0.75%	15-Jun-60	1,213,804	139.45	169,259,897
Series 6	Xtrackers Physical Platinum EUR Hedged ETC	EUR	0.75%	14-Jul-60	2,396,611	57.81	138,542,893
Series 9	Xtrackers Physical Gold ETC (EUR)	USD	0.25%	27-Aug-60	14,667,240	155.61	2,282,372,620
Series 10	Xtrackers Physical Silver ETC (EUR)	USD	0.40%	27-Aug-60	4,428,282	194.10	859,511,181

Notes to the financial statements (continued)
For the year ended 31 December 2022

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

The financial liabilities in issue at 31 December 2021 are as follows: (continued)

Series	Description	CCY	Product fees	Maturity date	Units outstanding 31-Dec-21	Value per unit (CCY) 31-Dec-21	Fair value EUR 31-Dec-21
Series 11	Xtrackers Physical Rhodium ETC	USD	0.95%	19-May-61	74,313	1,283.15	83,845,671
Series 12	Xtrackers Physical Rhodium ETC (EUR)	EUR	0.95%	19-May-61	28,410	1,132.13	32,163,763
Series 13	Xtrackers Physical Gold GBP Hedged ETC	GBP	0.69%	01-Apr-61	15,678,603	9.80	182,824,436
					55,988,193		5,903,037,311

Movement in fair values by Series for the period ended 31 December 2022

Series	Description	Opening balance 01-Jan-22 EUR	Issuances EUR	Redemptions EUR	Net changes in fair values EUR	Closing balance 31-Dec-22 EUR
Series 1	Xtrackers Physical Gold ETC	433,649,608	83,492,445	(182,241,760)	24,394,722	359,295,015
Series 2	Xtrackers Physical Gold EUR Hedged ETC	1,720,867,242	575,068,135	(575,416,378)	(75,007,253)	1,645,511,746
Series 4	Xtrackers Physical Silver EUR Hedged ETC	169,259,897	103,096,307	(145,555,001)	81,264	126,882,467
Series 6	Xtrackers Physical Platinum EUR Hedged ETC	138,542,894	24,485,884	(128,246,536)	16,303,381	51,085,623
Series 9	Xtrackers Physical Gold ETC (EUR)	2,282,372,620	687,068,716	(1,140,665,815)	173,061,062	2,001,836,583
Series 10	Xtrackers Physical Silver ETC (EUR)	859,511,180	42,875,831	(765,196,601)	104,613,610	241,804,020
Series 11	Xtrackers Physical Rhodium ETC	83,845,671	-	(1,803,371)	(10,350,240)	71,692,060
Series 12	Xtrackers Physical Rhodium ETC (EUR)	32,163,763	-	(2,502,479)	(3,348,031)	26,313,253
Series 13	Xtrackers Physical Gold GBP Hedged ETC	182,824,436	30,046,075	(177,804,178)	(3,267,360)	31,798,973
		5,903,037,311	1,546,133,393	(3,119,432,119)	226,481,155	4,556,219,740

Notes to the financial statements (continued)

For the year ended 31 December 2022

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

Movement in fair values by Series for the year ended 31 December 2021

Series	Description	Opening balance	Issuances	Redemptions	Net changes in fair values	Closing balance
		01-Jan-21				31-Dec-21
		EUR	EUR	EUR	EUR	EUR
Series 1	Xtrackers Physical Gold ETC	923,999,394	108,871,896	(588,599,866)	(10,621,816)	433,649,608
Series 2	Xtrackers Physical Gold EUR Hedged ETC	2,881,386,303	585,860,678	(1,575,048,874)	(171,330,865)	1,720,867,242
Series 4	Xtrackers Physical Silver EUR Hedged EC	170,325,298	161,452,805	(136,177,306)	(26,340,900)	169,259,897
Series 6	Xtrackers Physical Platinum EUR Hedged ETC	182,192,625	40,852,679	(66,104,990)	(18,397,421)	138,542,893
Series 9	Xtrackers Physical Gold ETC (EUR)	3,183,923,379	453,071,799	(1,396,190,431)	41,567,873	2,282,372,620
Series 10	Xtrackers Physical Silver ETC (EUR)	951,554,967	109,966,425	(146,472,088)	(55,538,123)	859,511,181
Series 11	Xtrackers Physical Rhodium ETC	118,000,954	-	(34,975,401)	820,118	83,845,671
Series 12	Xtrackers Physical Rhodium ETC (EUR)	45,578,800	-	(12,348,376)	(1,066,661)	32,163,763
Series 13	Xtrackers Physical Gold GBP Hedged ETC	235,020,769	37,070,837	(89,903,234)	636,064	182,824,436
Series 3	Xtrackers Physical Silver ETC	49,035,422	12,434,844	(58,251,232)	(3,219,034)	-
Series 5	Xtrackers Physical Platinum ETC	36,472,238	7,013,208	(43,629,396)	143,950	-
Series 7	Xtrackers Physical Palladium ETC	6,595,228	1,936,347	(7,648,604)	(882,971)	-
Series 8	Xtrackers Physical Palladium EUR Hedged	27,361,046	12,502,233	(36,159,418)	(3,703,861)	-
		8,811,446,423	1,531,033,751	(4,191,509,216)	(247,933,647)	5,903,037,311

