

**WisdomTree Multi Asset Issuer Plc**

**Directors' report and audited financial statements**

**For the financial year ended 31 December 2020**

**Registered number 515981**

# WisdomTree Multi Asset Issuer Plc

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## Directors and other information

<b>Directors</b>	Lisa Hand <i>(Irish) (Non-Executive)</i> Stuart Gallagher <i>(Irish) (Non-Executive)</i> Bryan Governey <i>(Irish) (Non-Executive)</i> Sarah Warr <i>(British) (Non-Executive) (appointed on 24 February 2021)</i> Alexis Marinof <i>(British) (Non-Executive) (resigned on 24 February 2021)</i>	
<b>Registered Office</b>	<i>As from 9 March 2020</i> 2nd floor, Block 5 Irish Life Centre Abbey Street Lower Dublin 1 Ireland	<i>Up to 9 March 2020</i> 2 Grand Canal Square Grand Canal Harbour Dublin 2 Ireland
<b>Company Secretary, Issuing &amp; Paying Agent</b>	Apex IFS Limited 2nd floor, Block 5 Irish Life Centre Abbey Street Lower Dublin 1 Ireland	
<b>Trustee &amp; Security Trustee</b>	The Law Debenture Trust Corporation Plc Fifth Floor, 100 Wood Street London EC2V 7EX United Kingdom	
<b>Manager</b>	WisdomTree Multi Asset Management Limited Ordnance House, 31 Pier Road St. Helier Jersey JE4 8PW	
<b>Registrar</b>	Link Market Services Trustees Limited The Registry, 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom	
<b>Initial Swap Provider</b>	BNP Paribas Arbitrage S.N.C. 160-162 Boulevard Macdonald 75019 Paris France	
<b>Custodian &amp; Collateral Administrator</b>	The Bank of New York Mellon One Canada Square London E14 5AL United Kingdom	
<b>Banker</b>	Allied Irish Bank plc Currency Accounts Services 1 Adelaide Road Dublin 2 Ireland	
<b>Solicitor</b>	Matheson 70 Sir John Rogerson's Quay Dublin 2 Ireland	
<b>Independent Auditor</b>	Ernst & Young Ernst & Young Building Harcourt Centre Harcourt Street Dublin 2 Ireland	

## Directors' report

The directors (the "Directors") present their annual report and audited financial statements of WisdomTree Multi Asset Issuer Plc (the "Company" or the "Issuer") for the financial year ended 31 December 2020.

## Principal activities and business review

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

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

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

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

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

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

As a result of Brexit, CREST UK and Ireland has lost equivalence and can no longer be the domestic central securities depository ("CSD") for securities issued by Irish domiciled issuers. The Company migrated the current settlement model for the ETP Securities to the International CSD ("ICSD") model effective 11 December 2020.

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

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

## Key performance indicators

The Company is a special purpose vehicle ("SPV") and its principal activity is to issue exchange traded securities.

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

During the financial year:

- the Company made a profit before tax of EUR 1,000 (2019: EUR 1,000);
- the Company's realised losses on financial assets at fair value through profit or loss amounted to EUR 130,901,940 (2019: EUR 33,682,479);
- the Company's unrealised depreciation on financial assets at fair value through profit or loss amounted to EUR 15,748,833 (2019: appreciation of EUR 40,299,101);
- the Company's realised gains on financial liabilities at fair value through profit or loss amounted to EUR 130,901,940 (2019: gains of EUR 33,682,479);
- the Company's unrealised appreciation on financial liabilities at fair value through profit or loss amounted to EUR 15,748,833 (2019: depreciation of EUR 40,299,101);

## Directors' report (continued)

### Key performance indicators (continued)

During the financial year (continued):

- the Company issued 8 new Classes of ETP Securities (2019: 2):
  - WisdomTree NASDAQ 100 3x Daily Leveraged
  - WisdomTree NASDAQ 100 3x Daily Short
  - WisdomTree Natural Gas 3x Daily Leveraged
  - WisdomTree Brent Crude Oil 3x Daily Short
  - WisdomTree S&P 500 VIX Short-Term Futures 2.25x Daily Leveraged
  - WisdomTree Brent Crude Oil 3x Daily Leveraged
  - WisdomTree WTI Crude Oil 3x Daily Leveraged
  - WisdomTree WTI Crude Oil 3x Daily Short
- there were subscriptions in the existing Class of ETP Securities as disclosed in note 10 to the financial statements;
- there were redemptions of Class of ETP Securities as disclosed in note 10 to the financial statements; and
- the following events took place regarding the below ETP Securities:
  - WisdomTree NASDAQ® 100 3x Daily Short Securities*  
On 6 January 2020, the Company announced the reduction in the principal amount of the WisdomTree NASDAQ® 100 3x Daily Short Securities.

#### *WisdomTree WTI Crude Oil 3x Daily Short Securities*

On 13 January 2020, the Company announced the reduction in the principal amount of the WisdomTree WTI Crude Oil 3x Daily Short Securities from USD 2 to USD 0.2.

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

On 8 April 2020, the Company announced the reduction in the principal amount of the WisdomTree WTI Crude Oil 3x Daily Short Securities from USD 2 to USD 0.2.

#### *WisdomTree Silver 3x Daily Leveraged Securities*

On 23 March 2020, the Company announced the reduction in the principal amount of the WisdomTree Silver 3x Daily Leveraged Securities from USD 0.2 to USD 0.02.

#### *WisdomTree Natural Gas 3x Daily Leveraged Securities*

On 27 March 2020, the Company announced the reduction in the principal amount of the WisdomTree Natural Gas 3x Daily Leveraged Securities from USD 0.002 to USD 0.0002.

#### *WisdomTree Brent Crude Oil 3x Daily Short Securities*

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

On 30 June 2020, the Company announced the reduction in the principal amount of the WisdomTree Brent Crude Oil 3x Daily Short Securities from USD 2 to USD 0.2.

On 11 November 2020, the Company announced the introduction of an overnight restrike mechanic, a discretionary index change mechanic and a near zero price mechanic in respect of the WisdomTree Brent Crude Oil 3x Daily Short Securities.

#### *WisdomTree Emerging Markets 3x Daily Short Securities*

On 22 September 2020, the Company announced the reduction in the principal amount of the WisdomTree Emerging Markets 3x Daily Short Securities from USD 2 to USD 0.2.

#### *WisdomTree Silver 3x Daily Short Securities*

On 4 September 2020, the Company announced the reduction in the principal amount of the WisdomTree Silver 3x Daily Short Securities from USD 2 to USD 0.2.

#### *WisdomTree S&P 500 VIX Short-Term Futures 2.25x Daily Leveraged*

On 29 October 2020, the Company announced the introduction of an overnight restrike mechanic, a discretionary index change mechanic and a near zero price mechanic in respect of the WisdomTree S&P 500 VIX Short-Term Futures 2.25x Daily Leveraged.

**Directors' report (continued)**

**Key performance indicators (continued)**

During the financial year (continued):

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

*Delisting of securities*

On 1 April 2020, the following trading lines of securities issued by the Company were delisted from the London Stock Exchange, Frankfurt Stock Exchange and/or on the Borsa Italiana:

- WisdomTree BTP 10Y 3x Daily Leveraged
- WisdomTree BTP 10Y 3x Daily Short
- WisdomTree Bund 10Y 3x Daily Leveraged
- WisdomTree Bund 10Y 3x Daily Short
- WisdomTree Emerging Markets 3x Daily Leveraged
- WisdomTree Emerging Markets 3x Daily Short
- WisdomTree FTSE MIB 3x Daily Leveraged
- WisdomTree FTSE MIB 3x Daily Short
- WisdomTree FTSE MIB Banks

*Compulsory redemption event*

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

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

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

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

- WisdomTree WTI Crude Oil 3x Daily Short

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

As at 31 December 2020:

- the total fair value of the ETP Securities in issue was EUR 744,256,049 (2019: EUR 621,430,671);
- the Company has invested in financial assets at fair value through profit or loss of EUR 744,256,049 (2019: EUR 621,430,671) as disclosed in note 7 to the financial statements;
- the net assets of the Company were EUR 15,988 (2019: EUR 15,238);
- the ETP Securities that the Company has in issue in respect of each Class are included in note 10 to the financial statements; and
- the Company had the following number of Classes, in aggregate, in issue, in the following exchanges:

Classes	31-Dec-20			
	Total number of	London Stock Exchange	Borsa Italiana	Frankfurt Stock
Commodity ETPs	22	22	16	11
Equity ETPs	20	20	13	11
Fixed Income ETPs	11	9	8	2
FX ETPs	2	-	2	2
	<b>55</b>	<b>51</b>	<b>39</b>	<b>26</b>

**Directors' report (continued)**

**Key performance indicators (continued)**

As at 31 December 2020:

- the Company had the following number of Classes, in aggregate, in issue, in the following exchanges(continued):

Classes	31-Dec-19			
	Total number of	London Stock Exchange	Borsa Italiana	Frankfurt Stock
Commodity ETPs	23	23	18	12
Equity ETPs	19	19	12	10
Fixed Income ETPs	11	9	8	2
FX ETPs	2	-	2	2
	55	51	40	26

**Future developments**

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

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

**Going concern**

The Board consider the operations of the Company to be ongoing, with a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of these financial statements, and accordingly these financial statements have been prepared on the going concern basis.

As part of the Directors' evaluation, consideration was given to:

- the nature of the Company's business, which dictates that the outstanding ETP Securities may be redeemed at any time by the holders thereof and in certain circumstances may be redeemed by the Company. As the redemption of ETP Securities will coincide with the termination of an equal amount of TRSs, no liquidity risk is considered to arise; and
- the current level of assets under management of the Company, hence future revenue streams of WisdomTree Multi Asset Management Limited in its ability to meet all other liabilities of the Company.

