

ETFS Enhanced USD Cash ETF

ARSN 605 617 829

Annual Financial Report - For the period from 1 July 2020 to 30 June 2021

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ETFS Enhanced USD Cash ETF
Directors' Report
For the period from 1 July 2020 to 30 June 2021

Directors' Report

The directors of ETFS Management (AUS) Limited (the "Responsible Entity"), the Responsible Entity of ETFS Enhanced USD Cash ETF (the "Fund"), present their annual report together with the financial statements of the Fund, for the year ended 30 June 2021 and the auditor's report thereon.

Fund Objectives

The Fund aimed 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.

The Fund was an Exchange Traded Fund ("ETF") and could be traded by investors on the Australian Securities Exchange ("ASX"); ETFs can be bought and sold like any other share through normal brokerage accounts. Units in the Fund were removed from trading on the Australian Stock Exchange after the close of trading on 29 January 2021.

The Fund was backed by holdings of USD (the "Reference Currency") in deposit accounts at ANZ Banking Group Limited (the "Deposit Bank"). Any interest earned on the deposit accounts is distributed to investors.

Principal Activities

The Fund commenced its operations on 12 June 2015 and was admitted to listing on the ASX on 12 June 2015 and was subsequently delisted on 29 January 2021.

The Fund invested in accordance with the provisions of the Fund's Constitution.

The Fund did not have any employees during the period ended 12 February 2021.

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.

Directors

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

Director	Date appointed	Date resigned
Vince Fitzgerald	16 December 2014	n/a
Graham Tuckwell	16 December 2014	n/a
Kristian Walesby	3 May 2017	8 September 2020
Mark Weeks	26 August 2020	n/a

Review and Results of Operations

During the period, the Fund continued to invest funds in the Reference Currency in accordance with the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

ETFS Enhanced USD Cash ETF
Directors' Report (continued)
For the period from 1 July 2020 to 30 June 2021

Directors' Report (continued)

Results

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

	Period ended 12 February 2021 USD	Year ended 30 June 2020 USD
(Loss)/profit for the period/year	(11,266)	76,935
Distributions paid and payable	-	(96,375)

Returns

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

	Returns *	
	1 Year % p.a.	2 Year % p.a.
ETFS Enhanced USD Cash ETF returns	(10.41)	(7.54)

* Returns (after fees) were calculated on the assumption that any income received by the Fund in respect of interest on deposits holding the Reference Currency or otherwise was distributed to Holders.

The performance above was reflective of the reduction of the Reference Currency in respect of management fees.

Reconciliation of Net Asset Value for Unit Pricing Purposes to Financial Reporting Purposes

The key differences between net assets for unit pricing purposes and net assets attributed to Unitholders as reported in the financial report prepared under Australian Accounting Standards have been outlined below:

	12 February 2021 USD	30 June 2020 USD
Net Assets for Unit Pricing Purposes	-	8,249,844
<i>Permanent Differences</i>		
Difference between net market value (for unit pricing) and fair value (for financial statements) of financial assets held at fair value through profit or loss	-	(4,607)
<i>Timing Differences</i>		
Distribution Payable	-	(6,033)
Net assets attributable to Unitholders as at 12 February/30 June	-	8,239,204

ETFs Enhanced USD Cash ETF
Directors' Report (continued)
For the period from 1 July 2020 to 30 June 2021

Directors' Report (continued)

Significant Changes in State of Affairs

The Responsible Entity paid the final return of capital to the unitholders on 12 February 2021. The Fund was formally wound up on 30 June 2021. The financial statements are therefore prepared on a basis other than going concern.

In the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the financial period under review.

Matters Subsequent to the End of the Financial Period

There were no matters subsequent to the end of the financial period.

Likely Developments and Expected Results of Operations

The Fund settled all the assets and liabilities of the Fund on 30 June 2021.

**ETFS Enhanced USD Cash ETF
Directors' Report (continued)
For the period from 1 July 2020 to 30 June 2021**

Directors' Report (continued)

Indemnification and Insurance of Officers and Auditor

No insurance premiums were paid for out of the assets of the Fund in regards to insurance cover provided to either the officers of the Responsible Entity or the auditor of the Fund. So long as the officers of the Responsible Entity act in accordance with the Fund's Constitution and the Law, officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

The auditor of the Fund was in no way indemnified out of the assets of the Fund.

Fees Paid and Interests Held in the Fund by the Responsible Entity or its Associates

Fees paid to the Responsible Entity and its associates out of Fund property during the period are disclosed in Note 8 of the financial statements.

