

14 December 2020

Dear Investor,

## Termination of ETFS Enhanced USD Cash ETF (ZUSD)

ETFS Management (AUS) Limited ACN 150 433 828 (**ETFS**), as responsible entity for the ETFS Enhanced USD ETF (ZUSD), has resolved to terminate the Fund (**Termination**), effective after the close of trading on 29 January 2021 (**Last Trading Day**). As a result of the Termination, Units in the Fund will be suspended from quotation on the AQUA market of the Australian Securities Exchange (**ASX**) and removed from trading status after the close of trading on the Last Trading Day and wound up in accordance with Part 5C.9 of the Corporations Act and the Fund's constitution.

### Background

ETFS has undertaken a review of the Fund and determined that it would be in the best interests of Holders to terminate the Fund. ETFS made this determination for several reasons, including that:

1. the Fund has not reached sufficient size to be cost effective for investors relative to other Australian equity ETFs; and
2. due to limited secondary market trading in the Fund average bid-offer spreads are higher than for comparable Australian equity ETFs.

ETFS has decided to provide Holders with in excess of 30 trading days' notice of its intention to terminate the Fund. This communication outlines the steps that will be taken to affect the Termination of the Fund and seeks to inform you as to what action you may take.

### Important dates

Set out below are a summary of the key dates relating to the Termination.

Dispatch of this letter.	14 December 2020
Scheduled ex-date for distribution of income for the quarter ending 31 December 2020 .	31 December 2020
The date at which an investor needs to be recorded as the beneficial owner of Units in the Fund in the Clearing House Electronic Subregister System (CHES) to be eligible for the December quarter distribution (the <b>December Quarter Distribution Record Date</b> ).	4 January 2021

Last day for dealings in the Units in the Fund and last day for redemption of Units in the Fund by Authorised Participants (the <b>Last Trading Day</b> ).	29 January 2021
The date at which termination will commence ( <b>Termination Commencement Date</b> ).	29 January 2021
Ex-date for distribution of income for the period after 31 December 2020.	1 February 2021
The date at which an investor needs to be recorded as the beneficial owner of Units in the Fund in the Clearing House Electronic Subregister System (CHES) (the <b>Termination Record Date</b> ).	2 February 2021
Final distribution to be paid to investors holding Units on the Termination Record Date (the <b>Termination Payment Date</b> ).	12 February 2021

The dates above are subject to change. Any change will be announced to the market via the ASX.

## How will the termination of the Fund affect your Units?

As a Holder of Units, you have several choices as to the action you can take in response to this communication. In any event your Units will not be able to be traded on the ASX after the Last Trading Day. You should consult your financial adviser to ensure that you understand the implications, including the costs and risks, of your choice.

As a Holder of Units, you may either;

1. sell your Units on the ASX in the ordinary way via your broker prior to the close of trading on the Last Trading Day. ETFS expects that the market makers will continue to make a market for Units until 29 January 2021;
2. redeem your Units with the Issuer in the ordinary way, if you are an Authorised Participant, prior to the close of trading on the Last Trading Day, or
3. hold your Units until the Termination of the Fund and receive a pro-rata share of the proceeds of winding up.

If you choose to sell your Units on the ASX, you will incur brokerage costs and any spread costs as you normally would when transacting on the ASX. Similarly, if you are an Authorised Participant and choose to redeem your Units with the Issuer, you will incur the costs associated with a redemption as set out in section 6.4 of the PDS for the Fund. Holders deciding to sell their Units are able to have regard to the prevailing price of the underlying securities and their Units at the relevant time. Performance information for both the Fund and the benchmark Index, as well as the full portfolio holdings of the Fund are published daily on [www.etfsecurities.com.au](http://www.etfsecurities.com.au).

Where you hold your Units until 31 December 2020 you will be entitled to the scheduled distribution of income in relation to the quarter ending 31 December 2020. This distribution will not be impacted by the Fund Termination.

Where you hold your Units until Termination, you will receive a distribution of income for the period after 31 December 2020, together with an amount in Australian dollars equal to the net



asset value per Unit of the Fund on the day the assets of the Fund are sold (which is expected to be the Last Trading Day), multiplied by the number of Units you hold. ETFS will bear all transaction costs associated with the liquidation of the assets of the Fund. Holders should be aware that the price of the underlying securities may change and the net asset value per Unit of the Fund may change between the date of this communication and the completion of Termination.

For further information in relation to the Fund or how to sell or redeem your Units, please refer to the PDS. A copy of the PDS is available at [www.etfsecurities.com.au](http://www.etfsecurities.com.au) or from ETFS.

## How and when will I receive payment following the Termination?

Following Termination, the assets of the Fund will be sold and the proceeds of winding up will be distributed to Holders. If you hold Units on the Termination Record Date, you will be entitled to receive a pro-rata share of the proceeds of winding up, which is expected to be paid to your nominated bank account on the Termination Payment Date. ETFS will bear the costs associated with selling the assets of the Fund and winding up the fund. These costs will not be borne by Holders.

To verify or amend your nominated bank account, please contact Computershare Investor Services Pty Limited (the **Registrar**) either by phone on 1300 382 656 (or on +61 3 9415 4339 if calling from outside Australia) or by registering for an 'Investor Centre' account at [www-au.computershare.com/investor](http://www.au.computershare.com/investor).

## Contact

If you require any further information, please contact your financial adviser or ETFS on +61 2 8311 3488 or at [infoAU@etfsecurities.com.au](mailto:infoAU@etfsecurities.com.au).

The content of this letter has been prepared without taking into account your objectives, financial situation or needs. You should consider the appropriateness of any decision you make in response to this notice, having regard to your objectives, financial situation and needs.

Regards,

Graham Tuckwell

Director – ETFS Management (AUS) Limited