**Principal risks and uncertainties**

*Potential implication of Brexit*

The United Kingdom ("U.K.") left the European Union ("EU") on 31 January 2020, referred to as Brexit, subject to transitional arrangements which ended on 31 December 2020. The transition period ended with arrangements in place between the U.K. and the Member States of the EU. Such an exit from the EU is unprecedented and the medium to long-term consequences for our business remain uncertain. Among other things, the U.K.'s departure from the EU could lead to instability, including volatility, in the foreign exchange markets. Deteriorating business, consumer or investor confidence could lead to (i) reduced levels of business activity, (ii) higher levels of default rates and impairment and (iii) mark to market losses in trading portfolios resulting from changes in credit ratings, share prices and solvency of counterparties. This uncertainty also could impact the broader global economy, including by reducing investor confidence and driving volatility. No assurance can be given that such matters would not adversely affect the market value and/or the liquidity of the securities of the Sub-Funds in the secondary market and/or the ability of the Sub-Funds to satisfy its obligations.

*Coronavirus disease (COVID-19)*

The COVID-19 pandemic continues to persist and the ultimate duration of the pandemic and its short-term and long-term impact on the global economy is unknown. National governments and supranational organisations in multiple states continue taking steps designed to protect their populations from COVID-19, including requiring or encouraging home working, the cancellation of sporting, cultural and other events and restricting or discouraging gatherings of people. COVID-19 has created market turmoil and increased market volatility generally. Mutations in the virus, a setback in vaccine distribution and negative global economic consequences arising from the pandemic, amongst other factors, could have a future adverse impact on the global financial markets. The steps outlined above, and public sentiment, may affect both the volatility and prices of all asset classes, resulting in an impact to the Net Asset Values of the Sub-Funds. Increased market turmoil could also lead to investor redemptions in the Sub-Funds. The Directors and the Company's delegates continue to monitor the advice and developments relating to the spread of the of COVID-19, which is fluid and rapidly changing. The WisdomTree group has, and continues to implement measures to maintain the ongoing safety and well-being of employees, whilst continuing to operate business as usual.

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

## Directors' report (continued)

### Results and dividends for the financial year

The results for the financial year are set out on page 18. The Directors do not recommend the payment of a dividend for the financial year (2019: EUR Nil).

### Changes in Directors, secretary and registered office during the financial year

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

Apart from the above, there were no other changes in Directors, secretary and registered office during the financial year.

### Directors, secretary and their interests

None of the Directors who held office on 1 January 2020 and 31 December 2020 held any shares or ETP Securities in the Company at that date, or during the financial year. There were no contracts of any significance in relation to the business of the Company in which the Directors had any interest, as defined in Section 309 of the Companies Act 2014, at any time during the financial year. During the financial year, no fees were paid to the Directors for the services provided (2019: EUR Nil). Further information are set out in note 14 to the financial statements.

### Shares and shareholders

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

## Corporate Governance Statement

### *Introduction*

The Company is subject to and complies with the Irish statute comprising the Companies Act 2014 and the listing rules of the London Stock Exchange, Frankfurt Stock Exchange and Borsa Italiana which are applicable to companies listing instruments like the ETP Securities.

No Director has a significant direct or indirect holding of securities in the Company. No Director has any special rights of control over the Company's share capital.

There are no restrictions on voting rights.

### *Appointment and replacement of Directors and Amendments in the Articles of Association*

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association and Irish Statute comprising the Companies Act 2014. The Articles of Association themselves may be amended by special resolution of the shareholders.

### *Powers of Directors*

The Board is responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Directors may delegate certain functions to the Issuing and Paying Agent (the "IPA") and other parties, subject to the supervision and direction of the Directors. The Directors have delegated the day to day administration of the Company to the IPA.

### *Financial Reporting Process*

The Board of Directors (the "Board") is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing the IPA to maintain the accounting records of the Company independently of the Manager. The IPA is contractually obliged to maintain proper books and records as required by the Corporate Administration agreement. The IPA is also contractually obliged to prepare for review and approval by the Board the annual report including financial statements intended to give a true and fair view.

The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Board also examines and evaluates the IPA's financial accounting and reporting routines and monitors and evaluates the external auditors' performance, qualifications and independence. The IPA has operating responsibility for internal control in relation to the financial reporting process and the IPA's report to the Board.



## Directors' report (continued)

### Corporate Governance Statement (continued)

#### *Risk Assessment*

The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring the processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Board has also put in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements.

#### *Control Activities*

The IPA is contractually obliged to design and maintain control structures to manage the risks which the Board judges to be significant for internal control over financial reporting. These control structures include appropriate division of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related ETP Securities' in the Company's annual report.

#### *Transfer of shares*

The instrument of transfer of any share shall be executed by or on behalf of the transferor and, in cases where the share is not fully paid, by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered on the register in respect thereof. The Directors in their absolute discretion and without assigning any reason therefore may decline to register any transfer of a share. If the Directors refuse to register a transfer they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.

### Accounting records

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

### Political donations

The Electoral Act, 1997 (as amended by the Electoral Amendment Political Funding Act, 2012) requires companies to disclose all political donations over EUR 200 in aggregate made during a financial year. The Directors, on enquiry, have satisfied themselves that no such donations in excess of this amount have been made by the Company during the financial year to 31 December 2020 (2019: EUR Nil).

### Subsequent events

#### *Impact of COVID-19*

The Directors have assessed the impact of COVID-19 on the assets under management, hence the Company's future revenue streams, and are of the opinion that as at the signing date, the Company has adequate resources to continue its operations for the foreseeable future. The longer-term impact of this pandemic is at present unclear, however there are no immediate impacts on the financial position or performance of the Company as at 31 December 2020.

The following events took place after the financial year end regarding the below ETP Securities:

#### *WisdomTree NASDAQ 100® 3x Daily Short Securities*

On 16 March 2021, the Company announced the reduction in the principal amount of the WisdomTree NASDAQ 100® 3x Daily Short Securities from USD 12.18 to USD 1.218.

#### *WisdomTree S&P 500 VIX Short-Term Futures 2.25x Daily Leveraged Securities*

On 15 March 2021, the Company announced the reduction in the principal amount of the WisdomTree S&P 500 VIX Short-Term Futures 2.25x Daily Leveraged Securities from USD 10.5566 to USD 1.05566.

#### *WisdomTree Brent Crude Oil 3x Daily Short Securities*

On 16 February 2021, the Company announced the reduction in the principal amount of the WisdomTree Brent Crude Oil 3x Daily Short Securities from USD 11.40 to USD 1.14.

#### *WisdomTree S&P 500 3x Daily Short Securities*

On 19 March 2021, the Company announced the reduction in the principal amount of the WisdomTree S&P 500 3x Daily Short Securities from USD 0.2 to USD 0.02 and a connected reduction in the Daily Swap Rate from 0.00250 per cent. per day to 0.002361 per cent. per day.

## Directors' report (continued)

### Subsequent events (continued)

The following events took place after the financial year end regarding the below ETP Securities (continued):

#### *WisdomTree EURO STOXX Banks 3x Daily Short Securities*

On 19 February 2021, the Company announced the reduction in the principal amount of the WisdomTree EURO STOXX Banks 3x Daily Short Securities from EUR 2 to EUR 0.2.

#### *WisdomTree BTP 10Y 5x Daily Short Securities*

On 26 February 2021, the Company announced the reduction in the principal amount of the WisdomTree BTP 10Y 5x Daily Short Securities from EUR 2 to EUR 0.2.

#### *Compulsory redemption event*

On the 22 April 2021, a Compulsory Redemption Event has occurred in accordance with Condition 8.8(B) of the WisdomTree EURO STOXX Banks 3x Daily Short Securities (the "Impacted Securities") due to the Price of the Impacted Securities fell below 200% of the Principal Amount of the Impacted Securities.

#### *Changes of Directors*

On 24 February 2021,

- Alexis Marinof resigned as Director of the Company; and
- Sarah Warr was appointed as Director of the Company.

There have been no other significant subsequent events after the financial year up to the date of signing this report that require disclosure and/or adjustment to the financial statements.

### Research and development costs

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

### Audit committee

Under Section 1551 (11)(c) and Section 167 of the Companies Act 2014, the Company is exempt from the requirement to establish an audit committee as the sole business of the Company relates to the issuance of exchange traded securities. The Directors have availed of this exemption for the preparation of the financial statements.

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

### Independent Auditor

Ernst & Young, Chartered Accountants and registered Auditors, have been appointed in 12 December 2012 by the Directors as auditors for the Company. In accordance with Section 383(2) of the Companies Act, 2014, Ernst & Young, have expressed their willingness to continue in office.

### Statement on relevant audit information

So far as the Directors are aware, each Director at the date of approval of this report and financial statements confirms that:

- there is no relevant audit information of which the Company's auditor are unaware; and
- as per section 330 of the Companies Act 2014, the Directors have taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor are aware of this information.

### Directors' compliance statement

The Directors confirm that:

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

**Directors' report (continued)**

**Responsibility statement in accordance with the Transparency Regulation**

Each of the persons whose names and functions appear on page 1 confirm to the best of their knowledge:

- the financial statements, prepared in accordance with IFRS as issued by the IASB and as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the management report, which is incorporated into the Directors' report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

**On behalf of the Board of Directors**



**Stuart Gallagher**  
**Director**



**Lisa Hand**  
**Director**

**Date: 29 April 2021**

## Directors' responsibilities statement

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

Irish Company law requires the Directors to prepare financial statements giving a true and fair view of the state of affairs of the Company and the profit or loss of the Company for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU.