12 Share capital

Authorised:

10,000 ordinary shares of GBP 1 each

31-Dec-22

GBP

10,000

31-Dec-21

GBP

10,000

Issued and fully paid:

2 ordinary shares of GBP 1 each

EUR

2

EUR

2

2

2

As at 31 December 2022, the ordinary share capital was held by the following non-beneficial nominees:

	31-Dec-22	31-Dec-21
	GBP	GBP
Vistra Nominees I Limited	1	1
Vistra Nominees II Limited	1	1
	2	2

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

13 Capital risk management

The Company is a special purpose vehicle set up to issue ETC Securities for the purpose of making investments as defined under the programme memorandum and in each of the Series memorandum agreements. Share capital of GBP 2 was issued in line with Jersey Company Law and is not used for financing the investment activities of the Company. The Company is not subject to any other externally imposed capital requirements.

Notes to the financial statements (continued)
For the year ended 31 December 2022

14 Financial risk management

Risk management framework

The Company, and ultimately the holders of the ETC Securities, have exposure to the following risks from its use of financial instruments:

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

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing these risks.

(a) Market risk

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

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of a change in interest rates. The ETC Securities, the Precious metal due from the Programme Counterparty and the Precious metals do not bear interest. As such, the Company and ETC Securityholders have limited exposure to interest rate risk.

(ii) Currency risk

Currency risk is the risk which arises where the assets and liabilities of the Company are denominated in currencies other than its functional currency. As at 31 December 2022, the Company is exposed to assets and liabilities denominated in US Dollars (USD) and Pound Sterling (GBP).

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

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

31-Dec-22		Metals	ETC Securities	Net exposure
Series name	Currency	EUR	EUR	EUR
Series 1	USD	359,295,015	359,295,015	-
Series 9	USD	2,001,836,583	2,001,836,583	-
Series 10	USD	241,804,020	241,804,020	-
Series 11	USD	71,692,060	71,692,060	-
Series 13	GBP	31,798,973	31,798,973	-
		<u>2,706,426,651</u>	<u>2,706,426,651</u>	-
31-Dec-21		Metals	ETC Securities	Net exposure
		EUR	EUR	EUR
Series 1	USD	433,649,608	433,649,608	-
Series 9	USD	2,282,372,620	2,282,372,620	-
Series 10	USD	859,511,180	859,511,181	-
Series 11	USD	83,845,671	83,845,671	-
Series 13	GBP	182,824,436	182,824,436	-
		<u>3,842,203,515</u>	<u>3,842,203,516</u>	-

Details of the currencies under each series for the Precious Metals and Financial liabilities designated at fair value through profit or loss have been disclosed under the respective notes 9 and 11 to the financial statements.

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

Notes to the financial statements (continued)
For the year ended 31 December 2022

14 Financial risk management (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

The following exchange rates have been applied during the year:

	Average rate - year ended		Closing rate	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
USD-EUR	0.95110	0.84594	0.93410	0.87930
GBP-EUR	1.17314	1.16341	1.12950	1.18930

The impact of changes in foreign exchange rates on the Precious metals at fair value is offset by the impact of foreign exchange rate changes on the financial liabilities. Therefore any change in the exchange rates would have no net effect on the equity or the profit or loss of the Company.

(iii) Price risk

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

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

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

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's principal financial assets are cash and cash equivalents, other receivables and Precious metal due from the Programme Counterparty which represents the Company's maximum exposure to credit risk. All credit risks are ultimately borne by the ETC Securityholders.