No fees were paid out of Fund property to the directors of the Responsible Entity during the period. Pursuant to ASIC Class Order relief, the Responsible Entity may individually negotiate fees with certain sophisticated or professional investors.

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial period are also disclosed in Note 8 of the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the period is disclosed in Note 4 of the financial statements.

Value of Assets

The value of the Fund's assets and liabilities was disclosed on the Statement of Financial Position and derived using the basis set out in Note 2 of the financial statements.

Environmental Regulation

The operations of the Fund were not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

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 5.

The financial report was authorised for issue by the directors on 23 September 2021.

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

DocuSigned by:

Graham Tuckwell

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**Graham Tuckwell
Director**

Melbourne
23 September 2021



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

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

I declare that, to the best of my knowledge and belief, in relation to the audit of ETFS Enhanced USD Cash ETF for the financial year ended 30 June 2021 there have been:

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

KPMG

Nicholas Buchanan

Partner

Sydney

23 September 2021

ETFS Enhanced USD Cash ETF
Statement of Profit or Loss and Other Comprehensive Income
For the period from 1 July 2020 to 30 June 2021

	Notes	Period from 1 July 2020 to 12 February 2021 USD	Year ended 30 June 2020 USD
Investment income			
Interest Income		3,222	94,302
Other operating income		965	1,401
Foreign exchange (loss)/gain		(912)	2,340
Total net investment income		3,275	98,043
Expenses			
Management fees	8	14,541	21,108
Total operating expenses		14,541	21,108
(Loss)/profit for the period/year		(11,266)	74,595
Other comprehensive income		-	-
Total comprehensive (loss)/income for the period/year		(11,266)	76,935

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

ETFs Enhanced USD Cash ETF
Statement of Financial Position
As at 30 June 2021

	Notes	As at 12 February 2021 USD	As at 30 June 2020 USD
Assets			
Cash and cash equivalents	10(b)	-	8,245,252
Receivables	5	-	2,293
Total assets		<u>-</u>	<u>8,247,545</u>
Liabilities			
Distribution payable	6	-	6,033
Payables	7	-	2,308
Total liabilities		<u>-</u>	<u>8,341</u>
Net assets attributable to Unitholders – equity	4	<u>-</u>	<u>8,239,204</u>

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

ETFS Enhanced USD Cash ETF
Statement of Changes in Equity
For the period from 1 July 2020 to 30 June 2021

	Period from 1 July 2020 to 12 February 2021 USD	Year ended 30 June 2020 USD
Total equity at the beginning of the financial period/year	8,239,204	5,812,308
Comprehensive (loss)/income for the period/year (Loss)/profit for the period/year	<u>(11,266)</u>	<u>76,935</u>
Total comprehensive (loss)/income for the period/year	<u>(11,266)</u>	<u>76,935</u>
Transactions with unitholders		
Applications	-	3,976,609
Redemptions	(8,227,938)	(1,530,273)
Distributions paid and payable	-	(96,375)
Total transactions with unitholders	<u>(8,227,938)</u>	<u>2,349,961</u>
Total equity at the end of the financial period/year	<u>-</u>	<u>8,239,204</u>

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

ETFS Enhanced USD Cash ETF
Statement of Cash Flows
For the period from 1 July 2020 to 30 June 2021

	Notes	Period ended 12 February 2021 USD	Year ended 30 June 2020 USD
Cash flows from operating activities			
Interest income received		3,222	94,302
Other income received		3,258	-
Management fees paid		(16,849)	(20,917)
Net cash (outflow)/inflow from operating activities	10(a)	(10,369)	73,385
Cash flows from financing activities			
Cash received from applications by Unitholders		-	3,976,609
Cash distributed from redemptions by Unitholders		(8,227,938)	(1,530,273)
Distributions paid		(6,033)	(191,476)
Net cash (outflow)/inflow from financing activities		(8,233,971)	2,254,860
Net (decrease)/increase in cash and cash equivalents			
		(8,244,340)	2,328,245
Cash and cash equivalents at the beginning of the period/year		8,245,252	5,914,667
Effects of foreign currency exchange rate changes on cash and cash equivalents		(912)	2,340
Cash and cash equivalents at the end of the period/year	10(b)	-	8,245,252

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

ETFs Enhanced USD Cash ETF
Notes to the Financial Statements
For the period from 1 July 2020 to 30 June 2021

1. General Information

These 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 12 June 2015.

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

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

The financial report was authorised for issue by the directors on 23 September 2021. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

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. Final distributions were paid to unitholders on 12 February 2021.

The financial statements are presented in US Dollars, which was the Fund's functional currency.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies had been consistently applied to the period presented, unless otherwise stated in the following text.