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 assets, liabilities and financial position, of the Company, and otherwise comply with the Companies Act 2014.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS and ensure that they contain the additional information required by the Companies Act 2014; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

## On behalf of the Board of Directors



**Stuart Gallagher**  
Director



**Lisa Hand**  
Director

Date: 29 April 2021



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WISDOMTREE MULTI-ASSET ISSUER PLC**

### ***Report on the audit of the financial statements***

#### **Opinion**

We have audited the financial statements of WisdomTree Multi-Asset Issuer plc ('the Company') for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including the summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard as applied to public interest entities issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WISDOMTREE MULTI-ASSET ISSUER PLC (CONTINUED)**

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Confirming our understanding of management's going concern assessment process and engaging with management to understand the key factors which were considered in their assessment;
- Obtaining management's going concern assessment, which covers a year from the date of approval of the financial statements;
- Reviewing and evaluating the reasonability of the key factors considered by management including
  - consideration of future activity in the ETP Securities. In assessing these, we obtained and reviewed the liquidity terms which the ETP Securities offer to investors and reviewed post year-end activity and corroborated through enquiry of management as to whether there are any subsequent events, including performance of the ETP Securities, that might give rise to conditions which could lead management to discontinue the operations of the Company.
  - consideration of the availability of liquid assets to meet ongoing operational costs.
- Reviewing the Company's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

### **Conclusion**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WISDOMTREE MULTI-ASSET ISSUER PLC (CONTINUED)**

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, 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.

Risk	Our response to the risk	Key observations
<p><b>Valuation of financial assets and financial liabilities at fair value through profit or loss</b></p> <p>We have considered valuation of financial assets at fair value through profit or loss with a fair value of EUR 744,256,049 (2019: EUR 621,430,671) and financial liabilities at fair value through profit or loss with a fair value of EUR 744,256,049 (2019: 621,430,671) as a key audit matter as it is a key driver of the Company's performance.</p> <p>Please refer to Note 7 - Financial assets at fair value through profit or loss, Note 10 – Financial liabilities at fair value through profit or loss in the financial statements.</p>	<p>We obtained the Company's listing of financial assets and financial liabilities at fair value through profit or loss as at 31 December 2020.</p> <p>We assessed the reasonableness of the valuation for all financial assets and financial liabilities at fair value through profit or loss which includes Total return swaps (TRSs) and Exchange trades products (ETPs) by:</p> <p>Agreeing the value of the TRSs to the independent confirmation from the counterparty to the TRSs;            Recalculating fair value using industry standard models;            Assessing the reasonableness of the assumptions and data inputs used by the Directors to value these financial assets and financial liabilities at fair value through profit or loss.</p>	<p>No issues have been noted from the performance of our procedures over this key audit matter.</p>

**Our application of materiality**

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WISDOMTREE MULTI-ASSET ISSUER PLC (CONTINUED)**

### **Materiality**

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be €7.4 million (2019: €6.2 million), which is 1% (2019: 1%) of the value of the Financial Liabilities at Fair Value through profit or loss. We believe that Financial Liabilities at Fair Value through profit or loss is an appropriate measurement basis since the users of the financial statements may focus more on this than on earnings.

During the course of our audit, we reassessed initial materiality and made no changes to it.

### **Performance materiality**

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2019: 75%) of our planning materiality, namely €5.6 million (2019: €4.7 million). We have set performance materiality at this percentage due to our knowledge of the Company and its industry, our past history with the entity, the effectiveness of its control environment and our assessment of the risks associated with the engagement.

### **Reporting threshold**

An amount below which identified misstatements are considered as being clearly trivial. We agreed with the Board of Directors that we would report to them all uncorrected audit differences in excess of €372,128 (2019: €310,715), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.





## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WISDOMTREE MULTI-ASSET ISSUER PLC (CONTINUED)**

### **An overview of the scope of our audit report**

#### **Tailoring the scope**

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed.

#### ***Other information***

The directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have 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.

#### ***Opinions on other matters prescribed by the Companies Act 2014***

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WISDOMTREE MULTI-ASSET ISSUER PLC (CONTINUED)**

### ***Matters on which we are required to report by exception***

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

### ***Respective responsibilities***

#### ***Responsibilities of directors for the financial statements***

As explained more fully in the directors' responsibilities statement set out on page 10, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and 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.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### ***Auditor's responsibilities for the audit of the financial statements***

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

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WISDOMTREE MULTI-ASSET ISSUER PLC (CONTINUED)

### *Auditor's responsibilities for the audit of the financial statements (continued)*

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant is the Companies Act 2014.
- We understood how the Company is complying with those frameworks by updating our understanding of the adequate system of internal control in place. We also considered the existence of independent service providers, proper segregation of duties and the regulated environment in which the Company operates, which may reduce opportunities for fraud to take place.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved inquiries to those charged with governance into possible instances of non-compliance with laws and regulations, review of board meeting minutes during the year and obtaining representation from management.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by management override of controls

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf).

This description forms part of our auditor's report.

### ***Other matters which we are required to address***

We were appointed by the Board of Directors on 12 December 2012 to audit the financial statements for the year ending 30 June 2013 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 8 years.

The non-audit services prohibited by IAASA's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the Board of Directors.

### ***The purpose of our audit work and to whom we owe our responsibilities***

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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,

A handwritten signature in blue ink that reads 'Kieran Daly'.

Kieran Daly  
for and on behalf of  
Ernst & Young Chartered Accountants and Statutory Audit Firm  
Dublin, 29 April 2021

**STATEMENT OF COMPREHENSIVE INCOME**  
**For the financial year ended 31 December 2020**

	Note	Financial year ended 31-Dec-20 EUR	Financial year ended 31-Dec-19 EUR
Realised gains on financial liabilities at fair value through profit or loss	10	130,901,940	33,682,479
Realised losses on financial assets at fair value through profit or loss	7	(130,901,940)	(33,682,479)
Unrealised appreciation/(depreciation) on financial liabilities at fair value through profit or loss	10	15,748,833	(40,299,101)
Unrealised (depreciation)/appreciation on financial assets at fair value through profit or loss	7	(15,748,833)	40,299,101
Revenue	4	4,981,487	5,173,459
Operating expenses	5	<u>(4,980,487)</u>	<u>(5,172,459)</u>
<b>Operating profit before tax</b>		1,000	1,000
Tax on profit on ordinary activities	6	<u>(250)</u>	<u>(250)</u>
<b>Operating profit after tax</b>		750	750
<b>Total comprehensive income</b>		<u><u>750</u></u>	<u><u>750</u></u>

All of the items dealt with in arriving at the profit for the financial year are from continuing operations, no income is recognised in other comprehensive income.

STATEMENT OF FINANCIAL POSITION  
As at 31 December 2020

	Note	31-Dec-20 EUR	31-Dec-19 EUR
<b>Assets</b>			
Financial assets at fair value through profit or loss	7	744,256,049	621,430,671
Other receivables	8	1,166,100	473,568
Cash and cash equivalents	9	31,215	448,105
<b>Total assets</b>		<u>745,453,364</u>	<u>622,352,344</u>
<b>Liabilities</b>			
Financial liabilities at fair value through profit or loss	10	744,256,049	621,430,671
Other payables	11	1,181,327	906,435
<b>Total liabilities</b>		<u>745,437,376</u>	<u>622,337,106</u>
<b>Total assets less total liabilities</b>		<u><b>15,988</b></u>	<u><b>15,238</b></u>
<b>Share capital and retained earnings</b>			
Called up share capital presented as equity	12	10,000	10,000
Retained earnings		5,988	5,238
<b>Total shareholders' funds</b>		<u><b>15,988</b></u>	<u><b>15,238</b></u>

The financial statements were approved by the Board of Directors on 29 April 2021 and signed on its behalf by:

  
Stuart Gallagher  
Director

  
Lisa Hand  
Director

Date: 29 April 2021

**STATEMENT OF CHANGES IN EQUITY**  
**For the financial year ended 31 December 2020**

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Balance as at 1 January 2019	10,000	4,488	14,488
<i>Total comprehensive income for the financial year</i>			
Net profit	-	750	750
Total comprehensive income for the financial year	<u>-</u>	<u>750</u>	<u>750</u>
<b>Balance as at 31 December 2019</b>	<u>10,000</u>	<u>5,238</u>	<u>15,238</u>
Balance as at 1 January 2020	<u>10,000</u>	<u>5,238</u>	<u>15,238</u>
<i>Total comprehensive income for the financial year</i>			
Net profit	-	750	750
Total comprehensive income for the financial year	<u>-</u>	<u>750</u>	<u>750</u>
<b>Balance as at 31 December 2020</b>	<u>10,000</u>	<u>5,988</u>	<u>15,988</u>

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

	Notes	Financial year ended 31-Dec-20 EUR	Financial year ended 31-Dec-19 EUR
<b>Cash flows from operating activities</b>			
Profit on ordinary activities before taxation		1,000	1,000
<i>Adjustments for:</i>			
Realised gains on financial liabilities at fair value through profit or loss	10	(130,901,940)	(33,682,479)
Realised losses on financial assets at fair value through profit or loss	7	130,901,940	33,682,479
Unrealised (appreciation)/depreciation on financial liabilities at fair value through profit or loss	10	(15,748,833)	40,299,101
Unrealised depreciation/(appreciation) on financial assets at fair value through profit or loss	7	15,748,833	(40,299,101)
TRSs executions during the financial year	7	(1,887,850,350)	(1,367,482,558)
TRSs terminations during the financial year	7	1,588,312,055	1,322,005,032
<i>Movements in working capital</i>			
Increase in other receivables		(692,532)	(52,468)
Increase in other payables		274,892	482,394
Tax paid		(250)	(250)
<b>Net cash used in operating activities</b>		<u>(299,955,185)</u>	<u>(45,046,850)</u>
<b>Cash flows from investing activities</b>			
<b>Net cash (used in)/generated from investing activities</b>		<u>-</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
ETP Securities issuances during the financial year	10	1,887,850,350	1,367,482,558
ETP Securities redemptions during the financial year	10	(1,588,312,055)	(1,322,005,032)
<b>Net cash generated from financing activities</b>		<u>299,538,295</u>	<u>45,477,526</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		(416,890)	430,676
Cash and cash equivalents at start of the financial year		448,105	17,429
<b>Cash and cash equivalents at end of the financial year</b>		<u><u>31,215</u></u>	<u><u>448,105</u></u>

**NOTES TO THE FINANCIAL STATEMENT****For the financial year ended 31 December 2020****1 General information**

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

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

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

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

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

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

As a result of Brexit, CREST UK and Ireland has lost equivalence and can no longer be the domestic central securities depository ("CSD") for securities issued by Irish domiciled issuers. The Company migrated the current settlement model for the ETP Securities to the International CSD ("ICSD") model effective 11 December 2020.

