



WisdomTree Foreign Exchange Limited

Registered No: 103518

Unaudited Condensed Interim Financial Report for the
Six Months to 30 June 2023

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The directors of WisdomTree Foreign Exchange Limited (“FXL” or the “Company”), submit herewith the unaudited interim financial report and interim financial statements of the Company for the period ended 30 June 2023.

Directors

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

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

Directors' Interests

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

Principal Activities

During the period there were no significant changes in the nature of the Company's activities.

Review of Operations

The most recent Prospectus was issued on 16 November. As at 30 June 2023, the Company had the following number of classes, in aggregate, of Currency Securities in issue and admitted to trading on the following exchanges:

	London Stock Exchange	Borsa Italiana	Deutsche Börse	NYSE- Euronext Paris
USD Currency Securities	16	-	2	-
EUR Currency Securities	-	26	11	6
GBP Currency Securities	16	-	-	-
Total Currency Security Listings	32	26	13	6

The Company has entered into contractual obligations to issue and redeem Currency Securities at set prices on each trading day. These prices are based on agreed formulae published in the Prospectus, and are equal to the published NAV of each class of Currency Security. Each time Currency Securities are issued or redeemed, matching Currency Transactions between the Company and the Currency Transaction Counterparty are created or closed.

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 Currency Securities are listed to be the principal market and as a result the NAV of the Currency 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 Currency Transactions and Currency 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 Currency Transactions and the price of Currency Securities.

The Company recognises its financial assets (Currency Transactions) and financial liabilities (Currency Securities) at fair value in the Statement of Financial Position. The gain or loss on Currency Securities and the Currency Transactions is recognised through profit or loss in line with the Company's accounting policy. This is presented in more detail in note 7 to these interim financial statements.

Review of Operations (continued)

The Company is entitled to a management fee which is calculated on a daily basis:

- 3* and 5* Leveraged Currency Securities have a management fee rate of 0.98% per annum;
- CNY Currency Securities have a management fee rate of 0.59% per annum; and
- All remaining classes of Currency Securities have a management fee rate of 0.39% per annum.

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

During the period, the Company generated income from creation and redemption fees, management fees and bank interest as follows:

	30 June 2023 USD	31 December 2022 USD
Creation and Redemption Fees	-	-
Management Fees	1,112,595	2,156,326
Bank Interest	8,181	3,409
Total Fee Income	1,120,776	2,159,735

Non-GAAP Performance Measures

Under the terms of the service agreement with WisdomTree Management (Jersey) Limited (“ManJer or the “Manager”), the Company accrued expenses equal to the management fee 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 period of USD Nil (2022: USD Nil).

As the difference in the valuation of Currency Transactions (held to support the Currency Securities) and Currency Securities would be reversed on a subsequent redemption of the Currency Securities and closure of the corresponding Currency Transactions, the Company presents an adjusted Condensed Statement of Profit or Loss and Other Comprehensive Income and an adjusted Condensed Statement of Changes in Equity in note 8 of the interim financial statements.

Ukraine Invasion

On 24 February 2022, Russia engaged in military actions in the sovereign territory of Ukraine. The Board is closely monitoring developments that may impact financial markets including sanctions, actions by governments and developments of the crisis. Whilst there are no Currency Transactions (and therefore no Currency Securities) with an exposure to Russian Roubles, Belarusian Rubles or Ukrainian Hryvnia, the board of directors (the “Board”) will further assess the impact on the Company’s portfolio operations and valuation and will take any potential actions needed, as facts and circumstances are subject to change and may be specific to investment strategies and jurisdictions.

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 Prospectus, as facts and circumstances are subject to change and may be specific to investment strategies and jurisdictions.

