

令和5年12月期 決算短信（令和5年1月1日～令和5年12月31日）

令和6年4月25日

銘柄名	コード番号	連動対象指標	上場取引所	東京証券取引所	売買単位
				主要投資資産	
WisdomTree ブロード上場投資信託	1684	ブルームバーグ総合商品指数		(注2)	10
WisdomTree エネルギー上場投資信託	1685	ブルームバーグエネルギー商品指数		天然ガス、原油、ガソリン、灯油	10
WisdomTree 産業用金属上場投資信託	1686	ブルームバーグ産業用金属商品指数		アルミニウム、銅、ニッケル、亜鉛	10
WisdomTree 農産物上場投資信託	1687	ブルームバーグ農産物商品指数		(注3)	10
WisdomTree 穀物上場投資信託	1688	ブルームバーグ穀物商品指数		小麦、とうもろこし、大豆	10
WisdomTree 天然ガス上場投資信託	1689	ブルームバーグ天然ガス商品指数		天然ガス	1 (注1)
WisdomTree WTI原油上場投資信託	1690	ブルームバーグWTI原油マルチテナイクセリターン指数		WTI原油	10
WisdomTree ガソリン上場投資信託	1691	ブルームバーグガソリン商品指数		ガソリン	10
WisdomTree アルミニウム上場投資信託	1692	ブルームバーグアルミニウム商品指数		アルミニウム	100
WisdomTree 銅上場投資信託	1693	ブルームバーグ銅商品指数		銅	10
WisdomTree ニッケル上場投資信託	1694	ブルームバーグニッケル商品指数		ニッケル	10
WisdomTree 小麦上場投資信託	1695	ブルームバーグ小麦商品指数		小麦	1 (注1)
WisdomTree とうもろこし上場投資信託	1696	ブルームバーグとうもろこし商品指数		とうもろこし	1 (注1)
WisdomTree 大豆上場投資信託	1697	ブルームバーグ大豆商品指数		大豆	10

(注1) 1690 ガスETF、1695 小麦ETF及び1696 とうもろこしETFにつきましては、令和5年12月1日付効力発生で投資口の併合を行い、それに伴い売買単位も100口単位から1口単位へ変わりました。

(注2) 天然ガス、WTI原油、ブレンド原油、ガソリン、灯油、アルミニウム、銅、亜鉛、ニッケル、金、銀、生体牛、赤身豚肉、小麦、トウモロコシ、大豆、砂糖、綿花、コーヒー、大豆油

(注3) 小麦、トウモロコシ、大豆、砂糖、綿花、コーヒー、大豆油

外国投資法人 ウィズダムツリー・コモディティ・セキュリティーズ・リミテッド

代表者名 クリストファー・フォールズ

管理会社 ウィズダムツリー・マネジメント・ジャージー・リミテッド

<https://www.wisdomtree.eu/en-gb/resource-library/prospectus-and-regulatory-reports#tab-2A942D42-5AA1-4008-9080-3C2DADB050A7>

代表者名 ステイーブン・ロス

問合せ先責任者 TMI 総合法律事務所（中川秀宣） TEL 03-6438-5660

有価証券報告書提出予定日 令和6年6月28日提出(予定)

分配金支払い開始予定日 該当なし

I ファンドの運用状況

1. 2023年12月決算期の運用状況（令和5年1月1日～令和5年12月31日）

(1) 資産内訳

（百万円未満切捨て）

		主要投資資産		合計（資産）	
		金額	構成比	金額	構成比
		百万円	%	百万円	%
WisdomTree ブロード上場投資信託	2023年12月決算期	13,432	(100)	13,432	(100)
	2022年12月決算期	19,669	(100)	19,669	(100)
		百万円	%	百万円	%
WisdomTree エネルギー上場投資信託	2023年12月決算期	6,945	(100)	6,945	(100)
	2022年12月決算期	10,438	(100)	10,438	(100)
		百万円	%	百万円	%
WisdomTree 産業用金属上場投資信託	2023年12月決算期	68,051	(100)	68,051	(100)
	2022年12月決算期	93,508	(100)	93,508	(100)
		百万円	%	百万円	%
WisdomTree 農産物上場投資信託	2023年12月決算期	35,004	(100)	35,004	(100)
	2022年12月決算期	49,139	(100)	49,139	(100)
		百万円	%	百万円	%
WisdomTree 穀物上場投資信託	2023年12月決算期	3,276	(100)	3,276	(100)
	2022年12月決算期	4,788	(100)	4,788	(100)
		百万円	%	百万円	%
WisdomTree 天然ガス上場投資信託	2023年12月決算期	17,518	(100)	17,518	(100)
	2022年12月決算期	10,492	(100)	10,492	(100)
		百万円	%	百万円	%
WisdomTree WTI原油上場投資信託	2023年12月決算期	110,910	(100)	110,910	(100)
	2022年12月決算期	125,383	(100)	125,383	(100)
		百万円	%	百万円	%
WisdomTree ガソリン上場投資信託	2023年12月決算期	613	(100)	613	(100)
	2022年12月決算期	930	(100)	930	(100)
		百万円	%	百万円	%
WisdomTree アルミニウム上場投資信託	2023年12月決算期	23,443	(100)	23,443	(100)
	2022年12月決算期	21,611	(100)	21,611	(100)
		百万円	%	百万円	%
WisdomTree 銅上場投資信託	2023年12月決算期	193,487	(100)	193,487	(100)
	2022年12月決算期	75,368	(100)	75,368	(100)
		百万円	%	百万円	%
WisdomTree ニッケル上場投資信託	2023年12月決算期	15,255	(100)	15,255	(100)
	2022年12月決算期	32,085	(100)	32,085	(100)
		百万円	%	百万円	%
WisdomTree 小麦上場投資信託	2023年12月決算期	15,125	(100)	15,125	(100)
	2022年12月決算期	15,341	(100)	15,341	(100)
		百万円	%	百万円	%
WisdomTree とうもろこし上場投資信託	2023年12月決算期	3,398	(100)	3,398	(100)
	2022年12月決算期	4,604	(100)	4,604	(100)
		百万円	%	百万円	%
WisdomTree 大豆上場投資信託	2023年12月決算期	1,662	(100)	1,662	(100)
	2022年12月決算期	2,614	(100)	2,614	(100)

(注) 主要投資資産は、令和6年3月29日午前零時（ロンドン時間2024年3月28日午後4時）現在のものとしてブルームバーグによって表示される為替レート（スポット・レート）（1米ドル=151.31円、1ポンド=191.091円、1ユーロ=163.4円）に基づいて円換算しています。（以下同じ）

## (2) 設定・償還実績

		前営業期間末 発行済口数 (①)	設定口数 (②)	償還口数 (③)	当営業期間末 発行済口数 (①+②-③)
WisdomTree ブロード上場 投資信託	2023年12月決算期	千口 11,208	千口 3,027	千口 5,949	千口 8,287
	2022年12月決算期	14,835	4,686	8,313	11,208
WisdomTree エネルギー上 場投資信託	2023年12月決算期	千口 15,642	千口 37,300	千口 40,471	千口 12,472
	2022年12月決算期	23,021	21,857	29,236	15,642
WisdomTree 産業用金属上 場投資信託	2023年12月決算期	千口 37,820	千口 11,013	千口 17,702	千口 31,132
	2022年12月決算期	40,352	24,286	26,818	37,820
WisdomTree 農産物上場投 資信託	2023年12月決算期	千口 48,201	千口 17,000	千口 28,624	千口 36,577
	2022年12月決算期	38,983	59,579	50,361	48,201
WisdomTree 穀物上場投資 信託	2023年12月決算期	千口 6,458	千口 316	千口 1,717	千口 5,057
	2022年12月決算期	7,941	10,072	11,555	6,458
WisdomTree 天然ガス上場 投資信託	2023年12月決算期	千口 3,884,705	千口 24,268,120	千口 28,142,345	千口 10,480
	2022年12月決算期	3,062,813	9,681,458	8,859,565	3,884,705
WisdomTree WTI原油上場投 資信託	2023年12月決算期	千口 92,110	千口 104,218	千口 115,200	千口 81,129
	2022年12月決算期	220,374	114,744	243,007	92,110
WisdomTree ガソリン上場 投資信託	2023年12月決算期	千口 137	千口 146	千口 202	千口 81
	2022年12月決算期	192	339	394	137
WisdomTree アルミニウム 上場投資信託	2023年12月決算期	千口 43,465	千口 35,393	千口 29,770	千口 49,088
	2022年12月決算期	13,485	67,747	37,767	43,465
WisdomTree 銅上場投資信 託	2023年12月決算期	千口 14,728	千口 52,956	千口 30,854	千口 36,830
	2022年12月決算期	13,540	16,112	14,924	14,728
WisdomTree ニッケル上場 投資信託	2023年12月決算期	千口 7,473	千口 4,610	千口 5,421	千口 6,661
	2022年12月決算期	10,600	9,039	12,166	7,473
WisdomTree 小麦上場投資 信託	2023年12月決算期	千口 133,148	千口 94,636	千口 223,939	千口 3,845
	2022年12月決算期	70,569	164,068	101,488	133,148
WisdomTree とうもろこし 上場投資信託	2023年12月決算期	千口 22,608	千口 14,361	千口 36,036	千口 933
	2022年12月決算期	23,750	94,377	95,518	22,608
WisdomTree 大豆上場投資 信託	2023年12月決算期	千口 557	千口 150	千口 358	千口 349
	2022年12月決算期	581	2,316	2,341	557

