WisdomTree Commodity Securities Limited

Registered No: 90959

Report and Financial Statements for the Year ended 31 December 2020

Contents

Management and Administration	1
Directors' Report	2-6
Statement of Directors' Responsibilities	7
Independent Auditor's Report	8-15
Statement of Profit or Loss and Other Comprehensive Income	16
Statement of Financial Position	17
Statement of Cash Flows	18
Statement of Changes in Equity	19
Notes to the Financial Statements	20-36

Directors

Stuart Bell
Christopher Foulds
Steven Ross
Peter Ziemba

Administrator

R&H Fund Services (Jersey) Limited
Ordnance House
PO Box 83
31 Pier Road
St Helier
Jersey, JE4 8PW

Registered Office

Ordnance House
31 Pier Road
St Helier
Jersey, JE4 8PW

Registrar

Computershare Investor Services (Jersey) Limited
Queensway House
Hilgrove Street
St Helier
Jersey, JE1 1ES

Manager

WisdomTree Management Jersey Limited
Ordnance House
31 Pier Road
St Helier
Jersey, JE4 8PW

Trustee

The Law Debenture Trust Corporation plc
Fifth Floor
100 Wood Street
London, EC2V 7EX
United Kingdom

Commodity Contract Counterparty

Merrill Lynch International
2 King Edward Street
London, EC1A 1HQ
United Kingdom

Commodity Contract Counterparty

Citigroup Global Markets Limited
Citigroup Centre
Canada Square, Canary Wharf
London, EC14 5LB
United Kingdom

Auditor

Ernst & Young LLP
Liberation House
Castle Street
St Helier
Jersey, JE1 1EY

Jersey Legal Advisers

Mourant Ozannes
22 Grenville Street
St Helier
Jersey, JE4 8PX

Company Secretary

R&H Fund Services (Jersey) Limited
Ordnance House
31 Pier Road
St Helier
Jersey, JE4 8PW

The directors of WisdomTree Commodity Securities Limited ("CSL" or the "Company") submit herewith the annual report and financial statements of the Company for the year ended 31 December 2020.

Directors

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

Stuart Bell	
Christopher Foulds	(Appointed 15 April 2020)
Hilary Jones	(Resigned 15 April 2020)
Steven Ross	
Peter Ziemba	

Directors' Interests

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

Principal Activities

The Company's principal activity is the issue and listing of commodity securities ("Commodity Securities"). The Company's portfolio of Commodity Securities includes classic, longer dated, short and leveraged Commodity Securities.

Commodity Securities are undated secured limited recourse financial instruments designed to track the price of commodity futures, and give investors an exposure similar to that which could be achieved by managing a fully cash-collateralised position in near-term futures contracts, less applicable fees. However, unlike managing a futures position, Commodity Securities involve no need to roll from one futures contract to another, no margin calls, and no other brokerage or other costs in holding or rolling futures contracts (although security holders incur costs in holding Commodity Securities). No trading or management of futures contracts is required by the Company.

Commodity Securities are backed by commodity contracts ("Commodity Contracts") with terms corresponding to the terms of Commodity Securities. The Company gains exposure to the movements in the Commodity Indices by holding corresponding Commodity Contracts. The Company is currently party to two facility agreements, one with Citigroup Global Markets Limited ("Citigroup") and one with Merrill Lynch International ("Merrill Lynch") (together the "Commodity Contract Counterparties"), enabling the Company to create and cancel Commodity Contracts on an ongoing basis.

Each time Commodity Securities are issued or redeemed, matching Commodity Contracts between the Company and a Commodity Contract Counterparty are created or cancelled by the Company.

The price of each class of Commodity Security is calculated on a daily basis and reflects movements in the Commodity Index relevant to that class since the previous day, adjusted by any applicable fees. Therefore, the return for a particular class of Commodity Security will primarily be based on the performance of the relevant Commodity Index.

The Company earns a management fee and a licence allowance based upon the number of Commodity Securities in issue. These fees are expressed as an annual percentage, calculated on a daily basis and reflected in the net asset value ("NAV") of the Commodity Securities on a daily basis, and paid monthly in arrears.

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

Review of Operations

The most recent Prospectuses were issued on 4 January 2021 (Classic and Longer Dated) and 4 January 2021 (Short and Leveraged). As at 31 December 2020, the Company had the following number of classes, in aggregate, of Commodity Securities in issue and admitted to trading on the following exchanges:

	London Stock Exchange	Borsa Italiana	Deutsche Börse	NYSE – Euronext Paris	NYSE-Euronext Amsterdam	Tokyo Stock Exchange	Bolsa Mexicana de Valores
Classic & Longer Dated Commodity Securities	44	31	34	9	-	14	2
Short & Leveraged Commodity Securities	30	30	18	-	4	-	-
Total Commodity Securities	74	61	52	9	4	14	2

As at 31 December 2020, the fair value of assets under management amounted to USD 4,218.7 million (2019: USD 2,752.4 million). The Company recognises its financial assets (Commodity Contracts) and financial liabilities (Commodity Securities) at fair value in the Statement of Financial Position.

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

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

The gain or loss on Commodity Securities and Commodity Contracts is recognised through profit or loss in line with the Company's accounting policy. This is presented in more detail in note 8 to these financial statements.

The Company's exposure to risk is disclosed in note 12 to the financial statements.

The Company is entitled to a management fee and licence allowance which are calculated on a daily basis, and creation and redemption fees on the issue and redemption of Commodity Securities. During the year, the Company generated income from creation and redemption fees, management fees and licence allowance as follows:

	2020 USD	2019 USD
Creation and Redemption Fees	650,487	532,460
Management Fees and Licence Allowance	22,683,820	18,923,513
Total Fee Income	**23,334,307**	**19,455,973**

Review of Operations (continued)

Non-GAAP Performance Measures

Under the terms of the service agreement with ManJer, the Company accrued expenses equal to the management fee, licence allowance and creation and redemption fees, which, after taking into account other operating income and expenses, resulted in a result before fair value movements for the year of USD Nil (2019: USD Nil).

As the difference in the valuation of Commodity Contracts (held to support the Commodity Securities) and Commodity Securities would be reversed on a subsequent redemption of the Commodity Securities and cancellation of the corresponding Commodity Contracts (as described further in note 7), the Company presents an adjusted Statement of Profit or Loss and Other Comprehensive Income and an adjusted Statement of Changes in Equity in note 15 of the financial statements.

Coronavirus disease (COVID-19)

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

The directors are closely monitoring the advice and developments relating to the spread 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.

Going Concern

The nature of the Company's business dictates that the outstanding Commodity Securities may be redeemed at any time by Authorised Participants and in certain circumstances by individual holders and also, in certain circumstances, may be compulsorily redeemed by the Company. As the redemption of Commodity Securities will always coincide with the cancellation of an equal amount of Commodity Contracts, liquidity risk is mitigated such that there is no residual liquidity risk. All other expenses of the Company are met by ManJer. The directors are closely monitoring the advice and developments relating to the spread of COVID-19, particularly with its impact on ManJer, its assets under management, and therefore its related revenue streams, in respect of fulfilling the obligations under the services agreement. The directors consider the operations of the Company to be ongoing, with a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of 12 months from the date of these financial statements, and accordingly these financial statements have been prepared on the going concern basis.

Future Developments

The board of directors (the "Board") are not aware of any developments that might have a significant effect on the operations of the Company in subsequent financial periods not already disclosed in this report or the attached financial statements.

Dividends

There were no dividends declared or paid in the year (2019: USD Nil). It is the Company's policy that dividends will only be declared when the directors are of the opinion that there are sufficient distributable reserves.

Employees

The Company does not have any employees. It is the Company's policy to use the services of specialist subcontractors or consultants as far as possible.

Auditor

The Independent Auditor is Ernst & Young LLP. A resolution to re-appoint Ernst & Young LLP will be proposed at the next Board meeting of the directors.