Review of Operations (continued)

Performance Review

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

	30 June 2023			31 December 2022			Movement in NAV
	Securities	NAV	USD	Securities	NAV	USD	
WisdomTree 3x Long EUR Short GBP	14,527	29.13	423,153	14,527	31.00	450,274	(6.02%)
WisdomTree 3x Long USD Short GBP	27,846	83.56	2,326,676	23,246	92.45	2,149,197	(9.63%)
WisdomTree 3x Short EUR Long GBP	19,271	43.41	836,577	22,771	36.50	831,060	18.95%
WisdomTree 3x Short USD Long GBP	122,961	10.69	1,314,610	201,161	8.78	1,767,026	21.71%
WisdomTree Long CHF Short GBP	37,429	71.67	2,682,628	56,929	69.49	3,956,001	3.14%
WisdomTree Long EUR Short GBP	16,782	53.42	896,465	24,532	51.94	1,274,115	2.85%
WisdomTree Long JPY Short GBP	138,559	37.56	5,203,621	121,859	41.50	5,057,170	(9.51%)
WisdomTree Long USD Short GBP	69,732	69.14	4,821,611	125,032	67.98	8,500,192	1.71%
WisdomTree Short CHF Long GBP	1,682	38.59	64,904	1,682	34.82	58,566	10.82%
WisdomTree Short EUR Long GBP	89,339	55.53	4,961,126	111,339	49.91	5,557,385	11.25%
WisdomTree Short JPY Long GBP	3,349	70.60	236,455	3,349	56.00	187,528	26.09%
WisdomTree Short USD Long GBP	118,170	41.43	4,896,088	118,770	36.89	4,381,486	12.31%
WisdomTree 5x Long EUR Short GBP	13,313	64.24	855,268	17,513	75.08	1,314,853	(14.43%)
WisdomTree 5x Long USD Short GBP	14,960	78.02	1,167,233	18,260	98.23	1,793,613	(20.57%)
WisdomTree 5x Short EUR Long GBP	21,066	13.05	274,976	27,066	10.30	278,715	26.76%
WisdomTree 5x Short USD Long GBP	538,627	3.90	2,100,402	600,627	2.99	1,794,659	30.51%
WisdomTree 3x Long EUR Short USD	59,878	10.45	625,518	139,878	10.02	1,401,615	4.25%
WisdomTree 3x Long GBP Short USD	116,048	13.24	1,535,920	191,048	11.30	2,159,668	17.08%
WisdomTree 3x Long JPY Short USD	478,504	3.67	1,755,615	261,504	5.22	1,365,860	(29.75%)
WisdomTree 3x Short EUR Long USD	37,888	80.87	3,063,901	36,538	83.58	3,053,904	(3.25%)
WisdomTree 3x Short GBP Long USD	19,820	51.21	1,014,956	20,920	60.21	1,259,509	(14.94%)
WisdomTree 3x Short JPY Long USD	5,156	200.44	1,033,488	5,506	144.33	794,698	38.88%
WisdomTree Long EUR Short USD	10,103	30.84	311,548	10,703	29.92	320,267	3.05%
WisdomTree Long GBP Short USD	71,534	35.31	2,525,615	71,934	32.91	2,367,633	7.27%
WisdomTree Long JPY Short USD	203,747	25.79	5,254,183	148,447	28.44	4,221,104	(9.31%)

Review of Operations (continued)

Performance Review (continued)