(注) 上記の設定・償還実績については、営業期末時点の未決済上場投信を含んでいません。

## (3) 基準価額

		総資産	負債 <sup>(注)</sup>	資産	売買単位当たり基準価額 ( (③/当営業期間末 発行済口数) × 売買単位)
WisdomTree ブロード 上場投資信託	2023年12月決算期	百万円 13,432	百万円 -	百万円 13,432	円 16,208
	2022年12月決算期	19,669	-	19,669	17,548
WisdomTree エネル ギー上場投資信託	2023年12月決算期	百万円 6,945	百万円 -	百万円 6,945	円 5,569
	2022年12月決算期	10,438	-	10,438	6,672
WisdomTree 産業用金 属上場投資信託	2023年12月決算期	百万円 68,051	百万円 -	百万円 68,051	円 21,859
	2022年12月決算期	93,508	-	93,508	24,724
WisdomTree 農産物上 場投資信託	2023年12月決算期	百万円 35,004	百万円 -	百万円 35,004	円 9,570
	2022年12月決算期	49,139	-	49,139	10,194
WisdomTree 穀物上場 投資信託	2023年12月決算期	百万円 3,276	百万円 -	百万円 3,276	円 64,791
	2022年12月決算期	4,788	-	4,788	74,134
WisdomTree 天然ガス 上場投資信託	2023年12月決算期	百万円 17,518	百万円 -	百万円 17,518	円 167,149
	2022年12月決算期	10,492	-	10,492	270
WisdomTree WTI原油 上場投資信託	2023年12月決算期	百万円 110,910	百万円 -	百万円 110,910	円 13,670
	2022年12月決算期	125,383	-	125,383	13,612
WisdomTree ガソリン 上場投資信託	2023年12月決算期	百万円 613	百万円 -	百万円 613	円 75,441
	2022年12月決算期	930	-	930	67,817
WisdomTree アルミニ ウム上場投資信託	2023年12月決算期	百万円 23,443	百万円 -	百万円 23,443	円 47,758
	2022年12月決算期	21,611	-	21,611	49,720
WisdomTree 銅上場投 資信託	2023年12月決算期	百万円 193,487	百万円 -	百万円 193,487	円 52,534
	2022年12月決算期	75,368	-	75,368	51,173
WisdomTree ニッケル 上場投資信託	2023年12月決算期	百万円 15,255	百万円 -	百万円 15,255	円 22,900
	2022年12月決算期	32,085	-	32,085	42,934
WisdomTree 小麦上場 投資信託	2023年12月決算期	百万円 15,125	百万円 -	百万円 15,125	円 393,343
	2022年12月決算期	15,341	-	15,341	11,522
WisdomTree とうもろ こし上場投資信託	2023年12月決算期	百万円 3,398	百万円 -	百万円 3,398	円 363,844
	2022年12月決算期	4,604	-	4,604	20,366
WisdomTree 大豆上場 投資信託	2023年12月決算期	百万円 1,662	百万円 -	百万円 1,662	円 47,619
	2022年12月決算期	2,614	-	2,614	46,913

(注1) 売買単位は、天然ガス、小麦及とうもろこしについては1口、総合商品指数、エネルギー商品指数、産業用金属商品指数、農産物商品指数、原油、ガソリン、銅、ニッケル、及び大豆については10口、穀物商品指数及びアルミニウムについては100口となります。

(注2) 商品上場投資信託1単位当たりの資産は、商品上場投資信託1単位当たりの基準価額に基づいたものとなります。商品上場投資信託1単位当たりの基準価額は、相応する商品上場投資信託1単位当たりの商品契約の価格に相当するものとなります。各々の商品上場投資信託の裏付けとなっている商品契約の総価値は、相応する商品上場投資信託の残高と等しくなります。このために、純資産額は零となり、総資産額は、商品上場投資信託の裏付けとなる商品契約の総額と等しくなります。

[参考] 外国投資法人の財政状態

	総資産額	総負債額	投資主持分額
	百万円	百万円	百万円
2023年12月決算期	909,879	912,201	-2,322
2022年12月決算期	842,855	832,129	10,725

(注1) 商品上場投資信託は、期限の定めのない、請求権の限定されている発行体による債務です。全出資口は、親会社であるウィズダムツリー・セキュリティーズ・リミテッドにより保有されています。投資主持分額は、総資産額から総負債額を差し引いたものです。

2. 継続企業の前提に関する注記

発行体の事業の性質上、未決済の商品上場投資信託は、認定参加者により、いつでも、また特定の状況においては個々の保有者により、償還されることがあり、また特定の状況においては、発行体により強制的に償還されることがあり得ます。商品上場投資信託の償還は、常に同額(価額)の商品デリバティブ契約の譲渡と一致するため、流動性リスクは、重大な残存リスクがないように軽減されています。発行体のその他すべての費用は、管理事務代行会社が負担します。取締役は、サービス契約に基づく義務の履行に関して、管理事務代行会社の財務状況とパフォーマンス、運用資産、および関連する収益源を綿密に監視しています。貸借対照表上のネットの計上ポジションは、欠損金が計上された場合を含めて、IFRSに準拠した会計上の測定基準に基づく商品デリバティブ契約及び商品上場投資信託の未実現損益にのみ起因するものであるため、当社の継続企業の前提に影響を与えとは考えられません。

また、商品上場投資信託を支援するために商品デリバティブ契約が保有されているため、未実現ポジションに計上された欠損金または剰余金は、その後の商品上場投資信託の償還および関連する商品デリバティブ契約の解約に伴い、取り崩されることとなります。計上された欠損は、発行体の支払能力に関する問題を示すものではないと考えられ、また、取締役は、商品上場投資信託に関して発生する義務は、商品上場投資信託に適用されている目論見書の条件に従って管理することができると確信しています。取締役は、発行体が2025であるウィズダムツリー・セキュリティーズ・リミテッドにより保有されています。投資主持分額は、総資産額が年4月30日まで事業活動を継続するための十分な資源を有していると合理的に期待して、発行体の事業活動を継続していると考えており、従って、これらの財務諸表は継続企業ベースで作成されています。

3. 会計方針の変更

- ① 会計基準等の改正に伴う変更 有・無
- ② ①以外の変更 有・無

(a) 発行体が検討する基準、修正および解釈指針:

以下の基準が、改訂、発行、施行されましたが、発行体には適用されないと判断しています。

- > IFRS第8号会計方針の改訂、会計上の見積り及び誤謬の変更
- > IAS第12号繰延税の改正
- > IFRS第17号保険契約

その他、当会計年度において、これらの財務諸表に重要な影響を及ぼした新たな基準、修正および解釈はありませんでした。

(b) 公表済みであるが未発効の新規および改訂されたIFRS:

発行体は、公表済みであるが、まだ効力を有していない以下の新IFRSおよび改訂IFRSを適用していません。

- > IAS第1号財務諸表の表示に関する修正(2024年1月1日以降に開始する年度から発効)
- > サプライヤー資金取極- IAS第7号およびIFRS第7号の修正(2024年1月1日以降に開始する年度から発効)
- > IFRS第16号セール・アンド・リースバックにおけるリース債務の改訂(2025年1月1日以降に開始する年度から発効)
- > 交換可能性の欠如- IAS21の修正(2025年1月1日以降に開始する年度から発効)

取締役は、公表済みであるが未発効の上記の基準、修正及び解釈指針の適用による将来の期間における発行体の財務諸表に対する重要な影響はないと見込んでいます。



# **WisdomTree Commodity Securities Limited**

**Registered No: 90959**

**Annual Report and Audited Financial Statements for the  
Year ended 31 December 2023**



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St Helier  
Jersey, JE4 8PW

**Registrar**

Computershare Investor Services (Jersey) Limited  
13 Castle Street  
St Helier  
Jersey, JE1 1ES

**Manager**

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

**Trustee**

The Law Debenture Trust Corporation plc  
8th Floor  
100 Bishopsgate  
London, EC2N 4AG  
United Kingdom

**Commodity Contract Counterparty**

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

**Commodity Contract Counterparty**

Citigroup Global Markets Limited  
Citigroup Centre  
Canada Square, Canary Wharf  
London, E14 5LB  
United Kingdom

**Collateral Custodian**

The Bank of New York Mellon  
One Wall Street  
New York, New York 10286  
United States of America

**Jersey Legal Advisers**

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

**Company Secretary**

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

**Auditor**

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

The directors of WisdomTree Commodity Securities Limited (“CSL” or the “Company”) submit herewith the annual report and financial statements of the Company for the year ended 31 December 2023.

### Directors

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

Stuart Bell	(Resigned 24 May 2023)
Christopher Foulds	
Bryan Governey	(Appointed 24 May 2023)
Steven Ross	
Peter Ziembra	

### Directors' Interests

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

### Principal Activities

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

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

Commodity Securities are backed by commodity contracts (“Commodity Contracts”) with terms corresponding to the terms of Commodity Securities. The Company gains exposure to the movements in the commodity indices by holding corresponding Commodity Contracts. The Company is currently party to two facility agreements, one with Citigroup Global Markets Limited (“Citigroup”) and one with Merrill Lynch International (“Merrill Lynch”) (together the “Commodity Contract Counterparties”), enabling the Company to create and cancel Commodity Contracts on an ongoing basis. Each time Commodity Securities are issued or redeemed, matching Commodity Contracts between the Company and a Commodity Contract Counterparty are created or cancelled by the Company.

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

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

The Company has entered into a service agreement with WisdomTree Management Jersey Limited (“ManJer” or the “Manager”), whereby ManJer is responsible for supplying or procuring the supply of all management and administration services required by the Company (including marketing), as well as the payment of costs relating to the listing and issue of Commodity Securities. In return for these services, the Company has an obligation to remunerate ManJer with an amount equal to the aggregate of the management fee, licence allowance and the creation and redemption fees (the “ManJer Fee”). The management fee and licence allowance are transferred directly to ManJer by the Commodity Contract Counterparties under the terms of the Commodity Contracts.

**Principal Activities (continued)**

Creation and redemption fees are included and settled between the Authorised Participants and the Commodity Contract Counterparties as part of each creation or redemption, and are transferred directly to ManJer by the Commodity Contract Counterparties on a monthly basis. Accordingly, there are no cash flows through the Company.

**Review of Operations**

The most recent Prospectuses were issued on 27 October 2023 (Classic and Longer Dated) and 24 October 2023 (Short and Leveraged). As at 31 December 2023, the Company had the following number of classes, in aggregate, of Commodity Securities in issue and admitted to trading on the following exchanges:

	<b>Classic &amp; Longer Dated Commodity Securities*</b>	<b>Short &amp; Leveraged Commodity Securities</b>	<b>Total Commodity Securities*</b>
London Stock Exchange	55	30	85
Borsa Italiana	33	28	61
Deutsche Börse	36	19	55
NYSE – Euronext Paris	12	1	13
NYSE – Euronext Amsterdam	-	4	4
Tokyo Stock Exchange	14	-	14
Bolsa Mexicana de Valores	5	-	5
<b>Total*</b>	<b>155</b>	<b>82</b>	<b>237</b>

\* Whilst Micro Securities are admitted to trading on the Stock Exchanges, it is not anticipated that any active secondary market will develop in any of the Micro Securities. Furthermore, on an ongoing basis the Micro Securities themselves are not traded, with Security Holders receiving the Commodity Securities in transactions. As a result, Micro Securities have been excluded from the table above.

