ETPX DESIGNATED ACTIVITY COMPANY

Registered Number: 599151

Financial Statements
for the financial year ended
28 February 2021

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR FROM 29 FEBRUARY 2020 to 28 FEBRUARY 2021

CONTENTS ***PAGE***

ETPX DAC

DIRECTORS AND OTHER INFORMATION

DIRECTORS	Neil Fleming Kevin O'Donoghue
REGISTERED OFFICE	116 Mount Prospect Avenue Clontarf Dublin 3
SECRETARY	Sanne Capital Markets Ireland Limited (to 20 April 2020) 4th Floor, 76 Lower Baggott Street Dublin 2 Verita Corporate Services Limited (from 20 April 2020) 116 Mount Prospect Avenue Clontarf Dublin 3
INDEPENDENT AUDITORS	BDO Beaux Lane House Mercer Street Lower Dublin 2
ARRANGER	FlexFunds Limited 4th Floor, Harbour Place 103 South Church Street P.O. Box 10240 Grand Cayman
LEGAL ADVISORS	Mason Hayes Curran South Bank House Barrow St. Dublin 4
CUSTODIAN AND MARGIN ACCOUNT PROVIDER	Interactive Brokers LLC One Pickwick Plaza Greenwich CT 0683082 USA
CUSTODIAN	The Bank of New York Mellon, London Branch One Canada Square, London E14 5AL, United Kingdom
NOTE TRUSTEE	Sanne Fiduciary Services Limited 13 Castle Street St. Helier Jersey
ISSUE AND PRINCIPAL PAYING AGENT	The Bank of New York Mellon, London Branch One Canada Square, London E14 5AL, United Kingdom

DIRECTORS' REPORT
FOR THE YEAR FROM 29 FEBRUARY 2020 TO 28 FEBRUARY 2021

The Directors present their Director's Report and audited financial statements of ETPX DAC (the "Company" or the "Issuer") for the financial year 29 February 2020 to 28 February 2021.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is a limited liability company, incorporated in Ireland on 23 February 2017 under Irish company law. The Company has been established as a special purpose company for the purposes of issuing exchange traded securities and is registered in Ireland as a Section 110 vehicle. The Company is an orphan vehicle, with the shares held for the benefit of a charitable trust. The Company entered its programme documents on the 15 February 2018 whereby the Company established a €5,000,000,000 collateralised exchange traded product programme (the "**Programme**") under which the Company issues, on an ongoing basis, collateralised exchange traded notes (the "**ETP Securities**") of different series (each a "**Series**") linked to underlying securities (including equities, bonds and mutual funds), cash and derivatives (the "**Charged Assets**"). The arranger under the programme is FlexFunds Limited (**the "Arranger"**) and the proceeds of each Series of ETP Securities is managed by a portfolio manager appointed for that specific Series.

Each Series constitutes limited recourse obligations of the Company, secured on and payable solely from the Charged Assets constituting the collateral in respect of such Series. The Company has ownership of the Charged Assets which are held in custody accounts. Certain custody accounts may be provided on a margin basis whereby the custodian will provide additional funding for the purchase of Charged Assets and charge the Series for the cost of funding.

Each Series of ETP Securities may comprise one or more tranches. The ETP Securities have been listed on the multilateral trading facility of the Vienna Stock Exchange. The Company is subject to and complies with the Irish statute comprising the Companies Act 2014 and the listing rules of the Vienna Stock Exchange which are applicable to companies listing instruments like the ETP Securities.

The ETP Securities do not bear interest at a prescribed rate. The return (if any) on an ETP Securities is calculated in accordance with the redemption provisions set out in the series memorandum relating to each Series and is dependent on the performance of the Charged Assets.

The Company issued no new Series of ETP Securities during the year (2020: nil) and redeemed three Series in full (2020: nil). As at 28 February 2021, the fair value of ETP Securities in issue was USD 97,285,054 (2020: USD 100,983,705) after a fair value loss adjustment of USD 12,740,241 (2020: USD 173,513 gain) and a net realised gain of USD 1,609,066 (2020: USD 533,187 gain).

The spread of COVID-19 has had an initial significant impact on market volatility for the instruments which the Company holds and while the markets have recovered they remain susceptible to increased volatility arising from COVID-19 vaccine rollout and variants news. Depending on the trading strategy adopted by the Portfolio Managers, the impact of such volatility on the value of the Company's assets may be positive or negative.

The Arranger and the portfolio managers charge arrangement and management fees, principally based on the net asset value and performance of the Charged Assets.

KEY PERFORMANCE INDICATORS

The Company has identified the following key performance indicators which will be reviewed by the Directors in their consideration of the performance of the Company as they impact the remuneration of the Arranger and therefore impact the liquidity available to the Arranger to fund the expenses of the Company:

- The value of Charged Assets
- The fair value movement in the Charged Assets and ETP Securities
- The expenses incurred by the Company
- Arranger fees

FUTURE DEVELOPMENTS

The Company will continue its activities in respect of the ETP Securities in issue and has no current plans to issue new Series.

RESULTS AND DIVIDENDS FOR THE YEAR

The results for the year are set out on page 10. The Directors do not recommend the payment of a dividend.

DIRECTORS AND SECRETARY

The Directors during the financial year and up to the date of this report were as follows:
Neil Fleming
Kevin O'Donoghue
There have been no appointments or resignations of Directors during or after the year end.