(a) Statement of Compliance and Basis of Preparation

These general purpose financial statements had been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) and the *Corporations Act 2001* in Australia.

The financial statements were prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances were expected to be recovered or settled within twelve months.

The financial statements have been prepared on a basis other than going concern because the Fund has been wound up. In preparing the financial statements on an alternate basis, the Responsible Entity has continued to apply the requirements of Australian Accounting Standards taking into consideration that the Fund is not intended to continue as a going concern in the foreseeable future. The change in basis of preparation has resulted in no impact on the classification and measurement of the assets and liabilities of the Fund. No additional provisions have been recognised in relation to the costs expected to be incurred as at period end.

Compliance with International Financial Reporting Standards

The financial statements of the Fund also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

ETFS Enhanced USD Cash ETF
Notes to the Financial Statements (continued)
For the period ended 30 June 2021

2. Summary of Significant Accounting Policies (continued)

(a) Statement of Compliance and Basis of Preparation (continued)

New and Amended Standards Adopted by the Fund

There were no new standards, interpretations or amendments to existing standards that were effective for the first time for the financial period beginning 1 July 2020 that would have been expected to have had a material impact on the Fund.

(b) Financial Instruments

i) Classification

Financial assets and financial liabilities designated at fair value through profit or loss upon initial recognition were those that were managed and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy was for the Responsible Entity to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

ii) Recognition/derecognition

The Fund recognised financial assets and financial liabilities on the date it became party to the contractual agreement (trade date) and recognised changes in fair value of the financial assets or financial liabilities from this date.

Financial assets were derecognised when the right to receive cash flows expired or the Fund transferred substantially all risks and rewards of ownership.

iii) Measurement

Financial assets and liabilities at fair value through profit or loss were measured initially at fair value excluding any transaction costs that were directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss were expensed immediately.

Subsequent to initial recognition, all instruments at fair value through profit or loss were measured at fair value with changes in their fair value recognised in the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arose.

- Fair value in an active market

The fair value of financial assets and liabilities traded in active markets was based on their quoted market prices at the end of the reporting date without any deduction for estimated future selling costs. The quoted market price used for financial assets and financial liabilities held by the Fund was the last traded market price.

- Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities that were not traded in an active market was determined using valuation techniques. These included the use of recent arm's length market transactions, reference to the current fair value of a substantially similar instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provided a reliable estimate of prices obtained in actual market transactions.

ETFS Enhanced USD Cash ETF
Notes to the Financial Statements (continued)
For the period ended 30 June 2021

2. Summary of Significant Accounting Policies (continued)

(b) Financial Instruments (continued)

iii) Measurement (continued)

Accordingly, there may have been a difference between the fair value at initial recognition and amounts determined using a valuation technique. If such a difference existed, the Fund recognised the difference in the Statement of Profit or Loss and Other Comprehensive Income to reflect a change in factors, including time that market participants would consider in setting a price.

Investments in other unlisted unit trusts were recorded at the net asset value per unit as reported by the Responsible Entity of such funds.

(c) Offsetting Financial Instruments

Financial assets and liabilities were reported on a gross basis in the Statement of Financial Position. Where there was a legally enforceable right to offset the recognised amounts and there was an intention to settle on a net basis or realise the asset and settle the liability simultaneously on default or in the ordinary course of business, the financial assets and liabilities were offset and reported on a net basis in notes to the financial statements.

(d) Net Assets Attributable to Unitholders

Units were redeemable at the unitholders' option, however, application and redemptions may have been suspended by the Responsible Entity if it was in the best interests of the unitholders.

The units could have been put back to the Fund at any time for cash based on the redemption price, which was equal to a proportionate share of the Fund's net asset value attributable to the unitholders.

The units were carried at the redemption amount that was payable at the balance sheet date if the holder exercised the right to put the unit back to the Fund. This amount represented the expected cash flows on redemption of these units.

Units were classified as equity as they satisfied the following criteria under *AASB 132 Financial instruments: Presentation*:

- the puttable financial instrument entitled the holder to a pro-rata share of net assets in the event of the Fund's liquidation;
- the puttable financial instrument was in the class of instruments that was subordinate to all other classes of instruments and class features were identical;
- the puttable financial instrument did not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavorable conditions to the Fund, and it was not a contract settled in the Fund's own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life were based substantially on the profit or loss.

(e) Distributions to Unitholders

In accordance with the Fund's Constitution, the Fund attributed its taxable income, and any other amounts determined by the Responsible Entity, to Unitholders by cash or reinvestment. The distributions were recognised in the Statement of Changes in Equity as distributions paid and payable.