In April 2023 the Company created and launched a new class of Classic Commodity Securities, WisdomTree California Carbon Securities, which provide exposure to the performance of the Solactive California Carbon Rolling Futures ER Index.

The Company has entered into contractual obligations to issue and redeem Commodity Securities at set prices on each trading day. These prices are based on agreed formulae published in the Prospectuses, and are equal to the published NAV of each class of Commodity Security. Each time Commodity Securities are issued or redeemed, matching Commodity Contracts between the Company and a Commodity Contract Counterparty are created or cancelled by the Company.

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

As a result of the difference in valuation between Commodity Contracts and Commodity Securities there is a mis-match between the values recognised, and the results of the Company reflect a gain or loss on the difference between the NAV of the Commodity Contracts and the price of Commodity Securities. The Company recognises its assets (Commodity Contracts) and financial liabilities (Commodity Securities) at fair value in the Statement of Financial Position. The gain or loss on Commodity Securities and Commodity Contracts is recognised through profit or loss in line with the Company's accounting policy. This is presented in more detail in notes 7 and 8 to these financial statements.

The Company is entitled to a management fee and licence allowance which are calculated on a daily basis:

- classic and longer dated Commodity Securities have a management fee rate of 0.49% per annum, with the exception of WisdomTree Carbon Securities which has management fee rate of 0.35% per annum;
- short and leveraged Commodity Securities have a management fee rate of 0.98% per annum; and
- all Commodity Securities are subject to the licence allowance of 0.05% per annum.

**Review of Operations (continued)**

The Company is also entitled to apply creation and redemption fees on the issue and redemption of Commodity Securities.

During the year, the Company generated income from creation and redemption fees, management fees and licence allowance as follows:

	<b>2023</b>	<b>2022</b>
	<b>USD</b>	<b>USD</b>
Creation and Redemption Fees	5,748,755	1,686,025
Management Fees and Licence Allowance	37,107,578	28,083,425
<b>Total Fee Income</b>	<b>42,856,333</b>	<b>29,769,450</b>

*Non-GAAP Performance Measures*

Under the terms of the service agreement with ManJer, the Company accrued expenses equal to the management fee, licence allowance and creation and redemption fees, which, after taking into account other operating income and expenses, resulted in a result before fair value movements for the year of USD Nil (2022: USD Nil).

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

*Ukraine Invasion*

Russia has continued military action in the sovereign territory of Ukraine throughout the year ended 31 December 2023 (the "Crisis"). The Crisis has resulted in the implementation of sanctions and further actions by governments which, as well as the Crisis itself, have impacted financial and commodities markets.

As the Crisis continues, the board of directors (the "Board") also continues to closely monitor and assess the impact on the Company's portfolio operations and valuation and will take any further actions needed or as required under the terms of the applicable Prospectuses, as facts and circumstances are subject to change and may be specific to investments and jurisdictions. Whilst it is not currently possible to predict future market conditions and therefore determine if any further action may be required on any other classes of Commodity Securities, the action that may be required includes, but is not limited to, temporarily not accepting applications for Commodity Securities, temporarily suspending Commodity Securities from trading on Stock Exchanges or a compulsory redemption of Commodity Securities. The Company has not initiated any of these further actions during the current year or subsequently to date. Any such action will be undertaken in accordance with the constitutive documents of the Commodity Securities. Furthermore, there are mechanisms within the constitutive documents of the Commodity Securities that enable the Commodity Contract Counterparties to request a compulsory redemption in certain circumstances as set out and explained within the Prospectuses.

**Future Developments**

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

## Going Concern

The nature of the Company's business dictates that the outstanding Commodity Securities may be redeemed at any time by Authorised Participants and in certain circumstances by individual holders and also, in certain circumstances, may be compulsorily redeemed by the Company. As the redemption of Commodity Securities will always coincide with the cancellation of an equal amount of Commodity Contracts, liquidity risk is mitigated through this process which is considered to minimize exposure to liquidity risk. All other expenses of the Company are met by ManJer. The directors closely monitor the financial position and performance of ManJer, its assets under management, and therefore its related revenue streams, in respect of fulfilling the obligations under the services agreement. The net reported position on balance sheet, including in instances where a deficit is reported, is not considered to impact the going concern position of the Company as this position results solely due to the unrealised gains or losses on Commodity Contracts and Commodity Securities due to the accounting measurement basis applied in accordance with IFRS. As Commodity Contracts are held to support Commodity Securities, any deficit or surplus reported on unrealised positions would be reversed on a subsequent redemption of the Commodity Securities and the related transfer of Commodity Contracts. A reported deficit is not considered indicative of any issues relating to solvency of the Company and the directors are satisfied that any obligations arising in respect of the Commodity Securities can be managed in accordance with the terms of the applicable prospectus. The directors consider the operations of the Company to be ongoing, with a reasonable expectation that the Company has adequate resources to continue in operational existence until at least 30 April 2025 (being the period of assessment), and accordingly these financial statements have been prepared on the going concern basis.

## Corporate Social Responsibility

Sustainability and corporate responsibility are embedded throughout the business of WisdomTree, Inc and its subsidiaries (the "WisdomTree group") as we believe this benefits shareholders and employees of the WisdomTree group, investors in WisdomTree's products as well as wider society.

Environmental, Social and Governance ("ESG") investing is guided at the WisdomTree group level by an ESG Steering Committee, which includes senior leaders from across the WisdomTree group, and which includes several sub-committees focused on particular ESG considerations, such as improving data and transparency into the ESG attributes of WisdomTree's products. Particular ESG considerations relevant to the Company's products are overseen by the Board, leveraging the work undertaken by the ESG Steering Committee. More information on WisdomTree's corporate social responsibility strategy can be found on the WisdomTree website (<https://www.wisdomtree.eu/en-gb/wisdomtree-corporate-responsibility>).

The Board acknowledges that climate change and its impact on the global economy is of increasing interest and focus for stakeholders and that, where relevant, stakeholders will seek information from companies regarding how climate change is expected to impact the operations of the business and how climate change risk has been considered in the context of reported results.

In acknowledging the above, the Board has considered the Company's exposure to climate change and determined that due to the nature of the Company and its operations there are no directly observed impacts of climate change on the business. As a result, the Board concluded that there is no basis on which to provide extended information of analysis relating to climate change, including as part of the basis of accounting or individual accounting policies adopted by the Company.

In the above determination, the Board has concluded specifically that climate change, including physical and transition risks, does not have a material impact on the recognition and separate measurement considerations of the assets and liabilities in these financial statements as at 31 December 2023.

This conclusion is based on the fact that assets are reported at fair value under IFRS, are short dated, and as set out in note 12 are categorised as level 2 due to the use of observable, verifiable inputs, including use of third party information sources within the agreed pricing formulae (set out in the Prospectus). The liabilities are valued utilising listed market prices at the period end. These observable inputs and market prices will reflect wider market sentiment, which inherently includes market perspectives relating to the impact of climate change.

The Board recognises that government and societal responses to climate change risks are still developing and the future impact cannot be predicted. Future valuations of assets and liabilities may therefore differ as the market responds to these changing impacts or assesses the impact of current requirements differently.

**Dividends**

There were no dividends declared or paid in the year (2022: USD nil). It is the Company's policy that dividends will only be declared when the directors are of the opinion that there are sufficient distributable reserves.

**Directors' Remuneration**

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

**Employees**

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

**Auditor**

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

**Principal Risks and Uncertainties**

The Commodity Securities provide investors with long or short exposure to the performance of the relevant commodity index. Each Commodity Security is a debt instrument whose redemption price is linked to the performance of the underlying commodity index. Each class of Commodity Security is issued under limited recourse arrangements whereby the holders have recourse only to the relevant Commodity Contracts held to support the Commodity Securities and not to the Commodity Contracts of any other class of Commodity Security or the Company.

Any movements in the value of the Commodity Contracts are wholly attributable to the holders of the Commodity Securities, therefore the Company has no residual exposure to movements in the value of the Commodity Contracts. From a commercial perspective the Company does not retain any net gains or losses or net risk exposures, as (with the exception of the impact of management fees and licence allowance) the gains or losses on the liability represented by the Commodity Securities are matched economically by corresponding losses or gains attributable to the Commodity Contracts (see detail on page 3 regarding the accounting mis-match).

Furthermore, the Company has an obligation to remunerate ManJer with the ManJer Fee, which results in the Company recognising a result before fair value movements of nil for each period. As a result, the principal risks and uncertainties to which the Company is exposed has not materially changed during the year ended 31 December 2023.