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

ETP Securities in issue as at 31 December 2020 are listed on the main market of the London Stock Exchange, Frankfurt Stock Exchange and/or on the Borsa Italiana (2019: same).

**2 Basis of preparation****(a) Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and its interpretations as adopted by the EU and in accordance with the Companies Act 2014.

The accounting policies set out below have been applied in preparing the financial statements for the financial year ended 31 December 2020 and in the comparative information presented in these financial statements which is for the financial year ended 31 December 2019.

*Going concern*

The Board consider the operations of the Company to be ongoing, with a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of these financial statements, and accordingly these financial statements have been prepared on the going concern basis.

As part of the Directors' evaluation, consideration was given to:

- the nature of the Company's business, which dictates that the outstanding ETP Securities may be redeemed at any time by the holders thereof and in certain circumstances may be redeemed by the Company. As the redemption of ETP Securities will coincide with the termination of an equal amount of TRSs, no liquidity risk is considered to arise; and
- the current level of assets under management of the Company, hence future revenue streams of WisdomTree Multi Asset Management Limited in its ability to meet all other liabilities of the Company.



**NOTES TO THE FINANCIAL STATEMENT (continued)****For the financial year ended 31 December 2020****2 Basis of preparation (continued)****(b) Functional and presentation currency (continued)**

The Directors have elected to present the Company's financial statements in Euro which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which the entity operates. The Directors of the Company believe that EUR most faithfully represents the economic effects of the underlying investing and financing activities of the Company.

The results and financial position of the Company are expressed in EUR which is the presentation and functional currency of the Company. Transactions in currencies other than EUR are retranslated to the functional currency of the Company at the date of the transaction. At each reporting date, monetary items and non-monetary assets and liabilities that are fair valued and are denominated in foreign currencies are retranslated at the rate prevailing on the reporting date or date at which fair value was determined (which is usually the reporting date) respectively. Gains and losses arising on retranslation are included in net profit or loss for the financial year.

**(c) Basis of measurement**

The financial statements have been prepared on the cost basis except for the following:

- Financial assets at fair value through profit or loss are measured at fair value; and
- Financial liabilities at fair value through profit or loss are measured at fair value.

The methods used to measure fair values are discussed further in note 3(h) and 15.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, 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 estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Details of material judgements and estimates have been further described in accounting policy 3(h) "Financial instruments" and note 15 to the financial statements.

***Critical judgements in applying accounting policies on the valuation of financial instruments***

The following are the critical judgements, apart from those involving estimations, that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements. Refer to note 3(h) to the financial statements.

- Financial liabilities at fair value through profit or loss are measured at fair value.  
Note 3(h) to the financial statements describes that the Directors have measured the financial assets and financial liabilities issued at fair value through profit or loss. The Directors have considered the requirements of IFRS 9 Financial Instruments: Recognition and Measurement. These financial assets have been classified as measured at FVTPL as they are managed and their performance is evaluated on a fair value basis. The financial liabilities at FVTPL are designated at and measured at fair value as a result of the accounting mismatch and net gains and losses are recognised in profit or loss.

***Key sources of estimation uncertainty***

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

***Determining fair values of financial instruments***

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy 3(h) "Financial Instruments". For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Fair values of ETP Securities are calculated on a daily basis using predetermined formula, where prices of underlying indices and swap costs are used as inputs to the formula. These prices are compared to prior day prices and any variation results in either an unrealised gain or loss.

**NOTES TO THE FINANCIAL STATEMENT (continued)**  
**For the financial year ended 31 December 2020**

**2 Basis of preparation (continued)**

**(e) New standards, amendments and interpretations**

*(i) Effective for annual periods beginning on or after 1 January 2020*

Amendments to IAS 1, ‘Presentation of Financial Statements’ and IAS 8, ‘Accounting Policies, Changes in Accounting Estimates and Errors’ provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The adoption of the amendments had no material impact on the financial statements.

Amendments to Conceptual Framework for Financial Reporting issued on March 29, 2018. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no material impact on the financial statements.

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

<b>Description</b>	<b>Effective date*</b>
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies	1 January 2023
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023
Amendment to IFRS 16- Covid-19-Related Rent Concessions	1 April 2021
Amendments to IFRS 3: Reference to Conceptual Framework	1 January 2022
Amendments to IAS 16: Property, Plant and Equipment- Proceeds before intended use	1 January 2022
Amendments to IAS 37: Onerous Contracts- Cost of Fulfilling a contract	1 January 2022
IFRS 1: First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter	1 January 2022
IFRS 9 Financial Instruments: Fees in the '10 per cent' test for derecognition of financial liabilities	1 January 2022
IAS 41 Agriculture: Taxation in fair value measurement	1 January 2022
IFRS 17-Insurance contracts	1 January 2023
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023

\*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 upcoming requirements are applicable to the Company, it will apply them from their EU effective date.

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

**3 Significant accounting policies**

**(a) Realised gains/losses on financial liabilities at fair value through profit or loss**

Realised gains/losses are recognised on redemption of the financial liabilities when the redemption price is not equal to the cost amount of the financial liabilities. Any gains and losses arising from changes in fair value of the financial liabilities at fair value through profit or loss are recorded 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(h)).

## NOTES TO THE FINANCIAL STATEMENT (continued)

For the financial year ended 31 December 2020

**3 Significant accounting policies (continued)****(b) Realised gains/losses on financial assets at fair value through profit or loss**

Realised gains/losses are recognised on disposal of financial assets, when the disposal price is not equal to the cost amount of the asset. Any gains and losses arising from changes in fair value of the financial assets at fair value through profit or loss are recorded in the Statement of comprehensive income. Details of recognition and measurement of financial assets are disclosed in the accounting policy of financial instruments (note 3(h)).

**(c) Unrealised appreciation/(depreciation) on financial liabilities at fair value through profit or loss**

Unrealised appreciation/(depreciation) on financial liabilities at fair value through profit or loss relates to issuances of ETP Securities and includes unrealised fair value changes. All unrealised appreciation/(depreciation) on financial liabilities are attributable to market risk arising from price, commodity and interest rate risk. Any gains and losses arising from changes in fair value of the financial liabilities at fair value through profit or loss are recorded 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(h)).

**(d) Unrealised appreciation/(depreciation) on financial assets at fair value through profit or loss**

Unrealised appreciation/(depreciation) on financial assets at fair value through profit or loss relates to investments in TRSs and includes unrealised fair value changes. All unrealised (depreciation)/appreciation on financial assets are attributable to market risk arising from price, commodity, currency and interest rate risk. Any gains and losses arising from changes in fair value of the financial assets at fair value through profit or loss are recorded in the Statement of comprehensive income. Details of recognition and measurement of financial assets are disclosed in the accounting policy of financial instruments (note 3(h)).

**(e) Revenue and operating expenses**

The Company is entitled to receive a management fee calculated by reference to a management fee rate under the specified terms of each relevant TRS and is calculated by the Manager by charging the applicable fee rate on the daily market value of each security.

The Company pays a management fee to the Manager calculated based on the amount of fees received from the Swap Provider. The management fees are accrued on a daily basis and are recorded in the Statement of comprehensive income.

**(f) Taxation**

Corporation tax is provided on taxable profits at current rates applicable to the Company's activities in accordance with Section 110 of the Taxes Consolidation Act 1997 ("TCA"). Deferred taxation is accounted for, without discounting, in respect of all temporary differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the Statement of financial position date.

Provision is made at the tax rates which are expected to apply in the periods in which the temporary differences reverse. Deferred tax assets are recognised only to the extent that it is considered more likely than not that they will be recovered.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that related tax benefit will be realised.

Withholding tax is a generic term used for the amount of withholding tax deducted at source of the income and is not significant for the Company. When applicable, the Company will present the withholding tax separately from the gross investment income in the Statement of comprehensive income. For the purpose of the Statement of cash flows, cash inflows from investments are presented net of withholding taxes, when applicable.

Uncertainties exist with respect to the interpretation of complex tax regulations on foreign withholding tax. Given the wide range of international investments, differences arising between the actual investment income and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it invests. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective investment's domicile.

**NOTES TO THE FINANCIAL STATEMENT (continued)**  
**For the financial year ended 31 December 2020****3 Significant accounting policies (continued)****(g) Cash and cash equivalents**

Cash and cash equivalents includes cash held at banks, which are subject to insignificant risk of changes in their value, and are used by the Company in the management of its short term commitments. Cash and cash equivalents comprise of cash balances with Allied Irish Banks plc.

There are no restrictions on cash and cash equivalents. Cash and cash equivalents are carried at amortised cost in the Statement of financial position.

**(h) Financial instruments*****Classification***

The Company classifies its financial assets and financial liabilities as financial assets and liabilities at fair value through profit or loss at initial recognition in accordance with IFRS 9: Financial Instruments. The category of financial assets and liabilities at fair value through the profit or loss is sub-divided as follows.

***Financial assets***

Financial assets are measured at fair value through profit or loss if:

- (a) its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding;
- (b) it is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- (c) at initial recognition, it is irrevocably designated as measured at fair value through profit or loss when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise measuring assets or recognising the gains and losses on them on different bases.

***Financial liabilities***

Financial liabilities are measured at fair value through profit or loss. When doing so, it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise measuring liabilities or recognising the gains and losses on them on different bases

The Company has classified its investments in the TRSs and the ETP Securities issued as financial assets and financial liabilities at fair value through profit or loss respectively. All other financial assets and liabilities are classified under amortised cost.