	30 June 2023			31 December 2022			Movement in NAV
	Securities	NAV	USD	Securities	NAV	USD	
WisdomTree Short EUR Long USD	33,817	67.78	2,292,160	39,567	67.43	2,667,955	0.52%
WisdomTree Short GBP Long USD	21,306	57.92	1,233,961	34,306	60.06	2,060,333	(3.57%)
WisdomTree Short JPY Long USD	12,965	79.84	1,035,189	13,965	70.16	979,747	13.81%
WisdomTree 5x Long EUR Short USD	31,719	17.52	555,790	36,719	16.70	613,172	4.93%
WisdomTree 5x Short EUR Long USD	13,390	41.57	556,578	12,890	44.87	578,357	(7.36%)
WisdomTree 3x Long CHF Short EUR	8,371	66.43	556,107	12,671	64.61	818,652	2.82%
WisdomTree 3x Long GBP Short EUR	27,221	42.74	1,163,430	27,221	37.18	1,012,028	14.96%
WisdomTree 3x Long JPY Short EUR	624,584	9.97	6,225,676	368,484	14.48	5,334,819	(31.15%)
WisdomTree 3x Long USD Short EUR	48,811	98.46	4,805,767	53,761	100.03	5,377,868	(1.58%)
WisdomTree 3x Short CHF Long EUR	134,954	11.80	1,593,096	145,254	11.75	1,706,978	0.45%
WisdomTree 3x Short GBP Long EUR	12,099	20.44	247,282	18,099	22.75	411,753	(10.16%)
WisdomTree 3x Short JPY Long EUR	8,177	54.75	447,686	24,177	37.44	905,294	46.22%
WisdomTree 3x Short USD Long EUR	8,087,382	8.23	66,536,558	9,340,232	7.87	73,466,933	4.60%
WisdomTree Long AUD Short EUR	28,261	53.72	1,518,195	9,261	54.13	501,343	(0.77%)
WisdomTree Long CHF Short EUR	35,841	64.90	2,326,087	62,291	62.88	3,916,992	3.21%
WisdomTree Long GBP Short EUR	155,661	53.26	8,290,084	182,661	49.71	9,079,882	7.14%
WisdomTree Long JPY Short EUR	2,882,584	34.91	100,620,437	2,649,579	38.54	102,110,153	(9.42%)
WisdomTree Long NOK Short EUR	205,773	37.54	7,724,737	243,673	40.50	9,868,441	(7.31%)
WisdomTree Long SEK Short EUR	225,058	40.01	9,004,784	245,358	41.18	10,102,654	(2.83%)
WisdomTree Long USD Short EUR	85,041	59.94	5,097,656	114,341	58.90	6,734,459	1.78%
WisdomTree Short AUD Long EUR	2,745	35.31	96,922	3,645	33.20	121,027	6.34%
WisdomTree Short CHF Long EUR	36,089	29.73	1,073,040	21,689	29.03	629,717	2.41%
WisdomTree Short GBP Long EUR	15,164	36.67	556,079	20,164	37.16	749,275	(1.31%)
WisdomTree Short JPY Long EUR	1,934	52.41	101,357	4,434	45.03	199,649	16.39%
WisdomTree Short NOK Long EUR	933	50.92	47,505	1,433	44.87	64,296	13.48%
WisdomTree Short SEK Long EUR	1,637	50.16	82,105	5,237	46.19	241,875	8.60%



Review of Operations (continued)

Performance Review (continued)

	30 June 2023			31 December 2022			Movement in
	Securities	NAV	USD	Securities	NAV	USD	NAV
WisdomTree Short USD Long EUR	2,354,856	32.54	76,627,927	2,233,856	31.33	69,989,786	3.86%
WisdomTree 5x Long GBP Short EUR	22,436	23.10	518,279	21,186	18.79	398,048	22.95%
WisdomTree 5x Long USD Short EUR	23,054	110.38	2,544,659	34,054	116.55	3,968,942	(5.29%)
WisdomTree 5x Short GBP Long EUR	31,835	18.43	586,628	70,435	22.61	1,592,647	(18.51%)
WisdomTree 5x Short USD Long EUR	3,306,331	4.02	13,297,065	4,165,431	3.84	15,982,625	4.81%
WisdomTree Long CNY Short USD	5,586	50.18	280,282	5,586	52.15	291,284	(3.78%)
WisdomTree Short CNY Long USD	7,191	36.38	261,631	17,191	34.08	585,913	6.75%
			368,087,276			389,358,995	

Whilst the table above reflects the NAV at 30 June 2023 and 31 December 2022, together with the movement, this does not reflect the recommended holding period for Currency Securities, which in some cases is one day. Further information on the contractual value (at NAV) of the Currency Securities on a daily basis can be found on the WisdomTree website (<https://www.wisdomtree.eu/en-gb/products>).

Review of Operations (continued)**Future Developments**

The Board is not aware of any 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 interim financial statements.

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 Company, including for the provision of directors who are employees of R&H.

Going Concern

The nature of the Company's business dictates that the outstanding Currency 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 Currency Securities will always coincide with the closing of an equal amount of Currency Transactions, 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 Currency Transactions and Currency Securities due to the accounting measurement basis applied in accordance with IFRS. As Currency Transactions are held to support Currency Securities, any deficit or surplus reported on unrealised positions would be reversed on a subsequent redemption of the Currency Securities and the related closure of Currency Transactions. 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 Currency 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 for a period of 12 months from the date of these interim financial statements, and accordingly these interim financial statements have been prepared on the going concern basis.

