

**Leverage Shares Plc**

**Directors' report and audited financial statements**

**For the financial year ended 30 June 2022**

**Registered number 597399**

# Leverage Shares Plc

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## Directors and other information

<b>Directors</b>	Neil Fleming ( <i>Irish</i> ) ( <i>Independent and Non-Executive</i> ) Lisa Hand ( <i>Irish</i> ) ( <i>Non-Executive</i> )		
<b>Registered Office</b>	2nd floor, Block 5 Irish Life Centre Abbey Street Lower Dublin 1 Ireland		
<b>Company Secretary and Administrator</b>	Apex IFS Limited 2nd Floor, Block 5 Irish Life Centre Abbey Street Lower Dublin 1 Ireland		
<b>Arranger</b>	Leverage Shares Management Company Limited 116 Mount Prospect Avenue Clontarf Dublin 3 Ireland		
<b>Portfolio Administrator</b>	GWM Limited 41 Cedar Avenue 5th Floor, Hamilton HM12 Bermuda	<i>As from 7 December 2021</i> Aztlan Equity Management LLC 1751 Pinnacle Drive Suite 600 McLean VA 22102 United States of America	<i>Up to 17 November 2021</i> Interactive Brokers (UK) Limited Level 20 Heron Tower 110 Bishopsgate London EC2N 4AY United Kingdom
<b>CREST Settlement Agent and CREST Sponsor</b>	Link Market Services Trustees Limited The Registry, 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom		
<b>Custodian &amp; Margin Account Provider</b>	Interactive Brokers LLC One Pickwick Plaza Greenwich CT 0683082 United States of America		
<b>Authorised Participants</b>	BNP Paribas Arbitrage S.N.C. 160-162 Boulevard Macdonald 75019 Paris France	GWM Limited 41 Cedar Avenue 5th Floor, Hamilton HM12 Bermuda	
<b>Registrar</b>	Elavon Financial Services DAC 8, Cherrywood Business Park Loughlinstown Dublin Ireland		
<b>Independent Auditor</b>	BDO 2nd Floor, Beaux Lane House Mercer Street Lower Dublin 2 Ireland		
<b>Determination Agent</b>	Calculation Agent Services LLC 34E Putnam Avenue Greenwich CT 06830 United States of America		

## Directors and other information (continued)

<b>Solicitor</b>	Matheson 70 Sir John Rogerson's Quay Dublin 2 Ireland
<b>Issuing &amp; Paying Agent</b>	Elavon Financial Services DAC 8, Cherrywood Business Park Loughlinstown Dublin Ireland
<b>Trustee</b>	Apex Corporate Trustees (UK) Limited 6th Floor 125 Wood Street London UK

**Directors' report**

The directors ("the Directors") present their annual report and audited financial statements of Leverage Shares Plc (the "Company") for the financial year ended 30 June 2022.

**Principal activities and business review**

The Company is a limited liability company, incorporated in Ireland on 27 January 2017, under Irish Company law with registered number 597399. The Company is an orphan vehicle, with the shares held for the benefit of a charitable trust (see note 15). The Company is registered in Ireland as a Section 110 vehicle. The Company has been established as a special purpose vehicle (the "SPV") for the purpose of issuing exchange traded securities. The Company commenced trading on 8 December 2017.

The Company established a collateralised exchange traded product programme (the "Programme") under which the Company issues, on an ongoing basis, collateralised exchange traded products (the "ETPs") of different series (each a "Series") or tranches (each a "Tranche") linked to underlying equity securities each providing leveraged long or short exposure to specified equity securities or basket of securities tracking particular investment strategies or industry sectors (each individually a "Component Security", collectively the "Component Securities"). The aggregate number of ETPs issued under the Programme will not at any time exceed USD 1,000,000,000.

Each Series constitutes limited recourse obligations of the Company, secured on and payable solely from the Component Securities constituting the ETP in respect of such Series. Each Series of ETPs may comprise one or more Tranches. The ETPs have been listed for trading on the London Stock Exchange, Cboe Europe, Euronext Amsterdam, Euronext Paris, Borsa Italiana and Deutsche Boerse.

Each ETP provides leveraged or short exposure to a single Component Security. Each Series is assigned a leverage factor in the relevant final terms. The proceeds of the issuance of each Series or Tranche will be deposited with Interactive Brokers LLC (the "Custodian" and the "Margin Account Provider"). For leveraged Series the Margin Account Provider provides funding so as to enable an amount equal to the proceeds of the issuance of the relevant Series multiplied by the applicable leverage factor will be invested in the Component Security of the relevant Series. For each Series providing long exposure the Company has physical ownership of the Component Securities. For Series providing short exposure the Issuer will short sell the Component Securities which it will borrow from the Margin Account Provider with the proceeds from the issuance acting as collateral.

The ETPs do not bear interest at a prescribed rate. The return (if any) on the ETPs is calculated in accordance with the redemption provisions set out in the base prospectus of the Company.

During the financial year ended 30 June 2022, the Company redeemed in full 4 Series (2021: nil) and issued 84 Series of ETPs (2021: issued 63 Series). As at 30 June 2022, the Company had 183 Series in issue (2021: 103 Series). Refer to note 11 to the financial statements for further details.

General information regarding the Company is further described in note 1 to the financial statements.