Directors' Remuneration

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

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

		2020 GBP	**2019 GBP**
Stuart Bell		Nil	Nil
Christopher Foulds	(Appointed 15 April 2020)	5,685	Nil
Hilary Jones	(Resigned 15 April 2020)	2,315	8,000
Steven Ross		8,000	8,000
Peter Ziemba		Nil	Nil

Principal Risks and Uncertainties

Each Commodity Security is a debt instrument whose redemption price is linked to the performance of the underlying commodity index. Each class of Commodity Security is issued under limited recourse arrangements whereby the holders have recourse only to the relevant Commodity Contracts held to support the Commodity Securities and not to the Commodity Contracts of any other class of Commodity Security or the Company. In addition, since any such price movements are wholly attributable to the holders of the Commodity Securities, the Company has no residual exposure to movements in the value of the Commodity Contracts. From a commercial perspective the Company does not retain any net gains or losses or net risk exposures, as (with the exception of the impact of management fees and licence allowance) the gains or losses on the liability represented by the Commodity Securities are matched economically by corresponding losses or gains attributable to the Commodity Contracts (see detail on page 3 regarding the accounting mis-match). The Company's exposure to risks, including further details surrounding the value of Commodity Securities and the Commodity Contracts are disclosed in note 12 to the financial statements.

Movements in the value of the underlying Commodity Contracts, and thus the value of the Commodity Securities, may vary widely which could have an impact on the demand for the Commodity Securities issued by the Company. These movements are shown in notes 7 and 8.

Additional information on other financial and operational risks and uncertainties faced by the Company are disclosed in note 12 of these financial statements.

Corporate Governance

There is no standard code of corporate governance in Jersey. The operations, as previously described in the Directors' Report, are such that the directors have determined that the Company is not required to apply, and has elected not to voluntarily apply, the UK Corporate Governance Code.

As the Board is small, there is no nomination committee and appointments of new directors are considered by the Board as a whole. The Board does not consider it appropriate that directors should be appointed for a specific term. Furthermore, the structure of the Board is such that it is considered unnecessary to identify a senior non-executive director.

The constitution of the Board is disclosed on page 2. The Board meets regularly as required by the operations of the Company, but at least quarterly to review the overall business of the Company and to consider matters specifically reserved for its review.

Internal Control

During the year the Company did not have any employees or subsidiaries, and there is no intention that this will change. The Company, being a special purpose company established for the purpose of issuing Commodity Securities, has not undertaken any business, save for issuing and redeeming Commodity Securities, entering into the required documents and performing the obligations and exercising its rights in relation thereto, since its incorporation. The Company does not intend to undertake any business other than issuing and redeeming Commodity Securities and performing the obligations and exercising its rights in relation thereto.

The Company is dependent upon ManJer to provide management and administration services to it. ManJer is licensed under the Financial Services (Jersey) Law 1998 to conduct classes U and Z of Fund Services Business. ManJer outsources the administration services in respect of the Company to the Administrator. Documented contractual arrangements are in place with the Administrator which define the areas where the authority is delegated to them. The performance of the Manager and Administrator are reviewed on an ongoing basis by the Board, through their review of periodic reports.

ManJer provides management and other services to both the Company and other companies issuing commodity and index tracking securities.

The Board, having reviewed the effectiveness of the internal control systems of the Manager and the Administrator, does not consider that there is a need for the Company to establish its own internal audit function.

Audit Committee

The Board has not established a separate audit committee; instead the Board meets to consider the financial reporting by the Company, the internal controls, and relations with the external auditor. In addition, the Board reviews the independence and objectivity of the auditor.

Steven Ross
Director
Jersey
30 April 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and applicable law.

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

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

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

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

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

- the financial statements for the year ended 31 December 2020 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by law and in accordance with IFRS as issued by the IASB; and
- the Directors' Report gives a fair view of the development and performance of the Company's business, including financial position and the important events that have occurred during the year, and their impact on these financial statements, together with a description of the principal risks and uncertainties they face.

By order of the Board

Steven Ross
Director
Jersey
30 April 2021

Building a better working world

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WISDOMTREE COMMODITY SECURITIES LIMITED

Opinion

We have audited the financial statements of WisdomTree Commodity Securities Limited (the "company") for the year ended 31 December 2020 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity, and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRS").

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its result for the year then ended;
- have been properly prepared in accordance with IFRS; and
- have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 the ethical requirements that are relevant to our audit of the financial statements, including the UK FRC's Ethical Standard as applied to listed entities 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.

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:

How we evaluated management's assessment

Risk assessment procedures

- We have obtained an understanding of management's rationale for using the going concern basis of accounting. To challenge the completeness of this assessment, we have independently assessed whether factors exist that may indicate events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. The events or conditions identified were consistent with those addressed in management's assessment and further are explained below. We have designed our audit procedures to evaluate the effect of these risks on the entity's ability to continue as a going concern.

Management's method

- In conjunction with our walkthrough of the company's financial statement close process, we confirmed our understanding of management's Going Concern assessment process and also engaged with management to challenge that all key factors were considered in their assessment;
- We obtained management's board approved going concern assessment covering the period of assessment from the date of signing to 30 April 2022. Given the absence of cash transactions or cash obligations within the company, management's going concern assessment has focussed on a combination of;

- Assessing the ongoing viability of the Company through continued involvement of its Authorised Participants;
- Determining that no compulsory redemption triggers are expected to be encountered during the period of assessment; and
- Assessing the ongoing viability of the wider WisdomTree Jersey Issuer platform for which the Company is an element, with a focus on the ability of the platform to support the Manager in meeting obligations as they fall due, through assessment of fixed and variable operating costs that could be supported under varying levels of total assets under management for the Issuer platform.

- ► Using our understanding of the business, we evaluated whether the considerations and method adopted by management in assessing going concern was appropriate and observed that the method was consistent with that used in the prior year
- ► We performed a walkthrough of the method and noted that the each of the factors had been considered and supported by management.
- ► We tested that the forecasts were mathematically accurate;
- ► We considered the past historical accuracy of management's assessments (prior to Coronavirus);
- ► We evaluated management's Coronavirus impact assessment on the forecasts by comparing to the actual impact experienced by the Group in 2020;
- ► We inquired of management as to its knowledge of events or conditions beyond the period of management's assessment and reviewed industry publications to challenge and corroborate management's macro assumptions used in the assessment. In doing so, we also considered the consistency of information obtained from other areas of the audit such as the changes in assets under management in the period since the balance sheet date to the date of issuance of the financial statements.

Assumptions

- ► We evaluated the relevance and reliability of the underlying data used to make the assessment by corroborating with the information contained in audited financial statements
- ► We determined whether there was appropriate evidence for the ongoing involvement of the Authorised Participant's through enquiry with the Directors and management and confirming no correspondence indicating otherwise from the Authorised Participant
- ► We determined that there was no indication of Company level redemption triggers being initiated, through reading the relevant prospectus sections, making enquiry of the Directors and management and reading minutes of meetings of the Board.
- ► For the platform cost assumptions underlying the wider platform viability considerations, we compared these to those observed in the prior year and obtained information from the Manager in respect of the existing platform cost base;

Stress testing and Management's plans for future actions

- ► We performed reverse stress testing on the forecasts to understand how severe the downside scenarios would have to be, and in particular the reduction in platform assets under management, to result in the platform generating insufficient management fees to cover operating costs;

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WISDOMTREE COMMODITY SECURITIES LIMITED (continued)

Disclosures

- We considered whether management's disclosures, in the Annual Report and financial statements, sufficiently and appropriately disclose information required in respect of the going concern assumption applied through consideration of relevant disclosure standards.

Our key observations

We have observed:

- No communication from the Company's Authorised Participants indicating an intention to withdraw support or initiate any action that would trigger the termination of the company;
- No indication that compulsory redemption triggers are expected to be encountered during the period of assessment to April 2022; and
- Significant headroom observed in management fee income, at current Assets Under Management ("AUM") levels, in excess of fixed costs supporting management's assumption that the Issuer Platform is able to absorb heightened levels of volatility in Assets Under Management in the current economic climate.