	31-Dec-22	31-Dec-21
	EUR	EUR
Precious metal due from the Programme Counterparty	555,970	7,086,475
Other receivables	4,288,775	279,672
Cash and cash equivalents	2	2
	4,844,747	7,366,149

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

As at 31 December 2022, no financial assets carried at amortised cost were past due or impaired (2021: Nil). All the assets have been pledged as collateral for financial liabilities and are disclosed in note 9.

Custodian risk

The Company's Custodian is JPMorgan Chase Bank N.A., London Branch (the "Custodian") and the Sub-Custodian is Johnson Matthey (the "Sub-Custodian"). The Company's ability to meet its obligations with respect to the ETC Securities is dependent upon the performance of the Custodian of its obligations under the relevant Custody Agreement. The Directors have also considered the credit risk and counterparty risk with the Custodian, the Sub-Custodian and Deutsche Bank AG, London Branch as the Programme Counterparty, respectively of the allocated and unallocated Precious metals held by the Company given the significance of the Precious metals to the overall financial position of the Company. As at 31 December 2022, the Company held Precious metals at fair value of EUR 4,457,658,450 and EUR 98,005,320 respectively (2021: EUR 5,779,957,454 and EUR 115,993,381) with JPMorgan and Johnson Matthey, and Precious metal due from the Programme Counterparty with a fair value of EUR 555,970 (2021: EUR 7,086,475) from Deutsche Bank AG, London Branch.

Notes to the financial statements (continued)
For the year ended 31 December 2022

14 Financial risk management (continued)

(b) Credit risk (continued)

Custodian risk (continued)

The precious metals are held by the Custodian in their vault premises in the United Kingdom. The Custodian has no obligation to maintain insurance specific to the Company or specific only to the precious metal held for the Company against theft, damage or loss. However, the Custodian maintains insurance in connection with its own business operation. The level of insurance and particulars remains at the discretion of the Custodian. There is a risk that the precious metal could be lost, stolen or damaged and the Company would not be able to satisfy its obligations in respect of the ETC Securities. In such an event the Company would adjust the Metal Entitlement of each Security of the relevant Series to the extent necessary to reflect such damage or loss.

As the credit rating of JP Morgan Chase Bank NA, London Branch, is not available, the Directors have considered the overall long term credit rating status of JPMorgan Chase Bank N.A (2022: S&P A+) (2021: S&P A+), and are of the opinion that counterparty risk is acceptable. The Directors have considered the overall credit rating status of Deutsche Bank AG (2022: S&P bbb) (2021: S&P bbb) as the credit ratings for Deutsche Bank AG, London Branch is not available. The Directors are of the opinion that counterparty risk is acceptable. The Directors believe that the counterparty risk and credit risk exposure of the Company to the Sub-Custodian, Johnson Matthey, is not significant given that only approximately 2% (2021: 2%) of the total value of Precious metals are held with this Sub-Custodian.

Ultimately, all credit and counterparty risks associated with JP Morgan and Deutsche Bank are borne by the ETC Securityholders.

Concentration risk

At the reporting date, the Company's Precious metals at fair value were concentrated in the following asset types and geographical location:

By industry	31-Dec-22	31-Dec-21
<i>Types of collaterals</i>	%	%
Gold	89	78
Silver	8	17
Platinum	1	2
Rhodium	2	3
	<u>100</u>	<u>100</u>
	<u><u>100</u></u>	<u><u>100</u></u>

By Geographical location	31-Dec-22	31-Dec-21
<i>Country of origin</i>	%	%
United Kingdom	100	100
	<u>100</u>	<u>100</u>
	<u><u>100</u></u>	<u><u>100</u></u>

Other receivables

Other receivables are mainly precious metal receivables from Authorised Participants. It also comprises an amount receivable from Vistra Fund Services Limited at the year end.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company limits its exposure to liquidity risk given the Company's ability to realise the Precious metals in cash and the Precious metals held by each series match the securities issued and redemptions made. The ultimate amount repaid to the ETC Securityholders is limited in recourse to the proceeds from the Precious metals. All liquidity risk associated with the Precious metals are ultimately borne by the ETC Securityholders.