**Key performance indicators**

During the financial year:

- the Company had USD Nil profit before tax (2021: USD Nil) and loss after tax of USD 11,299 (2021: USD 8,546);
- the Company's realised losses on financial assets at fair value through profit or loss amounted to USD 220,273,368 (2021: gains of USD 13,134,817);
- the Company's unrealised losses on financial assets at fair value through profit or loss amounted to USD 37,279,837 (2021: gains of USD 6,408,490);
- the Company's realised gains on financial liabilities at fair value through profit or loss amounted to USD 220,273,368 (2021: losses of USD 13,134,817);
- the Company's unrealised gains on financial liabilities at fair value through profit or loss amounted to USD 42,691,558 (2021: losses of USD 5,674,537);
- dividend income from Component Securities amounted to USD 495,974 (2021: USD 165,711);
- there were subscriptions in the existing Series of ETP Securities as disclosed in note 11 to the financial statements;
- there were partial redemptions of the existing Series of ETP Securities as disclosed in note 11 to the financial statements;
- 4 Series were fully redeemed (2021: Nil); and
- the Company issued 84 new Series of ETP Securities (2021: 63 Series).

As at 30 June 2022:

- the total fair value of the ETP Securities in issue was USD 168,651,340 (2021: USD 62,330,540) as disclosed in note 11 to the financial statements;
- the net assets of the Company were USD 7,520 (2021: USD 18,819); and
- The Series of ETPs in issue at 30 June 2022 and 30 June 2021 related to the following industries:

	<b>Financial year ended 30 June 2022</b>	<b>Financial year ended 30 June 2021</b>
	<b>Number of ETPs issued</b>	<b>Number of ETPs issued</b>
Financials	49	11
Information Technology	45	32
Consumer Discretionary	42	23
Communication Services	24	25
Industrials	12	8
Energy	4	4
Oil and gas	3	-
Materials	2	-
Health Care	2	-
	<u>183</u>	<u>103</u>

## Directors' report (continued)

### Future developments

The Company has plans to grow its range of ETPs over the course of 2022/ 2023 and is actively working on increasing its market penetration across its full range of products. The Company also continues to expand the exchanges that its products are listed on with the new LS KRONOSx ETP listed on Euronext Dublin.

### Going concern

The Directors believe the Company is a going concern. The nature of the Company's business dictates that the outstanding ETPs may be redeemed at any time by any authorised participant who has entered into an authorised participant agreement with the Company. As the redemption of ETPs will coincide with the sale of an equal amount of the Component Security, no liquidity risk is considered to arise. The Company has entered into its primary service contracts with service providers on a non-recourse and non-petition basis and these costs are being met by Leverage Shares Management Company Limited (as Arranger) and in return the Arranger receives the arrangement fees earned on the Series. Therefore, the Directors consider the Company to be a going concern and have prepared the financial statements on this basis.

### Principal risks and uncertainties

The Directors have noted that COVID-19 has not had a significant impact on the Company to date with assets under management growing. Arising from Brexit, the Company is now also required to submit certain documents to the United Kingdom's Financial Conduct Authority, including obtaining approval for amendments to its prospectus. The Company will continue to monitor these events to determine if any additional risks evolve.

On 24 February 2022, Russian Federation launched a full-scale invasion into Ukraine sovereign state. The invasion has had a significant impact on energy prices which has fed into global inflation and interest rate concerns. This has resulted in significant market volatility. The Company's principal range of ETPs offer both long and short exposure to the markets which means an equity market downturn does not directly correlate with assets under management though could impact investor appetite for ETPs.

The ETP's are exposed to investor sentiment as regards: the overall markets, specific sectors; individual equities; and, investment strategies. The ETPs can therefore be exposed to significant price adjustments which are magnified by the use of leverage in some of the products. The Directors continue to actively monitor the situation.

The key risks to the business relate to the use of financial instruments. A summary of these risks, including Operational Risk, is set out in note 17 to the financial statements.

### Market overview

The following aspects of the underlying market may affect the market price of the ETP Securities among other factors:

- the value and volatility of the Index referenced by such Series of ETP Securities and the Component Securities underlying that Index;
- the nature and value of any Component Securities relating to such Series of ETP Securities;
- market perception, interest rates, yields and foreign exchange rates; and
- whether or not any market disruption is subsisting.

The past year has been an exceptionally trying year for global markets. Three factors that have cascading effect on one another have been writ large, particularly since Q4 2021. First, record-breaking inflation rates have continually dimmed growth prospects needed to keep stock valuations afloat in the U.S. Secondly, the U.S. equity markets have been deemed by most fund managers to be the most overvalued in the world for years now. With growth prospects dimming, overvalued stocks (particularly tech) are trenchantly vulnerable. Thirdly, with U.S. wage stagnation/wage growth recorded at being well below the true cost of inflation comes the change of outlook towards concerns of a recession, thus leading more and more fund managers opting to hold cash over equities, which further deflates stock valuation. As a result, over the course of the year from July 1, 2021 till the end of June in 2022, the broad market S&P 500 fell 11.9% while the tech-heavy Nasdaq 100 tumbled by 24%.

### Results and dividends for the financial year

The results for the financial period are set out on page 13. The Directors do not recommend the payment of a dividend for the financial year (2021: USD Nil).