***Recognition***

The Company initially recognises all financial assets and liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instruments.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

***Initial measurement***

Financial assets and financial liabilities at fair value through profit or loss are recorded in the Statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and financial liabilities (other than those measured at fair value through profit or loss) are measured initially at their fair value net of any directly attributable incremental costs of acquisition or issue. For financial assets and liabilities where the fair value at initial recognition does not equal the transaction price, the Company recognises the difference in the Statement of comprehensive income, unless specified otherwise.

***Subsequent measurement***

After initial measurement, the Company measures financial instruments at fair value through profit or loss at fair value. Subsequent changes in the fair value of those financial instruments are recorded in unrealised appreciation / (depreciation) on financial assets and financial liabilities at fair value through profit or loss.

## NOTES TO THE FINANCIAL STATEMENT (continued)

For the financial year ended 31 December 2020

**3 Significant accounting policies (continued)****(h) Financial instruments (continued)*****Subsequent measurement (continued)***

The price per ETP is calculated daily to reflect the daily change in the relevant Index of the ETP, and will take into account all applicable fees and adjustments. On the issue date of the class, the price per ETP will be equal to its Issue Price. On any Valuation Date thereafter, the price per ETP is calculated according to a formula which reflects the price per ETP on the immediately preceding valuation date, and adjusted as described in note 15(f).

TRSs are valued at fair value utilising predefined formulae and market prices consistent with the ETP valuation process. In the absence of readily available market prices the Swap Provider will provide the inputs for the valuation. Where possible the Company independently calculates the fair value and verifies the Swap Providers valuation with any variation investigated. The valuation determined by the swap counterparty may be based on assumptions of market conditions at the time of valuation, similar arms' length market transactions if available, reference to the current fair value of similar instruments and a variety of different valuation techniques such as the discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions. All TRSs are carried as assets when fair value is positive and as liabilities when fair value is negative.

***Derecognition***

A financial asset is derecognised where the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and either the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired. The Company does not have any pass-through arrangements.

Gains and losses on de-recognition of financial instruments are recorded in realised gains/(losses) on financial assets and financial liabilities at fair value through profit or loss.

***Expected credit losses***

The company applies an approach similar to IFRS 9's simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

***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 set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transaction.

**(i) Other receivables**

Other receivables do not carry any interest and are short-term in nature and have been reviewed for any evidence of expected credit losses. Other receivables are accounted at amortised cost.

**(j) Other payables**

Other payables are accounted at amortised cost.

**(k) Share capital**

Share capital is issued in Euro ("EUR"). Dividends are recognised as a liability in the financial year in which they are approved. The issued and called-up share capital is presented under equity in the Statement of financial position.

NOTES TO THE FINANCIAL STATEMENT (continued)

For the financial year ended 31 December 2020

3 Significant accounting policies (continued)

(1) Segmental reporting

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

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

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

	<b>Financial year ended</b>	<b>Financial year ended</b>
	<b>31-Dec-20</b>	<b>31-Dec-19</b>
	<b>EUR</b>	<b>EUR</b>
France (BNP Paribas Arbitrage S.N.C.)	4,978,573	5,171,147
Jersey (WisdomTree Multi Asset Management Limited)	2,914	2,312
	<u>4,981,487</u>	<u>5,173,459</u>

4 Revenue

	<b>Financial year ended</b>	<b>Financial year ended</b>
	<b>31-Dec-20</b>	<b>31-Dec-19</b>
	<b>EUR</b>	<b>EUR</b>
Management fee income	4,978,573	5,171,147
Other income	2,914	2,312
	<u>4,981,487</u>	<u>5,173,459</u>

The Company is entitled to receive a management fee under the terms of each TRS. The Swap Provider will pay the Company variable amounts by way of payments under the terms of the relevant TRS, calculated by reference to the management fee rate as specified in note 10 and in the manner specified in note 3(e).

5 Operating expenses

	<b>Financial year ended</b>	<b>Financial year ended</b>
	<b>31-Dec-20</b>	<b>31-Dec-19</b>
	<b>EUR</b>	<b>EUR</b>
Management fee expense	4,978,573	5,171,147
Other expenses	1,914	1,312
	<u>4,980,487</u>	<u>5,172,459</u>

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

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

The auditor’s remuneration (excluding VAT) for 2020 was EUR 28,520 (2019: EUR 37,700) for audit services and EUR 5,000 (2019: EUR 5,000) for taxation services. There are no fees relating to other assurance services and non-audit services in the current financial year or prior financial year. There was no Directors’ remuneration during 2020 (2019: EUR Nil).

The Company had no employees during the financial year (2019: None).

**NOTES TO THE FINANCIAL STATEMENT (continued)**  
**For the financial year ended 31 December 2020**

<b>6 Tax on profit on ordinary activities</b>	<b>Financial year ended 31-Dec-20 EUR</b>	<b>Financial year ended 31-Dec-19 EUR</b>
<b>(a) Analysis of tax charge in the financial year</b>		
Current tax	250	250
Deferred tax	-	-
<b>Total tax charge on profit for the financial year</b>	<b>250</b>	<b>250</b>
<b>(b) Reconciliation of effective tax rate</b>		
Operating profit before tax	<b>1,000</b>	<b>1,000</b>
Expected tax charge based on standard rate of 12.5%	125	125
<b>(c) Effects of:</b>		
Higher tax rate applicable under Section 110 TCA, 1997	125	125
Adjustments for reconciliation to Old Irish GAAP as it stood at 31 December 2004	-	-
<b>Total tax charge on profit for the financial year</b>	<b>250</b>	<b>250</b>

The Company is a qualifying company within the meaning of Section 110 of the TCA. As such, the profits are chargeable to corporation tax under Case III of Schedule D at a rate of 25%, but are computed in accordance with the provisions applicable to Case 1 of Schedule D of the TCA. Please refer to note 3(f) for further information. There were no deferred tax assets or liabilities at 31 December 2020 (2019: EUR Nil).

<b>7 Financial assets at fair value through profit or loss</b>	<b>31-Dec-20 EUR</b>	<b>31-Dec-19 EUR</b>
Total return swaps	744,256,049	621,430,671
<b>Movement in financial assets at fair value through profit or loss</b>	<b>31-Dec-20 EUR</b>	<b>31-Dec-19 EUR</b>
At beginning of the financial year	621,430,671	561,183,426
Additions during the financial year	1,887,850,350	1,367,482,558
Disposals during the financial year	(1,588,312,055)	(1,322,005,032)
Realised losses on financial assets at fair value through profit or loss	(130,901,940)	(33,682,479)
Unrealised (depreciation)/appreciation on financial assets at fair value through profit or loss	(15,748,833)	40,299,101
Foreign exchange movements	(30,062,144)	8,153,097
At end of the financial year	<b>744,256,049</b>	<b>621,430,671</b>

*Total return swaps*

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

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

The TRSs entered into as at 31 December 2020 and 31 December 2019 have a value equal but opposite in sign to the value of the ETP Securities in issue as at 31 December 2020 and 31 December 2019.

<b>Collateral received on TRSs</b>	<b>31-Dec-20 EUR</b>	<b>31-Dec-19 EUR</b>
Equities (market value)	460,123,672	471,951,894
Bonds (market value)	282,158,331	153,384,430
	<b>742,282,003</b>	<b>625,336,324</b>

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

NOTES TO THE FINANCIAL STATEMENT (continued)

For the financial year ended 31 December 2020

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

The collateral coverage over the market value of the ETP Securities as at 31 December 2020 was 100% (31 December 2019: 101%).

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

<b>8 Other receivables</b>	<b>31-Dec-20</b>	<b>31-Dec-19</b>
	<b>EUR</b>	<b>EUR</b>
Management fees receivable	1,160,909	471,256
Other receivables	5,191	2,312
	<u>1,166,100</u>	<u>473,568</u>

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

<b>9 Cash and cash equivalents</b>	<b>31-Dec-20</b>	<b>31-Dec-19</b>
	<b>EUR</b>	<b>EUR</b>
Cash at bank	<u>31,215</u>	<u>448,105</u>

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

<b>10 Financial liabilities at fair value through profit or loss</b>	<b>31-Dec-20</b>	<b>31-Dec-19</b>
	<b>EUR</b>	<b>EUR</b>
ETP Securities issued	<u>744,256,049</u>	<u>621,430,671</u>

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

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

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

All ETP Securities in issue as at 31 December 2020 are listed on the main market of the London Stock Exchange, Frankfurt Stock Exchange and/or on the Borsa Italiana (2019: Same).