The contractual maturity profile of financial liabilities as at 31 December 2022 is as follows:

	Carrying amount	Gross contractual cash flows	Less than one year
	EUR	EUR	EUR
Financial liabilities designated at fair value through profit or loss	4,556,219,740	4,556,219,740	4,556,219,740
Other payables	4,258,775	4,258,775	4,258,775
	<u>4,560,478,515</u>	<u>4,560,478,515</u>	<u>4,560,478,515</u>
	<u><u>4,560,478,515</u></u>	<u><u>4,560,478,515</u></u>	<u><u>4,560,478,515</u></u>

Notes to the financial statements (continued)

For the year ended 31 December 2022

14 Financial risk management (continued)**(c) Liquidity risk (continued)**

The contractual maturity profile of financial liabilities as at 31 December 2021 is as follows:

	Carrying amount	Gross contractual cash flows	Less than one year
	EUR	EUR	EUR
Financial liabilities designated at fair value through profit or loss	5,903,037,311	5,903,037,311	5,903,037,311
Other payables	249,672	249,672	249,672
	<u>5,903,286,983</u>	<u>5,903,286,983</u>	<u>5,903,286,983</u>

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

The carrying amount and the gross contractual cashflows are equal to the fair value of each liability as stated in the Statement of financial position.

Subscriptions

Only Authorised Participants may subscribe for ETC Securities from the Issuer. The Authorised Participant(s) in respect of each Series of ETC Securities at the Issue Date of such Series will be specified in the relevant Final Terms.

Securities may be offered to any category of potential investors provided that the offer complies with the selling restrictions as defined in the Company's Prospectus.

Buy-backs

The Issuer may (without the consent of the Trustee or any Securityholder), from time to time, buy back all or some of the ETC Securities. Only an Authorised Participant may request that the Issuer buy back ETC Securities by delivering a valid Buy-Back Order subject to and in accordance with the terms of the Authorised Participant Agreement. The Issuer will only accept a Buy-Back Order and buy back ETC Securities if a valid Buy-Back Order is given by an Authorised Participant and all conditions precedent to a purchase of the ETC Securities are satisfied.

Redemptions

The ETC Securities of a Series may become due and payable prior to their Scheduled Maturity Date, which is known as an "Early Redemption Event" as defined in the Company's Prospectus. If any of the Early Redemption Events occur, each ETC Security will become due and payable at an amount (the "Early Redemption Amount") equal to the greater of (i) the Early Metal Redemption Amount (the metal entitlement per ETC Security multiply the Average metals sale Price).

Final Redemption

Unless previously redeemed in whole or purchased and cancelled by the Issuer, the ETC Securities of each series will become due and payable on their scheduled maturity date at their final redemption amount. The Issuer has the discretion to set the Scheduled Maturity Date of a series of ETC Securities prior to the issue of that series of ETC Securities.

Their Final Redemption Amount and Early Redemption Amount depend on the Value per ETC Security, which in turn depends on the value of the Underlying Metal and, in the case of FX Hedged ETC Securities, the Value per ETC Security and any gains or losses on the foreign exchange hedge.

(d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes and infrastructure, and from external factors other than credit, markets and liquidity issues such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

Operational risks arise from all of the Company's operations. The Company was incorporated with the purpose of engaging in those activities outlined in note 1. All administration functions are undertaken by Vistra Fund Services Limited. Deutsche Bank AG, London Branch acts as the Company's Lead Authorised Participant, Arranger, Metal Agent, Issuing and Paying Agent and Programme Counterparty.

Notes to the financial statements (continued)

For the year ended 31 December 2022

14 Financial risk management (continued)**(e) Climate risk**

The Directors acknowledge that climate change is an emerging risk impacting the global economy and will continue to be of interest to all stakeholders with a focus on how climate change is expected to impact the operations of the precious metals industry in areas such as mining, processing, warehousing, transportation, societal response and the regulatory environment in the future. However, having considered such factors relating to climate change, the Directors have determined that there are no direct or immediate impacts of climate change on the business operations of the Company. Given this, there is no basis on which to provide extended information of analysis relating to climate change risks on the business operations of the Company. Furthermore, the Directors conclude that at present there is no material impact to the fair value of financial instruments, assets and liabilities of the company. The Directors recognise that governmental and societal responses to climate change risks are still developing and the future impact cannot be predicted. Therefore, the future fair value of assets and liabilities may fluctuate as the market responds to climate change policies, physical events and changes in societal behaviours.

15 Fair values

The Company's financial assets and financial liabilities at fair value through profit or loss are carried at fair value in the Statement of financial position.

The Company's accounting policy on fair value measurement for Precious metal is disclosed in note 3(e) to the financial statements. The Company's accounting policy on fair value measurement of financial assets designated at fair value through profit or loss and financial liabilities designated at fair value through profit or loss is disclosed in note 3(f). The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

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

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

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

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

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

The Company does not have any financial instruments at level 1 or 3 and there has not been any transfer between levels during the year ended 31 December 2022.