ETFS Enhanced USD Cash ETF
Notes to the Financial Statements (continued)
For the period ended 30 June 2021

2. Summary of Significant Accounting Policies (continued)

(f) Increase/Decrease in Net Assets Attributable to Unitholders

Movements in net assets attributable to Unitholders were recognised in the Statement of Changes in Equity.

(g) Cash and Cash Equivalents

The Fund was backed by holdings of US Dollars (“USD or the “Reference Currency”) in deposit accounts.

Cash and cash equivalents included cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that were readily convertible to known amounts of cash and which were subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts were shown as liabilities on the Statement of Financial Position.

Payments and receipts relating to the purchase and sale of investment securities were classified as cash flows from operating activities as movements in the fair value of these securities represented the Fund's main income generating activity.

(h) Applications and Redemptions

Applications received for units in the Fund were recorded net of any entry fees payable prior to the issue of units in the Fund.

Redemptions from the Fund were recorded gross of any exit fees payable after the cancellation of units redeemed.

Unit redemption prices were determined by reference to the net assets for unit pricing purposes of the Fund, divided by the number of units on issue at or immediately prior to close of business each day. Applications and redemptions of units were processed simultaneously.

(i) Investment Income and Expenses

Interest income and expenses were recognised in the Statement of Profit or Loss and Other Comprehensive Income.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter year where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimated cash flows, considering all contractual terms of the financial instrument (for example, prepayment options), but do not consider future credit losses.

The calculation included all fees and points paid or received between the parties to the contract that were an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

ETFS Enhanced USD Cash ETF
Notes to the Financial Statements (continued)
For the period ended 30 June 2021

2. Summary of Significant Accounting Policies (continued)

(j) Expenses

All expenses, including Management fees, were recognised in the Statement of Profit or Loss and Other Comprehensive Income on an accrual basis.

(k) Income Tax

Under current legislation, the Fund was not subject to income tax provided the taxable income of the Fund was attributed to Unitholders under the Attribution Managed Investment Scheme regime (which the Responsible Entity has adopted from 1 Jul 2017).

The benefit of imputation credits and foreign tax paid were passed on to Unitholders.

(l) Goods and Services Tax ("GST")

The GST incurred on the costs of various services provided to the Fund by third parties such as custodial services and investment management fees had been passed onto the Fund. The Fund qualifies for Reduced Input Tax Credits ("RITC") hence, investment management fees, custodial fees and other expenses had been recognised in the Statement of Profit or Loss and Other Comprehensive Income net of the amount of GST recoverable from the Australian Taxation Office ("ATO").

Accounts payable and accrued expenses were inclusive of GST. The net amount of GST recoverable from the ATO was included in receivables in the Statement of Financial Position. Cash flows relating to GST were included in the Statement of Cash Flows on a gross basis.

(m) Receivables

Receivables may have included amounts for interest, amounts due from brokers and applications receivable. Interest was accrued at the end of the reporting date from the time of the last payment using the effective interest rate method.

Amounts due from brokers represented receivables for securities that have been contracted for but not yet delivered by the end of the reporting date. Applications receivable were recorded when the applications were made for units in the Fund with the consideration yet to be received as at the end of the reporting date.

The amount of the loss allowance was recognised in the Statement of Profit or Loss and Other Comprehensive Income within other expenses. When a trade receivable for which an impairment allowance had been recognised became uncollectible in a subsequent year, it was written off against the allowance account. Subsequent recoveries of amounts previously written off were credited against other expenses in the Statement of Profit or Loss and Other Comprehensive Income.

(n) Payables

Payables included liabilities and accrued expenses owed by the Fund and redemptions payable which were unpaid as at the end of the reporting period.

Trades were recorded on trade date, and normally settled within three business days. Redemptions payable were recognised when the Unitholder returned their holdings back into the Fund foregoing all rights associated with the units, with the payment yet to be released.

ETFS Enhanced USD Cash ETF
Notes to the Financial Statements (continued)
For the period ended 30 June 2021

2. Summary of Significant Accounting Policies (continued)

(n) Payables (continued)

The distribution amount payable to Unitholders as at reporting date was recognised separately on the Statement of Financial Position when Unitholders were entitled to the distributable income under the Fund's Constitution.

(o) Foreign Currency Translation

i) Functional and presentation currency

Items included in the Fund's financial statements were measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the US Dollar. The US Dollar was also the Fund's presentation currency.

ii) Transactions and balances

Foreign currency transactions were translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at period end exchange rates of monetary assets and liabilities denominated in foreign currencies were recognised in the Statement of Profit or Loss and Other Comprehensive Income.