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 over the period to 30 April 2022 being 12 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.

Overview of our audit approach

Key audit matters	► Valuation of Financial Assets at fair value through profit and loss - Commodity Contracts ► Valuation of Financial Liabilities at fair value through profit and loss - Commodity Securities
Materiality	► Overall materiality of US$42.180m which represents 1% of total assets

An overview of the scope of our audit

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. All audit work was performed directly by the audit engagement team.

Changes from the prior year

There were no changes in our audit strategy compared to the prior year.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WISDOMTREE COMMODITY SECURITIES LIMITED (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. These matters included 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 our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Board
Valuation of Financial Assets at fair value through profit and loss - Commodity Contracts **USD 4,218,667,859 (2019: USD 2,752,376,081)** *Refer to the Accounting policies (page 23); and Note 7 of the Financial Statements (pages 26-27)* Risk that Commodity Contract values are misstated or that valuations are incorrectly calculated. The Commodity Contracts held comprise a range of commodity derivatives that are used by the Company to provide holders of issued securities with exposure that is designed to track the price of commodity futures. The Commodity Contracts are carried at fair value as a Financial Asset. The risk comprises the risk of errors in both the valuation methodology applied (including the risk that the valuation methodology has not been determined in accordance with the terms of the applicable prospectus) and in the source and timing of valuation inputs utilised. The balance of Commodity Contracts represents in excess of 99% of the company's total assets as at 31 December 2020 (2019: 99%) and therefore any error in valuation approach could be significant. The risk has remained consistent with that observed in the prior year.	We walked through the Company's systems and controls implemented in respect of Commodity Contract valuation. In executing our strategy we adopted a fully substantive audit approach. Our response to the risk comprised: Obtaining independent confirmation, from the Commodity Contract counterparty, of the contractual value of contracts as at the reporting date. Agreeing the valuation methodology applied to the definition set out in the prospectus and validating key inputs used to derive the value of the Commodity Contracts. This included agreement of the price of referenced commodities or commodity indices to external pricing sources as at 31 December 2020. Recalculation of the value of a sample of Commodity Contracts held at 31 December 2020, representing 94% of the total value of Commodity Contracts held.	There were no matters identified during our audit work on valuation of Commodity Contracts that we wanted to bring to the attention of the Board of Directors of the company. Based on our testing we are satisfied that the valuation of the Commodity Contracts is not materially misstated

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WISDOMTREE COMMODITY SECURITIES LIMITED (continued)

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Valuation of Financial Liabilities at fair value through profit or loss - Commodity Securities **USD 4,186,873,094 (2019: USD2,764,472,560)** *Refer to the Accounting policies (page 23); and Note 8 of the Financial Statements (pages 27-28)* Risk that values of Commodity Securities in issue are misstated or that valuations are incorrectly captured. The Commodity Securities in issue comprise a range of financial instruments that provide holders of issued securities with exposure to movements in prices of Commodity without needing to take physical delivery. The Commodity Securities are carried at fair value as a Financial Liability. The risk comprises the risk of errors in both the valuation methodology applied and in the source and timing of valuation inputs utilised. The balance of Commodity Securities represents in excess of 99% of the company's total liabilities as at 31 December 2020 (2019: 99%) and therefore any error in valuation approach could be significant. The risk has remained consistent with that observed in the prior year.	We walked through the Company's systems and controls implemented in respect of the valuation of Commodity Securities. In executing our strategy, we adopted a fully substantive approach. Our response to the risk comprised: An assessment of the company's systems and controls implemented in respect of Commodity Security valuation. Assessing the appropriateness of the valuation methodology applied, comprising the use of traded security prices to value the Commodity Securities, against relevant IFRS requirements. Independently obtaining security prices using external pricing sources at the balance sheet date. Recalculating the value of Commodity Securities held at 31 December 2020, by multiplying the security price by the confirmed security balance in issue. This represented 100% of the total value of Commodity Securities in issue.	There were no matters identified during our audit work on valuation of Commodity Securities that we wanted to bring to the attention of the Board of Directors of the company. Based on our testing we are satisfied that the valuation of Commodity Securities is not materially misstated

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 COMMODITY SECURITIES LIMITED (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 US$42.18 million (2019: US$27.6 million), which is 1% (2019: 1%) of Total Assets. We believe that Total Assets provides us with an appropriate basis for audit materiality as Total Assets value reflects the relevant exposure of holders of issued securities to the underlying asset base.

In particular we have considered both the nature of the exposure to asset performance being obtained by security holders and the expectations of the users of the financial statements by observing the basis applied across existing WisdomTree exchange traded issuer products.

The entity is structured such that the security holders' interests are reflected as a liability, but provide exposure to net assets invested, with the 1% being considered appropriate in the context of such asset exposure.

The basis is also consistent with other audited WisdomTree exchange traded issuer platforms in Europe, where 1% of total assets has historically been applied as the basis for materiality, so we continue to reflect this established level of user expectation for WisdomTree issuer vehicles.

There has been no change in the basis of materiality used compared to the prior year.

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 50% (2019: 50%) of our planning materiality, namely US$21.090 m (2019: US$13.8m). We have set performance materiality at this percentage in response to audit differences identified in our audit of the Company and related entities in the prior year. We had set performance materiality at 50% of our planning materiality in the prior year to reflect the fact that it was our initial period of involvement.

Reporting threshold
An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Board that we would report to them all uncorrected audit differences in excess of US$2.109m (2019: US$1.4m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. The basis of determining the amount remains consistent with that applied in the prior year at 5% of planning materiality.

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.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 7, including the Directors' Report set out on pages 2 to 6 and the Statement of Directors Responsibilities set out on page 7, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 course of 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- proper accounting records have not been kept by the company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the company's accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WISDOMTREE COMMODITY SECURITIES LIMITED (continued)

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- ► We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework, comprising IFRS and Companies (Jersey) Law 1991. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the presentation and disclosure of the financial statements being the applicable Listing Rules of the UK Listing Authority.

- ► We understood how WisdomTree Commodity Securities Limited is complying with those frameworks by making enquiries of the directors and key management of the administrative service provider. We corroborated our enquiries through our review of minutes of Board meetings, papers provided to the board and correspondence received from regulatory bodies and noted no contradictory evidence.

- ► We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by understanding the investment objectives of the Company and discussing with management to understand where reporting was considered susceptible to fraud. Where this risk was considered to be higher, we performed audit procedures in response to the identified fraud risk. These procedures included testing of transactions to supporting documentation, testing of specific accounting journal entries and focussed testing, including that referred to in the key audit matters section above. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.

- ► Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved a review of board minutes to identify any non-compliance with laws and regulations, a review of any associated reporting submitted to the board on compliance with laws and regulations and enquiries of members of management of the appointed administrative service provider.

- ► As the Company operates in the asset management industry the Audit Partner reviewed the experience of the engagement team and concluded that the team had the appropriate competence and capabilities.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Christopher David Gordon Barry, FCA
for and on behalf of Ernst & Young LLP
Jersey, Channel Islands
Date: 30 April 2021

		Year ended 31 December	
		2020	2019
	Notes	USD	USD
Income	3	23,334,307	19,455,973
Expenses	3	(23,334,307)	(19,455,973)
Result Before Fair Value Movements	3	**-**	**-**
Change in Contractual and Fair Value of Commodity Contracts	7	1,132,592,522	525,723,270
Change in Fair Value of Commodity Securities	8	(1,088,701,278)	(508,686,187)
Profit for the Year[1, 2]	8	**43,891,244**	**17,037,083**

The directors consider the Company's activities as continuing.

[1] A non-statutory and non-GAAP Statement of Profit or Loss and Other Comprehensive Income reflecting adjustments representing the movement in the difference between the value of the Commodity Contracts and the price of Commodity Securities is set out in note 15.

[2] There are no items of Other Comprehensive Income, therefore the Profit for the Year also represented the Total Comprehensive Income for the Year.