At 31 December 2022, the carrying amounts of Precious metals at fair value, Precious metal due from the Programme Counterparty and financial liabilities issued by the Company are as follows:

	31-Dec-22			Total EUR
	Level 1 EUR	Level 2 EUR	Level 3 EUR	
Precious metal due from the Programme Counterparty	-	555,970	-	555,970
Precious metals at fair value	-	4,555,663,770	-	4,555,663,770
Financial liabilities designated at fair value through profit or loss	-	(4,556,219,740)	-	(4,556,219,740)
	-	-	-	-

Notes to the financial statements (continued)

For the year ended 31 December 2022

15 Fair values (continued)

At 31 December 2021, the carrying amounts of Precious metals at fair value, Precious metal due from the Programme Counterparty and financial liabilities issued by the Company are as follows:

	31-Dec-21			
	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Precious metal due from the Programme Counterparty	-	7,086,475	-	7,086,475
Precious metals at fair value	-	5,895,950,836	-	5,895,950,836
Financial liabilities designated at fair value through profit or loss	-	(5,903,037,311)	-	(5,903,037,311)
	-	-	-	-

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

16 Classification of financial instruments

	Carrying value 31-Dec-22 EUR	Fair value 31-Dec-22 EUR	Carrying value 31-Dec-21 EUR	Fair value 31-Dec-21 EUR
<i>At fair value through profit or loss</i>				
Precious metals at fair value	4,555,663,770	4,555,663,770	5,895,950,836	5,895,950,836
Precious metal due from the Programme Counterparty	555,970	555,970	7,086,475	7,086,475
Financial liabilities designated at fair value through profit or loss	(4,556,219,740)	(4,556,219,740)	(5,903,037,311)	(5,903,037,311)
	-	-	-	-
<i>At amortised cost</i>				
Cash and cash equivalents	2	2	2	2
Other receivables	4,288,775	4,288,775	279,672	279,672
Other payables	(4,258,775)	(4,258,775)	(249,672)	(249,672)
	30,002	30,002	30,002	30,002

17 Operating expenses

All costs associated with the Company are paid by the Arranger including audit fees. Audit fees incurred for the year ended 31 December 2022 amounted to EUR 96,008 (2021: EUR 77,616).

18 Related Party Transactions and connected parties

Visdirect Services Limited and Viscom Services Limited act solely in the capacity as Directors of Jersey companies, pursuant to the Companies (Jersey) Law 1991, as amended. Visdirect Services Limited and Viscom Services Limited are both part of the Vistra group of companies. No fee was charged or paid to the Vistra Group during the period under review by the Company for the provision of Directors. All expenses of the Company are borne by Deutsche Bank AG, London Branch, as Arranger, including fees paid to Vistra. During the financial year, the Company incurred a cost of EUR 45,000 (2021: EUR 45,000) relating to administration services provided by Vistra Fund Services Limited.

Product fees incurred for the year ended 31 December 2022 due to Arranger amounted to EUR 21,980,160 (2021: EUR 30,017,153). No amount was payable as at 31 December 2022 (2021: EUR Nil).

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

Deutsche Bank AG, London Branch, as Programme Counterparty, entered into a Balancing Agreement with the Company. The Programme Counterparty will provide deliveries of Precious metals to reflect deductions of fees and other rebalancing adjustments. Precious metal due from the Programme Counterparty amounting to EUR 555,970 (31 December 2021: EUR 7,086,475) were outstanding as at 31 December 2022.

Authorised participants are the only entities allowed to buy and sell ETC securities directly from and to the Company. Deutsche Bank AG, London Branch acts as the Lead Authorised Participant. As at 31 December 2022, the number of ETC Securities held by the Lead Authorised Participant was 22 units (EUR 21,629) (31 December 2021: 29,629 units (EUR 3,992,695)).

Notes to the financial statements (continued)
For the year ended 31 December 2022

19 Ultimate controlling party

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

20 Key management personnel

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

Marc Harris is an employee of Vistra (Jersey) Limited during the year ended 31 December 2022. His emoluments are paid by Vistra Fund Services Limited and other related entities and no re-charge is made to the Company. It is therefore not possible to make a reasonable apportionment of his emoluments in respect of the Company.

21 Subsequent events

There has been no other significant subsequent events since the year end and up to the date of signing this report, 29 March 2023, that require disclosure in this financial statements.