



# **ETFS Enhanced USD Cash ETF**

**ARSN 605 617 829**

**Condensed interim Financial Report  
For the half-year ended 31 December 2020**



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## Condensed Interim Financial Report

For the half-year ended 31 December 2020

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The directors of ETFS Management (AUS) Limited (the “Responsible Entity”), the Responsible Entity of ETFS Enhanced USD Cash ETF (the “Fund”), present their report together with the condensed interim financial statements of the Fund, for the half-year ended 31 December 2020 and the auditor’s report thereon.

## **Fund Objectives**

The Fund was an Exchange Traded Fund (“ETF”) and traded by investors on the Australian Securities Exchange (“ASX”). ETFs can be bought and sold like any other share through normal brokerage accounts.

The Fund’s objective was to provide investors with exposure to the performance of the US Dollar (“USD”) (before fees and expenses) by tracking its appreciation and depreciation against the Australian Dollar. Following the resolution made by the responsible entity on 10 December 2020 to terminate the Fund, units in the Fund were removed from trading status after the close of trading on 29 January 2021. Final distributions were paid to unitholders on 12 February 2021. The responsible entity intends to wind up the Fund within the next 12 Months.

## **Principal Activities**

The Fund was constituted on 2 March 2015 and commenced its operations on 9 June 2015. The Fund was listed on the ASX until 29 January 2021. During the half-year ended 31 December 2020, the Fund invested in accordance with the provisions of the Fund’s Constitution. The Fund did not have any employees during the half-year ended 31 December 2020.

## **Directors**

The following persons held office as directors of the Responsible Entity during the half-year or since the end of the half-year and up to the date of this report:

<b>Director</b>	<b>Date appointed</b>	<b>Date resigned</b>
Vincent W J FitzGerald	16 December 2014	n/a
Graham J Tuckwell	16 December 2014	n/a
Kristian J Walesby	3 May 2017	8 September 2020
Mark K Weeks	26 August 2020	n/a

## Review and Results of Operations

During the half-year, the Fund continued to invest funds in accordance with target asset allocations as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

Following the resolution made by the responsible entity on 10 December 2020 to terminate the Fund, units in the Fund were removed from trading status after the close of trading on 29 January 2021. The responsible entity intends to wind up the Fund within the next 12 Months.

## Results

The performance of the Fund, as represented by the results of its operations, was as follows:

	Half-year ended 31 December 2020 USD	Half-year ended 31 December 2019 USD
(Loss)/profit for the period	(8,579)	53,256
Distributions paid and payable	-	68,033

## Returns

The table below demonstrates the performance of the Fund as represented by the total return.

	Returns* Half-year ended 31 December 2020** % p.a.	Returns* Half-year ended 31 December 2019** % p.a.
US Dollars	(0.14)%	0.72%

\* Returns (after fees) are calculated on the assumption that all distributions are reinvested.

\*\* Returns are for the half-years ended 31 December 2020 and 31 December 2019 and have not been annualised.

The performance is reflective of the reduction of the Reference Currency for management fees.

## Significant Changes in State of Affairs

The responsible entity resolved on 10 December 2020 to terminate the Fund on 29 January 2021 with final distributions paid to unitholders on 12 February 2021.

The financial statements are therefore prepared on a basis other than going concern.

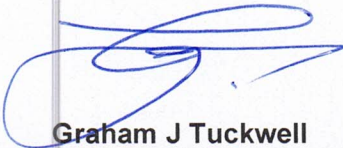
### **Matters Subsequent to the end of the half-year**

Following the resolution made by the responsible entity on 10 December 2020 to terminate the Fund, units in the Fund were removed from trading status after the close of trading on 29 January 2021. Final distributions were paid to unitholders on 12 February 2021. The responsible entity intends to wind up the Fund within the next 12 Months.

### **Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of the directors.



**Graham J Tuckwell**  
**Director**

Melbourne  
3 March 2021



# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of ETFS Management (AUS) Limited as Responsible Entity of  
ETFS Enhanced USD Cash ETF

I declare that, to the best of my knowledge and belief, in relation to the review of ETFS Enhanced USD Cash ETF for the financial half-year ended 31 December 2020 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Nic Buchanan

*Partner*

Sydney

3 March 2021

Condensed Statement of Profit or Loss and Other Comprehensive Income  
For the half-year ended 31 December 2020



	Notes	Half-year ended 31 December 2020 USD	Half-year ended 31 December 2019 USD
<b>Investment income</b>			
Interest income		3,017	62,749
Other operating income		864	668
Foreign exchange gain		563	1,131
<b>Total net investment income</b>		<b>4,444</b>	<b>64,548</b>
<b>Expenses</b>			
Management fees		(13,023)	(10,069)
<b>Total operating expenses</b>		<b>(13,023)</b>	<b>(10,069)</b>
<b>(Loss)/profit for the half-year</b>	3	<b>(8,579)</b>	<b>54,479</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss)/income for half-year</b>		<b>(8,579)</b>	<b>54,479</b>

The above Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.