### Significant events

There were no significant events occurring during the financial year ended 30 June 2022.

### Directors, Secretary and their Interests

None of the Directors who held office from 1 July 2021 to 30 June 2022 held any shares or ETP Securities in the Company at that date, or during the financial year. There were no contracts of any significance in relation to the business of the Company in which the Directors had any interest, as defined in Section 309 of the Companies Act 2014, at any time during the financial year. Further information is set out in note 16 to the financial statements.

### Shares and shareholders

The authorised share capital of the Company is EUR 25,000 which has been fully issued and paid. All the issued shares are held by Monument Trustees Limited. All shares are held in trust for charity under the terms of declaration of trust. Further information is set out in note 14 and note 15 to the financial statements.

## Directors' report (continued)

### Corporate Governance Statement

#### *Introduction*

The Company is subject to and complies with the Irish statute comprising the Companies Act 2014 and the listing rules of various exchanges on which the Company has decided to list the ETPs.

No Director has a significant direct or indirect holding of securities in the Company. No Director has any special rights of control over the Company's share capital.

There are no restrictions on voting rights of shareholders.

#### *Appointment and replacement of Directors and Amendments in the Constitution*

Regarding the appointment and replacement of Directors, the Company is governed by its constitution and Irish Statute comprising the Companies Act 2014. The constitution may be amended by special resolution of the shareholders.

#### *Powers of Directors*

The Board of Directors (the "Board") is responsible for managing the business affairs of the Company in accordance with the constitution. The Directors may delegate certain functions to the issuing & paying agent (the "IPA") and other parties, subject to the supervision and direction of the Directors. The Directors have delegated the day to day administration of the Company to Apex IFS Limited (the "Administrator").

#### *Financial Reporting Process*

The Board is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing the Administrator to maintain the accounting records of the Company. The Administrator is contractually obliged to maintain proper books and records as required by the Corporate Services agreement. The Administrator is also contractually obliged to prepare, for review and approval by the Board, the annual report including financial statements intended to give a true and fair view.

The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Board may examine and evaluate the Administrator financial accounting and reporting routines and monitors and evaluates the external auditors' performance, qualifications and independence. The Administrator has operating responsibility for internal control in relation to the financial reporting process and reports to the Board.

#### *Risk Assessment*

The Board in appointing various service providers has given consideration to their experience and their processes to: assess the risk of irregularities, whether caused by fraud or error in financial reporting; ensure that processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting; identify changes in accounting rules and recommendations; and to ensure that these changes are accurately reflected in the Company's financial statements.

#### *Control Activities*

The Administrator is contractually obliged to design and maintain control structures to manage the risks which the Board judges to be significant for internal control over financial reporting. These control structures include appropriate division of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related ETPs in the Company's financial statements.

#### *Transfer of shares*

The Company has issued ordinary shares and any transfer of these must be in accordance with the trust deed and any trustee restrictions. The instrument of transfer of any share shall be executed by or on behalf of the transferor and, in cases where the share is not fully paid, by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered on the register in respect thereof. The Directors in their absolute discretion and without assigning any reason therefore may decline to register any transfer of a share. If the Directors refuse to register a transfer they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.

### Accounting records

The Directors believe that they have complied with requirements of Section 281 to 285 of the Companies Act 2014 with regards to keeping adequate accounting records by contracting with the Administrator who has appropriate experience and expertise. The accounting records of the Company are maintained at 2nd Floor, Block 5, Irish Life Centre, Lower Abbey Street, Dublin 1, Ireland.

### Risk management objectives and policies

The principal risks and uncertainties facing the Company relate to the financial instruments held by the Company. The main risks the Company has exposure to are credit risk, liquidity risk, market risk and operational risk. The risk profile of the Company is such that market, credit, liquidity and other risks of the Component Securities are borne fully by the holders of ETPs issued. Information on how the Company manages these risks are set out in note 17 to the financial statements.

## Directors' report (continued)

### Political donations

The Electoral Act, 1997 (as amended by the Electoral Amendment Political Funding Act, 2012) requires Companies to disclose all political donations over EUR 200 in aggregate made during a financial year. The Directors, on enquiry, have satisfied themselves that no such donations in excess of this amount have been made by the Company during the financial year ended 30 June 2022 (2021: EUR Nil).

### Subsequent events

Subsequent events are disclosed in note 18 of the financial statements.

### Research and development costs

The Company did not incur any research and development costs during the financial year (2021: USD Nil).

### Audit committee

The sole business of the Company relates to the issuance of ETPs. Given the functions performed by the various service providers, the predominantly regulated status of such providers and the limited recourse nature of the securities issued by the Company, the Directors has concluded that there is currently no need for the Company to have a separate audit committee in order for the Board to perform effective monitoring and oversight of the internal controls and risk management systems of the Company in relation to the financial reporting process. Accordingly the Company has availed itself of the exemption under Section 1551 of the Companies Act 2014.

### Independent Auditor

BDO, Registered Auditors, have expressed their willingness to continue in office in accordance with Section 383(2) of the Companies Act, 2014.