The Secretary as of the date of this report is Verita Corporate Services Limited (previously known as FlexFunds Ireland Limited) and they were appointed on 20 April 2020, replacing Sanne Capital Markets Ireland Limited, who acted as secretary for the financial year.

DIRECTORS, SECRETARY AND THEIR INTERESTS

As at 28 February 2021 or at any time during the year, the Directors and the secretary did not hold any interests in the shares or the ETP Securities of the Company.

TRANSACTIONS WITH DIRECTORS

The corporate services provider for the financial year was Sanne Capital Markets Ireland Limited ("Sanne"). During the year, Sanne provided arms length services as set out in a corporate services agreement and employees of Sanne also acted as directors of the Company.

Verita Corporate Services Limited was appointed as corporate services provider on 20 April 2020, replacing Sanne Capital Markets Ireland Limited. On 8 May 2020, the share in issue was transferred to Boru Corporate Trustees Limited, as the new share trustee to be held in trust for charity under the terms of a declaration of trust. Mr. Fleming is a director of Verita Corporate Services Limited and Boru Corporate Trustees Limited.

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks relate to the use of financial instruments. However, given the limited recourse nature of the programme and the fact that the ETP Securities return is based on the performance of the Charged Assets, the exposure of the Company to financial risks arising from the use of financial instruments is limited. A summary of these risks, including Operational Risk, is set out in note 14 to the financial statements.

POST BALANCE SHEET EVENTS

Any post balance sheet events, including consideration of COVID-19, are disclosed in note 17 to the financial statements.

POLITICAL DONATIONS

There were no political contributions made during the year (2020: Nil).

RESEARCH AND DEVELOPMENT

The Company did not incur or expense any costs in respect of research and development activity during the year (2020: Nil).

ACCOUNTING RECORDS

The Directors are responsible for ensuring that accounting records, as outlined in Section 281 to 285 of the Companies Act 2014 are kept by the Company. To achieve this, the Directors have appointed service providers to ensure that the requirements of Sections 281 to 285 of the Companies Act 2014 are complied with. The books of account are maintained at the Company's registered office at 116 Mount Prospect Avenue, Clontarf, Dublin 3.

GOING CONCERN

The nature of the Company's business dictates that the outstanding ETP Securities may be redeemed at the option of various parties, including the noteholders, as set out in the Programme documents. As the redemption of ETP Securities will coincide with the sale of an equal amount of the Charged Assets, no liquidity risk is considered to arise. The Company has entered into its principal service contracts with service providers on a non-recourse and non-petition basis. Any shortfall in liquidity for various administrative expenses are offset against the Arranger fees. Therefore, the Directors consider the Company to be a going concern and have prepared the financial statements on this basis.

AUDITORS

BDO, Statutory Audit Firm, have been appointed by the Directors as auditors. In accordance with Section 383(2) of the Companies Act, 2014, BDO, have expressed their willingness to continue in office.

RELEVANT AUDIT INFORMATION

The Directors believe that they have taken all the steps necessary to make themselves aware of any relevant audit information and have established that the Company's statutory auditor is aware of that information. In so far as they are aware, there is no relevant audit information of which the company's statutory auditor is unaware.

Approved and authorised for issue on behalf of the Board on the 14 October 2021:

Neil Fleming
Director

Kevin O'Donoghue
Director

ETPX DAC

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Directors' Report and financial statements, in accordance with applicable law and regulations.

Irish Company law requires the Directors to prepare financial statements giving a true and fair view of the state of affairs of the Company and the profit or loss of the Company for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS102 "The Financial Reporting Standard applicable to the UK and Republic of Ireland" issued by the Financial Reporting Council ("FRS 102").

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position, of the Company, as at the financial year end date and otherwise comply with the Companies Act 2014.

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

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

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

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

Approved and authorised for issue on behalf of the Board:

Neil Fleming
Director

Kevin O'Donoghue
Director

Date: 14 October

Beaux Lane House
Mercer Street Lower
Dublin 2, D02 DH60
Ireland

t. +353 1 470 0000
f. +353 1 437 0654
e. info@bdo.ie
bdo.ie

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ETPX DESIGNATED ACTIVITY COMPANY

Report on the audit of the financial statements

Opinion

We have audited the financial statements of ETPX Designated Activity Company (the "Company") for the financial year ended 28 February 2021, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 28 February 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

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

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

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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ETPX DESIGNATED ACTIVITY COMPANY (Continued)

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the directors' report is consistent with the financial statements; and

- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

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

Matters on which we are required to report by exception

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

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ETPX DESIGNATED ACTIVITY COMPANY (Continued)

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at:

http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-b8fa98202dc9c3a/Description_of_auditors_responsiblities_for_audit.pdf

This description forms part of our auditor's report.