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

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

**Principal Risks and Uncertainties (continued)**

The contractual value (at NAV) of the Commodity Securities as at 31 December, and the movement over the period amounted to:

	2023			2022			Movement in NAV
	Securities	NAV	USD	Securities	NAV	USD	
WisdomTree Agriculture	36,577,694	6.35	232,228,908	48,201,512	6.73	324,325,705	(5.64%)
WisdomTree All Commodities	8,287,364	10.70	88,668,889	11,208,932	11.69	131,082,960	(8.51%)
WisdomTree Aluminium	49,088,704	3.17	155,623,861	43,465,291	3.26	141,777,851	(2.81%)
WisdomTree Cocoa	1,804,435	4.13	7,458,608	6,009,851	2.48	14,922,112	66.48%
WisdomTree Coffee <sup>1</sup>	1,008,258	29.35	29,589,828	32,483,643	1.04	33,693,558	118.67%
WisdomTree Copper	36,830,420	34.64	1,275,968,642	14,728,219	33.64	495,520,922	2.97%
WisdomTree Corn <sup>1</sup>	933,921	23.98	22,393,024	22,608,847	1.35	30,416,876	76.47%
WisdomTree Cotton	1,548,992	2.99	4,632,043	1,822,931	3.00	5,464,092	(0.24%)
WisdomTree WTI Crude Oil	81,129,344	9.01	730,777,418	92,110,973	9.25	852,304,915	(2.65%)
WisdomTree Energy	12,472,230	3.61	44,991,346	15,642,932	4.49	70,224,246	(19.64%)
WisdomTree Gasoline	81,372	49.22	4,004,808	137,211	46.51	6,381,749	5.82%
WisdomTree Gold	3,056,213	21.39	65,360,674	3,718,537	19.28	71,689,159	10.93%
WisdomTree Grains	5,057,502	4.23	21,371,901	6,458,806	4.92	31,793,939	(14.16%)
WisdomTree Heating Oil	240,952	22.01	5,302,687	303,119	23.05	6,987,394	(4.53%)
WisdomTree Industrial Metals	31,132,090	14.44	449,592,745	37,820,956	16.17	611,423,242	(10.67%)
WisdomTree Lead	73,822	18.88	1,394,025	84,822	20.64	1,750,804	(8.51%)
WisdomTree Lean Hogs <sup>1</sup>	145,618	24.84	3,616,589	12,299,498	0.43	5,306,969	75.41%
WisdomTree Live Cattle	212,041	6.18	1,310,429	364,041	5.69	2,070,759	8.65%
WisdomTree Livestock	489,959	2.37	1,160,457	1,309,618	2.43	3,188,153	(2.71%)
WisdomTree Natural Gas <sup>1</sup>	10,480,764	10.81	113,264,377	3,884,705,938	0.02	69,063,856	34.04%
WisdomTree Nickel	6,661,474	15.26	101,678,155	7,473,087	27.93	208,706,983	(45.35%)
WisdomTree Petroleum	204,361	17.93	3,663,658	283,361	18.27	5,177,473	(1.88%)
WisdomTree Precious Metals	6,849,306	22.82	156,311,431	1,633,263	21.17	34,581,717	7.78%
WisdomTree Silver	2,441,991	20.55	50,180,562	3,145,991	20.96	65,925,448	(1.94%)
WisdomTree Softs	446,782	5.08	2,268,669	702,404	4.34	3,045,068	17.13%
WisdomTree Soybean Oil	362,959	6.59	2,392,360	409,474	8.07	3,303,737	(18.31%)
WisdomTree Soybeans	349,086	31.01	10,823,744	557,319	30.91	17,227,568	0.31%
WisdomTree Sugar	789,797	11.93	9,425,046	1,331,336	10.17	13,533,309	17.40%





Principal Risks and Uncertainties (continued)

	2023			2022			Movement in
	Securities	NAV	USD	Securities	NAV	USD	NAV
WisdomTree Tin	114,158	55.29	6,311,388	136,419	52.73	7,194,034	4.84%
WisdomTree Wheat <sup>1</sup>	3,845,490	25.94	99,750,614	133,148,499	0.78	103,835,910	70.14%
WisdomTree Zinc	3,018,749	8.80	26,573,817	1,855,270	9.54	17,694,596	(7.70%)
WisdomTree Brent Crude Oil	34,290,256	46.73	1,602,550,715	28,046,977	47.98	1,345,573,652	(2.59%)
WisdomTree Ex-Agriculture and Livestock	2,366,794	12.00	28,395,541	274,760	13.37	3,672,250	(10.23%)
WisdomTree ETC Carbon USD	9,306,045	28.28	263,135,111	11,025,562	29.17	321,616,636	(3.07%)
WisdomTree California Carbon	51,086	38.66	1,974,856	-	-	-	100.00%
WisdomTree Forward Agriculture	252,854	12.05	3,046,442	401,854	12.95	5,203,105	(6.95%)
WisdomTree Forward All Commodities	124,821	27.06	3,378,083	167,489	29.47	4,935,477	(8.16%)
WisdomTree Forward WTI Crude Oil	37,399	56.13	2,099,086	34,936	57.12	1,995,672	(1.75%)
WisdomTree Forward Energy	31,224	26.84	837,958	68,724	32.34	2,222,690	(17.02%)
WisdomTree Forward Industrial Metals	52,480	21.62	1,134,415	90,980	24.02	2,185,774	(10.03%)
WisdomTree Forward Brent Crude Oil	9,335	57.87	540,205	22,261	58.08	1,292,866	(0.36%)
WisdomTree Leveraged Agriculture	307,726	9.31	2,865,592	367,514	11.35	4,171,467	(17.96%)
WisdomTree Leveraged Aluminium	2,221,141	2.09	4,650,239	1,547,037	2.42	3,750,777	(13.65%)
WisdomTree Leveraged Cocoa	276,487	13.56	3,747,860	1,881,521	5.33	10,032,925	154.21%
WisdomTree Leveraged Coffee	5,438,716	1.01	5,467,537	6,734,980	0.78	5,231,379	29.42%
WisdomTree Leveraged Copper	1,219,320	7.53	9,187,112	886,512	7.75	6,871,784	(2.80%)
WisdomTree Leveraged Corn	1,677,417	2.08	3,481,739	875,005	3.55	3,105,921	(41.52%)
WisdomTree Leveraged Gold	435,235	61.87	26,929,157	523,879	53.67	28,114,486	15.29%
WisdomTree Leveraged Platinum	5,993,969	2.05	12,273,307	6,641,821	2.60	17,284,114	(21.32%)
WisdomTree Leveraged Silver	7,591,615	4.98	37,778,939	7,662,715	5.80	44,424,163	(14.16%)
WisdomTree Leveraged Sugar	444,406	4.02	1,788,080	1,267,887	3.32	4,208,921	21.20%
3x Daily Long Coffee	3,719,299	3.11	11,558,089	4,589,199	2.52	11,543,758	23.54%
3x Daily Long Sugar	207,241	11.67	2,418,250	217,501	10.02	2,178,857	16.48%
3x Daily Long Wheat	29,469,718	0.66	19,423,821	5,445,218	2.68	14,600,482	(75.42%)
WisdomTree Leveraged WTI Crude Oil	10,531,621	10.58	111,430,450	10,198,721	13.37	136,404,933	(20.89%)
WisdomTree Leveraged Natural Gas	109,949,983	0.15	16,859,104	15,239,473	2.00	30,463,882	(92.33%)
WisdomTree Leveraged Nickel	365,855	20.78	7,602,388	62,211	82.57	5,136,728	(74.83%)

Principal Risks and Uncertainties (continued)

	2023			2022			Movement in NAV
	Securities	NAV	USD	Securities	NAV	USD	
WisdomTree Leveraged Petroleum	58,748	37.37	2,195,159	64,048	44.53	2,852,013	(16.09%)
WisdomTree Leveraged Wheat	1,004,716	7.42	7,456,974	351,980	16.71	5,880,678	(55.58%)
WisdomTree Leveraged Brent Crude Oil	334,033	52.58	17,564,632	416,233	61.99	25,803,475	(15.18%)
WisdomTree Short All Commodities	76,559	55.96	4,283,863	122,515	48.46	5,936,788	15.47%
WisdomTree Short Copper	68,867	17.68	1,217,729	147,368	17.81	2,625,154	(0.74%)
WisdomTree Short WTI Crude Oil	986,007	19.44	19,168,679	1,812,357	19.54	35,413,760	(0.51%)
WisdomTree Short Gold	259,034	15.38	3,984,961	253,165	16.34	4,136,934	(5.86%)
WisdomTree Short Industrial Metals	19,760	28.43	561,790	63,452	24.69	1,566,687	15.15%
WisdomTree Short Natural Gas	7,153	416.86	2,981,835	128,410	175.49	22,535,006	137.54%
WisdomTree Short Nickel	362,366	5.95	2,157,884	792,055	3.46	2,741,774	72.03%
WisdomTree Short Silver	362,893	7.94	2,882,883	499,468	7.83	3,913,188	1.40%
WisdomTree Short Brent Crude Oil	323,212	16.19	5,231,344	455,754	16.46	7,501,703	(1.67%)
			<b>5,982,332,512</b>			<b>5,526,744,963</b>	

Whilst Micro Securities are admitted to trading on the Stock Exchanges, it is not anticipated that any active secondary market will develop in any of the Micro Securities. Furthermore, on an ongoing basis the Micro Securities themselves are not traded, with Security Holders receiving the Commodity Securities in transactions. As a result, Micro Securities which in aggregate, had a fair value at 31 December 2023 of \$732 (2022: \$563) have been excluded from the table above.

<sup>1</sup> On 27 October 2023 the Company announced the consolidation of certain Commodity Securities, effective on 1 December 2023 (the "Consolidation"). The Consolidation would reduce the number of Commodity Securities in issue and increase the NAV of those Commodity Securities by an equivalent ratio. The Consolidation and related ratios were: WisdomTree Coffee – 23; WisdomTree Corn – 22; WisdomTree Lean Hogs – 75; WisdomTree Natural Gas – 1,783; and WisdomTree Wheat – 46. The NAV in the table above as at 31 December 2022 has not been adjusted, however the movement in the NAV in the period has been adjusted to reflect the impact of the Consolidation.

In addition, whilst the table above also reflects the NAV at 31 December 2022 and 31 December 2023, together with the movement, this does not reflect the recommended holding period for Commodity Securities, which in some cases is one day. Further information on the contractual value (at NAV) of the Commodity Securities on a daily basis can be found on the WisdomTree website (<https://www.wisdomtree.eu/en-gb/products>).

Additional information on other financial and operational risks and uncertainties faced by the Company, including further details surrounding the value of Commodity Securities and the Commodity Contracts are disclosed in note 12 of these financial statements.

### Corporate Governance

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

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

The constitution of the Board is disclosed on page 1. The Board meets regularly as required by the operations of the Company, but at least quarterly to review the overall business of the Company and to consider matters specifically reserved for its review.

### Internal Control

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

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

ManJer provides management and other services to both the Company and other related party companies issuing exchange-traded products.

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

### Audit Committee

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



**Christopher Foulds**

Director

Jersey

24 April 2024

Statement of Directors' Responsibilities

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

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

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

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

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

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

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

- the financial statements for the year ended 31 December 2023 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by law and in accordance with IFRS as issued by the IASB; and
- the Directors' Report gives a fair view of the development and performance of the Company's business, including financial position and the important events that have occurred during the year, and their impact on these financial statements, together with a description of the principal risks and uncertainties they face.