Directors' Statement

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 interim financial statements for the period ended 30 June 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 International Financial Reporting Standards as issued by the International Accounting Standards Board; 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 period and their impact on these interim financial statements.

On behalf of the directors



Christopher Foulds
24 August 2023

	Notes	Period Ended 30 June	
		2023 Unaudited USD	2022 Unaudited USD
Income	2	1,120,776	1,086,763
Expenses	2	(1,120,776)	(1,086,763)
Result Before Fair Value Movements		-	-
Change in Contractual and Fair Value of Currency Transactions	3	(2,935,036)	(67,573,714)
Change in Fair Value of Currency Securities	4	4,373,991	64,393,694
Profit/(Loss) for the Period^{1, 2}		1,438,955	(3,180,020)

The directors consider the Company's activities as continuing.

¹ A non-statutory and non-GAAP Condensed Statement of Profit or Loss and Other Comprehensive Income reflecting adjustments representing the movement in the difference between the value of the Currency Transactions and the price of Currency Securities is set out in note 8.

² There are no items of Other Comprehensive Income, therefore the Loss for the Period also represented the Total Comprehensive Income for the Period.

The notes on pages 11 to 19 form part of these condensed interim financial statements

	Notes	As At	
		30 June 2023 Unaudited USD	31 December 2022 Audited USD
Assets			
Cash and Cash Equivalents		193,342	201,440
Cash held for Currency Securities due for settlement	3	404,821	4,775,942
Currency Transactions	3	368,087,276	389,358,995
Amounts Receivable on Currency Securities Awaiting Settlement	4	1,237,280	-
Trade and Other Receivables		1,784	1,784
Total Assets		369,924,503	394,338,161
Liabilities			
Currency Securities	4	367,398,825	390,109,498
Amounts Payable on Currency Securities Awaiting Settlement	4	404,821	4,775,942
Amounts Payable on Currency Transactions			
Awaiting Settlement	3	1,237,280	-
Trade and Other Payables		193,341	201,440
Total Liabilities		369,234,267	395,086,880
Equity			
Stated Capital		3	3
Retained Earnings		1,781	1,781
Revaluation Reserve		688,452	(750,503)
Total Equity		690,236	(748,719)
Total Equity and Liabilities		369,924,503	394,338,161

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

The condensed interim financial statements on pages 7 to 19 were approved and authorised for issue by the board of directors and signed on its behalf on 24 August 2023.



Christopher Foulds
Director

	Period Ended 30 June	
	2023	2022
	Unaudited USD	Unaudited USD
Fees and Expenses Paid	(1,120,694)	(713,113)
Cash Used in Operating Activities	(1,120,694)	(713,113)
<i>Cash Flows from Investing Activities</i>		
Net Daily Payment Amounts	(2,864,530)	66,986,485
Net Movement on Currency Transactions	22,438,493	(1,288,535)
Net Cash Flows from Investing Activities	19,573,963	(68,275,020)
<i>Cash Flows from Financing Activities</i>		
Issue of Currency Securities	149,964,420	198,557,219
Redemption of Currency Securities	(172,796,909)	(129,195,436)
Net Cash Flows from Financing Activities	(22,832,489)	69,361,783
Net Movement in Cash and Cash Equivalents	(4,379,219)	373,650
Cash and Cash Equivalents at the Start of the Period	4,977,382	(36,556)
Net Movement in Cash and Cash Equivalents	(4,379,219)	373,650
Cash and Cash Equivalents at the End of the Period	598,162	337,094

Cash Flows from Investing Activities represent amounts linked to Currency Transactions entered into with a Currency Transaction Counterparty, and which are used to enter into USD, GBP or EUR denominated daily repurchase transactions with the Currency Transaction Counterparty in exchange for eligible collateral on the terms described in the Company's Prospectus (collectively the "Underlying Assets"). On each day the Currency Transaction Counterparty is required to pay back the USD, GBP and EUR amounts in exchange for the eligible collateral held the previous day, which allows the Company to enter into new daily repurchase transactions in exchange for eligible collateral required on that day, however in accordance with the terms of a supplemental agreement to the Collateral Administration Master Agreement those new daily repurchase transactions can be paired with maturing deals on the previous daily repurchase transactions meaning that the net amounts (in each of USD, GBP and EUR) are transferred each day. These cash flows are reported on a net basis in accordance with IAS 7.