The notes on pages 20 to 36 form part of these financial statements

	Notes	As at 31 December 2020 USD	2019 USD
Assets			
Commodity Contracts	7	4,218,667,859	2,752,376,081
Amounts Receivable on Commodity Contracts Awaiting Settlement	7	15,365,725	6,742,276
Amounts Receivable on Commodity Securities Awaiting Settlement	8	8,834,934	5,271,900
Trade and Other Receivables	6	3,585,255	2,528,332
Total Assets		**4,246,453,773**	**2,766,918,589**
Liabilities			
Commodity Securities	8	4,186,873,094	2,764,472,560
Amounts Payable on Commodity Securities Awaiting Settlement	8	15,365,725	6,742,276
Amounts Payable on Commodity Contracts Awaiting Settlement	7	8,834,934	5,271,900
Trade and Other Payables	9	3,585,253	2,528,330
Total Liabilities		**4,214,659,006**	**2,779,015,066**
Equity			
Stated Capital	10	2	2
Revaluation Reserve		31,794,765	(12,096,479)
Total Equity		**31,794,767**	**(12,096,477)**
Total Equity and Liabilities		**4,246,453,773**	**2,766,918,589**

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

The financial statements on pages 16 to 36 were approved and authorised for issue by the board of directors and signed on its behalf on 30 April 2021.

Steven Ross
Director

The notes on pages 20 to 36 form part of these financial statements

	Year ended 31 December 2020 USD	2019 USD
Profit for the Year	**43,891,244**	**17,037,083**
Non-cash Reconciling Items		
Change in Contractual and Fair Value of Commodity Contracts	(1,132,592,522)	(525,723,270)
Change in Fair Value of Commodity Securities	1,088,701,278	508,686,187
	-	**-**
Cash Generated from Operating Activities	-	-
Net Movement in Cash and Cash Equivalents	**-**	**-**
Cash and Cash Equivalents at the Beginning of the Year	-	-
Net Movement in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents at the End of the Year	**-**	**-**

Commodity Securities are issued through a direct transfer of cash from the Authorised Participants to the Commodity Contract Counterparties or redeemed by the direct transfer of cash by the Commodity Contract Counterparties to the Authorised Participants. As such the Company is not a party to any cash transactions. The creations and redemptions of Commodity Securities and creations and cancellations of Commodity Contracts, which are non-cash transactions for the Company, are disclosed in notes 7 and 8 respectively in the reconciliation of opening to closing Commodity Securities and Commodity Contracts.

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

The notes on pages 20 to 36 form part of these financial statements

	Notes	Stated Capital USD	Retained Earnings USD	Revaluation Reserve USD	Total Equity USD
Opening Balance at 1 January 2019		2	-	(29,133,562)	(29,133,560)
Result and Total Comprehensive Income for the Year		-	17,037,083	-	17,037,083
Transfer to Revaluation Reserve	15	-	(17,037,083)	17,037,083	-
Balance at 31 December 2019		**2**	**-**	**(12,096,479)**	**(12,096,477)**
Opening Balance at 1 January 2020		2	-	(12,096,479)	(12,096,477)
Result and Total Comprehensive Income for the Year		-	43,891,244	-	43,891,244
Transfer to Revaluation Reserve	15	-	(43,891,244)	43,891,244	-
Balance at 31 December 2020[3]		**2**	**-**	**31,794,765**	**31,794,767**

[3] A non-statutory and non-GAAP Statement of Changes in Equity reflecting adjustments representing the difference between the value of Commodity Contracts and the price of Commodity Securities is set out in note 15.

The notes on pages 20 to 36 form part of these financial statements

1. General Information

WisdomTree Commodity Securities Limited (the "Company") is a company incorporated and domiciled in Jersey. The address of the registered office is Ordnance House, 31 Pier Road, St. Helier, Jersey, JE4 8PW.

The purpose of the Company is to provide a vehicle that facilitates the issuance and subsequent listing and trading of securities that track the performance of commodity futures ("Commodity Securities"). Commodity Securities are backed by commodity contracts ("Commodity Contracts") with terms corresponding to the terms of Commodity Securities. Each class of Commodity Security is issued under limited recourse arrangements whereby the holders have recourse only to the relevant Commodity Contracts held to support the Commodity Securities and not to the Commodity Contracts of any other class of Commodity Security or to the Company. The Company does not make gains from trading in the underlying Commodity Contracts. As a result, (and with the exception of the impact of management fees and licence allowance), from a commercial perspective gains and losses in respect of Commodity Contracts will always be offset by a corresponding loss or gain on the Commodity Securities and therefore commercially the Company does not retain any net gains or losses or net risk exposures. However, the difference in valuation between Commodity Contracts and Commodity Securities creates a mis-match between values reported within these financial statements. This difference in valuation would be reversed on a subsequent redemption of the Commodity Securities and cancellation of the corresponding Commodity Contracts. Further details are disclosed within the Accounting Policies and in note 15, with additional information regarding the risks of the Company disclosed in note 12. Furthermore, the Company presents an adjusted Statement of Profit or Loss and Other Comprehensive Income and an adjusted Statement of Changes in Equity in note 15 of the financial statements to reflect the economic results of the Company through the reversal of the difference in valuation between Commodity Contracts and Commodity Securities given the gain or loss would be reversed on a subsequent redemption of the Commodity Securities and transfer of the corresponding Commodity Contracts, and therefore will not be realised.

Exchange-traded products are not typically actively managed, are significantly lower in cost when compared to actively managed mutual funds and are easily accessible to investors. No trading or management of futures contracts is required of the Company because the Company has entered into arrangements to acquire an equivalent asset exposure represented by the Commodity Securities from third parties which fully hedges the exposure of the Company.

The Company is entitled to:

(1) a management fee and a licence allowance which are calculated by applying a fixed percentage to the Contractual Value of Commodity Securities in issue on a daily basis (the "Management Fee and Licence Allowance"); and
(2) creation and redemption fees on the issue and redemption of the Commodity Securities.

No creation or redemption fees are payable to the Company when investors trade in the Commodity Securities on a listed market such as the London Stock Exchange. Creation and redemption fees may also be waived with certain approved persons where applicable.

The Company has entered into a service agreement with WisdomTree Management Jersey Limited ("ManJer" or the "Manager"), whereby ManJer is responsible for supplying or procuring the supply of all management and administration services required by the Company (including marketing), as well as the payment of costs relating to the listing and issuance of Commodity Securities. In return for these services the Company pays ManJer an amount equal to the management fee, licence allowance and the creation and redemption fees earned (the "ManJer Fee"). As a result, the Company recognises a result before fair value movements of nil for each period.

2. Accounting Policies

The main accounting policies of the Company are described below.

Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

Critical Accounting Estimates and Judgements

The presentation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key accounting judgement required to prepare these financial statements is in respect of the presentation of non-statutory and non-GAAP adjustments to the Statement of Profit or Loss and Other Comprehensive Income and the Statement of Changes in Equity, as disclosed in note 15.

The directors do not consider that any significant estimates have been applied in the preparation of these financial statements.

Going Concern

The nature of the Company's business dictates that the outstanding Commodity Securities may be redeemed at any time by Authorised Participants and in certain circumstances by individual holders and also, in certain circumstances, may be compulsorily redeemed by the Company. As the redemption of Commodity Securities will always coincide with the cancellation of an equal amount (in value) of Commodity Contracts, and furthermore, the Company will hold the Commodity Contracts to support the Commodity Securities issued and will only cancel Commodity Contracts on the redemption of Commodity Securities, liquidity risk is mitigated such that there is no residual liquidity risk. All other expenses of the Company are met by ManJer. The directors are closely monitoring the advice and developments relating to the spread of COVID-19, particularly with its impact on ManJer, its assets under management, and therefore its related revenue streams, in respect of fulfilling the obligations under the services agreement in place. The directors consider the operations of the Company to be ongoing, with a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of 12 months from the date of these financial statements, and accordingly these financial statements have been prepared on the going concern basis.