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

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Brian Hughes	14 October 2021
For and on behalf of BDO	Date

Dublin
Statutory Audit Firm
AI223876

ETPX DAC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR FROM 29 FEBRUARY 2020 TO 28 FEBRUARY 2021

	Note	Year ended 28 February 2021 USD	Year ended 28 February 2020 USD
Dividend income	*3*	252,583	612,145
Interest income		850,624	1,314,476
Other income		-	-
Unrealised gain/(loss) on financial assets designated at fair value through profit or loss		9,848,023	997,630
Realised gain / (loss) on financial assets designated at fair value through profit or loss		4,959,678	871,255
Foreign exchange gain / (loss)		61,663	63,144
Unrealised gain / (loss) on financial liabilities designated at fair value through profit or loss		(12,740,241)	173,513
Realised gain / (loss) on financial liabilities designated at fair value through profit or loss		1,609,066	533,187
Investment profit / (loss)		4,841,396	4,565,350
Operating expenses		(3,730,893)	(2,163,363)
Operating profit / (loss)		1,110,503	2,401,987
Finance expense	*4*	(1,093,408)	(2,400,987)
Profit before taxation		17,095	1,000
Tax on profit on ordinary activities	*6*	(16,345)	(4,252)
Total comprehensive income/(loss) for the year		750	(3,252)

The above represents all comprehensive income and the accompanying notes form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2021

	Note	As at 28 February 2021 USD	As at 28 February 2020 USD
Assets			
Financial assets at fair value through profit or loss	*7*	90,103,424	91,958,240
Cash and cash equivalents	*8*	10,139,513	12,693,920
Debtors: (amounts falling due within one year)	*9*	195,484	280,743
Total assets		100,438,421	104,932,903
Creditors (amounts falling due within one year)			
Amounts due to broker – margin accounts	*10*	1,551,239	309,755
Corporation tax payable		20,837	3,963
Creditors and accruals	*11*	1,582,512	3,637,452
Financial liabilities at fair value through profit or loss	*12*	97,285,054	100,983,705
Total liabilities		100,439,642	104,934,874
Total assets less total liabilities		(1,221)	(1,971)
Equity			
Share capital – equity	*13*	1	1
Retained (deficit)/earnings		(1,222)	(1,972)
Total shareholders' funds		(1,221)	(1,971)

The financial statements were approved by the Board of Directors on 14 October 2021 and signed on its behalf by:

Neil Fleming
Director

Kevin O'Donoghue
Director

The accompanying notes form an integral part of these financial statements

ETPX DAC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR FROM 29 FEBRUARY 2020 TO 28 FEBRUARY 2021

	Share capital USD	Retained earnings USD	Total equity USD
Opening balance – 28 February 2019	1	1,280	1
Total comprehensive income for year ended 28 February 2020	-	(3,252)	(3,252)
Balance at 28 February 2020	1	(1,972)	(1,971)
Opening balance – 29 February 2020	1	(1,972)	(1,971)
Total comprehensive income/(loss) for year ended 28 February 2021	-	750	750
Balance at 28 February 2021	1	(1,222)	(1,221)

1. GENERAL INFORMATION

ETPX DAC (the "**Company**") was incorporated on 23 February 2017, and domiciled in, the Republic of Ireland with registered number 599151. The registered office of the Company is 116 Mount Prospect Avenue, Clontarf, Dublin 3. The Company commenced trading on 2017. The Company is a special purpose company which has been established for issuing exchange traded products.

The Company established a collateralised exchange traded product programme under which the Company issues on an ongoing basis (the "**ETP Securities**") of different series (each a "**Series**") linked to portfolios of underlying securities (equities, mutual funds and bonds), cash and derivatives ("**Charged Assets**") that are managed by specific portfolio managers. These securities are issued as demand requires and may be redeemed at the option of the relevant parties according to their terms of issuance. Each Series of ETP Securities constitutes limited recourse obligations of the Company, secured on and payable solely from the Charged Assets constituting the security in respect of such Series. Each Series of ETP Securities may comprise one or more Tranches (each a "**Tranche**"). The proceeds of the issuance of each Series or Tranche will be deposited with a custodian for management by the relevant portfolio manager for the Series. All ETP Securities in issue at 28 February 2021 are listed on the multilateral trading facility of the Vienna Stock Exchange. No active secondary market may be available for the ETP Securities. All ETP Securities have been issued through Series in US Dollar or Euro.

FlexFunds Limited supplies and/or arranges for the supply of various services to the Company in return for which the FlexFunds Limited earns an arrangement fee out of the Charged Assets, as set out in the Programme agreements. Portfolio manager fees, transaction fees and commissions are paid from the Charged Assets. A contribution towards auditor, corporate service provider and similar fees is recovered from the Charged Assets with FlexFunds Limited arranging for the discharge of the various administrative expenses of the Company and, if necessary, offsetting any shortfall against the Arranger fees.

2. SIGNIFICANT ACCOUNTING POLICIES

The format of the financial statements has been modified to fairly present the results and financial position of the Company in accordance with paragraph 4(5) of Schedule 3 of the Companies Act 2014. The financial statements are presented for the 12 month year from 29 February 2020 to 28 February 2021.

(a) Going Concern

The outstanding ETP Securities may be redeemed by an ETP Security holder under specified terms. On an operational level, as the redemption of ETP Securities will coincide with the sale of an equal amount of the Charged Asset, no liquidity risk is considered to arise. The Company has entered into service contracts with its principal service providers on a non-recourse and non-petition basis and any shortfall in liquidity for various administrative expenses are offset against the Arranger fees. Therefore, the Directors consider the Company to be a going concern and have prepared the financial statements on this basis.

(b) Basis of preparation

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts 2014. Accounting standards generally accepted in Ireland in preparing financial statements giving true and fair view are those issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" ("FRS 102"). The Company has availed of the small company exemption available under Section 7.1(b) of FRS 102 and is not presenting cash flow statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Basis of measurement

In accordance with FRS 102, the Company has opted to apply the recognition and measurement requirements of IAS 39 Financial Instruments: Recognition and Measurement to its financial instruments that fall within the scope of Sections 11 and 12 of FRS 102. In addition, the presentation and disclosure requirements of FRS 102 have been applied as required by the latter standard. The majority of the Company's financial instruments are classified in categories that require measurement at fair value through profit or loss (*"FVTPL"*), as set out below and in note 2(f). All other assets and liabilities are measured at amortised cost.