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 Currency 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 and the creation and redemption fees, less any expenses directly incurred (the "ManJer Fee"). ManJer receives creation and redemption fees directly from the holders of Currency Securities who have entered into an authorised participant agreement with the Company ("Authorised Participants"), and accordingly, there are no related cash flows through the Company in respect of creation and redemption fees.

	Stated Capital USD	Retained Earnings USD	Revaluation Reserve USD	Total Equity USD
Audited Opening Balance at 1 January 2022	3	1,781	2,295,588	2,297,372
Result and Total Comprehensive Loss for the Period	-	(3,180,020)	-	(3,180,020)
Transfer to Revaluation Reserve	-	3,180,020	(3,180,020)	-
Unaudited Balance at 30 June 2022	3	1,781	(884,432)	(882,648)
Unaudited Opening Balance at 1 July 2022	3	1,781	(884,432)	(882,648)
Result and Total Comprehensive Loss for the Period	-	133,929	-	133,929
Transfer to Revaluation Reserve	-	(133,929)	133,929	-
Audited Balance at 31 December 2022	3	1,781	(750,503)	(748,719)
Audited Opening Balance at 1 January 2023	3	1,781	(750,503)	(748,719)
Result and Total Comprehensive Profit for the Period	-	1,438,955	-	1,438,955
Transfer to Revaluation Reserve	-	(1,438,955)	1,438,955	-
Unaudited Balance at 30 June 2023³	3	1,781	688,452	690,236

³ A non-statutory and non-GAAP Condensed Statement of Changes in Equity reflecting adjustments representing the difference between the value of Currency Transactions and the price of Currency Securities is set out in note 8.

The notes on pages 12 to 20 form part of these condensed interim financial statements

1 Accounting Policies

The main accounting policies of the Company are described below.

Basis of Preparation

The interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with IAS 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB. The interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2022. Except as described below under *Changes in Accounting Standards* the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2022. The changes in accounting policies are also expected to be reflected in the financial statements for the year ended 31 December 2023.

The presentation of interim financial statements in conformity with International Financial Reporting Standards (“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. The key accounting judgement required to prepare these interim financial statements is in respect of the presentation of non-statutory and non-GAAP adjustments to the Condensed Statement of Profit or Loss and Other Comprehensive Income and the Condensed Statement of Changes in Equity, as disclosed in note 8.

This half yearly report has not been audited or reviewed by the Company’s auditors.

Changes in Accounting Standards

On 1 January 2023 the Company adopted all applicable annual improvements to IFRSs and have assessed that the adoption of these revised and amended accounting standards has not resulted in any changes to the accounting policies and disclosures within these interim financial statements.

2 Result Before Fair Value Movements

Result Before Fair Value Movements for the period comprised:

	Period ended 30 June	
	2023 Unaudited USD	2022 Unaudited USD
Management Fees	1,120,776	1,086,763
Total Income	1,120,776	1,086,763
ManJer Fees	(1,120,776)	(1,072,829)
Bank Charges and Interest	-	(13,934)
Total Operating Expenses	(1,112,595)	(1,086,763)
Result Before Fair Value Movements	-	-

3 Currency Transactions

	Period Ended 30 June	
	2023 Unaudited USD	2022 Unaudited USD
Change in Contractual and Fair Value of Currency Transactions	<u>(2,935,036)</u>	<u>(67,573,714)</u>

	As At	
	30 June 2023 Unaudited USD	31 December 2022 Audited USD
Currency Transactions at Fair Value	<u>368,087,276</u>	<u>389,358,995</u>

As at 30 June 2023, there were certain Currency Transactions awaiting settlement in respect of the creation or redemption of Currency Securities with transaction dates before the period end and settlement dates in the following period:

- The amount of cash received from the Currency Transactions (Daily Repurchase Transactions) and held in respect of Currency Securities awaiting settlement is USD 404,821 (31 December 2022: USD 4,775,942).
- The amount payable on Currency Transactions (Daily Repurchase Transactions) awaiting settlement is USD 1,237,280 (31 December 2022: USD nil).