By order of the Board



**Christopher Foulds**  
Director  
Jersey  
24 April 2024

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

### **Opinion**

We have audited the financial statements of WisdomTree Commodity Securities Limited (the "company") for the year ended 31 December 2023 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes 1 to 15, including a summary of material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

In our opinion, the financial statements:

- ▶ give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its loss for the year then ended;
- ▶ have been properly prepared in accordance with IFRS;
- ▶ have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the UK FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- ▶ We obtained an understanding of management's rationale for using the going concern basis of accounting and confirmed our understanding of management's Going Concern assessment process including the process they adopted to capture all key factors in their assessment;
- ▶ We obtained management's board approved going concern assessment covering the period of assessment from the date of signing to 30 April 2025. Management's assessment has focussed on a combination of;
  - ▶ Assessing the ongoing viability of the company through continued involvement of its Commodity Contract Counterparties and Authorised Participants;
  - ▶ Assessing the ongoing ability of WisdomTree Management Jersey Limited ("ManJer") to continue to meet its obligations as manager and pay all expenses of the company. This includes consideration of the assets under management of all managed issuer entities ("Issuer Platform") which includes this company. In assessing this ability management considered the fixed and variable operating costs that could be supported under varying levels of total assets under management for the Issuer Platform.
  - ▶ Using our understanding of the business, we evaluated whether the considerations and method adopted by management in assessing going concern was appropriate.
  - ▶ We performed reverse stress testing on the forecasts to understand how severe the downside scenarios would have to be, and the reduction in platform assets under management, to result in the platform generating insufficient management fees to cover operating costs. We observed significant headroom in management fee income, at current Assets Under Management ("AUM") levels, in excess of fixed and AUM based costs which supports management's assumption that the Issuer Platform is able to absorb heightened levels of volatility in AUM.

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

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

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 to 30 April 2025.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

**Overview of our audit approach**

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Key audit matters	<ul style="list-style-type: none"> <li>▶ Valuation of Financial Assets at fair value through profit and loss – Commodity Contracts</li> <li>▶ Valuation of Financial Liabilities at fair value through profit and loss – Commodity Securities</li> </ul>
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Materiality	▶ Overall materiality of US\$60.1m which represents 1% of total assets.
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**An overview of the scope of our audit**

**Tailoring the scope**

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, changes in the business environment and the potential impact of climate change when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

**Changes from the prior year**

There were no scoping changes compared to the prior year.

**Climate change**

There has been increasing interest from stakeholders as to how climate change will impact companies. The company has determined that there are no directly observed impacts of climate change on the business due to the nature of the company and its operations. This is explained on page 5 in the corporate social responsibility section, which form part of the "Other information," rather than the audited financial statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

Our audit effort in considering climate change was focused on evaluating management's assessment of the impact of climate risk, physical and transition, the adequacy of the company's disclosures in the financial statements as set out in note 2 and conclusion that there was no further impact of climate change to be taken into account as the material assets and liabilities are valued based on market pricing as required by IFRS.

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

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

Risk	Our response to the risk	Key observations communicated to the Board
<p><b>Valuation of Financial Assets at fair value through profit and loss – Commodity Contracts</b></p> <p><b>USD 5,982,333,244</b> <b>(2022: USD 5,526,745,526)</b></p> <p><i>Refer to the Accounting policies (pages 25-26); and Note 7 of the Financial Statements (pages 29-30)</i></p> <p>Risk that Commodity Contracts values are misstated or that valuations are incorrectly calculated, including as a result of management override of internal controls.</p> <p>The Commodity Contracts held comprise a range of commodity derivatives that are used by the company to provide holders of issued securities with exposure that is designed to track the price of commodity futures.</p> <p>The Commodity Contracts are carried at fair value as a Financial Asset.</p> <p>The risk comprises the risk of errors in both the valuation methodology applied (including the risk that the valuation methodology has not been determined in accordance with the terms of the applicable prospectus) and in the source and timing of valuation inputs utilised.</p> <p>The balance of Commodity Contracts represents in excess of 99% of the company's total assets as at 31 December 2023 (2022: 99%) and therefore any error in valuation approach could be significant.</p> <p>The risk has remained consistent with that observed in the prior year.</p>	<p>Our response to the risk comprised:</p> <p>We walked through the company's systems, controls and process implemented in respect of the valuation of Commodity Contracts.</p> <p>We assessed the design of the company's systems and controls implemented in respect of Commodity Contract valuation.</p> <p>In executing our strategy, we adopted a fully substantive approach.</p> <p>We obtained independent confirmation, from the contract counterparty, of the contractual value of contracts as at the reporting date.</p> <p>We agreed the valuation methodology applied to the definition set out in the prospectus and validation of key inputs used to derive the value of the Commodity Contracts. This included agreement on a sample basis of the price of the referenced commodities or commodities indices to external pricing sources as at 31 December 2023 against relevant IFRS requirements.</p> <p>We recalculated the value of a sample of Commodity Contracts held at 31 December 2023, representing 93% of the total value of Commodity Contracts held.</p> <p>Specifically, in addressing the risks of management override of controls, we assessed the Commodity Contracts valuation for evidence of management bias, considered whether any significant unusual transactions arose based on our understanding of the Company and its activities and tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.</p>	<p>There were no matters identified during our audit work on valuation of Commodity Contracts that we brought to the attention of the Board of Directors of the company.</p> <p>Based on our testing we are satisfied that the valuation of the Commodity Contracts is not materially misstated.</p>
<p><b>Valuation of Financial Liabilities at fair value through profit or loss – Commodity Securities</b></p> <p><b>USD 5,997,681,648</b> <b>(2022: USD 5,455,860,617)</b></p>	<p>Our response to the risk comprised:</p> <p>We walked through the company's systems, controls and process implemented in respect of the valuation of Commodity Securities.</p>	<p>There were no matters identified during our audit work on valuation of Commodity Securities that we brought to the attention of the Board of Directors of the company.</p>

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

<b>Risk</b>	<b>Our response to the risk</b>	<b>Key observations communicated to the Board</b>
<p><i>Refer to the Accounting policies (pages 25-26); and Note 8 of the Financial Statements (pages 30-31)</i></p> <p>Risk that values of securities in issue are misstated or that valuations are incorrectly captured.</p> <p>The Commodity Securities in issue comprise a range of financial instruments that provide holders of issued securities with exposure to movements in prices of associated commodities without needing to take physical delivery.</p> <p>The Commodity Securities are carried at fair value as a Financial Liability.</p> <p>The risk comprises the risk of errors in both the valuation methodology applied and, in the source, and timing of valuation inputs utilised.</p> <p>The balance of Commodity Securities represents in excess of 99% of the company's total liabilities as at 31 December 2023 (2022: 99%) and therefore any error in valuation approach could be significant.</p> <p>The risk has remained consistent with that observed in the prior year.</p>	<p>We assessed the design of the company's systems and controls implemented in respect of Commodity Securities valuation.</p> <p>In executing our strategy, we adopted a fully substantive approach.</p> <p>We assessed the appropriateness of the valuation methodology applied, comprising the use of traded security prices to value the Commodity Securities, against relevant IFRS requirements.</p> <p>We independently obtained security prices using external pricing sources at the balance sheet date.</p> <p>We recalculated the value of Commodity Securities held at 31 December 2023, by multiplying the security price by the confirmed security balance in issue. This represented 100% of the total value of Commodity Securities in issue.</p>	<p>Based on our testing we are satisfied that the valuation of Commodity Securities is not materially misstated.</p>

**Our application of materiality**

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

**Materiality**

*The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.*

We determined materiality for the company to be US\$60.1 million (2022: US\$55.5 million), which is 1% (2022: 1%) of Total Assets. We believe that Total Assets provides us with an appropriate basis for audit materiality as Total Assets reflects the relevant exposure of holders of issued securities to the underlying asset base,

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

**Performance materiality**

*The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.*



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

On the basis of our risk assessments, together with our assessment of the company's overall control environment, our judgement was that performance materiality was 50% (2022: 50%) of our planning materiality, namely US\$30.05m (2022: US\$27.75m). We have set performance materiality in both periods at this percentage in response to the value of errors identified and corrected in the financial statement close process.

### **Reporting threshold**

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

We agreed with the Board that we would report to them all uncorrected audit differences in excess of US\$3.01m (2022: US\$2.78m), which is set at 5% of materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

### **Other information**

The other information comprises the information included in the annual report set out on pages 1 to 11, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

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

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

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

- ▶ We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework, comprising IFRS and the Companies (Jersey) Law 1991. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the presentation and disclosure of the financial statements being the applicable Listing Rules of the Central Bank of Ireland (Investment Market Conduct) and UK Listing Authority Rules;
- ▶ We understood how WisdomTree Commodity Securities Limited is complying with those frameworks by making enquiries of the directors and key management of the administrative service provider. We corroborated our enquiries through our review of minutes of Board meetings, papers provided to the board and correspondence received from regulatory bodies and noted no contradictory evidence;
- ▶ We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by understanding the investment objectives of the Company and discussing with management to understand where reporting was considered susceptible to fraud. Where this risk was considered to be higher, we performed audit procedures in response to the identified fraud risk. These procedures included testing of transactions to supporting documentation, testing of specific accounting journal entries, and focussed testing, including that referred to in the key audit matters section above. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error;
- ▶ Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved reading board minutes to identify any non-compliance with laws and regulations, a review of any associated reporting submitted to the board on compliance with laws and regulations and enquiries of members of management of the appointed administrative service provider;
- ▶ As the Company operates in the asset management industry the Audit Partner assessed the experience of the engagement team and concluded that the team had the appropriate competence and capabilities.

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

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

**Other matters we are required to address**


- ▶ Following the recommendation from those charged with governance, we were appointed by the company on 3 December 2019 to audit the financial statements for the year ending 31 December 2019 and subsequent financial periods.

The period of total uninterrupted engagement including previous renewals and reappointments is 5 years, covering the years ending 31 December 2019 to 31 December 2023.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting the audit. The audit opinion is consistent with the additional report to those charged with governance.