The Fund did not isolate that portion of gains or losses on securities and derivative financial instruments which was due to changes in foreign exchange rates from that which was due to changes in the market price of securities. Such fluctuations were included with the net gains or losses on financial instruments at fair value through profit or loss.

Non-monetary items that were measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value were reported in the Statement of Profit or Loss and Other Comprehensive Income on a net basis within net gains/(losses) on financial instruments at fair value through profit or loss.

(p) New Accounting Standards and Interpretations

There were no standards that were not yet effective and that were expected to have a material impact on the Fund in the current period.

3. Financial Risk Management

The Fund's activities exposed it to a variety of financial risks: credit risk, liquidity risk, and market risk (including price risk, currency risk and interest rate risk). The Fund's overall risk management program focused on ensuring compliance with the Fund's Product Disclosure Statement. Financial risk management was carried out by the Chief Operating Officer under policies approved by the Board of Directors of the Responsible Entity (the "Board").

ETFS Enhanced USD Cash ETF
Notes to the Financial Statements (continued)
For the period ended 30 June 2021

3. Financial Risk Management (continued)

While the COVID-19 pandemic has caused uncertainty and market volatility during the period, the Responsible Entity continued to follow its established policies and process (as set out in this note) in managing risk and determining the fair value of the financial assets and liabilities as at the reporting date. No changes were required to the principles used in applying the fair value measurement hierarchy to financial assets and liabilities held, with each asset and liability continuing to be classified in a manner which reflects the significance and observability of the inputs used in the valuation.

(a) Market Risk

i) Price Risk

The Fund was exposed to price risk. Day to day positive or negative movements in local and international financial markets and exchanges and factors that affect the investment climate and investor sentiment could all affect the level of the Reference Currency relative to the AUD. Such movements may have had an adverse effect on the level of the Reference Currency. Reference Currency was classified in the Statement of Financial Position as cash.

The maximum risk resulting from financial instruments was determined by the fair value of the financial instruments.

ii) Currency Risk

The Fund held monetary and non-monetary assets denominated in currencies other than US Dollars. The currency risk relating to non-monetary assets and liabilities was a component of price risk. Currency risk arises as the value of monetary securities denominated in other currencies fluctuates due to changes in exchange rates.

The Fund sought to meet its investment objective by investing cash received in connection with applications in the Reference Currency in interest bearing deposit accounts at the Deposit Bank. Cash received from Authorised Participants in connection with an application that was in Australian Dollars was converted by the Responsible Entity into the Reference Currency through a foreign exchange transaction with the Deposit Bank at the relevant AUD/USD exchange rate ("Benchmark Rate"). The resulting cash was then deposited in the Reference Currency into the appropriate interest bearing deposit account at the Australia and New Zealand Banking Group Limited (the "Deposit Bank").

The Fund's liability to Unitholders was related to the value of the Reference Currency and was managed by the Fund by holding US Dollars in the same quantity as its liability. Therefore, the Fund bore no financial risk from a change in the value of the Reference Currency, and no sensitivity analysis has been presented accordingly.

Notwithstanding the functional currency of the Fund was US Dollars, the units in the Fund were traded on the AQUA Stock Exchange in Australian Dollars until 29 January 2021. The value of the Fund in Australian Dollars at 12 February 2021 was AUD nil (2020: AUD 11,994,763).

iii) Interest Rate Risk

The Fund's exposure to cash flow interest rate risk was limited to its cash and cash equivalents and cash held in the Reference Currency. Rates of interest paid can increase or decrease which will impact the amount of income which a Fund earns in any given period and which is therefore available for distribution to Unitholders.

ETFS Enhanced USD Cash ETF
Notes to the Financial Statements (continued)
For the period ended 30 June 2021

3. Financial Risk Management (continued)

(a) Market Risk (continued)

iii) Interest Rate Risk (continued)

The following tables summarise the Fund's exposure to interest rate risks. It includes the Fund's assets and liabilities at fair values.

12 February 2021	Floating Interest Rate USD	Non Interest Bearing USD	Total USD
Assets			
Cash and cash equivalents	-	-	-
Receivables	-	-	-
Total Assets	-	-	-
Liabilities			
Payables	-	-	-
Distribution payable	-	-	-
Total liabilities	-	-	-
Net assets attributable to Unitholders - equity	-	-	-
30 June 2020			
	Floating Interest Rate USD	Non Interest Bearing USD	Total USD
Assets			
Cash and cash equivalents	8,245,252	-	8,245,252
Receivables	-	2,293	2,293
Total Assets	8,245,252	2,293	8,247,545
Liabilities			
Payables	-	2,308	2,308
Distribution payable	-	-	-
Total liabilities	-	2,308	2,308
Net assets attributable to Unitholders - equity	8,245,252	(15)	8,245,237

The holdings of the Reference Currency were interest bearing, the interest rate achieved at 12 February 2021 was 0.00% (30 June 2020: 0.02%).