The below table shows a reconciliation of changes in the Currency Transactions, based upon the underlying factors that result in changes, and does not represent the transaction cash flows which are settled on a net basis as described in the Condensed Statement of Cash Flows:

	Period Ended 30 June	
	2023 Unaudited USD	2022 Unaudited USD
Opening Currency Transactions	389,358,995	330,153,370
Increase as a Result of Currency Securities Created	151,201,700	198,557,221
Decrease as a Result of Currency Securities Redeemed	(168,425,788)	(128,267,650)
Decrease as a Result of Management Fee Deducted	(1,112,595)	(1,086,763)
Change as a result of Daily Payment Amounts (Invested into Currency Transactions)	(2,935,036)	(67,573,714)
Closing Currency Transactions	368,087,276	331,782,464

3 Currency Transactions (continued)

The Currency Transactions are unfunded currency transactions with terms corresponding to the terms of Currency Securities. The Currency Transactions are made up as follows:

	As At	
	30 June 2023 Unaudited USD	31 December 2022 Audited USD
Currency Transactions awaiting settlement	832,459	(4,775,942)
Amounts received on Currency Transactions (awaiting transfer into Daily Repurchase Transactions)	690,713	933,305
Amounts held for Currency Transactions due for settlement (transferred out from Daily Repurchase Transactions)	274,533	4,775,942
Daily Repurchase Transactions	365,446,587	387,512,199
Daily Payment Amount	842,984	913,491
	368,087,276	389,358,995

The daily payment amount constitutes a derivative which is calculated in respect of each Currency Transaction on each day to reflect the movement in the relevant currency index and this amount will be payable by either the Company or the Currency Transaction Counterparty.

4 Currency Securities

	Period Ended 30 June	
	2023 Unaudited USD	2022 Unaudited USD
Change in Fair Value of Currency Securities	4,373,991	64,393,694

	As At	
	30 June 2023 Unaudited USD	31 December 2022 Audited USD
Currency Securities at Fair Value	367,398,825	390,109,498

The gain or loss on the difference between the value of the Currency Transactions and the fair value of Currency Securities would be reversed on a subsequent redemption of the Currency Securities and closure of the corresponding Currency Transactions. Refer to note 8 for the non-statutory and non-GAAP adjustments which reflect the results of this reversal.

As at 30 June 2023, there were certain Currency Securities awaiting settlement in respect of creations or redemptions with transaction dates before the period end and settlement dates in the following period:

- The amount receivable on Currency Securities awaiting settlement is USD 1,237,280 (31 December 2022: USD 4,775,942).
- The amount payable on Currency Securities awaiting settlement is USD 404,821 (31 December 2022: USD nil).

4 Currency Securities (continued)

The below tables shows a reconciliation of changes in the Currency Securities, being liabilities arising from financing activities:

	Period Ended 30 June	
	2023 Unaudited USD	2022 Unaudited USD
Opening Currency Securities	390,109,498	327,857,782
Securities Created	151,201,703	198,557,221
Securities Redeemed	(168,425,788)	(128,267,650)
Management Fee	(1,112,595)	(1,086,763)
Change in Fair Value	(4,373,991)	(64,393,694)
Closing Currency Securities at Fair Value	367,398,825	332,666,896

The below table shows a reconciliation of the movement on financing activities:

	Period Ended 30 June	
	2023 Unaudited USD	2022 Unaudited USD
Opening Currency Securities	390,109,498	327,857,782
Cash Received from the Issue of Currency Securities	149,964,423	198,557,221
Cash Paid on the Redemption of Currency Securities	(172,796,909)	(129,195,438)
Net Cash Movements	(22,832,486)	69,361,783
Management Fees	(1,112,595)	(1,086,763)
Non-Cash Movements on Amounts Receivable and Payable	5,608,401	927,788
Non-Cash Change in Fair Value	(4,373,991)	(64,393,694)
Net Non-Cash Movements	121,815	(64,552,669)
Closing Currency Securities	367,398,825	332,666,896

5 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.