**Use of our report**

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

DocuSigned by:  
  
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Christopher David Gordon Barry, FCA  
for and on behalf of Ernst & Young LLP  
Jersey, Channel Islands  
Date: 24 April 2024

	Notes	Year ended 31 December	
		2023 USD	2022 USD
Income	3	42,856,333	29,769,450
Expenses	3	(42,856,333)	(29,769,450)
<b>Result Before Fair Value Movements</b>	3	-	-
Change in Contractual and Fair Value of Commodity Contracts	7	(426,576,116)	856,233,519
Change in Fair Value of Commodity Securities	8	340,342,803	(791,640,243)
<b>(Loss) / Profit for the Year<sup>1, 2</sup></b>		<b>(86,233,313)</b>	<b>64,593,276</b>

The directors consider the Company's activities as continuing.

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

<sup>2</sup> There are no items of Other Comprehensive Income, therefore the (Loss) / Profit for the Year also represented the Total Comprehensive Income for the Year.

The notes on pages 23 to 40 form part of these financial statements

	Notes	As at 31 December	
		2023 USD	2022 USD
<b>Assets</b>			
Commodity Contracts	7	5,982,333,244	5,526,745,526
Amounts Receivable on Commodity Contracts Awaiting Settlement	7	18,861,634	23,143,956
Amounts Receivable on Commodity Securities Awaiting Settlement	8	8,025,335	15,924,251
Trade and Other Receivables	6	4,123,305	4,572,545
<b>Total Assets</b>		<b>6,013,343,518</b>	<b>5,570,386,278</b>
<b>Liabilities</b>			
Commodity Securities	8	5,997,681,648	5,455,860,617
Amounts Payable on Commodity Securities Awaiting Settlement	8	18,861,634	23,143,956
Amounts Payable on Commodity Contracts Awaiting Settlement	7	8,025,335	15,924,251
Trade and Other Payables	9	4,123,303	4,572,543
<b>Total Liabilities</b>		<b>6,028,691,920</b>	<b>5,499,501,367</b>
<b>Equity</b>			
Stated Capital	10	2	2
Revaluation Reserve		(15,348,404)	70,884,909
<b>Total Equity</b>		<b>(15,348,402)</b>	<b>70,884,911</b>
<b>Total Equity and Liabilities</b>		<b>6,013,343,518</b>	<b>5,570,386,278</b>

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

The financial statements on pages 19 to 40 were approved and authorised for issue by the board of directors and signed on its behalf on 24 April 2024.



**Christopher Foulds**  
Director

	Year ended 31 December	
	2023 USD	2022 USD
<b>(Loss) / Profit for the Year</b>	<b>(86,233,313)</b>	<b>64,593,276</b>
<b>Non-cash Reconciling Items</b>		
Change in Contractual and Fair Value of Commodity Contracts	426,576,116	(856,233,519)
Change in Fair Value of Commodity Securities	(340,342,803)	791,640,243
	-	-
Cash Generated from Operating Activities	-	-
<b>Net Movement in Cash and Cash Equivalents</b>	<b>-</b>	<b>-</b>
Cash and Cash Equivalents at the Beginning of the Year	-	-
Net Movement in Cash and Cash Equivalents	-	-
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>-</b>	<b>-</b>

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

The Company has entered into a service agreement with WisdomTree Management Jersey Limited (“ManJer” or the “Manager”), whereby ManJer is responsible for supplying or procuring the supply of all management and administration services required by the Company (including marketing), as well as the payment of costs relating to the listing and issue of Commodity Securities. In return for these services, the Company has an obligation to remunerate ManJer with an amount equal to the aggregate of the management fee, licence allowance and the creation and redemption fees (the “ManJer Fee”). The management fee and licence allowance are transferred directly to ManJer by the Commodity Contract Counterparties under the terms of the Commodity Contracts. Creation and redemption fees are included and settled between the Authorised Participants and the Commodity Contract Counterparties as part of each creation or redemption, and are transferred directly to ManJer by the Commodity Contract Counterparties on a monthly basis. Accordingly, there are no cash flows through the Company. These fees are disclosed in note 3.

	Notes	Stated Capital USD	Retained Earnings USD	Revaluation Reserve USD	Total Equity USD
<b>Opening Balance at 1 January 2022</b>		<b>2</b>	<b>-</b>	<b>6,291,633</b>	<b>6,291,635</b>
Result and Total Comprehensive Income for the Year		-	64,593,276	-	64,593,276
Transfer to Revaluation Reserve	15	-	(64,593,276)	64,593,276	-
<b>Balance at 31 December 2022<sup>3</sup></b>		<b>2</b>	<b>-</b>	<b>70,884,909</b>	<b>70,884,911</b>
Opening Balance at 1 January 2023		<b>2</b>	<b>-</b>	<b>70,884,909</b>	<b>70,884,911</b>
Result and Total Comprehensive Expense for the Year		-	(86,233,313)	-	(86,233,313)
Transfer to Revaluation Reserve	15	-	86,233,313	(86,233,313)	-
<b>Balance at 31 December 2023<sup>3</sup></b>		<b>2</b>	<b>-</b>	<b>(15,348,404)</b>	<b>(15,348,402)</b>

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

The notes on pages 23 to 40 form part of these financial statements

## 1. General Information

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

The Company’s principal activity is the issue and listing of commodity securities (“Commodity Securities”). The Company’s portfolio of Commodity Securities includes classic, longer dated, short and leveraged Commodity Securities. Commodity Securities are undated secured limited recourse financial instruments designed to track the price of commodity futures, and give investors an exposure similar to that which could be achieved by managing a fully cash-collateralised position in near-term futures contracts, less applicable fees. However, unlike managing a futures position, Commodity Securities involve no need to roll from one futures contract to another, no margin calls, and no other brokerage or other costs in holding or rolling futures contracts (although security holders incur costs in holding Commodity Securities). No trading or management of futures contracts is required by the Company. Commodity Securities allow investors to buy and sell their interest through the trading of a security on the London Stock Exchange and any other exchange to which that security may be admitted to trading from time to time.

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

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

The Company is entitled to:

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

No creation or redemption fees are payable to the Company when investors trade in the Commodity Securities on a listed market such as the London Stock Exchange.

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



## 2. Accounting Policies

The material accounting policies of the Company are described below.

### Basis of Preparation

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

The board of directors (the “Board”) has concluded specifically that climate change, including physical and transition risks, does not have a material impact on the recognition and separate measurement considerations of the assets and liabilities in these financial statements as at 31 December 2023.

This conclusion is based on the fact that assets are reported at fair value under IFRS, are short dated, and as set out in note 12 are categorised as level 2 due to the use of observable, verifiable inputs, including use of third party information sources within the agreed pricing formulae (set out in the Prospectus). The liabilities are valued utilising listed market prices at the period end. These observable inputs and market prices will reflect wider market sentiment, which inherently includes market perspectives relating to the impact of climate change.

### Material Accounting Estimates and Judgements

The presentation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### Significant Estimates

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

### Significant Judgements

The key accounting judgement required to prepare these financial statements is in respect of the presentation of non-statutory and non-GAAP adjustments to the Statement of Profit or Loss and Other Comprehensive Income and the Statement of Changes in Equity, as disclosed in note 15.

### Going Concern

The nature of the Company’s business dictates that the outstanding Commodity Securities may be redeemed at any time by Authorised Participants and in certain circumstances by individual holders and also, in certain circumstances, may be compulsorily redeemed by the Company. As the redemption of Commodity Securities will always coincide with the cancellation of an equal amount of Commodity Contracts, liquidity risk is mitigated through this process which is considered to minimize exposure to liquidity risk. All other expenses of the Company are met by ManJer. The directors closely monitor the financial position and performance of ManJer, its assets under management, and therefore its related revenue streams, in respect of fulfilling the obligations under the services agreement. The net reported position on balance sheet, including in instances where a deficit is reported, is not considered to impact the going concern position of the Company as this position results solely due to the unrealised gains or losses on Commodity Contracts and Commodity Securities due to the accounting measurement basis applied in accordance with IFRS. As Commodity Contracts are held to support Commodity Securities, any deficit or surplus reported on unrealised positions would be reversed on a subsequent redemption of the Commodity Securities and the related transfer of Commodity Contracts.

## 2. Accounting Policies (continued)

### Going Concern (continued)

A reported deficit is not considered indicative of any issues relating to solvency of the Company and the directors are satisfied that any obligations arising in respect of the Commodity Securities can be managed in accordance with the terms of the applicable prospectus. The directors consider the operations of the Company to be ongoing, with a reasonable expectation that the Company has adequate resources to continue in operational existence until at least 30 April 2025 (being the period of assessment), and accordingly these financial statements have been prepared on the going concern basis.

### Accounting Standards

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

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

- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Amendments to IAS 12 Deferred Tax
- IFRS 17 Insurance Contracts

There were no other new standards, amendments and interpretations adopted in the current year that resulted in a significant effect on these financial statements.

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

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

- Amendments to IAS 1 Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2024)
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7 (effective for annual periods beginning on or after 1 January 2024)
- Amendments to IFRS 16 Lease Liability in Sale and Leaseback (effective for annual periods beginning on or after 1 January 2025)
- Lack of exchangeability - Amendments to IAS 21 (effective for annual periods beginning on or after 1 January 2025)

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

### Commodity Securities and Commodity Contracts

#### i) Issue and Redemption

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

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

## 2. Accounting Policies (continued)

### Commodity Securities and Commodity Contracts (continued)

#### ii) *Classification at fair value through Profit or Loss*

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

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

#### iii) *Pricing*

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

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

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

### Commodity Contracts and Securities Awaiting Settlement

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

### Other Financial Assets and Liabilities

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

## 2. Accounting Policies (continued)

### Reserves

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

### Income

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

i) *Management Fees and Licence Allowance*

Management Fees and Licence Allowance are calculated by applying a fixed percentage to the Contractual Value of Commodity Securities in issue in accordance with the terms of the securities issued:

- classic and longer dated Commodity Securities have a management fee rate of 0.49% per annum, with the exception of WisdomTree Carbon Securities which has management fee rate of 0.35% per annum;
- short and leveraged Commodity Securities have a management fee rate of 0.98% per annum; and
- all Commodity Securities are subject to the licence allowance of 0.05% per annum.