ETFS Enhanced USD Cash ETF
Notes to the Financial Statements (continued)
For the period ended 30 June 2021

3. Financial Risk Management (continued)

(b) Credit Risk Exposure

Credit risk is the risk that the counterparty will fail to perform contractual obligations, either in whole or in part, when they fall due. Credit risk primarily arises from cash and cash equivalents, deposits with banks and other financial institutions, amounts due from brokers and other receivables. None of these assets were impaired nor past due but not impaired.

i) Interest Bearing Securities

The Fund did not have any direct holding in interest bearing securities. As a result, the Fund may have been exposed to other credit risk from cash and cash equivalents, deposits with banks and other financial institutions, amounts due from brokers and other receivables.

ii) Settlement of Applications/Redemptions

The risk of default was considered minimal as delivery of Units was only made once payment was received. Payment was made on a redemption once the Units had been received. The trade would have failed if either party failed to meet its obligation.

iii) Other Credit Risk

The exposure to credit risk for cash and cash equivalents, deposits with banks and other financial institutions was considered to be minimal due to the high credit rating of the relevant financial institution.

The Fund was not materially exposed to credit risk on other financial assets. The maximum exposure to credit risk at the reporting date was the carrying amount of cash and cash equivalents and other financial assets. None of these assets were impaired nor past due but not impaired.

(c) Liquidity and Cash Flow Risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. Liquidity is discussed in Note 2(a).

The Fund was exposed to daily cash redemptions of redeemable units. The liquidity risks associated with the need to satisfy Unitholders' requests for redemptions were mitigated by maintaining adequate liquidity to satisfy usual redemption volumes. The Fund also maintained continuous monitoring of forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Responsible Entity considered and maintained the liquidity of the Fund, in the context of the investment objectives and liquidity requirements of the Fund.

ETFS Enhanced USD Cash ETF
Notes to the Financial Statements (continued)
For the period ended 30 June 2021

3. Financial Risk Management (continued)

(c) Liquidity and Cash Flow Risk (continued)

The following tables analyse the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the tables are contractual undiscounted cash flows.

	As at 12 February 2021 Less than 1 month USD	As at 30 June 2020 Less than 1 month USD
Liabilities		
Payables	-	2,308
Distribution payables	-	6,033
Total liabilities	-	8,341

(d) Fair Values of Financial Assets and Liabilities

The carrying amounts of the Fund's assets and liabilities at the end of each reporting period approximate their fair values. Financial assets and liabilities held at fair value through profit or loss were measured initially at fair value. Transaction costs on financial assets and financial liabilities at fair value through profit or loss were expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss were measured at fair value with changes in their fair value recognised in the Statement of Profit or Loss and Other Comprehensive Income.

The carrying value less impairment provision of other receivables and payables were assumed to approximate their fair value. The fair value of financial liabilities for disclosure purposes was estimated by discounting the future contractual cash flows at the current market interest rate that was available to the Fund for similar financial instruments.

Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities that were not traded in an active market is determined using valuation techniques. These included the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques were used, estimated future cash flows were based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs were based on market data at the end of the reporting period.

ETFS Enhanced USD Cash ETF
Notes to the Financial Statements (continued)
For the period ended 30 June 2021

3. Financial Risk Management (continued)

(e) Fair Value Hierarchy

The Fund classified fair value measurements using a fair value hierarchy that reflected the subjectivity of the inputs used in making the measurements. The fair value hierarchy had the following levels:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement was categorised in its entirety was determined on the basis of the lowest level input that was significant to the fair value measurement in its entirety. For this purpose, the significance of an input was assessed against the fair value measurement in its entirety. If a fair value measurement used observable inputs that require significant adjustment based on unobservable inputs, that measurement was a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constituted 'observable' requires significant judgment by the Responsible Entity. The Responsible Entity considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

(f) Offsetting Financial Assets and Financial Liabilities

Financial assets and liabilities were reported on a gross basis in the Statement of Financial Position. The Fund did not hold any derivative instruments during the period ended 12 February 2021 (30 June 2020: Nil).

4. 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 shall 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 all other units of the Fund.