5 Fair Value Hierarchy (continued)

The Company is required to utilise the available on-market price as the Currency Securities are quoted and traded on the open market. Where the market on which the Currency Securities prices are quoted is determined to be active at the relevant reporting date, the Currency Securities are classified as Level 1 financial liabilities. Where the market on which the Currency Securities prices are quoted is determined to be inactive at the relevant reporting date, the Currency Securities are classified as level 2 financial liabilities. The Company values the Level 2 Currency Securities using the unadjusted 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 Currency Transactions relate to its contractual obligations to issue and redeem Currency 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 Currency Security. Therefore, Currency Transactions are classified as level 2 financial assets, as the Company's asset is calculated using third party pricing sources supported by observable, verifiable inputs.

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

	As At	
	30 June 2023 Unaudited USD	31 December 2022 Audited USD
Level 1		
Currency Securities	(358,276,830)	(387,576,437)
Level 2		
Currency Securities	(9,121,995)	(2,533,061)
Currency Transactions (Daily Payment Amount)	842,984	913,491
	(7,313,765)	(1,619,570)

The Currency Securities and the Daily Payment Amount component of Currency Transactions are recognised at fair value through profit or loss 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.

The Daily Repurchase Transactions component of Currency Transactions totalling USD 358,276,830 (31 December 2022: USD 387,512,199) is recognised at amortised cost, in line with the Company's accounting policy. The fair value of the Daily Repurchase Transactions is considered to be approximately equal to its carrying value due to the daily maturity. The collateral consists of level 1 financial instruments.

Transfers between levels would be recognised if there was a change in circumstances that prevented public information in respect of Level 1 inputs from being available. Any such transfers would be recognised on the date of the change in circumstances that cause the transfer. Transfers between levels may also be recognised if the primary market on which the Currency 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 Currency 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 of reclassifications between Level 1 and Level 2 for any of the assets during the period or at the reporting date. As at 30 June 2022, Currency Securities with a fair value of USD 7,483,298 were transferred from Level 1 to Level 2 (31 December 2022: USD 981,085). Currency Securities with a fair value (as at 1 January 2022) of USD 1,134,699 were transferred from Level 2 to Level 1 (2022: USD 5,391,484).

6 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 period:

	Period Ended 30 June	
	2023 Unaudited USD	2022 Unaudited USD
ManJer Fees	<u>1,112,595</u>	<u>1,086,763</u>

The following balances were due (to)/from ManJer at the period/year end:

	As At	
	30 June 2023 Unaudited USD	31 December 2022 Audited USD
Amount Receivable	1,781	1,781
ManJer Fees (Payable)/Receivable	(193,341)	(201,440)
	<u>(191,560)</u>	<u>(199,659)</u>

The following balances were due from WisdomTree Holdings Jersey Limited at the period/year-end:

	As At	
	30 June 2023 Unaudited USD	31 December 2022 Audited USD
Stated Capital	<u>3</u>	<u>3</u>

As disclosed in the Directors' Report, ManJer paid fees to R&H Fund Services (Jersey) Limited ("R&H" or the "Administrator") for administration services, which includes the provision of Directors, however following the restructuring of the fee agreement effective from 1 July 2022, fees for those services are no longer separately identified following the restructuring of the fee agreement effective from 1 July 2022.

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 593,468 (31 December 2022: GBP 67,796), of which GBP 291,402 (31 December 2022: GBP nil) was outstanding at the period end.

Peter Ziembra and Stuart Bell are executive officers of WisdomTree, Inc. Bryan Governey is European General Counsel for the WisdomTree, Inc group.

7 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 interim financial statements which would impact on the financial position of the Company disclosed in the Condensed Statement of Financial Position as at 30 June 2023 or on the results and cash flows of the Company for the period ended on that date.