The Management Fees and Licence Allowance are accrued and recognised on a daily basis and are invoiced on a monthly basis and settled directly between ManJer and the Commodity Contract Counterparties.

ii) *Creation and Redemption Fees*

Fees for the issue and redemption of Commodity Securities are recognised at the fair value of the consideration expected to be received, on the date on which the transaction becomes legally binding. Creation and redemption fees are included as part of each creation or redemption and settled between the Authorised Participants and the Commodity Contract Counterparties, and transferred directly to ManJer by the Commodity Contract Counterparties on a monthly basis.

### Foreign Currency

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

Transactions in foreign currencies are initially recorded at the spot rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year-end date are translated at rates ruling at that date. Prior to 30 June 2022, creation and redemption fees were translated at the average rate for the month in which they are incurred. The resulting differences are accounted for through profit or loss.

### Segmental Reporting

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

**2. Accounting Policies (continued)**

**Segmental Reporting (continued)**

Whilst the Company has a number of different Commodity Securities in issue, the financial information reviewed by the CODM is not segregated by those different Commodity Securities, but is segregated between classic and longer dated Commodity Securities and short and leveraged Commodity Securities and therefore the board of directors have concluded that these two components meet the criteria of operating segments. Furthermore, marketing of the Commodity Securities is undertaken on a centralised basis and the terms of the Commodity Securities of any class rank pari passu in all respects irrespective of stock exchange listing. In addition, the Company has no single major customer from which greater than 10% of income is generated.

As a result, the CODM determined that the Company is operating two segment or product group, classic and longer dated Commodity Securities and short and leveraged Commodity Securities, and one geographical segment which is Europe. Therefore the Company discloses its results on an equivalent form on its operations for each of the Company's business segments only, in note 5.

**3. Result Before Fair Value Movements**

Result Before Fair Value Movements for the year comprised:

	Year ended 31 December	
	2023 USD	2022 USD
Management Fees	33,813,883	25,658,170
Licence Allowance	3,293,695	2,425,255
Creation and Redemption Fees	5,748,755	1,686,025
<b>Total Income</b>	<b>42,856,333</b>	<b>29,769,450</b>
ManJer Fees	(42,856,333)	(29,769,450)
<b>Total Operating Expenses</b>	<b>(42,856,333)</b>	<b>(29,769,450)</b>
<b>Result Before Fair Value Movements</b>	<b>-</b>	<b>-</b>

Audit Fees for the year of GBP 51,761 will be met by ManJer (2022: GBP 43,079).

**4. Taxation**

The Company is subject to Jersey Income Tax. During the year the Jersey Income Tax rate applicable to the Company is zero percent (2022: zero percent).

**5. Segmental Reporting**

The Company has two operating segments; classic & longer dated and short & leveraged Commodity Securities in issue. The Company earns income from each of these sources.

For the year ended 31 December 2023	Classic & Longer Dated USD	Short & Leveraged USD	Total USD
Management Fees	29,955,083	3,858,800	33,813,883
Licence Allowance	3,096,817	196,877	3,293,694
Creation and Redemption Fees	4,205,381	1,543,375	5,748,756
Total Income	37,257,281	5,599,052	42,856,333
Total Operating Expenses	(37,257,281)	(5,599,052)	(42,856,333)
<b>Segmental Result</b>	<b>-</b>	<b>-</b>	<b>-</b>

**5. Segmental Reporting (continued)**

<b>For the year ended 31 December 2022:</b>	<b>Classic &amp; Longer Dated USD</b>	<b>Short &amp; Leveraged USD</b>	<b>Total USD</b>
Management Fees	21,040,820	4,617,350	25,658,170
Licence Allowance	2,189,690	235,565	2,425,255
Creation and Redemption Fees	1,252,710	433,315	1,686,025
<b>Total Income</b>	<b>24,483,220</b>	<b>5,286,230</b>	<b>29,769,450</b>
<b>Total Operating Expenses</b>	<b>(24,483,220)</b>	<b>(5,286,230)</b>	<b>(29,769,450)</b>
<b>Segmental Result</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**6. Trade and Other Receivables**

	<b>As at 31 December 2023 USD</b>	<b>2022 USD</b>
Management Fee and Licence Allowance	3,592,829	3,827,326
Creation and Redemption Fees	530,474	745,217
Receivable from Related Party	2	2
	<b>4,123,305</b>	<b>4,572,545</b>

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

**7. Commodity Contracts**

<b>31 December 2023</b>	<b>Change in Fair Value USD</b>	<b>Fair Value USD</b>
Classic & Longer Dated Commodity Contracts	(376,707,457)	5,635,183,849
Short & Leveraged Commodity Contracts	(49,868,659)	347,149,395
<b>Total Commodity Contracts</b>	<b>(426,576,116)</b>	<b>5,982,333,244</b>
<b>31 December 2022</b>	<b>Change in Fair Value USD</b>	<b>Fair Value USD</b>
Classic & Longer Dated Commodity Contracts	712,282,182	5,078,313,786
Short & Leveraged Commodity Contracts	143,951,337	448,431,740
<b>Total Commodity Contracts</b>	<b>856,233,519</b>	<b>5,526,745,526</b>

## 7. Commodity Contracts (continued)

As at 31 December 2023, there were certain Commodity Contracts awaiting settlement in respect of the creation or redemption of Securities with transaction dates before the year end and settlement dates in the following year:

- The amount receivable on Commodity Contracts awaiting settlement is USD 18,861,634 (2022: USD 23,143,956).
- The amount payable on Commodity Contracts awaiting settlement is USD 8,025,335 (2022: USD 15,924,251).

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

	Year ended 31 December	
	2023 USD	2022 USD
<b>Opening Commodity Contracts</b>	<b>5,526,745,526</b>	<b>5,026,725,552</b>
Additions	7,291,093,423	8,032,128,256
Disposals	(6,371,822,011)	(8,360,258,376)
Management Fee and Licence Allowance	(37,107,578)	(28,083,425)
Change in Fair Value	(426,576,116)	856,233,519
<b>Closing Commodity Contracts</b>	<b>5,982,333,244</b>	<b>5,526,745,526</b>

## 8. Commodity Securities

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

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

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

31 December 2023	Change in	Fair Value
	Fair Value	USD
	USD	USD
Classic & Longer Dated Commodity Securities	299,653,457	5,648,811,981
Short & Leveraged Commodity Securities	40,689,346	348,869,667
<b>Total Commodity Securities</b>	<b>340,342,803</b>	<b>5,997,681,648</b>
31 December 2022	Change in	Fair Value
	Fair Value	USD
	USD	USD
Classic & Longer Dated Commodity Securities	(654,512,154)	5,014,887,918
Short & Leveraged Commodity Securities	(137,128,089)	440,972,699
<b>Total Commodity Securities</b>	<b>(791,640,243)</b>	<b>5,455,860,617</b>

**8. Commodity Securities (continued)**

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

<b>31 December 2023</b>	<b>Change in Contractual Value USD</b>	<b>Contractual Value USD</b>
Classic & Longer Dated Commodity Securities	376,707,457	5,635,183,849
Short & Leveraged Commodity Securities	49,868,659	347,149,395
<b>Total Commodity Securities</b>	<b>426,576,116</b>	<b>5,982,333,244</b>
<b>31 December 2022</b>	<b>Change in Contractual Value USD</b>	<b>Contractual Value USD</b>
Classic & Longer Dated Commodity Securities	(712,282,182)	5,078,313,786
Short & Leveraged Commodity Securities	(143,951,337)	448,431,740
<b>Total Commodity Securities</b>	<b>(856,233,519)</b>	<b>5,526,745,526</b>

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

As at 31 December 2023, there were certain Commodity Securities awaiting settlement in respect of creations or redemptions with transaction dates before the year end and settlement dates in the following year:

- The amount receivable on Commodity Securities awaiting settlement is USD 8,025,335 (2022: USD 15,924,251).
- The amount payable on Commodity Securities awaiting settlement is USD 18,861,634 (2022: USD 23,143,956).

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

	<b>Year ended 31 December</b>	
	<b>2023 USD</b>	<b>2022 USD</b>
<b>Opening Commodity Securities</b>	<b>5,455,860,617</b>	<b>5,020,433,919</b>
Securities Created	7,291,093,423	8,032,128,256
Securities Redeemed	(6,371,822,011)	(8,360,258,376)
Management Fee and Licence Allowance	(37,107,578)	(28,083,425)
Change in fair value	(340,342,803)	791,640,243
<b>Closing Commodity Securities at Fair Value</b>	<b>5,997,681,648</b>	<b>5,455,860,617</b>



**9. Trade and Other Payables**

	<b>As at 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b>USD</b>	<b>USD</b>
ManJer Fees Payable	<u>4,123,303</u>	<u>4,572,543</u>

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

**10. Stated Capital**

	<b>As at 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b>USD</b>	<b>USD</b>
2 Shares of Nil Par Value, Issued at GBP 1 Each and Fully Paid	<u>2</u>	<u>2</u>

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

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

**11. Related Party Disclosures**

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

*Fees charged by ManJer during the year:*

	<b>Year ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b>USD</b>	<b>USD</b>
ManJer Fees	<u>42,856,333</u>	<u>29,769,450</u>

*The following balances were due to ManJer at year end:*

	<b>As at 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b>USD</b>	<b>USD</b>
ManJer Fees Payable	<u>4,123,303</u>	<u>4,572,543</u>

At 31 December 2023, USD 2 is receivable from ManJer (2022: USD 2).

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

## 11. Related Party Disclosures (continued)

Steven Ross is a director of R&H Fund Services (Jersey) Limited (“R&H” or, the “Administrator”) and a partner of Rawlinson & Hunter, Jersey Partnership, which wholly owns R&H. Christopher Foulds is a director of R&H.

During the period, R&H charged ManJer administration fees, which include the Company and other entities for which ManJer is the Manager and R&H is the Administrator, in aggregate, of GBP 1,221,529 (31 December 2022: GBP 214,233), of which GBP 291,402 (31 December 2022: GBP nil) was outstanding at the period end.

Peter Ziemba is an executive officer of WisdomTree, Inc. and Bryan Governey is European General Counsel for the WisdomTree, Inc group.