ETFS Enhanced USD Cash ETF
Notes to the Financial Statements (continued)
For the period ended 30 June 2021

4. Net Assets Attributable to Unitholders (continued)

Movement in number of units and net assets attributable to Unitholders during the period/year were as follows:

	Period Ended 12 February 2021		Year Ended 30 June 2020	
	No.	USD	No.	USD
Opening balance	1,081,031	8,239,204	760,719	5,812,308
Applications	84	-	520,312	3,976,609
Redemptions	(1,081,115)	(8,227,938)	(200,000)	(1,530,273)
Distributions paid and payable	-	-	-	(96,375)
(Loss)/profit for the period/year	-	(11,266)	-	76,935
Closing Balance	-	-	1,081,031	8,239,204

Capital Risk Management

The Fund managed its net assets attributable to Unitholders as capital. The amount of net assets attributable to Unitholders could have changed 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 12 February 2021 the capital of the Fund is 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.

5. Receivables

	As at 12 February 2021 USD	As at 30 June 2020 USD
Other receivables	-	2,293

There were no past due (not impaired) receivables or allowances for doubtful debts included in the above receivables as at 12 February 2021 and 30 June 2020.

ETFS Enhanced USD Cash ETF
Notes to the Financial Statements (continued)
For the period ended 30 June 2021

6. Distributions to Unitholders

The distributions during the period/year were as follows:

	Period ended 12 February 2021		Year ended 30 June 2020	
	USD	CPU	USD	CPU
Distributions paid - 30 September	-	-	39,364	0.05
Distributions paid - 31 December	-	-	28,669	0.04
Distributions paid - 31 March	-	-	22,309	0.02
Distributions payable - 30 June	-	-	6,033	0.01
Total	<u>-</u>	<u>-</u>	<u>96,375</u>	

Total distributions of \$nil (30 June 2020: \$96,375) were declared for the period of which \$nil (30 June 2020: \$90,342) were paid during the period together with distributions of \$6,033 (30 June 2020: \$101,134) that were declared in the prior period.

7. Payables

	As at 12 February 2021 USD	As at 30 June 2020 USD
Management fees payable	<u>-</u>	<u>2,308</u>

8. Related Party Transactions

Responsible Entity

The Responsible Entity of the Fund is ETFS Management (AUS) Limited (ABN 13 150 433 828, AFSL 466778) whose holding company is ETFS (AUS) Pty Limited.

ETFS Management (AUS) Limited and ETFS (AUS) Pty Limited are incorporated in Australia. The Fund does not employ personnel in its own right. However, it is required to have an incorporated Responsible Entity to manage the activities of the Fund and this is considered the key management personnel.

Key management personnel

Key management personnel include persons who were directors of the Responsible Entity at any time during the financial period as follows:

Director	Date appointed	Date resigned
Graham Tuckwell	16 December 2014	n/a
Vince FitzGerald	16 December 2014	n/a
Mark Weeks	26 August 2020	n/a

Graham Tuckwell is a director and the majority shareholder of ETFS Capital Limited (the immediate and ultimate parent entity of ETFS (AUS) Pty Limited).

ETFS Enhanced USD Cash ETF
Notes to the Financial Statements (continued)
For the period ended 30 June 2021

8. Related Party Transactions (continued)

Other key management personnel

No other person had authority and responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the period or since the end of the financial period and up to the date of this report.

Key management personnel unitholdings

From time to time, directors of the Responsible Entity, or their related entities, may have invested in or withdrawn from the Fund. Those investments or withdrawals are the same terms and conditions as those entered into other Unitholders of the Fund.

At 12 February 2021 no key management personnel held units in the Fund (30 June 2020: Nil).

Key management personnel compensation

Key management personnel are paid by the Responsible Entity. Payments made from the Fund to the Responsible Entity did not include any amounts attributable to the compensation of key management personnel.

Key management personnel loan disclosures

The Fund had not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period (30 June 2020: Nil).

Management fees and other transactions

In accordance with the Fund's Constitution, the Responsible Entity was entitled to receive fees for the provision of services to the Fund.

12 February 2021	Amount charged USD	Amount outstanding USD
Management Fees	14,541	-
30 June 2020	Amount charged USD	Amount outstanding USD
Management Fees	21,108	2,308

The Management Fee was calculated by applying a fixed percentage to the value of Units in issue on a daily basis, equivalent to 0.30%, inclusive of GST, and net of applicable RITC. The Management Fee was paid in US Dollars on a monthly basis.

In addition to the Management fees, the Fund had agreed to transfer the foreign currency risk in respect of the RITC which was to be received in Australian Dollars. As at 12 February 2021 the Fund recorded both a receivable from and payable to the Responsible Entity in respect of this transfer of USD nil (30 June 2020: USD 152).

ETFS Enhanced USD Cash ETF
Notes to the Financial Statements (continued)
For the period ended 30 June 2021

8. Related Party Transactions (continued)

Investments

The Fund did not hold any investments in schemes also managed by the Responsible Entity or its related parties during the reporting period (30 June 2020: Nil).