### Statement on relevant audit information

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

### Directors' compliance statement

The Directors confirm that:


- they acknowledge that they are responsible for securing the company's compliance with its relevant obligations and have, to the best of their knowledge, complied with its relevant obligations as defined in section 225 of the Companies Act 2014;
- they have drawn up a compliance policy statement setting out the Company's policies (that, in the Directors' opinion, are appropriate to the Company) respecting compliance by the Company with its relevant obligations;
- relevant arrangements and structures have been put in place that provide a reasonable assurance of compliance in all material respects by the Company with its relevant obligations, which arrangements and structures may, if the Directors so decide, include reliance on the advice of one or more than one person employed by the Company or retained by it under a contract for services, being a person who appears to the Directors to have the requisite knowledge and experience to advise the Company on compliance with its relevant obligations; and
- the arrangements and structures in place are reviewed on an annual basis.

### Responsibility statement in accordance with the transparency regulation

Each of the Directors confirm to the best of their knowledge:

- the financial statements, prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the management report, which is incorporated into the Directors' report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

### Approved and authorised for issue on behalf of the Board:

  
Neil Fleming  
Director

  
Lisa Hand  
Director

Date: 25 October 2022



## Directors' responsibilities statement

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

Irish Company law requires the Directors to prepare financial statements giving a true and fair view of the state of affairs of the Company and the profit or loss of the Company for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

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

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

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

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

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

### Approved and authorised for issue on behalf of the Board:

  
Neil Fleming  
Director

  
Lisa Hand  
Director

Date: 25 October 2022

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEVERAGE SHARES PLC

### Report on the audit of the financial statements

#### *Opinion*

We have audited the financial statements of Leverage Shares PLC (the "Company") for the financial year ended 30 June 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and notes to the financial statements, including the summary of significant accounting policies as set out in Note 3. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 30 June 2022 and of its result for the financial year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

#### *Basis for opinion*

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

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

#### *Key audit matters*

Key audit matters are those matters that, in our professional judgment, 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) we identified, including 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 forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Angela Fleming

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Derry Gray  
Sinéad Heaney  
Diarmuid Hendrick  
Derek Henry  
Denis Herlihy  
Liam Hession

Brian Hughes  
Ken Kilmartin  
Carol Lynch  
Stephen McCallion  
David McCormick  
Brian McEnery  
Aidan McHugh  
Ciarán Medlar

Teresa Morahan  
Ursula Moran  
Paul Nestor  
Phillip Nolan  
David O'Connor  
David N O'Connor  
Stephen O'Flaherty  
Rory O'Keeffe

Mark O'Sullivan  
Patrick Sheehan  
Gavin Smyth  
Shane Stafford  
Noel Taylor

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEVERAGE SHARES PLC (continued)

### Key Audit Matter - Existence and Valuation of Financial Assets and Financial Liabilities

The existence and valuation of financial assets and financial liabilities at fair value through profit or loss is considered to be a key audit matter due to the pervasive nature of these balances to the financial statements as a whole.

#### Related Disclosures

Refer to:

- Note 2(c) - Use of estimates and judgements
  - Note 3(i) - Financial instruments
  - Note 8 - Financial assets at fair value through profit or loss
  - Note 11 - Financial liabilities at fair value through profit or loss
  - Note 17 - Financial risk management
- of the accompanying financial statements.

#### Audit Response

We critically evaluated and challenged management's assessment as to the valuation of the financial assets and financial liabilities.

We tested the valuations of the financial assets and liabilities by comparing to publicly quoted prices and third-party market data, where applicable.

We obtained third party confirmation of the financial assets and financial liabilities held at the year end.

We reviewed the financial assets and financial liabilities at year-end for compliance with any investment restrictions stated in the prospectus.

We reviewed and tested the operational effectiveness of the internal controls relating to investment valuation.

#### *Our application of materiality*

We define materiality as the magnitude of misstatement, including omissions, in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of a reasonably knowledgeable person taken on the basis of the financial statements. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

- For the purpose of our audit we used materiality of \$3.4m, which represents approximately 2% of the Company's fair value of the ETP Securities issued.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the Financial Statements as a whole.
- We chose the fair value of the ETP Securities as the benchmark because of the Company's structure. We selected 2% based on our professional judgement, noting that it is also within the range of commonly accepted related benchmarks.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEVERAGE SHARES PLC (continued)**

We agreed that we would report to the board any audit differences in excess of 5% of the materiality, as well as differences below that threshold that, in our review, warranted reporting on qualitative grounds. We also report to the board on disclosure matters that we identified in assessing the overall presentation of the financial statements.

### ***An overview of the scope of our audit***

A description of the scope of an audit of financial statements is provided on the IAASA website at [http://www.iaasa.ie/getmedia/b23890131cf6458b9b8fa98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b23890131cf6458b9b8fa98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf).

Our audit approach was developed by obtaining an understanding of the Company's activities, the key functions undertaken on behalf of the Board and Administrator and the overall control environment. Based on this understanding we assessed those aspects of the Company's financial statements which were most likely to give rise to a material misstatement. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

### ***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 in the preparation of the financial statements included:

- We considered as part of our risk assessment the nature of the company, its business model and related risks; and
- We have reviewed the directors' assessment of the Company's ability to continue as a going concern, challenging the underlying assumptions therein where appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### ***Other information***

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

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEVERAGE SHARES PLC (continued)

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

We have nothing to report in this regard.