<b>Movement in financial liabilities at fair value through profit or loss</b>	<b>31-Dec-20</b>	<b>31-Dec-19</b>
	<b>EUR</b>	<b>EUR</b>
At beginning of the financial year	621,430,671	561,183,426
Issued during the financial year	1,887,850,350	1,367,482,558
Redeemed during the financial year	(1,588,312,055)	(1,322,005,032)
Realised losses on financial liabilities at fair value through profit or loss	(130,901,940)	(33,682,479)
Unrealised (depreciation)/appreciation on financial liabilities at fair value through profit or loss	(15,748,833)	40,299,101
Foreign exchange movements	(30,062,144)	8,153,097
At end of financial year	<u>744,256,049</u>	<u>621,430,671</u>



NOTES TO THE FINANCIAL STATEMENT (continued)

For the financial year ended 31 December 2020

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

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

Description	Management Fee rate	ISIN	CCY	Outstanding Units 31-Dec-20	Fair value 31-Dec-20 EUR	Outstanding Units 31-Dec-19	Fair value 31-Dec-19 EUR
WisdomTree DAX 30 3x Daily Leveraged	0.75%	IE00B878KX55	EUR	67,506	12,870,056	25,934	6,422,160
WisdomTree DAX 30 3x Daily Short	0.80%	IE00B8GKPP93	EUR	8,328,324	15,379,094	2,617,705	10,867,864
WisdomTree EURO STOXX 50® 3x Daily Leveraged	0.75%	IE00B7SD4R47	EUR	78,602	14,621,065	41,847	11,814,193
WisdomTree EURO STOXX 50® 3x Daily Short	0.80%	IE00B8JF9153	EUR	5,623,456	11,439,586	2,048,023	7,527,889
WisdomTree FTSE MIB 3x Daily Leveraged	0.75%	IE00B8NB3063	EUR	735,896	42,610,293	313,747	32,682,963
WisdomTree FTSE MIB 3x Daily Short	0.80%	IE00B873CW36	EUR	13,387,813	30,861,811	9,067,562	40,124,023
WisdomTree Bund 10Y 3x Daily Short	0.30%	IE00BKS8QN04	EUR	134,174	4,763,794	159,174	6,642,476
WisdomTree Bund 10Y 3x Daily Leveraged	0.30%	IE00BKT09255	EUR	5,797	1,050,072	2,954	482,533
WisdomTree BTP 10Y 3x Daily Short	0.60%	IE00BKS8QM96	EUR	117,961	2,505,598	178,288	5,391,653
WisdomTree BTP 10Y 3x Daily Leveraged	0.60%	IE00BKT09149	EUR	9,626	2,022,203	6,728	1,149,526
WisdomTree EURO STOXX Banks 3x Daily Leveraged	0.89%	IE00BLS09N40	EUR	17,221,513	45,651,136	1,712,617	23,549,248
WisdomTree EURO STOXX Banks 3x Daily Short	0.89%	IE00BLS09P63	EUR	981,960	7,709,552	316,688	5,535,937
WisdomTree BTP 10Y 5x Daily Short	0.99%	IE00BYNXNS22	EUR	691,321	6,469,100	457,506	8,134,624
WisdomTree Bund 10Y 5x Daily Short	0.49%	IE00BYNXPH56	EUR	111,040	2,483,322	150,880	4,458,029
WisdomTree FTSE MIB Banks	0.35%	IE00BYMB4Q22	EUR	65,905	8,655,591	51,523	7,510,691
WisdomTree Bund 30Y 3x Daily Short	0.30%	IE00BF4TW453	EUR	27,340	787,552	9,340	448,682
WisdomTree FTSE 100 3x Daily Leveraged	0.75%	IE00B88D2999	GBP	207,356	29,691,889	38,384	11,397,358
WisdomTree FTSE 100 3x Daily Short	0.80%	IE00B7VB3908	GBP	934,399	8,962,235	635,755	7,457,346
WisdomTree FTSE 100 2x Daily Leveraged	0.49%	IE00B94QKC83	GBP	12,804	1,775,458	3,909	822,155
WisdomTree FTSE 100 2x Daily Short	0.55%	IE00B94QKF15	GBP	53,380	1,823,787	56,180	2,042,866
WisdomTree FTSE 100 1x Daily Short	0.49%	IE00B94QKG22	GBP	22,484	1,520,896	22,484	1,550,147
WisdomTree FTSE 250 2x Daily Leveraged	0.60%	IE00B94QKJ52	GBP	37,083	9,037,189	19,982	6,337,857
WisdomTree FTSE 250 1x Daily Short	0.65%	IE00BBGBF313	GBP	516,789	23,565,425	54,608	2,805,121
WisdomTree Gilts 10Y 3x Daily Leveraged	0.30%	IE00BKT09479	GBP	1,178	256,297	1,178	232,653
WisdomTree Gilts 10Y 3x Daily Short	0.30%	IE00BKS8QQ35	GBP	194,390	6,940,871	151,850	7,026,399
Balance carried forward					<u>293,453,872</u>		<u>212,414,393</u>

NOTES TO THE FINANCIAL STATEMENT (continued)

For the financial year ended 31 December 2020

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

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

Description	Management Fee rate	ISIN	CCY	Outstanding Units 31-Dec-20	Fair value 31-Dec-20 EUR	Outstanding Units 31-Dec-19	Fair value 31-Dec-19 EUR
Balance brought forward					293,453,872		212,414,393
WisdomTree Gilts 10Y 1x Daily Short	0.25%	IE00BF4TW560	GBP	4,801	465,116	4,801	525,840
WisdomTree S&P 500 3x Daily Leveraged	0.75%	IE00B7Y34M31	USD	36,567	29,120,313	22,769	18,129,149
WisdomTree S&P 500 3x Daily	0.80%	IE00B8K7KM88	USD	40,493,417	26,995,186	12,464,827	31,124,400
WisdomTree Gold 3x Daily Leveraged	0.99%	IE00B8HGT870	USD	1,057,739	39,123,296	784,842	20,993,470
WisdomTree Gold 3x Daily Short	0.99%	IE00B6X4BP29	USD	296,837	6,618,471	69,207	4,026,756
WisdomTree Copper 3x Daily Leveraged	0.99%	IE00B8JVMZ80	USD	256,454	4,046,294	400,985	4,392,715
WisdomTree Copper 3x Daily Short	0.99%	IE00B8KD3F05	USD	132,731	2,476,712	19,131	1,018,359
WisdomTree Natural Gas 3x Daily Short	0.99%	IE00B76BRD76	USD	338,239	3,190,567	292,572	3,356,398
WisdomTree Silver 3x Daily Leveraged	0.99%	IE00B7XD2195	USD	17,208,626	55,070,737	12,152,007	29,260,416
WisdomTree Silver 3x Daily Short	0.99%	IE00B8JG1787	USD	996,398	4,872,483	32,874	1,895,059
WisdomTree Palladium 1x Daily Short	0.95%	IE00B94QLR02	USD	233,114	2,259,801	208,153	3,909,746
WisdomTree Palladium 2x Daily Leveraged	0.95%	IE00B94QLN63	USD	20,835	9,351,725	9,129	3,844,040
WisdomTree US Treasuries 10Y 3x Daily Leveraged	0.30%	IE00BKT09032	USD	20,000	2,370,639	14,055	1,455,825
WisdomTree WTI Crude Oil Pre-roll	0.25%	IE00BVFZGC04	USD	1,586,479	14,729,021	52,970	951,913
WisdomTree Brent Crude Oil Pre-roll	0.25%	IE00BVFZGD11	USD	481,072	6,446,850	267,290	6,023,420
WisdomTree US Treasuries 10Y 5x Daily Short	0.50%	IE00BYNXPJ70	USD	26,354	899,675	4,454	259,598
WisdomTree Emerging Markets 3x Daily Leveraged	0.99%	IE00BYTYHN28	USD	82,977	13,231,229	51,777	8,434,063
WisdomTree Emerging Markets 3x Daily Short	0.99%	IE00BYTYHM11	USD	99,268	440,721	59,668	912,369
WisdomTree US Treasuries 30Y 3x Daily Short	0.30%	IE00BF4TW784	USD	31,300	870,921	3,500	224,338
WisdomTree US Treasuries 10Y 3x Daily Short	0.30%	IE00BKS8QT65	USD	33,111	1,505,935	33,211	2,137,908
WisdomTree Industrial Metals Enhanced	0.40%	IE00BF4TWC33	USD	3,193,503	71,816,837	16,670	354,221
WisdomTree Energy Enhanced	0.40%	IE00BF4TWF63	USD	29,161	442,884	6,500	143,425
WisdomTree NASDAQ 100 3x Daily Leveraged*	0.75%	IE00BLRPRL42	USD	744,460	80,346,724	-	-
WisdomTree NASDAQ 100 3x Daily Short*	0.80%	IE00BLRPRJ20	USD	370,341	21,133,609	-	-
WisdomTree Natural Gas 3x Daily Leveraged*	0.99%	IE00BLRPRG98	USD	459,287	25,073,221	-	-
WisdomTree Brent Crude Oil 3x Daily Short*	0.99%	IE00BLRPRK35	USD	70,079	5,913,792	-	-
Balance carried forward					<u>722,266,631</u>		<u>355,787,821</u>

NOTES TO THE FINANCIAL STATEMENT (continued)

For the financial year ended 31 December 2020

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

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

Description	Management Fee rate	ISIN	CCY	Outstanding Units 31-Dec-20	Fair value 31-Dec-20 EUR	Outstanding Units 31-Dec-19	Fair value 31-Dec-19 EUR
Balance brought forward					722,266,631		355,787,821
WisdomTree S&P 500 VIX Short-Term Futures Daily Leveraged*	0.99%	IE00BLRPRH06	USD	220,172	16,803,916	-	-
WisdomTree Brent Crude Oil 3x Daily Leveraged*	0.99%	IE00BMTM6D55	USD	11,300	1,428,909	-	-
WisdomTree WTI Crude Oil 3x Daily Leveraged*	0.99%	IE00BMTM6B32	USD	24,050	2,936,499	-	-
WisdomTree WTI Crude Oil 3x Daily Short*	0.99%	IE00BMTM6C49	USD	16,000	820,094	-	-
WisdomTree Brent Crude Oil 3x Daily Leveraged**	0.99%	IE00BYTYHS72	USD	-	-	122,145	4,433,048
WisdomTree WTI Crude Oil 3x Daily Leveraged**	0.99%	IE00B7ZQC614	USD	-	-	128,228,729	73,128,172
WisdomTree WTI Crude Oil 3x Daily Short**	0.99%	IE00B7SX5Y86	USD	-	-	5,697,095	51,088,940
WisdomTree NASDAQ 100 3x Daily Leveraged**	0.75%	IE00B8W5C578	USD	-	-	16,888	28,426,212
WisdomTree NASDAQ 100 3x Daily Short**	0.80%	IE00B8VZVH32	USD	-	-	33,835,560	25,295,585
WisdomTree Natural Gas 3x Daily Leveraged**	0.99%	IE00B8VC8061	USD	-	-	3,345,831,145	61,186,901
WisdomTree Brent Crude Oil 3x Daily Short**	0.99%	IE00BYTYHR65	USD	-	-	2,119,652	5,912,374
WisdomTree S&P 500 VIX Short-Term Futures Daily Leveraged**	0.99%	IE00BYTYHQ58	USD	-	-	3,688,006,972	16,171,618
					<u>744,256,049</u>		<u>621,430,671</u>

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

There has been no change in the management fee rates since last financial year.