Accounting Standards

(a) Standards, amendments and interpretations adopted in the year:

In preparing the financial statements the Company has adopted all new or revised Standards and Interpretations in issue and effective for the year, including:

- Amendments to IAS 1 Presentation of Financial Statements
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

The changes to IAS 1 & 8 are changes regarding the definition of material and therefore are applicable to the Company, however these are not considered to have resulted in a significant effect on these financial statements.

2. Accounting Policies (continued)

Accounting Standards (continued)

(b) Standards, amendments and interpretations not applicable to the Company:

The following standards that have been revised, issued and became effective but are not considered applicable to the Company:

- Amendments to IFRS 3 Business Combinations
- Amendments to IFRS 7 Financial Instruments: Disclosures
- Amendments to IFRS 9 Financial Instruments
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement

The directors consider that the adoption of the above standards, amendments and interpretations did not have a material impact on the financial statements of the Company on the basis that the changes to IFRS 7, IFRS 9 and IAS 39 are pre-replacement issues in the context of the Interbank Offered Rate (or IBOR) reform in respect of hedge accounting.

(c) New and revised IFRSs in issue but not yet effective:

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

- Amendments to IFRS 16 Leases (effective for annual periods beginning on or after 1 June 2020)
- IFRS 17 Insurance Contracts (effective for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 1 Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2022)
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets (effective for annual periods beginning on or after 1 January 2022)
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 to address the accounting issues that arise when financial instruments are modified from referencing an IBOR
- Annual Improvements to IFRS (impacting IFRS 1, IFRS 9 and IAS 41)

The directors are working through an assessment of the potential impact of the IBOR reforms (amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) on the Commodity Contracts and Commodity Securities, including within the underlying indices. As described in note 11, the pricing of the Commodity Contracts or the Commodity Securities takes into account the incremental capital enhancement component of the Commodity Security, which includes the impact of interest rates. This incremental capital enhancement component of the Commodity Contracts and Commodity Securities is attributable to the security holder and whilst this may impact the future values of the Commodity Contracts and Commodity Securities, there will be no residual exposure to the Company.

The directors do not expect the adoption of the remaining standards, amendments and interpretations that are in issue but not yet effective will have a material impact on the financial statements of the Company in future periods.

The directors have considered other standards and interpretations in issue but not effective and concluded that they would not have a material impact on the future financial periods when they become available.

2. Accounting Policies (continued)

Commodity Securities and Commodity Contracts

i) Issue and Redemption

Each time a Commodity Security is issued or redeemed by the Company a corresponding number and value of Commodity Contracts are created or cancelled with Citigroup Global Markets Limited ("Citigroup") and Merrill Lynch International ("Merrill Lynch") (collectively the "Commodity Contract Counterparties"). The Commodity Contracts represent the financial assets of the Company and the Commodity Securities give rise to the financial liabilities. Upon initial recognition, the fair value is recorded using the price calculated based on the formula set out in the Prospectus, referred to as the "Contractual Value" (see below).

Financial assets and liabilities are recognised and de-recognised on the transaction (trade) date.

ii) Classification at fair value through Profit or Loss

Each Commodity Security and Commodity Contract comprises a financial instrument whose redemption or cancellation price is linked to the performance of the relevant commodity index adjusted by the applicable fees and expenses.

The Commodity Contracts are classified as financial assets at fair value through profit or loss under IFRS 9 and the Commodity Securities held are classified as financial liabilities measured at fair value through profit or loss under IFRS 9 to significantly reduce a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

iii) Pricing

The Commodity Contracts are priced by reference to the value of the commodity indices calculated and published by Bloomberg L.P. or Bloomberg Finance L.P. (together "Bloomberg") and a multiplier calculated by the Company and agreed with the Commodity Contract Counterparties. The multiplier takes into account the daily accrual of the Management Fee and Licence Allowance and swap spread as well as the capital adjustment component of the Commodity Security, and is the same across all Commodity Securities of the same type (i.e. all classic Commodity Securities use the same multiplier). This price (the Contractual Value calculated based on the formula set out in the Prospectus) is considered to be the fair value of the Commodity Contracts.

IFRS 13 requires the Company to identify the principal market and to utilise the available price within that principal market. The directors consider the stock exchanges where the Commodity Securities are listed to be the principal market and as a result the fair value of the Commodity Securities is the on-exchange price as quoted on the stock exchange demonstrating active trading with the highest trading volume on each day that the price is obtained. The Commodity Securities are priced using the closing mid-market price on the Statement of Financial Position date.

Consequently, a difference arises between the value of Commodity Contracts (held to support the Commodity Securities) and Commodity Securities (at market value) presented in the Statement of Financial Position. This difference is reversed on a subsequent redemption of the Commodity Securities and cancellation of the corresponding Commodity Contracts.

Commodity Contracts and Securities Awaiting Settlement

The issue and redemption of Commodity Securities, and the creation or cancellation of Commodity Contracts, is accounted for on the transaction date. The transaction will not settle until two days after the transaction date. Where transactions are awaiting settlement at the year end, the value of the Commodity Contracts and the Commodity Securities due to be settled is separately disclosed within the relevant assets and liabilities on the Statement of Financial Position. The fair value of these receivables and payables is considered equivalent to their carrying value.

2. Accounting Policies (continued)

Other Financial Assets and Liabilities

Other financial assets and liabilities are non-derivative financial assets and liabilities including trade and other receivables and trade and other payables with a fixed payment amount and are not quoted in an active market. After initial measurement the other financial assets and liabilities are subsequently measured at amortised cost using the effective interest method less any allowance for expected credit losses. The effective interest method is a method of calculating the amortised cost of an instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Impairment losses, including reversals of impairment losses and impairment gains, are recorded through profit or loss.

Reserves

A revaluation reserve and a retained earnings reserve are maintained within equity. All profit or loss is taken to the retained earnings reserve at the end of the accounting period to which it relates and the gain or loss relating to the mis-match of accounting values is transferred to the non-distributable revaluation reserve as the balance relates to unrealised gains and losses on Commodity Contracts (held to support the Commodity Securities) and Commodity Securities, which will be reversed on a subsequent redemption of the Commodity Securities and the related cancellation of Commodity Contracts and will therefore not be realised.

Income

The Company derives its income over time (in respect of management fees), and at a point in time (in respect of creation and redemption fees) as follows:

i) *Management Fees and Licence Allowance*
Management Fees and Licence Allowance are calculated by applying a fixed percentage to the Contractual Value of Commodity Securities in issue on a daily basis in accordance with the terms of the securities issued. The Management Fees and Licence Allowance are accrued and recognised on a daily basis and are invoiced and settled on a monthly basis.

ii) *Creation and Redemption Fees*
Fees for the issue and redemption of Commodity Securities are recognised at the fair value of the consideration expected to be received, on the date on which the transaction becomes legally binding. Accrued creation and redemption fees are invoiced and settled on a quarterly basis.

Foreign Currency

The financial statements of the Company are presented in the currency in which the majority of the Commodity Securities issued by the Company are denominated (its functional currency). For the purpose of the financial statements, the results and financial position of the Company are expressed in United States Dollars, which is the functional currency of the Company, and the presentational currency of the financial statements.

Transactions in foreign currencies are initially recorded at the spot rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year-end date are translated at rates ruling at that date. Creation and redemption fees are translated at the average rate for the month in which they are incurred. The resulting differences are accounted for through profit or loss.

Segmental Reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the Chief Operating Decision Maker ("CODM") in order to allocate resources to the segments and to assess their performance. The CODM has been determined as the board of directors. A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products and services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

2. Accounting Policies (continued)

Segmental Reporting (continued)

The Company reports information on its operations for each of the Company's business segments only, as the Company only has one geographic segment which is Europe. In addition, the Company has no single major customer from which greater than 10% of income is generated. The directors believe that there are two segments comprising Classic & Longer Dated and Short & Leveraged – results of each are disclosed separately in note 5.