- Financial assets classified as FVTPL – which comprises securities (equities, mutual funds and bonds) and derivatives
- Financial liabilities classified as FVTPL – which comprises ETP Securities issued by the Company

(d) Functional and presentation currency

These financial statements are presented in US dollar (hereafter $ or USD) which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which the entity operates. The Directors of the Company believe that USD most faithfully represents the economic effects of the majority of the underlying investing and financing activities of the Company.

Transactions in currencies other than USD are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currency are retranslated at the rates prevailing at the balance sheet date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary items that are denominated in foreign currencies are recognised in profit or loss in the year. Foreign exchange gains and losses on financial assets and financial liabilities are included in the net foreign exchange gain.

(e) Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and in future years affected.

Key sources of estimation uncertainty: Determining the fair value of financial instruments

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy (f) "Financial Instruments". For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. Prices for financial assets at FVTPL (per note 7) are sourced from the custodians.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fair values of ETP Securities (as per note 12) are calculated using predetermined formula, where prices of underlying securities and derivatives are used as inputs to the formula alongside the impact of interest, dividends and fees. The availability of market prices for the Charged Assets and formulae reduces estimation uncertainty.

(f) Financial instruments

The Company has elected to apply the recognition and measurement provisions of IAS 39 and the disclosure requirements of sections 11 and 12 of FRS 102.

Classification

The Company has designated its Charged Assets, as well as the ETP Securities, as financial assets and liabilities at fair value through profit or loss upon initial recognition. The Company classifies its financial assets and financial liabilities as financial assets and liabilities at fair value through profit or loss at initial recognition on the basis that the financial assets and corresponding financial liabilities in each series are managed and their performance evaluated on a fair value basis. Gains and losses arising from changes in the fair value of the financial assets are included in profit and loss account for the financial year in which they arise. The Company establishes fair value by reference to current market prices or the relevant Series custodian statements.

Recognition

The Company initially recognises all financial assets and liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instruments. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Initial measurement

Financial assets and financial liabilities at fair value through profit or loss are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss. The Company has designated the ETP Securities issued upon initial recognition as at fair value through profit or loss ("fair value option"). A liability may be designated at fair value through profit or loss ("FVTPL") when it eliminates or significantly reduces a measurement or recognition inconsistency "an accounting mismatch" that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on a different basis. Financial instruments not at fair value through profit or loss are measured initially at fair value plus transaction costs that are directly attributable to the financial asset or financial liability.

Subsequent measurement

After initial measurement, the Company measures financial instruments which are classified as at fair value through profit or loss, at fair value. Subsequent changes in the fair value of those financial instruments are recorded in unrealised gains or losses on financial assets and liabilities at fair value through profit or loss. Interest earned or paid and dividend income on these instruments are recorded separately in interest income or expense and dividend income.

The fair value of financial instruments is based on their quoted market prices at the statement of financial position date and regarded as quoted in an active market if the quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring arm's length market transactions.

Derecognition

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired. Any gains or losses on derecognition of financial instruments are recorded in realised gain/loss on financial assets/liabilities designated at fair value through profit or loss.

Offsetting

Financial assets and liabilities are offset, and the net amount presented in the Statement of Financial Position when, and only when, there is a legal right to set off the amounts and the parties intend either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

Derivatives positions form part of a portfolio managers specific investment strategy. They may have a positive or negative value and involve holding the underlying security. They are normally settled net. Accordingly, they are shown net under financial assets at FVTPL.

Impairment

At the end of each reporting year financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

(g) Dividend income

Dividend income is shown gross of any non-reclaimable withholding tax and is recognised when the dividend is received. Dividend income is shown net of dividends on equities that have been borrowed short and includes income from payments in lieu of dividends arising on margin accounts where the equities may be lent by the custodian.

(h) Interest income and expense

Interest income and expense are recognised using the effective interest rate method.

(i) Taxation

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

Withholding tax is a generic term used for withholding tax deducted at source from the income. The Company will present the withholding tax separately from the gross investment income in the Statement of Comprehensive Income. For the Statement of Cash Flows, cash inflows from investments are presented gross of withholding taxes, when applicable.

(j) Operating expenses

The Company pays portfolio management and arranger fees to contracted counterparties which are principally based on a percentage per annum of the value and the performance of the Charged Assets, subject to certain fixed fees and minimum fee levels. The fees accrue daily and are recorded in the profit and loss account.

Other administrative expenses such as: audit, legal, corporate services and trustee fees are recorded in the profit and loss account and where not covered by Series fees may be met out of fees payable to the Arranger.

(k) Cash and cash equivalents

Cash and cash equivalents comprise bank balances, demand deposits and other short term highly liquid investments that are readily convertible to cash with an original maturity of ninety days or less. They include cash held in brokerage accounts and cash posted as collateral for trading purposes.

(l) Amounts due on unsettled trades

Amounts due on unsettled trades represent amounts payable for the purchase of Charged Assets (in a regular way transaction) that have been contracted for, but not yet delivered, on the reporting date. They are measured initially at their fair value plus any directly attributable incremental costs of acquisition and carried at amortised cost.