	Notes	As at 31 December 2020 USD	As at 30 June 2020 USD
<b>Assets</b>			
Cash and cash equivalents		5,946,543	8,245,252
Receivables		1,960	2,293
<b>Total assets</b>		<b>5,948,503</b>	<b>8,247,545</b>
<b>Liabilities</b>			
Distributions payable	4	-	6,033
Payables		1,974	2,308
<b>Total liabilities</b>		<b>1,974</b>	<b>8,341</b>
<b>Net assets attributable to unitholders - equity</b>	3	<b>5,946,529</b>	<b>8,239,204</b>

The above Condensed Statement of Financial Position should be read in conjunction with the accompanying notes.



	Notes	Half-year ended 31 December 2020 USD	Half-year ended 31 December 2019 USD
<b>Total equity at the beginning of the financial period</b>	3	8,239,204	5,812,308
<b>Comprehensive income for the half-year</b>			
(Loss)/profit for the year	3	(8,579)	54,479
Other comprehensive income		-	-
<b>Total comprehensive income for the half-year</b>		<b>(8,579)</b>	<b>54,479</b>
<b>Transactions with unitholders</b>			
Applications	3	-	1,150,754
Redemptions	3	(2,284,096)	(767,173)
Distribution paid and payable	3	-	(68,033)
<b>Total transactions with unitholders</b>		<b>(2,284,096)</b>	<b>315,548</b>
<b>Total equity at the end of the financial period</b>		<b>5,946,529</b>	<b>6,182,335</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

	Notes	Half-year ended 31 December 2020 USD	Half-year ended 31 December 2019 USD
<b>Cash flows from operating activities</b>			
Interest income received		3,017	62,749
Other income received/(paid)		1,198	(190)
Management fees paid		(13,358)	(5,857)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(9,143)</b>	<b>56,702</b>
<b>Cash flows from financing activities</b>			
Cash received from applications by unitholders	3	-	1,150,754
Cash distributed from redemptions by unitholders	3	(2,284,096)	(767,173)
Distributions paid		(6,033)	(140,498)
<b>Net cash (outflow)/inflow from financing activities</b>		<b>(2,290,129)</b>	<b>243,083</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(2,299,272)</b>	<b>299,785</b>
Cash and cash equivalents at the beginning of the half-year		8,245,252	5,914,667
Effects of foreign currency exchange rate changes on cash and cash equivalents		563	1,131
<b>Cash and cash equivalents at the end of the half-year</b>		<b>5,946,543</b>	<b>6,215,583</b>

The above Condensed Statement of Cash Flows should be read in conjunction with the accompanying notes.

## **1. General Information**

These condensed interim financial statements cover ETFS Enhanced USD Cash ETF (the “Fund”) as an individual entity. The Fund was constituted on 2 March 2015 and commenced operations on 9 June 2015.

The Fund was domiciled in Australia and was a for-profit entity.

The Responsible Entity of the Fund is ETFS Management (AUS) Limited (the “Responsible Entity”). The Responsible Entity’s registered office is Level 7, 50 King Street, Sydney NSW 2000 Australia.

The condensed interim financial report was authorised for issue by the directors on 3 March 2021. The directors of the Responsible Entity have the power to amend and reissue the condensed interim financial statements.

The condensed interim financial statements are presented in US Dollars, which is the Fund’s functional currency.

## **2. Basis of preparation and accounting policies**

The condensed interim financial statements are general purpose financial statements prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The Responsible Entity resolved on 10 December 2020 to wind up the Fund within the next 12 months following the termination of the Fund at the close of trading on 29 January 2021. The condensed interim financial statements are therefore prepared on a basis other than going concern.

The Condensed Statement of Financial Position presents assets and liabilities in decreasing order of liquidity and does not distinguish between current and non-current items.

In preparing the financial statements on an alternate basis, the Responsible Entity has continued to apply all classification, recognition and measurement requirements of Australian Accounting Standards taking into account that the Scheme is not expected to continue as a going concern in the foreseeable future. All assets are measured at their fair value which equate to the net realisable values and liabilities are measured at their anticipated settlement amounts based on relevant Australian Accounting Standard requirements. There has been no significant remeasurement of any amounts in the financial statements.

No additional provisions or liabilities have been recognised as a result of the intended wind up of the Scheme as the Fund has not incurred any legal or contractual obligations.

The condensed interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

## 2. Basis of preparation and accounting policies (continued)

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the financial half-year beginning 1 July 2020 that would be expected to have a material impact on the Fund.

## 3. Net Assets Attributable to Unitholders

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Fund should classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

The Fund met the criteria set out under AASB 132 and net assets attributable to unitholders was classified as equity.

As stipulated within the Fund's Constitution, each unit represented a right to an individual share in the Fund and did not extend to a right to the underlying assets of the Fund. There were no separate classes of units and each unit had the same rights attaching to it as other units of the Fund.