3. Result Before Fair Value Movements

Result Before Fair Value Movements for the year comprised:

	Year ended 31 December 2020 USD	2019 USD
Management Fees	20,793,782	17,342,309
Licence Allowance	1,890,038	1,581,204
Creation and Redemption Fees	650,487	532,460
Total Income	**23,334,307**	**19,455,973**
ManJer Fees	(23,334,307)	(19,455,973)
Total Operating Expenses	**(23,334,307)**	**(19,455,973)**
Result Before Fair Value Movements	**-**	**-**

Audit Fees for the year of GBP 28,730 will be met by ManJer (2019: GBP 25,130).

4. Taxation

The Company is subject to Jersey Income Tax. During the year the Jersey Income Tax rate applicable to the Company is zero percent (2019: zero percent).

5. Segmental Reporting

The Company has two operating segments; Classic & Longer Dated and Short & Leveraged Commodity Securities in issue. The Company earns income from each of these sources.

For the year ended 31 December 2020:	**Classic & Longer Dated USD**	**Short & Leveraged USD**	**Total USD**
Management Fees	13,240,526	7,553,256	20,793,782
Licence Allowance	1,204,495	685,543	1,890,038
Creation and Redemption Fees	333,767	316,720	650,487
Total Income	14,778,788	8,555,519	23,334,307
Total Operating Expenses	(14,778,788)	(8,555,519)	(23,334,307)
Segmental Result	**-**	**-**	**-**

5. Segmental Reporting (continued)

For the year ended 31 December 2019:	Classic & Longer Dated USD	Short & Leveraged USD	Total USD
Management Fees	13,649,310	3,692,999	17,342,309
Licence Allowance	1,392,786	188,418	1,581,204
Creation and Redemption Fees	304,370	228,090	532,460
Total Income	15,346,466	4,109,507	19,455,973
Total Operating Expenses	(15,346,466)	(4,109,507)	(19,455,973)
Segmental Result	-	-	-

Additional information relating to the assets and liabilities associated with these Commodity Securities is disclosed in notes 7 and 8.

6. Trade and Other Receivables

	As at 31 December	
	2020 USD	2019 USD
Management Fee and Licence Allowance	3,249,852	2,366,979
Creation and Redemption Fees	335,401	161,351
Receivable from Related Party	2	2
	3,585,255	**2,528,332**

The fair value of these receivables is equal to the carrying value. The Trade and Other Receivables are due to be recovered within 12 months of the year end.

7. Commodity Contracts

31 December 2020	Change in Fair Value USD	Fair Value USD
Classic & Longer Dated Commodity Contracts	888,010,083	3,717,287,350
Short & Leveraged Commodity Contracts	244,582,439	501,380,509
Total Commodity Contracts	**1,132,592,522**	**4,218,667,859**

31 December 2019	Change in Fair Value USD	Fair Value USD
Classic & Longer Dated Commodity Contracts	448,431,166	2,474,746,715
Short & Leveraged Commodity Contracts	77,292,104	277,629,366
Total Commodity Contracts	**525,723,270**	**2,752,376,081**

7. Commodity Contracts (continued)

As at 31 December 2020, there were certain Commodity Contracts awaiting settlement in respect of the creation or redemption of Securities with transaction dates before the year end and settlement dates in the following year:

- The amount receivable on Commodity Contracts as a result of unsettled redemptions of Commodity Securities is USD 15,365,725 (2019: USD 6,742,276).
- The amount payable on Commodity Contracts as a result of unsettled creations of Commodity Securities is USD 8,834,934 (2019: USD 5,271,900).

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

	Year ended 31 December	
	2020	**2019**
	USD	**USD**
Opening Commodity Contracts	**2,752,376,081**	**3,091,983,052**
Additions	7,784,655,038	4,618,568,799
Disposals	(7,428,271,962)	(5,464,975,527)
Management Fee and Licence Allowance	(22,683,820)	(18,923,513)
Change in Fair Value	1,132,592,522	525,723,270
Closing Commodity Contracts	**4,218,667,859**	**2,752,376,081**

8. Commodity Securities

Whilst the Commodity Securities are quoted on the open market, the Company's ultimate liability relates to its contractual obligations to issue and redeem Commodity Securities at set prices on each trading day. These prices are based on agreed formulae, and are equal to the published net asset values ("NAV") of each class of Commodity Security. Therefore, the actual contractual issue and redemption of Commodity Securities occur at a price that corresponds to the fair value of the Commodity Contracts. As a result, the Company has no net exposure to gains or losses on the Commodity Securities and Commodity Contracts.

The Company measures the Commodity Securities at their fair value in accordance with IFRS 13 rather than at the Contractual Value (as described in the Prospectus). The fair value is the price quoted on stock exchanges or other markets where the Commodity Securities are listed or traded.

The fair values and changes thereof during the year based on prices available on the open market as recognised in the financial statements are:

31 December 2020	**Change in Fair Value USD**	**Fair Value USD**
Classic & Longer Dated Commodity Securities	(852,686,790)	3,691,792,503
Short & Leveraged Commodity Securities	(236,014,488)	495,080,591
Total Commodity Securities	**(1,088,701,278)**	**4,186,873,094**

31 December 2019	**Change in Fair Value USD**	**Fair Value USD**
Classic & Longer Dated Commodity Securities	(432,630,074)	2,484,575,162
Short & Leveraged Commodity Securities	(76,056,113)	279,897,398
Total Commodity Securities	**(508,686,187)**	**2,764,472,560**

8. Commodity Securities (continued)

The Contractual Values and changes thereof during the year based on the contractual settlement values are:

31 December 2020	Change in Contractual Value USD	Contractual Value USD
Classic & Longer Dated Commodity Securities	(888,010,083)	3,717,287,350
Short & Leveraged Commodity Securities	(244,582,439)	501,380,509
Total Commodity Securities	**(1,132,592,522)**	**4,218,667,859**

31 December 2019	Change in Contractual Value USD	Contractual Value USD
Classic & Longer Dated Commodity Securities	(448,431,166)	2,474,746,715
Short & Leveraged Commodity Securities	(77,292,104)	277,629,366
Total Commodity Securities	**(525,723,270)**	**2,752,376,081**

The gain or loss on the difference between the value of the Commodity Contracts and the fair value of Commodity Securities would be reversed on a subsequent redemption of the Commodity Securities and cancellation of the corresponding Commodity Contracts. Refer to note 15 for the non-statutory and non-GAAP adjustments which reflect the results of this reversal.

As at 31 December 2020, there were certain Commodity Securities awaiting settlement in respect of creations or redemptions with transaction dates before the year end and settlement dates in the following year:

- The amount receivable as a result of unsettled creations of Commodity Securities is USD 8,834,934 (2019: USD 5,271,900).
- The amount payable as a result of unsettled redemptions of Commodity Securities is USD 15,365,725 (2019: USD 6,742,276).

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

	Year ended 31 December 2020 USD	2019 USD
Opening Commodity Securities	**2,764,472,560**	**3,121,116,614**
Securities Created	7,784,655,038	4,618,568,799
Securities Redeemed	(7,428,271,962)	(5,464,975,527)
Management Fee and Licence Allowance	(22,683,820)	(18,923,513)
Change in fair value	1,088,701,278	508,686,187
Closing Commodity Securities at Fair Value	**4,186,873,094**	**2,764,472,560**

9. Trade and Other Payables

	As at 31 December	
	2020	**2019**
	USD	**USD**
ManJer Fees Payable	**3,585,253**	**2,528,330**

The fair value of these payables is equal to the carrying value. The ManJer Fee Payable is due to be settled within 12 months of the year end.

10. Stated Capital

	As at 31 December	
	2020	**2019**
	USD	**USD**
2 Shares of Nil Par Value, Issued at GBP 1 Each and Fully Paid	**2**	**2**

The Company can issue an unlimited capital of nil par value shares in accordance with its Memorandum of Association.