### ***Opinions on other matters prescribed by the Companies Act 2014***

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

- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

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

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

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

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

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

We have nothing to report in this regard.

### ***Corporate governance statement***

In our opinion, based on the work undertaken in the course of our audit of the financial statements, the description of the internal control and risk management systems in relation to the financial reporting process included in the Corporate Governance Statement, is consistent with the financial statements and has been prepared in accordance with 1373(2)(c) of the Companies Act 2014.

Based on our knowledge and understanding of the Company and its environment obtained during the course of our audit of the financial statements, we have not identified material misstatements in the description of the main features of the internal control and risk management systems in relation to the financial reporting process included in the Corporate Governance Statement.

### **Respective responsibilities**

#### ***Responsibilities of directors for the financial statements***

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

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEVERAGE SHARES PLC (continued)

### *Responsibilities of directors for the financial statements (continued)*

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf).

This description forms part of our auditor's report.

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

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

### *Other matters which we are required to address*

We were appointed by the Board of Directors on 30 June 2021 to audit the financial statements for the year ending 30 June 2021 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is two years.

The non-audit services prohibited by IAASA's Ethical Standard were not provided to the Company. We did provide corporation tax compliance services to the Company which, by derogation, are permitted by IAASA's Ethical Standard. We remained independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the Board of Directors we are required to provide in accordance with ISA (Ireland) 260.

  
Brian Hughes  
For and on behalf of BDO  
Dublin  
Statutory Audit Firm  
AI223876

25 October 2022

\_\_\_\_\_  
Date

**Statement of comprehensive income**

For the financial year ended 30 June 2022

	Note	Financial year ended 30-Jun-22 USD	Financial year ended 30-Jun-21 USD
Revenue	4	495,974	165,711
Realised (losses)/gains on financial assets at fair value through profit or loss		(220,273,368)	13,134,817
Unrealised (losses)/gains on financial assets at fair value through profit loss		(37,279,837)	6,408,490
Realised gains/(losses) on financial liabilities at fair value through profit or loss		220,273,368	(13,134,817)
Unrealised gains/(losses) on financial liabilities at fair value through profit or loss		42,691,558	(5,674,537)
Operating expenses	6	(1,148,813)	(289,964)
Finance expense	5	(4,758,882)	(609,700)
<b>Operating profit before tax</b>		<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	7	(11,299)	(8,546)
<b>Total comprehensive loss</b>		<u><u>(11,299)</u></u>	<u><u>(8,546)</u></u>


All of the items dealt with in arriving at the profit for the financial year are from continuing operations, no income is recognised in other comprehensive income.

## Statement of financial position

As at 30 June 2022

	Note	30-Jun-22 USD	30-Jun-21 USD
<b>Assets</b>			
Financial assets at fair value through profit or loss	8	376,888,565	123,270,695
Amounts due from broker	10	95,012,660	15,974,407
Other receivables	9	914,255	297,929
<b>Total assets</b>		<u>472,815,480</u>	<u>139,543,031</u>
<b>Liabilities</b>			
Financial liabilities at fair value through profit or loss	11	232,748,740	70,468,597
Amounts due to broker	10	238,850,089	67,884,952
Other payables	12	1,143,927	944,955
Payable to GWM Limited	13	65,204	225,708
<b>Total liabilities</b>		<u>472,807,960</u>	<u>139,524,212</u>
<b>Total assets less total liabilities</b>		<u><b>7,520</b></u>	<u><b>18,819</b></u>
<b>Share capital and deficit</b>			
Called up share capital presented as equity	14	26,703	26,703
Deficit		(19,183)	(7,884)
<b>Total shareholders' funds</b>		<u><b>7,520</b></u>	<u><b>18,819</b></u>

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



**Neil Fleming**  
Director



**Lisa Hand**  
Director

Date: 25 October 2022



**Statement of changes in equity**

For the financial year ended 30 June 2022

	Share capital	(Deficit)/ Retained earnings	Total equity
	USD	USD	USD
Balance as at 1 July 2020	26,703	662	27,365
Total comprehensive loss for the financial year	-	(8,546)	(8,546)
<b>Balance as at 30 June 2021</b>	<b>26,703</b>	<b>(7,884)</b>	<b>18,819</b>
Balance as at 1 July 2021	26,703	(7,884)	18,819
Total comprehensive loss for the financial year	-	(11,299)	(11,299)
<b>Balance as at 30 June 2022</b>	<b>26,703</b>	<b>(19,183)</b>	<b>7,520</b>

**Statement of cash flows**

For the financial year ended 30 June 2022

	Financial year ended 30-Jun-22 USD	Financial year ended 30-Jun-21 USD
<b>Cash flows from operating activities</b>		
Loss on ordinary activities before taxation	(11,299)	(8,546)
<i>Adjustments for:</i>		
Movement in unrealised fair value movement - Financial Assets	37,279,837	(6,408,490)
Movement in unrealised fair value movement - Financial Liabilities	(42,691,558)	5,674,537
<i>Movements in working capital</i>		
Net cash outflow on component securities	(449,425,019)	(71,274,906)
Increase in other receivables	(616,326)	(143,921)
Increase in other payables	38,468	134,179
Change in amounts due from broker	91,926,884	43,202,044
<b>Net cash used in operating activities</b>	<u>(363,499,013)</u>	<u>(28,825,103)</u>
<b>Cash flows from financing activities</b>		
ETP Securities issuances during the financial year	524,311,174	72,146,832
ETP Securities redemptions during the financial year	(160,812,161)	(43,321,729)
<b>Net cash generated from financing activities</b>	<u>363,499,013</u>	<u>28,825,103</u>
<b>Movement in cash and cash equivalents</b>	-	-
Cash and cash equivalents at start of the financial year	-	-
<b>Cash and cash equivalents at end of the financial year</b>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Supplementary information</b>		
Dividends received	419,638	150,854
Interest paid	3,932,918	521,207
Tax paid	10,816	4,406
Interest received	-	7,815