## 12. Financial Risk Management

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

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

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

### (a) Credit Risk

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

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

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

The value of Commodity Securities and the ability of the Company to repay the redemption price is dependent on the receipt of such amount from the Commodity Contract Counterparties and may be affected by the credit rating attached to each Commodity Contract Counterparty. Currently the Company has two Commodity Contract Counterparties, Merrill Lynch International and Citigroup Global Markets Limited. At the reporting date the exposure to the Commodity Contract Counterparties was split approximately 32% and 68% (2022: 45% and 55%), respectively.

## 12. Financial Risk Management (continued)

### (a) Credit Risk (continued)

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

To cover the credit risk under the Commodity Contracts, the Commodity Contract Counterparties are obliged to place an amount of collateral, equal to or greater than the exposure, into a pledged account with a third party custodian, being the Bank of New York Mellon (the "Collateral Custodian"). The level of collateral deposited into the pledged account is assessed against the total outstanding value of the Commodity Contracts outstanding at the end of the previous trading day, which on the 31 December 2023 totalled USD 6,040,635,291, with collateral pledged with a total value of USD 6,220,815,842.

The collateral held with the Collateral Custodian is held in accounts in the names of the Commodity Contract Counterparties. The Company publishes the collateral posted by the Commodity Contract Counterparties each day on its website (<http://www.wisdomtree.eu/pricing>). In the event that a Commodity Contract Counterparty defaults on its payment obligations, the Company is entitled to exercise control over the collateral amounts placed in the pledged account.

The realised value of the collateral may differ from the amount owed by the Commodity Contract Counterparties, as prices fluctuate intraday (i.e. from the last point the exposure and collateral were valued). The collateral posted by the Commodity Contract Counterparties can include cash invested in Eligible Money Market Funds with a minimum rating of AAA, publicly traded debt securities with a minimum rating of A- or in eligible equities (that in summary also meet these minimum requirements). These collateral schemes also apply strict margins and concentration limits (both by Issuer and Jurisdiction) to reduce the risk of such a loss, but do not completely remove it. Full details of "Eligible Collateral" can be found in the Company's prospectus.

The collateral pledged with the Collateral Custodian is re-assessed on a daily basis to ensure that the value of the collateral in the pledged account is sufficient relative to value of the Commodity Contracts outstanding and to ensure that the eligibility criteria for the collateral continues to be met on a daily basis. Should the quality of the underlying collateral change on any day, it is removed from the collateral account and replaced with collateral that meets the eligibility criteria.

The Board monitors credit risk exposure, including through an assessment of the credit rating of the Commodity Contract Counterparties (Citigroup Global Markets Limited: A+ (2022: A+) (Fitch, 15 September 2023) and Merrill Lynch International: AA (2022: AA) (Fitch, 15 September 2023)), in order to ensure the Company's exposure is managed, and has continued to do so more closely with a focus on any potential impact of, or developments relating to the Ukraine Crisis.

### (b) Settlement Risk

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

The directors believe that settlement risk would only be caused by the risk of the Company's trading counterparty not delivering cash, Commodity Contracts or Commodity Securities on the settlement date. The directors feel that this risk is mitigated as a result of the cash or Commodity Securities settling through the CREST system. The system ensures that the transaction does not settle until both parties have fulfilled their contractual obligations. Amounts outstanding in respect of positions yet to settle are disclosed in notes 7 and 8.

### (c) Liquidity Risk

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

## 12. Financial Risk Management (continued)

### (c) Liquidity Risk (continued)

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

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

### (d) Capital Management

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

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

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

### (e) Market Risk

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

#### i) Price Risk

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

**12. Financial Risk Management (continued)***(e) Market Risk (continued)**i) Price Risk (continued)*

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

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

*Ukraine Invasion*

Russia has continued military action in the sovereign territory of Ukraine throughout the year ended 31 December 2023 (the "Crisis"). The Crisis has resulted in the implementation of sanctions and further actions by governments which, as well as the Crisis itself, have impacted financial and commodities markets.

As the Crisis continues, the Board also continues to closely monitor and assess the impact on the Company's portfolio operations and valuation and will take any further actions needed or as required under the terms of the applicable Prospectuses, as facts and circumstances are subject to change and may be specific to investments and jurisdictions. Whilst it is not currently possible to predict future market conditions and therefore determine if any further action may be required on any other classes of Commodity Securities, the action that may be required includes, but is not limited to, temporarily not accepting applications for Commodity Securities, temporarily suspending Commodity Securities from trading on Stock Exchanges or a compulsory redemption of Commodity Securities. The Company has not initiated any of these further actions during the current year or subsequently to date. Any such action will be undertaken in accordance with the constitutive documents of the Commodity Securities. Furthermore, there are mechanisms within the constitutive documents of the Commodity Securities that enable the Commodity Contract Counterparties to request a compulsory redemption in certain circumstances as set out and explained within the Prospectuses.

*ii) Interest Rate Risk*

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

*iii) Currency Risk*

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

*(f) Sensitivity Analysis*

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

**12. Financial Risk Management (continued)**

*(f) Sensitivity Analysis (continued)*

The Company's rights and liability in respect of Commodity Securities and Commodity Contracts, respectively, relates to its contractual obligations to issue and redeem Commodity Securities at set prices on each trading day. The fair value of each creation and redemption of Commodity Securities is recorded using the price by reference to the value of the commodity indices calculated and published by Bloomberg or Solactive. However, under IFRS 13, the liability is recorded at fair value (being the on-exchange price) which results in a mismatch. As described in note 15 this mismatch is reversed on the redemption of Commodity Securities.

As a result, the Company's contractual and economic liability in connection with the issue and redemption of Commodity Securities is matched by movements in corresponding Commodity Transactions. Whilst sensitivity analysis could be performed on this mismatch, the Company does not have any net exposure to market price risk. Furthermore, the result of the numeric sensitivity is considered not material by the directors and in their opinion, no sensitivity analysis is required to be disclosed.

*(g) Fair Value Hierarchy*

The levels in the hierarchy are defined as follows:

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

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

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

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

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

	<b>Fair Value as at 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b>USD</b>	<b>USD</b>
<b>Level 1</b>		
Commodity Securities	<u>(5,997,681,648)</u>	<u>(5,443,574,868)</u>
<b>Level 2</b>		
Commodity Securities	-	(12,285,749)
Commodity Contracts	5,982,333,244	5,526,745,526
	<u><b>5,982,333,244</b></u>	<u><b>5,514,459,777</b></u>

**12. Financial Risk Management (continued)***(g) Fair Value Hierarchy (continued)*

The Commodity Securities and the Commodity Contracts are recognised at fair value upon initial recognition and revalued to fair value in line with the Company's accounting policy. There are no assets or liabilities classified in level 3. Transfers between levels are recognised if the primary market on which the Commodity Securities prices are quoted was determined to be inactive at the relevant reporting date. The Company considers both the last trade date and trading volumes during the 5 trading days leading up to each reporting date to determine if the market for a particular Commodity Security is active. Transfers as a result of the analysis of the activity levels of the market are identified and recognised at each reporting date.

There were no transfers or reclassifications between Level 1 and Level 2 for any of the assets during the year or at the reporting date. As at 31 December 2023 Commodity Securities with a fair value of USD nil (2022: USD 12,285,749) were transferred from Level 1 to Level 2. Commodity Securities with a fair value of USD 7,006,966 (2022: USD 3,466,895) were transferred from Level 2 to Level 1.

**13. Ultimate Controlling Party**

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

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

There have been no significant events that have occurred since the end of the reporting period up to the date of signing the Financial Statements which would impact on the financial position of the Company disclosed in the Statement of Financial Position as at 31 December 2023, or on the results and cash flows of the Company for the year ended on that date.

**15. Non-GAAP and Non-Statutory Information**

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

The Statement of Changes in Equity also reflects the fair value movements on both the Commodity Contracts (held to support the Commodity Securities) and the Commodity Securities. These gains or losses on the difference between the value of the Commodity Contracts (held to support the Commodity Securities) and the price of Commodity Securities would be reversed on a subsequent redemption of the Commodity Securities and cancellation of the corresponding Commodity Contracts.

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

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

The mismatched accounting values are as shown below:

	Year ended 31 December	
	2023 USD	2022 USD
Change in Fair Value of Commodity Contracts	(426,576,116)	856,233,519
Change in Fair Value of Commodity Securities	340,342,803	(791,640,244)
	<b>(86,233,313)</b>	<b>64,593,275</b>

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

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

	Year ended 31 December	
	2023 USD	2022 USD
Income	42,856,333	29,769,450
Expenses	(42,856,333)	(29,769,450)
<b>Result Before Fair Value Movement</b>	<b>-</b>	<b>-</b>
Change in Fair Value of Commodity Contracts	(426,576,116)	856,233,519
Change in Fair Value of Commodity Securities	340,342,803	(791,640,243)
<b>(Loss) / Profit for the Year</b>	<b>(86,233,313)</b>	<b>64,593,276</b>
Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Commodity Securities	86,233,313	(64,593,276)
<b>Adjusted Result</b>	<b>-</b>	<b>-</b>



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

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

	Stated Capital USD	Retained Earnings USD	Revaluation Reserve <sup>4</sup> USD	Total Equity USD	Adjusted Total Equity USD
<b>Opening Balance at 1 January 2022</b>	2	-	6,291,633	6,291,635	2
Result and Total Comprehensive Income for the Year	-	64,593,276	-	64,593,276	64,593,276
Transfer to Revaluation Reserve	-	(64,593,276)	64,593,276	-	-
Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Commodity Securities	-	-	-	-	(64,593,276)
<b>Balance at 31 December 2022</b>	<b>2</b>	<b>-</b>	<b>70,884,909</b>	<b>70,884,911</b>	<b>2</b>
Opening Balance at 1 January 2023	2	-	70,884,909	70,884,911	2
Result and Total Comprehensive Expense for the Year	-	(86,233,313)	-	(86,233,313)	(86,233,313)
Transfer to Revaluation Reserve	-	86,233,313	(86,233,313)	-	-
Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Commodity Securities	-	-	-	-	86,233,313
<b>Balance at 31 December 2023</b>	<b>2</b>	<b>-</b>	<b>(15,348,404)</b>	<b>(15,348,402)</b>	<b>2</b>

<sup>4</sup> This represents the difference between the value of Commodity Contracts and the price of Commodity Securities.