Related party schemes' unit holdings

The Responsible Entity and its related parties did not hold any units in the Fund as at 12 February 2021 (30 June 2020: Nil).

Other transactions with the Fund

Apart from those details disclosed in this note, no key management personnel entered into a material contract with the Fund and there were no material contracts involving key management personnel's interests subsisting at period end.

9. Remuneration of Auditor

During the period the following fees were paid or payable for services provided by the auditor of the Fund:

	Period ended 12 February 2021 USD	Year ended 30 June 2020 USD
KPMG		
Audit and review of the financial statements (AUD 7,220, 2020: AUD 7,000)	5,593	4,808
Other audit services (AUD 2,220, 2020: AUD 2,220)	1,720	1,525
Total	7,313	6,333

Other services related to the audit of the Fund's compliance plan. The audit fees paid or payable were discharged by the Responsible Entity from the fees earned from the Fund.

10. Reconciliation of (Loss)/Profit to Net Cash (Outflow)/Inflow from Operating Activities

	Period ended 12 February 2021 USD	Year ended 30 June 2020 USD
(a) Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities		
Operating (loss)/profit for the period/year	(10,354)	76,935
Decrease/(increase) in receivables and other assets	2,293	(1,403)
(Decrease)/increase in accounts payables and accrued liabilities	(2,308)	194
Net cash (outflow)/inflow from operating activities	(10,369)	75,726

ETFS Enhanced USD Cash ETF
Notes to the Financial Statements (continued)
For the period ended 30 June 2021

10. Reconciliation of (Loss)/Profit to Net Cash (Outflow)/Inflow from Operating Activities (continued)

	Period ended 12 February 2021 USD	Year ended 30 June 2020 USD
(b) Components of cash and cash equivalents		
Cash as at the end of the financial period/year as shown in the Statement of Cash Flows is reconciled to the Statement of Financial Position as follows:		
Cash	-	8,245,252
Total cash	-	8,245,252

As described in Note 2(d), income not distributed was included in net assets attributable to Unitholders. The changes in this amount each period (as reported in (a) above) represented a non-cash financing cost as it was not settled in cash until such time as it becomes distributable (i.e. taxable).

11. 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 is the chief operating decision maker for the purposes of assessing performance and determining the allocation of resources, ensured that the Fund's holdings and performance reflect this objective. Accordingly, no additional qualitative or quantitative disclosures are required.

12. Events Occurring After the Reporting Period

No significant events have occurred since the end of the reporting period up to the date of signing the Financial Report which would impact on the financial position of the Fund disclosed in the Statement of Financial Position as at 12 February 2021 or on the results and cash flows of the Fund for the period ended on that date.

13. Contingent Assets, Contingent Liabilities and Commitments

There are no outstanding contingent assets, contingent liabilities or commitments as at 12 February 2021.

**ETFs Enhanced USD Cash ETF
Directors' Declaration
For the period ended 30 June 2021**

In the opinion of the directors of ETFs Management (AUS) Limited, the Responsible Entity of ETFs Enhanced US Dollar ETF (the "Fund"):

- (a) the financial statements and notes set out on pages 6 to 25 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Accounting Standards, the Corporations Regulations 2001; and
 - ii. giving a true and fair view of the Fund's financial position as at 12 February 2021 and of its performance for the financial period ended on that date;
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2(a);

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

Signed in accordance with a resolution of the Responsible Entity made pursuant to s.295(5) of the *Corporations Act 2001*.

DocuSigned by:

Graham Tuckwell

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**Graham Tuckwell
Director**

**Melbourne
23 September 2021**



Independent Auditor's Report

To the unitholders of ETFS Enhanced USD Cash ETF

Opinion

We have audited the **Financial Report** of ETFS Enhanced USD Cash ETF (the Scheme).

In our opinion, the accompanying Financial Report of the Scheme is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Scheme's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2021;
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Scheme in accordance with 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 Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter - Prepared on basis other than going concern

We draw attention to Note 2 (a) to the Financial Report, which describes the basis of preparation. The Financial Report has been prepared on a basis other than going concern as the Directors have wound up the Fund. Our opinion is not modified in respect of this matter.

Other Information

Other Information is financial and non-financial information in ETFS Enhanced USD Cash ETF 's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors of ETFS Management (AUS) Limited (the Responsible Entity) are responsible for the Other Information.



Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

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

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal control to enable the preparation of a 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 audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf This description forms part of our Auditor's Report.

KPMG

Nicholas Buchanan

Partner

Sydney

23 September 2021