## Notes to the financial statements

For the financial year ended 30 June 2022

### 1 General information

The Company is a limited liability company, incorporated in Ireland on 27 January 2017, under Irish Company law with registered number 597399. The Company is an orphan vehicle, with the shares held for the benefit of a charitable trust (see note 15). The Company is registered in Ireland as a Section 110 vehicle. The Company has been established as an SPV for the purpose of issuing exchange traded securities. The Company commenced trading on 8 December 2017.

The Company established a collateralised Programme under which the Company issues, on an ongoing basis, collateralised ETPs of different Series or Tranche linked to underlying equity securities each providing leveraged long or short exposure to specified Component Securities. The aggregate number of ETPs issued under the Programme will not at any time exceed USD 1,000,000,000.

Each Series constitutes limited recourse obligations of the Company, secured on and payable solely from the Component Securities (including cash held as collateral) constituting the ETP in respect of such Series. Each Series of ETPs may comprise one or more Tranches. The ETPs have been listed for trading on the London Stock Exchange, Cboe Europe, Euronext Amsterdam and Euronext Paris.

Each ETP provides leveraged or short exposure to a single Component Security. Each Series is assigned a leverage factor in the relevant final terms. The proceeds of the issuance of each Series or Tranche will be deposited with the Custodian and the Margin Account Provider. For leveraged Series the Margin Account Provider will procure that an amount equal to the proceeds of the issuance of the relevant Series multiplied by the applicable leverage factor will be invested in the Component Security of the relevant Series. For each Series providing long exposure the Company has physical ownership of the Component Securities. For Series providing short exposure the Issuer will short sell the Component Securities which it will borrow from the Margin Account Provider with the proceeds from the issuance acting as collateral.

The ETPs do not bear interest at a prescribed rate. The return (if any) on the ETPs is calculated in accordance with the redemption provisions set out in the base prospectus of the Company.

Three ETP Securities are listed on Euronext Amsterdam while two ETP Securities are listed on Euronext Paris. The remaining ETP Securities are listed on London Stock Exchange, out of which two of the ETP Securities are also listed in Cboe Europe.

### 2 Basis of preparation

#### (a) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations as adopted by the EU and in accordance with the Companies Act, 2014.

The financial statements have been prepared on the historical cost basis except financial assets and liabilities held for trading at fair value through profit or loss which are measured at fair value.

The accounting policies set out below have been applied in preparing the financial statements for the financial year ended 30 June 2022 and in the comparative information presented in these financial statements which is for the financial year ended 30 June 2021.

#### *Going Concern*

The Directors believe the Company is a going concern. The nature of the Company's business dictates that the outstanding ETPs may be redeemed at any time by any authorised participant who has entered into an authorised participant agreement with the Company. As the redemption of ETPs will coincide with the sale of an equal amount of the Component Security, no liquidity risk is considered to arise. The Company has entered into its primary service contracts with service providers on a non-recourse and non-petition basis and these costs are being met by Leverage Shares Management Company Limited (as Arranger) and in return the Arranger receives the arrangement fees earned on the Series. Therefore, the Directors consider the Company to be a going concern and have prepared the financial statements on this basis.

#### (b) Functional and presentation currency

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

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

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

#### (c) Use of estimates and judgements

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

**Notes to the financial statements (continued)**

For the financial year ended 30 June 2022

**2 Basis of preparation (continued)****(c) Use of estimates and judgements (continued)**

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

***Critical judgements in applying accounting policies on the valuation of financial instruments***

The following are the critical judgements on the valuation of the financial instruments, apart from those involving estimations, that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements. Refer to note 3(i) to the financial statements.

***Key sources of estimation uncertainty***

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

***Determining the fair value of financial instruments***

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in note 3(i) to the financial statements. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Fair values of ETPs are calculated using predetermined formula, where prices of underlying equity securities, which track quoted market prices, are used as inputs to the formula alongside the leverage factor, margin account interest expense and arrangement fees (which are all observable and set out in the agreement for each ETP). These prices are compared to prior day prices and any variation results in either an unrealised gain or loss. The use of defined underlying equity securities and formulae reduces estimation uncertainty.

**(d) New standards, amendments or interpretations****(i) New standards and interpretations adopted during the financial year*****Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform - Phase 2***

The Company has adopted the interest rate benchmark reform amendments for the financial year 2021. The amendments in Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.

The adoption of the above standard has not had any material impact on the disclosures or on the amounts reported in these financial statements.