(m) Segmental reporting

The standard on segmental reporting puts emphasis on the "management approach" to reporting on operating segments. An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses.

The Company is engaged in one segment, being a Collateralised ETP Securities Programme under which the Company issues on an ongoing basis ETP Securities of different series linked to a range of equity securities. All the Company's ETP Securities track investment strategies that can be traded in the investment markets.

(n) Share Capital

The issued and called-up Share Capital is presented under Equity in the Statement of Financial Position. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

3. DIVIDEND INCOME

	Year ended 28 Feb 2021 USD	Year ended 28 Feb 2020 USD
Dividend income on listed equities	252,583	612,145
	252,583	**612,145**

The Company receives dividend income on its Charged Assets derived from listed equities including payments in lieu of dividends. Dividend income is net of payments made in lieu of dividends on equities that have been borrowed short. Income from payments received in lieu of dividends arises on equities in margin accounts where the equities may be lent by the custodian, as per the terms of the margin account agreements.

4. FINANCE EXPENSE

	Year ended 28 Feb 2021 USD	Year ended 28 Feb 2020 USD
Note interest expense	964,942	1,830,247
Broker Interest expense	128,466	570,740
	1,093,408	**2,400,987**

Note interest expense represents interest on debt securities issued by the Company. Broker interest expense arises on margin accounts at the custodian where assets may be acquired through leverage.

5. STATUTORY AND OTHER INFORMATIOM

	Year ended 28 Feb 2021 USD	Year ended 28 Feb 2020 USD
Auditors remuneration (net of VAT and incl. expenses) in respect of:		
- Audit of Company accounts	14,195	13,038
Directors' fees	24,318	4,595

The Company had no employees during the year.

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 28 Feb 2021 USD	Year ended 28 Feb 2020 USD
Corporation tax	16,345	4,252
	16,345	**4,252**

Corporation tax has been calculated based on the results for the year at a rate of 25%.

Reconciliation of tax charge:		
Tax on profits at standard S.110 rate of 25%	250	250
Disallowed withholding tax as an expense	16,095	3,770
Surcharge tax on close companies	-	232
	16,345	**4,252**

There were no deferred tax assets or liabilities as at 28 February 2021 (2020: Nil).

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

All of the Company's investments fall under the definition of Charged Assets and as such are secured for the payment of obligations to the specific ETP Securities payable under each Series. Each Series is legally segregated such that no other Series of ETP Securities or Company obligations can be met from the proceeds of the investments of that respective Series.

	Year ended 28 Feb 2021 USD	Year ended 28 Feb 2020 USD
Bonds	45,918,295	53,151,872
Equities	41,990,836	39,309,095
Mutual funds	2,532,297	471,953
Derivatives	(338,004)	(974,680)
	90,103,424	**91,958,240**

The unrealised fair value movement on the financial assets at FVTPL was a gain of USD 9,654,313 for the year (2020: 997,630). Certain Series assets have been used for securities lending activity against which the Company has been provided with cash collateral of an equivalent value. The value of such securities lent as at the financial year end, and which is included in the above, was USD 32,236 (2020: USD383,013). Derivatives are principally traded in conjunction with underlying long equity positions.

8. CASH AND CASH EQUIVALENTS

	Year ended 28 Feb 2021 USD	Year ended 28 Feb 2020 USD
Cash at bank	9,001,425	7,251,622
Cash held at custodian in margin accounts	1,138,088	5,442,298
	10,139,513	**12,693,920**

9. DEBTORS: (Amounts falling due within one year)

	Year ended 28 Feb 2021 USD	Year ended 28 Feb 2020 USD
Dividends receivable	5,958	22,963
Interest receivable	179,466	257,780
Other receivables	10,060	-
	195,484	**280,743**

Interest receivable principally includes interest on bonds represented in financial assets at FVTPL.

10. AMOUNTS DUE TO BROKER

	Year ended 28 Feb 2021 USD	Year ended 28 Feb 2020 USD
Amounts due to broker - margin accounts	1,551,239	309,755
	1,551,239	**309,755**

Interactive Brokers LLC ("IB"), as custodian and margin account provider, makes available margin accounts whereby a Series can borrow from IB to invest in securities and derivatives with the assets in such accounts forming collateral for the borrowings. The year end value of Charged Assets available as collateral for such borrowings and held in IB accounts was USD 34,148,009 (2020: USD12,678,319).

11. CREDITORS AND ACCRUALS

	Year ended 28 Feb 2021 USD	Year ended 28 Feb 2020 USD
Amounts due on unsettled trades at year end	900,000	3,028,930
Interest and dividends in lieu payable	4,846	308,272
Trade creditors and accruals	677,666	300,250
	1,582,512	**3,637,452**

12. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 28 Feb 2021 USD	Year ended 28 Feb 2020 USD
Debt securities in issue	97,285,054	100,983,705
	97,285,054	**100,983,705**

No new ETP Securities were issued during the current financial year and three Series were fully redeemed. The final maturity dates for the ETP Securities in issue range from 16 September 2022 to 21 May 2038 however the ETP Securities may be redeemed or purchased at earlier dates as per the conditions of the programme documents and are therefore classified as current liabilities.

The Company's financial liabilities classified at FVTPL consist of ETP Securities issued to invest in Charged Assets and are listed on the multilateral trading facility of the Vienna Stock Exchange.