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

\*These ETP Securities were newly launched during the financial year ended 31 December 2020.

\*\*These ETP Securities were fully redeemed during the financial year ended 31 December 2020.

11 Other payables

	31-Dec-20 EUR	31-Dec-19 EUR
Management fees payable	1,181,127	906,235
Other payables	200	200
	<u>1,181,327</u>	<u>906,435</u>

**NOTES TO THE FINANCIAL STATEMENT (continued)**

**For the financial year ended 31 December 2020**

**12 Called up share capital presented as equity**

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

**13 Ownership of the Company**

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

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

The Share Trustees have appointed a Board of Directors to run the day to day activities of the Company.

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

*Transactions with Administrator and Directors*

Apex IFS Limited (the "Administrator") provides services such as accounting and reporting, company secretarial, issuing and paying agent and other administration services to the Company. In respect of the aforementioned services, WisdomTree Multi Asset Management Limited paid fees amounting to EUR 120,695 (31 December 2019: EUR 67,841) to Apex IFS Limited during the financial year ended 31 December 2020. As at 31 December 2020, EUR 43,260 (31 December 2019: EUR 81,783) was payable by WisdomTree Multi Asset Management Limited to Apex IFS Limited.

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

Directors of the Company, who are also employees of the WisdomTree Group, do not receive any additional remuneration for their role as Director of the Company (31 December 2019: EUR Nil).

*Transactions with Manager*

WisdomTree Multi Asset Management Limited, as Manager, provides management services to the Company which includes paying operating costs of the Company such as audit fees and corporate service fees. The Company was supplied services amounting to EUR 4,978,573 (31 December 2019: EUR 5,171,147) from the Manager during the financial year ended 31 December 2020. As at 31 December 2020, EUR 1,181,127 (31 December 2019: 906,235) was payable by the Company to the Manager. The Company earns a corporate benefit fee of EUR 1,000 for the financial year ended 31 December 2020 (31 December 2019: EUR 1,000) from the Manager and an amount of EUR 4,441 (31 December 2019: EUR 1,312) was receivable as at 31 December 2020.

**15 Financial risk management**

*Risk management framework*

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

## NOTES TO THE FINANCIAL STATEMENT (continued)

For the financial year ended 31 December 2020

**15 Financial risk management (continued)***Risk management framework (continued)*

The Company has attempted to match the properties of its financial liabilities to its financial assets, to avoid significant elements of risk generated by mismatches of investment performance against its obligations together with any maturity or interest rate risk. The Company uses the net proceeds of the issuance of ETP Securities to enter into a TRS transaction to hedge its payment obligations in respect of each Class of the ETP Securities with one or more Swap Providers once the Swap Provider has delivered eligible collateral. The TRSs for each Class of ETP Securities will produce net cash flows to service all of the Company's payment obligations in respect of that Class. This provides a hedge for the Company against market risk, price risk, currency risk and liquidity risk.

This hedge is executed through the company's activities as described above and through its agreements with its counterparties, including in particular the Swap Providers, the Collateral Administrator and Authorised Participants. Certain of the Company's daily operational activities and processes are outsourced to Apex IFS Limited. Refer to note 15(d).

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

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

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

**(a) Market risk**

The Company's liabilities in respect of the ETP Securities issued is referenced to various equity and commodity indices and is managed by the Company by entering into a TRS with Swap Provider(s) which exactly match the liability created by the issue of ETP Securities. Any movement in the value of the ETP Securities issued will be offset by an equal movement in the matching TRSs. If the price of an underlying index has gone up/down 5%, the prices of the ETPs and TRSs tracking that index will go up/down depending on the "Product Leverage Factor" (as defined in the base prospectus), in accordance with the formula for the price of the ETP in the base prospectus. For example, if the Product Leverage Factor is +3 then if the price of the underlying index has gone up/down by 5% over a period of one day, then both the ETP's price and the price of the matching TRS will go up/down respectively by 15% on that day (neglecting fees and funding and borrowing adjustments as detailed in the base prospectus). Therefore the Company's sensitivity to market movements is fully hedged.

*(i) Interest rate risk*

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

*Sensitivity analysis*

Any changes in the values of the TRSs held by the Company would not have any effect on the equity or profit or loss of the Company as any fair value fluctuations are ultimately borne by either the swap counterparties or the holders of the ETP Securities issued by the Company.

A change of 25 basis points in interest rates (neglecting the effect of daily fees) at the reporting date would have increased or (decreased) the fair value of financial liabilities by EUR 421/EUR (421) (2019: EUR 15,804/EUR (15,804)). A change of 25 basis points in interest rates at the reporting date would have increased (or decreased) the fair value of financial assets by EUR 421/EUR (421) (2019: EUR 15,804/EUR (15,804)).

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

*(ii) Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As the Company has entered into TRSs to match the ETP Securities in issue there is deemed to be no net currency risk to the Company.

**NOTES TO THE FINANCIAL STATEMENT (continued)**  
**For the financial year ended 31 December 2020**

**15 Financial risk management (continued)**

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

*(ii) Currency risk (continued)*

The following significant exchange rates applied during the financial year:

	Closing rate	
	31-Dec-20	31-Dec-19
USD : EUR	0.8173	0.8909
GBP : EUR	1.1172	1.1802
JPY : EUR	0.0079	0.0085

*Sensitivity analysis*

Any changes in the values of the TRSs held by the Company would not have any effect on the equity or profit or loss of the Company as any fair value fluctuations are ultimately borne by either the swap counterparties or the holders of the ETP Securities issued by the Company.

A change of 100 basis points in exchange rates (neglecting the effect of daily fees) at the reporting date would have increased or (decreased) the fair value of financial liabilities by EUR 5,343,762/EUR (5,343,762) (2019: EUR 4,486,882/EUR (4,486,882)). A change of 100 basis points in exchange rates at the reporting date would have increased (or decreased) the fair value of financial assets by EUR 5,343,762/EUR (5,343,762) (2019: EUR 4,486,882/EUR (4,486,882)).

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

*(iii) Price risk*

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

*Sensitivity analysis*

Any changes in the values of the TRSs held by the Company would not have any effect on the equity or profit or loss of the Company as any fair value fluctuations are ultimately borne by either the swap counterparties or the holders of the ETP Securities issued by the Company.

A change of 100 basis points in the underlying index of ETP Securities in issue (neglecting the effect of daily fees) at the reporting date would have increased or (decreased) the fair value of financial liabilities by EUR 7,868,079/EUR (7,866,989) (2019: EUR 5,194,241/EUR (5,212,371)). A change of 100 basis points in the underlying index of TRSs entered into at the reporting date would have increased (or decreased) the fair value of financial assets by EUR 7,868,079/EUR (7,866,989) (2019: EUR 5,194,241/EUR (5,212,371)).

**(b) Credit risk**

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

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

**NOTES TO THE FINANCIAL STATEMENT (continued)**  
**For the financial year ended 31 December 2020**

**15 Financial risk management (continued)**

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

The Company's maximum exposure to credit risk in the event that counterparties fail to perform their obligations as at 31 December 2020 and 31 December 2019 in relation to each class of recognised financial assets is set out below:

	<b>31-Dec-20</b>	<b>31-Dec-19</b>
	<b>EUR</b>	<b>EUR</b>
Financial assets at fair value through profit or loss	744,256,049	621,430,671
Other receivables	1,166,100	473,568
Cash and cash equivalents	31,215	448,105
	<u>745,453,364</u>	<u>622,352,344</u>

*Concentration risk*

At the reporting date, the Company's financial assets at fair value through profit or loss were concentrated in the following asset types:

	<b>31-Dec-20</b>	<b>31-Dec-19</b>
	<b>EUR</b>	<b>EUR</b>
TRSs - BNP Arbitrage S.N.C	<u>744,256,049</u>	<u>621,430,671</u>

*(group credit rating as at date of signing of financial statements S&P: A+ (2019: A+))*

	<b>31-Dec-20</b>	<b>31-Dec-19</b>
	<b>EUR</b>	<b>EUR</b>
Collateral - The Bank of New York Mellon	<u>742,282,003</u>	<u>625,336,324</u>

*(group credit rating as at date of signing of financial statements S&P: AA- (2019: AA-))*

	<b>31-Dec-20</b>	<b>31-Dec-19</b>
	<b>EUR</b>	<b>EUR</b>
Cash at bank - Allied Irish Banks Plc	<u>31,215</u>	<u>448,105</u>

*(group credit rating as at date of signing of financial statements S&P: BBB- (2019: BBB-))*

The Directors feel that there is minimal risk to the Company by holding the Company cash with the one bank, as the Company has minimal cash held in the bank account at any given time.