All Shares issued by the Company carry one vote per Share without restriction and carry the right to dividends. All Shares are held by WisdomTree Holdings Jersey Limited (“HoldCo”).

11. Related Party Disclosures

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

Fees charged by ManJer during the year:

	Year ended 31 December	
	2020	**2019**
	USD	**USD**
ManJer Fees	**23,334,307**	**19,455,973**

The following balances were due to ManJer at year end:

	As at 31 December	
	2020	**2019**
	USD	**USD**
ManJer Fees Payable	**3,585,251**	**2,528,332**

At 31 December 2020, USD 2 is receivable from ManJer (2019: USD 2) in relation to unpaid share capital.

As disclosed in the Directors’ Report, ManJer paid Directors’ Fees in respect of the Company of GBP 16,000 (2019: GBP 16,000).

Steven Ross is a director of R&H Fund Services (Jersey) Limited (“R&H” or the “Administrator”) and a partner of Rawlinson & Hunter, Jersey Partnership, which wholly owns R&H. Christopher Foulds is a senior employee of R&H. During the year, R&H charged ManJer administration fees in respect of the Company of GBP 361,212 (2019: GBP 340,360), of which GBP 90,303 (2019: GBP 90,610) was outstanding at the year end.

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

12. Financial Risk Management

The Company is exposed to a number of risks arising from its activities, including credit risk, liquidity risk, settlement risk and market risk. The Board is responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board meets frequently to consider the risk exposures of the Company and to determine appropriate management policies. The risk management policies employed by the Company to manage these are discussed below.

The Commodity Securities are subject to normal market fluctuations and other risks inherent in investing in securities and other financial instruments. There can be no assurance that any appreciation in the value of securities will occur, and the capital value of an investor's original investment is not guaranteed. The value of investments may go down as well as up, and an investor may not get back the original amount invested.

The information provided below is not intended to be a comprehensive summary of all the risks associated with the Commodity Securities and investors should refer to the most recent Prospectuses for a detailed summary of the risks inherent in investing in the Commodity Securities. Any data provided should not be used or interpreted as a basis for future forecast or investment performance.

(a) Credit Risk

Credit risk primarily refers to the risk that holders of Commodity Securities who have entered into an authorised participant agreement with the Company ("Authorised Participants") or the Commodity Contract Counterparties will default on their contractual obligations resulting in financial loss. Each class of Commodity Security is issued under limited recourse arrangements whereby the holders have recourse only to the relevant Commodity Contracts (held to support the Commodity Securities) and not to the Commodity Contracts of any other class of Commodity Securities or to the Company, therefore limiting the credit risk of the Company in connection with the issue of the Commodity Securities.

There are compulsory redemption provisions as outlined in the prospectus that can be triggered by the Company or the Commodity Contract Counterparties in certain circumstances whereby a compulsory redemption of all Commodity Securities in issue would be undertaken. Furthermore, there are restrike mechanisms in certain classes of short and leveraged products that force a re-set of the price where there are large swings in the relevant index during a trading day, or which may trigger a compulsory redemption of Commodity Securities if the price of those Commodity Securities was to fall to zero within a specified intra-day period.

The total carrying amounts of the amounts receivable awaiting settlement and trade and other receivables best represent the maximum credit risk exposure at the Statement of Financial Position date. At the reporting date the Company's amounts receivable awaiting settlement and trade and other receivables are detailed on the Statement of Financial Position.

The value of Commodity Securities and the ability of the Company to repay the redemption price is dependent on the receipt of such amount from the Commodity Contract Counterparties and may be affected by the credit rating attached to each Commodity Contract Counterparty. Currently the Company has two Commodity Contract Counterparties, Merrill Lynch International and Citigroup Global Markets Limited. At the reporting date the exposure to the Commodity Contract Counterparties was split approximately 51% and 49% (2019: 83% and 17%), respectively.

In the event that a Commodity Contract Counterparty was to default, the Company would only transact with the non-defaulting Commodity Contract Counterparty. Furthermore, the Company could use the proceeds resulting from the sale of the collateral (see below) to transact with the non-defaulting Commodity Contract Counterparty to replacing the affected Commodity Contracts where possible.

To cover the credit risk under the Commodity Contracts, the Commodity Contract Counterparties are obliged to place an amount of collateral, equal to or greater than the exposure, into a pledge account with the custodian, based on the total outstanding value of the Commodity Contracts at the end of the previous trading day. The collateral held with the custodian is held in accounts in the names of the Commodity Contract Counterparties. In the event of default by a Commodity Contract Counterparty, the Company has rights which it can exercise over the collateral amounts placed in this pledge account. The realised value of the collateral may differ from the amount owed by the Currency Transaction Counterparty, as prices fluctuate intraday (i.e. from the last point the exposure and collateral were valued). Our collateral schemes apply strict margins and concentration limits to reduce the risk of such a loss, but do not completely remove it.

12. Financial Risk Management (continued)

(a) Credit Risk (continued)

The Board monitors credit risk exposure in order to ensure the Company's exposure is managed. The collateral pledged with the custodian is re-assessed on a daily basis to ensure that the eligibility criteria for the collateral continues to be met on a daily basis. Should the quality of the underlying collateral change on any day, it is removed from the collateral account and replaced with collateral that meets the existing criteria.

Collateral has continued to be managed in this way throughout the current period and no changes to the eligibility criteria have been made or considered necessary in respect of the potential impact of, or developments relating to the spread of COVID-19, which is fluid and rapidly changing.

(b) Settlement Risk

Settlement risk primarily refers to the risk that an Authorised Participant or the Commodity Contract Counterparty will default on its contractual obligations resulting in financial loss.

The directors believe that settlement risk would only be caused by the risk of the Company's trading counterparty not delivering cash, Commodity Contracts or Commodity Securities on the settlement date. The directors feel that this risk is mitigated as a result of the cash or Commodity Securities settling through the CREST system. The system ensures that the transaction does not settle until both parties have fulfilled their contractual obligations.

Amounts outstanding in respect of positions yet to settle are disclosed in notes 7 and 8.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities as they fall due. The Company's receivables and payables are all payable on demand and generally settled on a short-term basis. In addition, amounts in respect of the Management Fee, Licence Allowance and creation and redemption fees are transferred from the relevant counterparties directly to ManJer and there are no cash flows through the Company.

The Commodity Securities do not have a contractual maturity date and will only be redeemed at the request of the holder of the security, which may be requested at any time, or in the case of a compulsory redemption. Generally, only Authorised Participants can submit applications and redemptions directly with the Company.

Furthermore, liquidity risk of the Company is mitigated because the maturity profiles of the Commodity Securities and Commodity Contracts are matched, therefore the Company does not have to wait for a longer-term contract to mature in order to pay its debts to ex-security holders. Furthermore, while the agreements with the Commodity Contract Counterparties include limits (both daily and in the aggregate) on the issue and cancellation of Commodity Contracts, the Company is not obliged to issue and redeem Commodity Securities in excess of those limits under the terms of the security agreement.

Consequently, the Company has not presented any tabular information in respect of liquidity risk.

(d) Capital Management

The primary objective of the Company's capital management policy is to ensure that it maintains sufficient resources for operational purposes. The capital being managed is the Stated Capital as presented in the Statement of Changes in Equity. Retained Earnings and the Revaluation Reserve, as presented in the Statement of Changes in Equity, are not considered managed capital as these balances relate to unrealised gains and losses on Commodity Contracts (held to support the Commodity Securities) and Commodity Securities, which are reversed on a subsequent redemption of the Commodity Securities and the related cancellation of Commodity Contracts and will therefore not be realised. The Company is not subject to any capital requirements imposed by a regulator and there were no changes in the Company's approach to capital management during the year.