The ETP Securities are direct limited recourse obligations of the Company which are payable solely out of amounts received by or on behalf of the Company in respect of proceeds from the realisation of the Charged Assets. The payment of principal, interest and other amounts in respect of the ETP Securities will be made solely from amounts received in respect of the Charged Assets of the relevant series of ETP Securities of the Company in accordance with the priority of payments and not from the assets relating to any other Series or from the general assets of the Issuer. Following maturity or redemption of the ETP Securities of a Series there will be no other assets of any other particular Series available to meet any outstanding claims.

Payments of principal in respect of the ETP Securities may be subordinated to the payment of certain amounts payable by the Company, as set out in the Programme documents. The ETP Securities receive a total return based on the performance of the Charged Assets up to the redemption date. There can be no assurance that the ETP Security holders will receive the full redemption amount payable by the Company under the ETP Securities or that they will receive any return on their investment in the ETP Securities. In certain circumstances, returns to the ETP Security holders could be reduced to zero.

Further information in respect of, inter alia, the ETP Securities, the underlying investments and the security provisions pertaining to the ETP Securities are contained in the Programme documents including the Series Memorandum issued by the Company in respect of each Series.

Notes may be issued free of payment by the Company. The Company holds such Notes on behalf of the Series while the Notes are sold to subscribing investors. The Company does not invest into these Notes and no income is generated from these Notes while held on custody. If the Note position remains unsold, the relevant Notes are redeemed and the amount of the Notes issued under the Series will be reduced. These Notes are only included in the Company's financial liabilities once they are sold/partly sold to subscribing investors.

13. SHARE CAPITAL – EQUITY	Year ended 28 Feb 2021 USD	Year ended 28 Feb 2020 USD
Authorised		
1,000 Ordinary Shares of € 1 each	1,057	1,057
Issued		
1 Ordinary Share of €1	1	1

On 8 May 2020, the share in issue was transferred from Sanne Trustee Services Limited to Boru Corporate Trustees Limited, as the new share trustee. All shares are held in trust for charity under the terms of a declaration of trust.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings. No dividends were paid during the year or proposed by the Directors.

For the purpose of the Company's capital management, capital includes issued share capital. There is no active capital management required for a capital markets issuer such as the Company and it manages its capital structure and enables the investment in assets through the issue of limited recourse notes.

14. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

(a) Fair value of financial instruments

Fair Value Measurement Principles of Charged Assets
The fair values of the non-cash Charged Assets are sourced from their listed prices from stock exchanges or their published net asset values. The cash element of any Charged Assets is held at cost.

The value of a Series of ETP Securities tracks the value of the Charged Assets and the fair value is determined according to the following hierarchy:

(i) Level 1: Financial instruments, whose values are based on quoted market prices in active markets, and therefore classified within Level 1, including active listed equities, bonds, mutual funds and traded derivatives. Quoted prices for these instruments are not adjusted. The Charged Assets held by the Company are classified as Level 1.

(ii) Level 2: Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs. As Level 2 financial instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The ETP Securities issued by the Company are classified as Level 2.

(iii) Level 3: Financial instruments classified within Level 3 have significant unobservable inputs, as they trade infrequently. Pricing inputs are unobservable for the financial instrument and include situations where there is little, if any, market activity for the financial instrument. As observable prices are not available for these securities, the Company may use valuation techniques to derive the fair value, if applicable. The Company holds no material positions in Level 3 instruments.

The Company's policy is to recognise transfers into and transfers out of the fair value hierarchy levels as at the last day of the accounting year. There were no transfers during the year between levels of the fair value hierarchy for either the financial assets or the financial liabilities recorded at fair value. At the reporting date the Charged Assets are classified as Level 1, as a quoted price is available and the ETP Securities are classified as Level 2 as all inputs are observable.

14. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS *(continued)*

Financial assets at fair value through profit and loss:

As at 28 February 2021	Level 1 Quoted price USD	Level 2 Valuation USD	Level 3 Valuation USD	Total USD
Bonds	914,531	45,003,764	-	45,918,295
Equities	41,990,836	-	-	41,990,836
Mutual funds	2,532,297	-	-	2,532,297
Traded derivatives (net)	(338,004)	-	-	(338,004)
Total	43,375,698	45,003,764	-	90,103,424

Financial liabilities at fair value through profit and loss:

As at 28 February 2021	Level 1 Quoted price USD	Level 2 Valuation USD	Level 3 Valuation USD	Total USD
ETP Securities	-	97,285,054	-	97,285,054
Total	-	97,285,054	-	97,285,054

Financial assets at fair value through profit and loss:

As at 28 February 2020	Level 1 Quoted price USD	Level 2 Valuation USD	Level 3 Valuation USD	Total USD
Bonds	9,402,247	43,749,625	-	53,151,872
Equities	39,309,095	-	-	39,309,095
Mutual funds	471,953	-	-	471,953
Traded derivatives (net)	(974,680)	-	-	(974,680)
Total	48,207,615	43,749,625	-	91,958,240

Financial liabilities at fair value through profit and loss:

As at 28 February 2020	Level 1 Quoted price USD	Level 2 Valuation USD	Level 3 Valuation USD	Total USD
ETP Securities	-	100,983,705	-	100,983,705
Total	-	100,983,705	-	100,983,705

The fair value of all other financial assets and liabilities (including cash and borrowings) is expected to equate to their cost as shown in the Statement of financial position.