8 Non-GAAP and Non-Statutory Information

As a result of the mis-match in the accounting valuation of Currency Transactions (held to support the Currency Securities) and Currency Securities (as disclosed in notes 3 and 4) the profits and losses and comprehensive income of the Company presented in the Condensed 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 Currency Transactions and the price of Currency Securities. The Condensed Statement of Changes in Equity also reflects the fair value movements on both the Currency Transactions (held to support the Currency Securities) and the Currency Securities.

These gains or losses on the difference between the value of the Currency Transactions (held to support the Currency Securities) and the price of Currency Securities would be reversed on a subsequent redemption of the Currency Securities and cancellation of the corresponding Currency Transactions. Furthermore, each class of Currency Security is issued under limited recourse arrangements whereby the holders have recourse only to the relevant Currency Transactions (held to support the Currency Securities) and not to the Currency Transactions of any other class of Currency Security or to the Company. As a result, the Company does not make gains from trading in the underlying Currency Transactions (held to support the Currency Securities) and, from a commercial perspective (with the exception of the impact of Management Fees) gains and losses in respect of Currency Transactions (held to support the Currency Securities) will always be offset by a corresponding loss or gain on the Currency Securities and the Company does not retain any net gains or losses.

The mismatched accounting values are as shown below:

	Period Ended 30 June	
	2023	2022
	Unaudited	Unaudited
	USD	USD
Change in Contractual and Fair Value of Currency Transactions	(2,935,036)	(67,573,714)
Change in Fair Value of Currency Securities	4,373,991	64,393,694
	1,438,955	(3,180,020)

To reflect the commercial results, the Company has presented below a non-GAAP and non-Statutory Condensed Statement of Profit or Loss and Other Comprehensive Income and Condensed 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 Currency Securities, together with those gains or losses being transferred to a separate reserve which is deemed non-distributable.

8 Non-GAAP and Non-Statutory Information (continued)

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

	Period Ended 30 June	
	2023	2022
	Unaudited	Unaudited
	USD	USD
Income	1,120,776	1,086,763
Expenses	(1,120,776)	(1,086,763)
Result Before Fair Value Movements	-	-
Change in Fair Value of Currency Transactions	(2,935,036)	(67,573,714)
Change in Fair Value of Currency Securities	4,373,991	64,393,694
Loss for the Period	1,438,955	(3,180,020)
Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Currency Securities	(1,438,955)	3,180,020
Adjusted Result	-	-

8 Non-GAAP and Non-Statutory Information (continued)

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

	Stated Capital USD	Retained Earnings USD	Revaluation Reserve ⁴ USD	Total Equity USD	Adjusted Total Equity USD
Audited Opening Balance at 1 January 2022	3	1,781	2,295,588	2,297,372	1,784
Result and Total Comprehensive Loss for the Period	-	(3,180,020)	-	(3,180,020)	(3,180,020)
Transfer to Revaluation Reserve	-	3,180,020	(3,180,020)	-	-
⁴ Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Currency Securities	-	-	-	-	3,180,020
Unaudited Balance at 30 June 2022	3	1,781	(884,432)	(882,648)	1,784
Unaudited Opening Balance at 1 July 2022	3	1,781	(884,432)	(882,648)	1,784
Result and Total Comprehensive Loss for the Period	-	133,929	-	133,929	(133,929)
Transfer to Revaluation Reserve	-	(133,929)	133,929	-	-
⁴ Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Currency Securities	-	-	-	-	133,929
Audited Balance at 31 December 2022	3	1,781	(750,503)	(748,719)	1,784
Audited Opening Balance at 1 January 2023	3	1,781	(750,503)	(748,719)	1,784
Result and Total Comprehensive Loss for the Period	-	1,438,955	-	1,438,955	1,438,955
Transfer to Revaluation Reserve	-	(1,438,955)	1,438,955	-	-
Adjustment from Market Value to Contractual Value (as set out in the Prospectus) of Currency Securities	-	-	-	-	(1,438,955)
Unaudited Balance at 30 June 2023	3	1,781	688,452	690,236	1,784

⁴ This represents the difference between the value of Currency Transactions and the price of Currency Securities.