12. Financial Risk Management (continued)

(d) Capital Management (continued)

The Company's principal activity is the issue and listing of Commodity Securities. These Commodity Securities are issued and redeemed as demand requires. The Company holds a corresponding number of Commodity Contracts which matches the total liability of the Commodity Securities issued. ManJer supplies or arranges for the supply of all management and administration services to the Company and pays all management and administration costs of the Company. In return for these services the Company pays ManJer a fee, which under the terms of the service agreement is equal to the aggregate of the Management Fee, Licence Allowance and creation and redemption fees earned.

As all Commodity Securities in issue are supported by an equivalent number of Commodity Contracts held with the Commodity Contract Counterparties and the running costs of the Company are paid by ManJer, the directors of the Company consider the capital management and its current capital resources are adequate to maintain the ongoing listing and issue of Commodity Securities.

(e) Market Risk

Market risk is the risk that changes in market prices (such as index and equity prices, interest rates and foreign exchange rates) will affect the Company's income or the value of its financial instruments held or issued.

i) Price Risk

The value of the Company's liability in respect of the Commodity Securities fluctuates according to the performance of the underlying commodity index and the risk of such change in price is managed by the Company by entering into Commodity Contracts with the Commodity Contract Counterparties which match the liability. Whilst the Commodity Securities are quoted on the open market, the Company's ultimate liability relates to its contractual obligations to issue and redeem Commodity Securities at set prices on each trading day. The Company measures the Commodity Securities at their fair value in accordance with IFRS 13 rather than at the Contractual Value (as described in the Prospectus). The gain or loss on the difference between the value of the Commodity Contracts and the fair value of Commodity Securities would be reversed on a subsequent redemption of the Commodity Securities and cancellation of the corresponding Commodity Contracts. Refer to note 8 for the further details regarding fair values.

The Company therefore bears no residual financial risk on a contractual basis from a change in the value of a commodity, commodity index or currency by reference to the futures price. Furthermore, the impact of price sensitivity is considered immaterial to these financial statements.

However, there is an inherent risk from the point of view of investors as the values of commodities, and thus the value of the Commodity Securities, may vary widely due to, amongst other things, changing supply or demand for a particular commodity, government and monetary policy or intervention, interest rate levels and global or regional political, economic or financial events. The market price of Commodity Securities is (and will remain) a function of supply and demand amongst investors wishing to buy and sell Commodity Securities and the bid-offer spread that the market makers are willing to quote. This is highlighted further in note 15, and below under the Fair Value Hierarchy.

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 commodities and hence the prices of the Commodity Securities, and such effects may be significant and may be long-term in nature.The directors are closely monitoring the advice and developments relating to the spread of COVID-19, particularly with its impact on ManJer, its assets under management, and therefore its related revenue streams, in respect of fulfilling the obligations under the services agreement. The directors' consideration in respect of the going concern position of the Company is set out in note 2.

12. Financial Risk Management (continued)

(f) Market Risk (continued)

ii) Interest Rate Risk
The multiplier used in the pricing of the Commodity Contracts or the Commodity Securities takes into account the incremental capital enhancement component of the Commodity Security, which includes the impact of interest rates. This incremental capital enhancement component of the Commodity Contracts and Commodity Securities is attributable to the security holder. As a result, the Company does not have significant exposure to interest rate risk.

iii) Currency Risk
The directors do not consider the Company to have a significant exposure to currency risk arising from the current economic uncertainties facing a number of countries around the world as the gains or losses on the liability represented by the Commodity Securities are matched economically by corresponding losses or gains attributable to the Commodity Contracts.

(f) Sensitivity Analysis

IFRS 7 requires disclosure of a sensitivity analysis for each type of market risk to which the Company is exposed to at the reporting date, showing how profit or loss and equity would have been affected by a reasonably possible change to the relevant risk variable.

The Company's rights and liabilities in respect of Commodity Contracts and Commodity Securities, respectively, relates to its contractual obligations to issue and redeem Commodity Securities at set prices on each trading day. As a result, the Company's contractual and economic liability in connection with the issue and redemption of Commodity Securities is matched by movements in corresponding Commodity Contracts. Consequently, the Company does not have any net exposure to market price risk. Therefore, in the directors' opinion, no sensitivity analysis is required to be disclosed.

(g) Fair Value Hierarchy

The levels in the hierarchy are defined as follows:

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

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

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

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

12. Financial Risk Management (continued)

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

	Fair Value as at 31 December 2020 USD	2019 USD
Level 1		
Commodity Securities	**(4,184,691,674)**	**(2,735,930,316)**
Level 2		
Commodity Securities	(2,181,420)	(28,542,244)
Commodity Contracts	4,218,667,859	2,752,376,081
	4,216,486,439	**2,723,833,837**

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

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

There were no transfers or reclassifications between Level 1 and Level 2 for any of the assets during the year or at the reporting date. As at 31 December 2020 Commodity Securities with a fair value of USD 14,605,706 were transferred from Level 2 to Level 1 (2019: USD 28,542,244 transferred from Level 1 to Level 2).

13. Ultimate Controlling Party

In accordance with the disclosure requirements of IFRS the directors have determined that no entity meets the definition of immediate parent or ultimate controlling party. The holder of issued equity shares is HoldCo, a Jersey registered company. WisdomTree Investments, Inc is the ultimate controlling party of HoldCo.

14. Events Occurring After the Reporting Period

There have been no significant events that have occurred since the end of the reporting period up to the date of signing the Financial Statements which would impact on the financial position of the Company disclosed in the Statement of Financial Position as at 31 December 2020 or on the results and cash flows of the Company for the year ended on that date.

15. Non-GAAP and Non-Statutory Information

As a result of the mis-match in the accounting valuation of Commodity Contracts (held to support the Commodity Securities) and Commodity Securities (as disclosed in notes 7 and 8) the profits and losses and comprehensive income of the Company presented in the Statement of Profit or Loss and Other Comprehensive Income reflect gains and losses which represent the movement in the cumulative difference between the value of the Commodity Contracts and the price of Commodity Securities. The Statement of Changes in Equity also reflects the fair value movements on both the Commodity Contracts (held to support the Commodity Securities) and the Commodity Securities.

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

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

The mismatched accounting values are as shown below:

	Year ended 31 December	
	2020	**2019**
	USD	**USD**
Change in Contractual and Fair Value of Commodity Contracts	1,132,592,522	525,723,270
Change in Fair Value of Commodity Securities	(1,088,701,278)	(508,686,187)
	43,891,244	**17,037,083**

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

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

	Year ended 31 December	
	2020	**2019**
	USD	**USD**
Income	23,334,307	19,455,973
Expenses	(23,334,307)	(19,455,973)
Result Before Fair Value Movement	**-**	**-**
Change in Fair Value of Commodity Contracts	1,132,592,522	525,723,270
Change in Fair Value of Commodity Securities	(1,088,701,278)	(508,686,187)
Profit for the Year	**43,891,244**	**17,037,083**
Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Commodity Securities	(43,891,244)	(17,037,083)
Adjusted Result	**-**	**-**

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

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

	Stated Capital USD	Retained Earnings USD	Revaluation Reserve[4] USD	Total Equity USD	Adjusted Total Equity USD
Opening Balance at 1 January 2019	2	-	(29,133,562)	(29,133,560)	2
Result and Total Comprehensive Income for the Year	-	17,037,083	-	17,037,083	17,037,083
Transfer to Revaluation Reserve	-	(17,037,083)	17,037,083	-	-
Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Commodity Securities	-	-	-	-	(17,037,083)
Balance at 31 December 2019	**2**	**-**	**(12,096,479)**	**(12,096,477)**	**2**
Opening Balance at 1 January 2020	2	-	(12,096,479)	(12,096,477)	2
Result and Total Comprehensive Income for the Year	-	43,891,244	-	43,891,244	43,891,244
Transfer to Revaluation Reserve	-	(43,891,244)	43,891,244	-	-
Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Commodity Securities	-	-	-	-	(43,891,244)
Balance at 31 December 2020	**2**	**-**	**31,794,765**	**31,794,767**	**2**

[4] This represents the difference between the Value of Commodity Contracts and the price of Commodity Securities.