(b) Risk management

The Company is exposed to a variety of financial risks because of its activities. These risks include credit /counterparty risk, market risk (including interest rate risk, price risk and currency risk) and liquidity risk.

The Company attempts to match the properties of its financial liabilities to its financial assets, to avoid significant elements of risk for the Company being generated by mismatches of investment performance against its obligations, together with any maturity or interest rate risk.

14. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS *(continued)*

The Company uses the net proceeds of the issuance of ETP Securities to invest in Charged Assets to hedge its payment obligations in respect of each Series of the ETP Securities. The Charged Assets for each Series of ETP Securities will produce net cash flows to service the Company's payment obligations in respect of that Series. This provides a hedge for the Company against market risk (interest rate risk, currency risk and price risk) and liquidity risk. This economic hedge is executed through the company's activities as described above and through its agreements with its counterparties.

The risk profile of the Company is such that market, credit, liquidity and other risks of the financial assets as FVTPL are borne fully by the holders of ETP Securities issued.

The ETP Securities issued are initially recorded at the value of the net proceeds received and are carried as financial liabilities at fair value through profit or loss. The ultimate amount to be repaid to the ETP Security holders will depend on the proceeds from the related Charged Assets. All substantial risks and rewards associated with the performance of the Charged Assets are ultimately borne by the ETP Security holders. Therefore, any change in risk variables would not affect the equity or the results of the Company.

Certain of the Company's daily operational activities and processes are provided by the Arranger and the corporate service provider. See "Operational Risk" section below. Following on below is an analysis and description of the risk types.

(c) Operational Risk

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

Operational risks arise from all the Company's operations. The Company was incorporated with the purpose of engaging in those activities outlined in note 1. Management of the Charged Assets is provided by the portfolio managers with the Support of the Arranger and administrative functions are provided by the corporate service provider and professional tax and legal firms.

The Company is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of collateral held in custody occasioned by the insolvency or negligence of the custodian. Although agreements are in place that reduce the risk of loss of value of the securities held by the custodians, in the event of their failure, the ability of the Company to realise or transfer the Charged Assets might be impaired.

(d) Credit risk

Credit/Counterparty risk refers to the risk that the Custodian will default on its contractual obligations resulting in the Company being unable to make payment of amounts due to the ETP Securities holders. Each Series of ETP Securities constitutes secured, limited recourse obligations of the Company, recourse in respect of which will, in effect, be limited to the proceeds of the Charged Assets relating to such Series. No other assets of the Issuer will be available to satisfy claims of the holders of such Series. The payment of principal, interest and other amounts in respect of the ETP Securities will be made solely from amounts received in respect of the Charged Assets of the relevant Series. Therefore, to the extent that the value of the Charged Assets falls, payments under the Charged Assets are not made, the Charged Assets cannot be sold or the relevant security arrangements are not enforceable, the holders of such Series of ETP Securities will suffer losses.

The Company relies upon the performance of the Charged Assets and the solvency of the custodians to enable the Company to meet its obligations under the ETP Securities.

14. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS *(continued)*

The Company holds equity, equity-based investments and derivatives which are not directly exposed to credit risk. The Company also hold bonds through the custodian accounts and cash deposits. The Series portfolio managers are responsible for monitoring the credit risk relating to any bond positions held in custodian accounts. If the balance in a margin account falls below agreed maintenance requirements, the custodian can issue a margin call requiring the deposit of more collateral or the custodian will liquidate the position.

The Company has entered into various agreements with the custodians along with the Trustee and portfolio managers which includes indemnity clauses to the Company in relation to bad faith, wilful deceit or gross negligence on behalf of the various parties. The custodians are required to identify in their own books that the Charged Assets belong to their clients e.g. the Company.

The custodians are:

- Interactive Brokers LLC:	has a BBB+ Outlook Positive rating from Standard and Poor's
- Bank of New York Mellon:	has a AA- Stable rating from Standard and Poor's

The Company holds accounts with Bank of New York Mellon arising from the processing of ETP Securities' interest payments, issuances and redemptions. Such balances are only held for a short term.

The exposure to credit risk is shown by the value of (i) securities, derivatives and cash & cash equivalents (held with custodians), and (ii) other financial assets (incl. debtors), as presented in the Statement of Financial Position is set out below:

	2021 USD	2020 USD
Cash at bank	9,001,425	7,251,622
Cash at bank (margin accounts)	1,138,088	5,442,298
Equities and mutual funds	44,523,133	39,781,048
Bonds	45,918,295	53,151,872
Interest and dividends receivable	185,424	280,743
Other debtors	4,958	-

(e) Market risk

The Company's liabilities in respect of the ETP Securities issued is referenced to various underlying Charged Assets. If the price of the underlying Charged Assets goes up/down 5%, the prices of the Series tracking those assets will go up/down on a relatively similar basis, in accordance with the formula for the price of the ETP Security, that will also reflect the impact of fees.

(e)(i) Market Risk: Interest rate risk

As the Company has invested in Charged Assets to match the ETP Securities in issue there is deemed to be no interest rate risk to the Company. Any change in the borrowing rate on overdrafts within the custodian accounts will be offset by a change in the valuation of the ETP Securities.