Movement in number of units and net assets attributable to unitholders during the half-year were as follows:

	Half-year ended 31 December 2020		Half-year ended 31 December 2019	
	No.	USD	No.	USD
Opening balance	1,081,031	8,239,204	760,719	5,812,308
(Loss)/profit for the half-year	-	(8,579)	-	54,479
Applications	84	-	150,132	1,150,754
Redemptions	(300,000)	(2,284,096)	(100,000)	(767,173)
Distribution paid and payable	-	-	-	(68,033)
<b>Closing Balance</b>	<b>781,115</b>	<b>5,946,529</b>	<b>810,851</b>	<b>6,182,335</b>

### Capital Risk Management

The Fund managed its net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders could change significantly on a daily basis as the Fund was subject to daily applications and redemptions at the discretion of unitholders.

The Fund monitored the level of daily applications and redemptions relative to the liquid assets in the Fund. As of 31 December 2020, the capital of the Fund was represented in the net assets attributable to unitholders table.

In the event of a significant redemption, the Fund's Constitution allowed the delay of payment beyond the usual redemption timeframe but no later than the maximum number of days specified in the Constitution for satisfying redemption requests. Further, in certain circumstances such as disrupted markets, the Constitution allowed payment to be delayed beyond the maximum number of days.

**4. Distribution payable**

	As at 31 December 2020 USD	As at 30 June 2020 USD
Distribution payable	-	6,033
<b>Total</b>	<b>-</b>	<b>6,033</b>

Total distributions of \$nil (30 June 2020: \$6,033) were declared for the half year of which \$nil (30 June 2020: \$nil) were paid during the period together with distributions of \$6,033 (30 June 2020: \$191,476) that were declared in the prior period.

**5. Segment Information**

The Fund operated solely in the business of providing investors with the performance of the US Dollar (before fees and expenses). The Responsible Entity, which was the chief operating decision maker for the purposes of assessing performance and determining the allocation of resources, ensures that the Fund's holdings and performance reflect this objective. Accordingly, no additional qualitative or quantitative disclosures were required.

**6. Events Occurring After the Reporting Period**

Following the resolution made by the responsible entity on 10 December 2020 to terminate the Fund, units in the Fund were removed from trading on the Australian Stock Exchange after the close of trading on 29 January 2021. On the same date, all assets were sold and liabilities were settled and final distributions were paid to unitholders on 12 February 2021. The responsible entity intends to wind up the Fund within the next 12 Months.

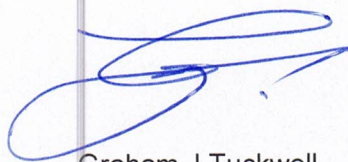
No other significant events have occurred since the end of the reporting period up to the date of signing the condensed interim financial report which would impact on the financial position of the fund as at 31 December 2020 or on the results or cash flows of the fund for the half-year ended on that date.

In the opinion of the directors of the Responsible Entity of ETFS Enhanced USD Cash ETF (the Fund):

- (a) the condensed interim financial statements and notes set out on pages 5 to 11 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
  - (ii) giving a true and fair view of the Fund's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Responsible Entity made pursuant to s.303 (5) of the *Corporations Act 2001*.

On behalf of the directors of the Responsible Entity.



Graham J Tuckwell  
Director

Melbourne  
3 March 2021



# Independent Auditor's Review Report

To the unitholders of ETFS Enhanced USD Cash ETF

## Conclusion

We have reviewed the accompanying **Condensed Interim Financial Report** of ETFS Enhanced USD Cash ETF (the Scheme).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Condensed Interim Financial Report of ETFS Enhanced USD Cash ETF does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Scheme's financial position as at 31 December 2020 and of its performance for the **half-year** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Condensed Interim Financial Report** comprises:

- Condensed statement of financial position as at 31 December 2020
- Condensed statement of profit or loss and other comprehensive income for the half-year ended on that date.
- Condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date
- Notes 1 to 6 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The **half-year** is the six months ended on 31 December 2020.

## Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Scheme in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code

## Emphasis of matter – basis of preparation and restriction on use and distribution

We draw attention to Note 2 of the Condensed Interim Financial Report, which describes the basis of preparation.

Following a resolution by ETFS Management (AUS) Limited (the Responsible Entity) on 10 December 2020, the Scheme terminated on 29 January 2021. The responsible entity intends to wind up the scheme in the next 12 months. The Condensed Interim Financial Report has therefore been prepared on a basis other than going concern. Our conclusion is not modified in respect of this matter.





### Responsibilities of the Directors for the Condensed Interim Financial Report

The Directors of ETFS Management (AUS) Limited are responsible for:

- the preparation of the Condensed Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Condensed Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibilities for the Review of the Condensed Interim Financial Report

Our responsibility is to express a conclusion on the Condensed Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Condensed Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Scheme's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Condensed Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

  
KPMG



Nic Buchanan

*Partner*

Sydney

3 March 2021