**(ii) Standards not yet effective, but available for early adoption**

<i>Standards not yet effective</i>	<i>Effective date</i>
Amendments to IFRS 3: Reference to Conceptual Framework	1 January 2022
Amendments to IAS 16: Property, Plant and Equipment- Proceeds before intended use	1 January 2022
Amendments to IAS 37: Onerous Contracts- Cost of Fulfilling a contract	1 January 2022
IFRS 1: First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter	1 January 2022
IFRS 9 Financial Instruments: Fees in the '10 per cent' test for derecognition of financial liabilities	1 January 2022
IAS 41 Agriculture: Taxation in fair value measurement	1 January 2022
IFRS 17-Insurance contracts	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023

The Directors have considered the new standards as detailed in the above table and does not plan to adopt these standards early. The application of the above standards will be considered in detail in advance of a confirmed effective date by the Company. The Directors do not expect these standards to have a material impact on the disclosures in the financial statements.

**3 Significant accounting policies****(a) Realised (losses)/gains on financial assets at fair value through profit or loss**

Realised (losses)/gains are recognised on disposal of financial assets, when the disposal price is not equal to the initial carrying value of the component securities. Any gains and losses arising from changes in fair value of the financial assets at fair value through profit or loss are recorded in the Statement of comprehensive income. Details of recognition and measurement of financial assets are disclosed in the accounting policy of financial instruments (note 3(i) to the financial statements).

**Notes to the financial statements (continued)**

For the financial year ended 30 June 2022

**3 Significant accounting policies (continued)****(b) Realised gains/(losses) on financial liabilities at fair value through profit or loss**

Realised gains/(losses) are recognised on redemption of the financial liabilities when the redemption price is not equal to the initial carrying value of the ETP securities and Component securities in short exposure. Any gains and losses arising from changes in fair value of the financial liabilities at fair value through profit or loss are recorded in the Statement of comprehensive income. Details of recognition and measurement of financial liabilities are disclosed in the accounting policy of financial instruments (note 3(i) to the financial statements).

**(c) Unrealised (losses)/gains on financial assets at fair value through profit loss**

Unrealised (losses)/gains on financial assets at fair value through profit or loss relates to investments in Component Securities and includes unrealised fair value changes. All unrealised gains/(losses) on financial assets are attributable to market risk arising from price movements on the Component Securities. Any gains and losses arising from changes in fair value of the financial assets at fair value through profit or loss are recorded in the Statement of comprehensive income. Details of recognition and measurement of financial assets are disclosed in the accounting policy of financial instruments (note 3(i) to the financial statements).

**(d) Unrealised gains/(losses) on financial liabilities at fair value through profit or loss**

Unrealised gains/(losses) on financial liabilities at fair value through profit or loss relates to issuances of ETP Securities and fair value on short exposure to Component Securities and includes unrealised fair value changes. All unrealised gains and losses on financial liabilities are primarily attributable to market risk arising from price movements on the ETP Securities. Any gains and losses arising from changes in fair value of the financial liabilities at fair value through profit or loss are recorded in the Statement of comprehensive income. Details of recognition and measurement of financial liabilities are disclosed in the accounting policy of financial instruments (note 3(i) to the financial statements).

**(e) Dividend income**

Dividend income is shown gross of any non-reclaimable withholding tax and is recognised on the ex-dividend date of the dividends. The Company receives dividend income on its Component Securities.

**(f) Interest expense**

Interest expense is recognised using the effective interest rate method.

**(g) Taxation**

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

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

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

Withholding tax is a generic term used for withholding tax deducted at source from the income. The Company records the withholding tax separately from the gross investment income in the Statement of comprehensive income.

**(h) Operating expenses**

The Company pays an arrangement fee to Leverage Shares Management Company Limited calculated based on a percentage per annum of the ETP Security value (as defined in the base prospectus of the Company) of the ETP Securities. The arrangement fees are accrued daily and are recorded in the Statement of comprehensive income.

In return for the arrangement fee, various operational expenses such as initial portfolio administrator fees, determination agent fees, registrar fees, trustee fees, and listing fees, audit fees, tax fees and legal fees are borne by Leverage Shares Management Company Limited.

**(i) Financial instruments***Classification*

The Company classifies its financial assets and financial liabilities as financial assets and financial liabilities at fair value through profit or loss at initial recognition in accordance with IFRS 9: Financial Instruments.

Financial assets and financial liabilities are measured at fair value through profit or loss if:

- its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding;

**Notes to the financial statements (continued)**

For the financial year ended 30 June 2022

**3 Significant accounting policies (continued)****(i) Financial instruments (continued)***Classification (continued)*

- it is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- at initial recognition, it is irrevocably designated as measured at fair value through profit or loss when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Company's Component Securities, as well as the ETPs, are by nature financial assets and financial liabilities at fair value through profit or loss respectively as they are held for trading. All other financial assets and liabilities are classified under amortised cost.

*Recognition*

The Company initially recognises all financial assets and liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instruments.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

*Initial measurement*

Financial assets and financial liabilities at fair value through profit or loss are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and liabilities (other than those classified as held for trading or designated at fair value) are measured initially at their fair value plus or minus any directly attributable incremental costs of acquisition or issue. For financial assets and liabilities where the fair value at initial recognition does not equal the transaction price, the Company recognises the difference in the Statement of comprehensive income, unless specified otherwise.