(e)(ii) Market Risk: *Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The majority of the Charged Assets are denominated in the same currency as the underlying ETP Securities in issue for the relevant Series. A currency risk exists for some Series whereby the value of the Charged Assets may change with movements in the relevant exchange rates. The effect of any movement in exchange rates will be borne by the ETP Security holders. As any change in value of the Charged Assets due to foreign exchange rate movements will not have a material effect on the equity or the comprehensive income of the Company and expenses are funded from Arranger fees, no active management of this risk is required.

14. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS *(continued)*

(e)(iii) Market Risk: *Price risk*

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

Sensitivity Analysis

Any changes in the values of the Charged Assets held by the Company would not have any effect on the equity or profit or loss of the Company as any fair value fluctuations are ultimately borne by the holders of the ETP Securities issued by the Company. If there was a 5% increase in the value of the Charged Assets, the value of the ETP Securities issued would increase by a similar amount (net of fees).

The Directors considered whether a disclosure of a detailed sensitivity analysis for each type of market risk to which the entity is exposed at the reporting date is required, showing how profit or loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date. Whilst the financial instruments held by the Company are separately exposed to interest rate risk, currency risk and market price risk, the Company itself is not materially exposed to market risk overall. Therefore, in the Directors' opinion, no detailed sensitivity analysis is required to be disclosed.

(f) Liquidity risk

Liquidity risk is the risk that the Company may be unable to fulfil its obligations (by delivery of cash or another financial asset), whether expected or unexpected. A significant proportion of Charged Assets are held in highly liquid and tradable assets. However, Level 2 assets per note 14(a) relate to: (i) listed non-G7/EU bonds where the market liquidity may not be so deep, and, (ii) private issuances by various financial institutions that may be redeemed by such institutions in accordance with the programme terms.

The ETP Securities issued are limited in recourse to the Charged Assets in each particular Series. The repayment of the ETP Securities will only be made from the proceeds of the disposal of the Charged Assets or from physical delivery of the Charged Assets, net of fees. There will be no other assets of the Company available to meet the outstanding claims of the ETP Security holders, who will bear any shortfall pro-rata to their holdings. The Company therefore has no net liquidity risk and the Company does not need to engage in active liquidity management.

The legal maturity of the ETP Securities is discussed in note 12. ETP Securities cannot be issued without a matching investment in Charged Assets. Because there are contractual options to issue further tranches of a Series and redeem the ETP Securities (in part or full) with less than one years notice, this is considered the earliest maturity date for the purposes of the maturity analysis below:

Financial liabilities as at 28 Feb 2021	Carrying Amount **USD**	Less than one year **USD**	One to five years **USD**	More than five years **USD**
Financial Liabilities at FVTPL	97,285,054	97,285,054	-	-
Amounts due to broker - margin	1,551,239	1,551,239	-	-
Corporation tax	20,837	20,837	-	-
Other creditors	1,582,512	1,582,512	-	-
	100,439,642	100,439,642	-	-
as at 28 Feb 2020				
Financial Liabilities at FVTPL	100,983,705	100,983,705	-	-
Amounts due to broker - margin	309,755	309,755	-	-
Corporation tax	3,962	3,962	-	-
Other creditors	3,637,452	3,637,452	-	-
	104,934,874	104,934,874	-	-

14. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS *(continued)*

(g) Offsetting Financial Assets and Financial Liabilities

Other than the any net traded derivative positions as disclosed in note 7, the Company does not offset financial assets and financial liabilities which are presented separately in the Statement of Financial Position.

15. COMMITMENTS AND CONTINGENCIES

Subsequent to the financial year end, the Company received notices of assessment for additional corporation tax from the Revenue Commissioners totalling €24,326 in respect of the two tax periods to 28 February 2019. These assessments arise from the Revenue Commissioners interpretation of the Company's ability to avail of a tax deduction for withholding tax on dividend income. The Company believes the deduction is appropriate and has appealed the assessment. The Company has a contingent liability for the aforementioned tax assessment and any potential tax assessment for the period up to 31 December 2019 (which could be in the order of USD 25,235), whereafter the relevant legislation was amended.

There are no other commitments or contingencies as at 28 February 2021 that require to be disclosed in the financial statements. The above contingency was also disclosed in the 2020 financial statements.

16. RELATED PARTY TRANSACTIONS

Boru Corporate Trustees Limited acquired the share capital (as set out in Note 13) during the year as share trustee and Verita Corporate Services Limited assumed the role of corporate services provider. Neil Fleming is a director of Verita Corporate Services Limited and a director and shareholder of Boru Corporate Trustees Limited. The Company incurred fees of USD 23,913 (2020: nil) with Verita Corporate Services Limited and the balance payable as at 28 February 2021 was USD 3,806 (2020: nil).

As per Note 1, FlexFunds Limited and FlexFunds ETP LLC provide arranger and calculation agent services to the Company with the aggregate fees incurred for such services amounting to USD 236,724 (2020: USD 298,080) for the year. As at 28 February 2021, the balance payable to these FlexFunds entities was USD 133,262 (2020: USD 61,748).

Other than the above, there were no related party transactions during the year under review. No Director of the Company held any ETP Securities as at 28 February 2021 or during the financial year.

17. POST BALANCE SHEET EVENTS

Series of notes 141 and 219 were redeemed in full after the year end and before their scheduled maturity dates. These Series had a fair value of USD 31,702,018 as at the financial year end.

Other than the above and the tax issue set out in note 15, there are no other post balance sheet events that require to be disclosed in the financial statements.

18. APPROVAL OF FINANCIAL STATEMENTS

The Directors authorised the financial statements for issue on October 2021.