**(c) Liquidity risk**

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

The following are the contractual maturities of financial assets and financial liabilities:

<b>31-Dec-20</b>	<b>Carrying amount</b>	<b>Less than one year</b>	<b>One to five years</b>	<b>More than five years</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Financial assets through profit or loss	744,256,049	744,256,049	-	-
Management fees receivable	1,160,909	1,160,909	-	-
Other receivables	5,191	5,191	-	-
Cash and cash equivalents	31,215	31,215	-	-
	<u>745,453,364</u>	<u>745,453,364</u>	-	-
Financial liabilities through profit or loss	(744,256,049)	(744,256,049)	-	-
Management fees payable	(1,181,127)	(1,181,127)	-	-
Other payables	(200)	(200)	-	-
	<u>(745,437,376)</u>	<u>(745,437,376)</u>	-	-

**NOTES TO THE FINANCIAL STATEMENT (continued)**  
**For the financial year ended 31 December 2020**

**15 Financial risk management (continued)**

**(c) Liquidity risk (continued)**

The following are the contractual maturities of financial assets and financial liabilities (continued):

<b>31-Dec-19</b>	<b>Carrying amount</b>	<b>Less than one year</b>	<b>One to five years</b>	<b>More than five years</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Financial assets through profit or loss	621,430,671	-	621,430,671	-
Cash and cash equivalents	471,256	471,256	-	-
Management fees receivable	2,312	2,312	-	-
Other receivables	448,105	448,105	-	-
	<u>622,352,344</u>	<u>921,673</u>	<u>621,430,671</u>	<u>-</u>
Financial liabilities through profit or loss	(621,430,671)	(621,430,671)	-	-
Management fees payable	(906,235)	(906,235)	-	-
Other payables	(200)	(200)	-	-
	<u>(622,337,106)</u>	<u>(622,337,106)</u>	<u>-</u>	<u>-</u>

**(d) Operational risk**

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

Operational risks arise from all of the Company's operations. The Company was incorporated with the purpose of engaging in those activities outlined in the preceding paragraphs. Certain management and administration functions are outsourced to Apex IFS Limited and WisdomTree Multi Asset Management Limited.

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

**(e) Offsetting Financial Assets and Financial Liabilities**

The Company does not offset financial assets and financial liabilities. These are presented separately in the Statement of financial position.

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 set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

The Company is required to disclose the impact of offsetting assets and liabilities represented in the statement of financial position to enable users of the financial statements to evaluate the effect or potential effect of netting arrangements on its financial position for recognised assets and liabilities. These recognised assets and liabilities are financial instruments and derivative instruments that are either subject to an enforceable master netting arrangement or similar agreement or meet the following right of set off criteria: the amounts owed by the Company to another party are determinable, the Company has the right to set off the amounts owed with the amounts owed by the other party, the Company intends to set off, and the Company's right of set off is enforceable at law.



**NOTES TO THE FINANCIAL STATEMENT (continued)**

For the financial year ended 31 December 2020

**15 Financial risk management (continued)**

**(e) Offsetting Financial Assets and Financial Liabilities (continued)**

<b>31-Dec-20</b>	<b>Gross amount of recognised Financial Assets</b>	<b>Amount of recognised Financial Assets set off in the Statement of financial position</b>	<b>Net amount presented in statement of financial position</b>	<b>Collateral received/ held</b>	<b>Net amount</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Financial assets at fair value through profit or loss	742,282,003	-	742,282,003	742,282,003	-
Financial liabilities at fair value through profit or loss	744,256,049	-	744,256,049	-	744,256,049
<b>31-Dec-19</b>					
	<b>Gross amount of recognised Financial Assets</b>	<b>Amount of recognised Financial Assets set off in the Statement of financial position</b>	<b>Net amount presented in statement of financial position</b>	<b>Collateral received/ held</b>	<b>Net amount</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Financial assets at fair value through profit or loss	621,430,671	-	621,430,671	621,430,671	-
Financial liabilities at fair value through profit or loss	621,430,671	-	621,430,671	-	621,430,671

The Company did not enter into any master netting arrangements or offsetting agreements and as such, the Company has not set off any amount for financial assets and financial liabilities in the financial statements. The Swap Provider transfers collateral to the Company in respect of its obligations under a relevant swap agreement in order to mitigate the risk that the Swap Provider would default on its contractual obligations. Should this event occur, the Company has the right to offset the financial assets at fair value through profit or loss held with the Swap Provider with this Collateral.

**(f) Fair values**

*Fair Value Measurement Principles of ETP*

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENT (continued)**

For the financial year ended 31 December 2020

**15 Financial risk management (continued)**

**(f) Fair values (continued)**

*Derivatives*

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENT (continued)

For the financial year ended 31 December 2020

15 Financial risk management (continued)

(f) Fair values (continued)

At the reporting date the TRS and ETPs are classed as level 2.

31-Dec-20	Level 1 Quoted price EUR	Level 2 Valuation EUR	Level 3 Valuation EUR	Net Total EUR
<b>Financial assets at Fair Value</b>				
TRS - Commodities	-	203,249,553	-	203,249,553
TRS - Equities	-	387,510,958	-	387,510,958
TRS - Fixed Income	-	100,134,852	-	100,134,852
TRS - FX	-	53,360,686	-	53,360,686
	-	744,256,049	-	744,256,049
<b>Financial liabilities at Fair Value</b>				
ETPs - Commodities	-	(203,249,553)	-	(203,249,553)
ETPs - Equities	-	(387,510,958)	-	(387,510,958)
ETPs - Fixed Income	-	(100,134,852)	-	(100,134,852)
ETPs - FX	-	(53,360,686)	-	(53,360,686)
	-	(744,256,049)	-	(744,256,049)

There have been no transfers between levels 1, 2 and 3 during the financial year ended 31 December 2020.

31-Dec-19	Level 1 Quoted price EUR	Level 2 Valuation EUR	Level 3 Valuation EUR	Net Total EUR
<b>Financial assets at Fair Value</b>				
TRS - Commodities	-	296,168,660	-	296,168,660
TRS - Equities	-	257,419,940	-	257,419,940
TRS - Fixed Income	-	38,756,885	-	38,756,885
TRS - FX	-	29,085,186	-	29,085,186
	-	621,430,671	-	621,430,671
<b>Financial liabilities at Fair Value</b>				
ETPs - Commodities	-	(296,168,660)	-	(296,168,660)
ETPs - Equities	-	(257,419,940)	-	(257,419,940)
ETPs - Fixed Income	-	(38,756,885)	-	(38,756,885)
ETPs - FX	-	(29,085,186)	-	(29,085,186)
	-	(621,430,671)	-	(621,430,671)

There have been no transfers between levels 1, 2 and 3 during the financial year ended 31 December 2019.

16 Capital management

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

## NOTES TO THE FINANCIAL STATEMENT (continued)

For the financial year ended 31 December 2020

### 17 Subsequent events

#### *Impact of COVID-19*

The Directors have assessed the impact of COVID-19 on the assets under management, hence the Company's future revenue streams, and are of the opinion that as at the signing date, the Company has adequate resources to continue its operations for the foreseeable future. The longer-term impact of this pandemic is at present unclear, however there are no immediate impacts on the financial position or performance of the Company as at 31 December 2020.

The following events took place after the financial year end regarding the below ETP Securities:

#### *WisdomTree NASDAQ 100® 3x Daily Short Securities*

On 16 March 2021, the Company announced the reduction in the principal amount of the WisdomTree NASDAQ 100® 3x Daily Short Securities from USD 12.18 to USD 1.218.

#### *WisdomTree S&P 500 VIX Short-Term Futures 2.25x Daily Leveraged Securities*

On 15 March 2021, the Company announced the reduction in the principal amount of the WisdomTree S&P 500 VIX Short-Term Futures 2.25x Daily Leveraged Securities from USD 10.5566 to USD 01.05566.

#### *WisdomTree Brent Crude Oil 3x Daily Short Securities*

On 16 February 2021, the Company announced the reduction in the principal amount of the WisdomTree Brent Crude Oil 3x Daily Short Securities from USD 11.40 to USD 1.14.

#### *WisdomTree S&P 500 3x Daily Short Securities*

On 19 March 2021, the Company announced the reduction in the principal amount of the WisdomTree S&P 500 3x Daily Short Securities from USD 0.2 to USD 0.02 and a connected reduction in the Daily Swap Rate from 0.00250 per cent. per day to 0.002361 per cent. per day.

#### *WisdomTree EURO STOXX Banks 3x Daily Short Securities*

On 19 February 2021, the Company announced the reduction in the principal amount of the WisdomTree EURO STOXX Banks 3x Daily Short Securities from EUR 2 to EUR 0.2.

#### *WisdomTree BTP 10Y 5x Daily Short Securities*

On 26 February 2021, the Company announced the reduction in the principal amount of the WisdomTree BTP 10Y 5x Daily Short Securities from EUR 2 to EUR 0.2.

#### *Compulsory redemption event*

On the 22 April 2021, a Compulsory Redemption Event has occurred in accordance with Condition 8.8(B) of the WisdomTree EURO STOXX Banks 3x Daily Short Securities (the "Impacted Securities") due to the Price of the Impacted Securities fell below 200% of the Principal Amount of the Impacted Securities.

#### *Changes of Directors*

On 24 February 2021,

- Alexis Marinof resigned as Director of the Company; and
- Sarah Warr was appointed as Director of the Company.

There have been no other significant subsequent events after the financial year up to the date of signing this report that require disclosure and/or adjustment to the financial statements.

## NOTES TO THE FINANCIAL STATEMENT (continued)

For the financial year ended 31 December 2020

### 18 Commitments and contingencies

#### *Closure of the WisdomTree WTI Crude Oil 3x Daily Leveraged ETP*

In December 2020, several WisdomTree Group entities, including the Company, were served with a writ of summons to appear before the Court of Milan, Italy. Investors had filed actions seeking in excess of approximately EUR 9,000,000 in the aggregate, resulting from the closure of the WisdomTree WTI Crude Oil 3x Daily Leveraged ETP (“3OIL”) in March 2020. The product was dependent on the receipt of payments from a swap provider to satisfy payment obligations to the investors. Due to an extreme adverse move in oil futures relative to the oil futures’ closing price, the swap contract underlying 3OIL was terminated by the swap provider, which resulted in the compulsory redemption of 3OIL.

The company is currently assessing these claims and an accrual has not been made with respect to these matters at 31 December 2020. Should the Court of Milan ultimately rule in favour of the claimants, the WisdomTree Group will provide financial support to the Company in respect of these claims.

The Company is currently assessing these claims and an accrual has not been made with respect to these matters at 31 December 2020.

The Company had no other commitments and contingencies as at 31 December 2020 (2019: none).

### 19 Approval of financial statements

The Board of Directors approved these financial statements on 29 April 2021.