*Subsequent measurement*

After initial measurement, the Company measures financial instruments at fair value through profit or loss. Subsequent changes in the fair value of those financial instruments are recorded in unrealised gains or losses on financial assets and financial liabilities at fair value through profit or loss. Interest paid and dividend earned on these instruments are recorded separately in interest expense and dividend income. Other receivables, cash and cash equivalents and other payables are measured at amortised cost.

*Derecognition*

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

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

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

*Offsetting*

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

*Expected credit losses*

Receivables that are stated at amortised cost are reviewed at each reporting date to determine whether there is objective evidence of impairment. If any such indications exist, an expected credit loss is recognised in the Statement of comprehensive income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective rate.

If in a subsequent period the amount of the expected credit loss recognised on receivables carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write down is reversed through the Statement of comprehensive income.

Expected credit loss provisions are calculated using a forward-looking expectation of deterioration of credit risk. In line with IFRS 9, the Company's approach to new ECLs reflected a probability-weighted outcome, the time value of money and reasonable and supportable information that was available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

**Notes to the financial statements (continued)**

For the financial year ended 30 June 2022

**3 Significant accounting policies (continued)****(j) Amounts due to/from Broker**

Amounts due to/from broker include margin accounts and payables from Component Securities purchased (in a regular way transaction) that have been contracted for, but not yet delivered, on the reporting date. Margin accounts represent cash borrowings or, in respect of positive balances, cash held in the margin account as collateral for short positions or awaiting investment/redemption. Amounts due to/from Broker are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue. These are carried at amortised cost using the effective interest method less any allowance for impairment.

**(k) Segmental reporting**

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

The Company is engaged in one segment, being a collateralised ETP Securities Programme under which the Company issues on an ongoing basis ETP Securities of different Series linked to a range of equity securities. All the Company’s ETPs track equities of US, UK and Chinese companies.

The financial results from this segment are equivalent to the financial statements of the Company as a whole.

The following is a geographical analysis of the revenue by the country of the counterparty:

	<b>Financial year ended 30-Jun-22</b>	<b>Financial year ended 30-Jun-21</b>
	<b>USD</b>	<b>USD</b>
United States	473,221	162,161
China	15,265	3,550
United Kingdom	7,488	-
	<u>495,974</u>	<u>165,711</u>

**(l) Other receivables**

Other receivables do not carry any interest and are short-term in nature and have been reviewed for any evidence of expected credit losses. Other receivables are accounted at amortised cost.

**(m) Other payables and payable to GWM Limited**

Other payables are accounted at amortised cost.

**(n) Share capital**

The authorised share capital of the Company is EUR 25,000 divided into 25,000 ordinary shares of EUR 1 each. All of this has been issued and called up. The issued and called-up share capital is presented under equity in the Statement of financial position. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

**4 Revenue**

	<b>Financial year ended 30-Jun-22</b>	<b>Financial year ended 30-Jun-21</b>
	<b>USD</b>	<b>USD</b>
Dividend income*	495,974	165,711
	<u>495,974</u>	<u>165,711</u>

\*The Company receives dividend income on its Component Securities.

**5 Finance expense**

	<b>Financial year ended 30-Jun-22</b>	<b>Financial year ended 30-Jun-21</b>
	<b>USD</b>	<b>USD</b>
Interest expense	4,758,882	609,700
	<u>4,758,882</u>	<u>609,700</u>

A daily margin interest rate corresponding to the relevant benchmark rate plus a margin is charged by the Margin Account Provider to the Company, as it relates to cash borrowing costs resulting from obtaining exposure to the Component Security of such Series.

## Notes to the financial statements (continued)

For the financial year ended 30 June 2022

## 6 Operating expenses

	30-Jun-22	30-Jun-21
	USD	USD
Arrangement fee expense	1,123,697	270,875
Other expenses	25,116	19,089
	<u>1,148,813</u>	<u>289,964</u>

The Company pays arrangement fees that are dependent on the terms of each Series of up to 1.25% per annum of the value of the ETP Securities, calculated on a daily basis.

General operational expenses such as issuer & paying agent fees, determination agent fees, registrar fees, trustee fees, listing fees, audit fees, tax fees and legal fees are borne by Leverage Shares Management Company Limited. The following expenses that arose in respect of the Company were included in the costs borne by Leverage Shares Management Company Limited:

	30-Jun-22	30-Jun-21
Auditors' remuneration – Statutory Assurance services	51,831	23,426
Auditors' remuneration – Tax compliance services	2,917	2,917
Directors' remuneration	8,455	8,455

The auditor of the Company earned no other fees from the Company (2021: USD Nil).

All the above are only for qualifying services during the financial year and there was no other remuneration earned by the Directors of the Company in respect of services provided to the Company (2021: USD Nil). Leverage Share Management Company Limited covers all director fees in respect of the Company. The Company had no employees during the financial year (2021: none).

## 7 Tax on profit on ordinary activities

	30-Jun-22	30-Jun-21
	USD	USD
Operating profit before tax	-	-
Withholding tax suffered on income	45,196	25,800
Adjusted taxable profit	<u>45,196</u>	<u>25,800</u>
Corporation tax for year ended 30 June 2022	(11,299)	(6,450)
Under accrual of corporation tax for prior year	-	(2,096)
	<u>(11,299)</u>	<u>(8,546)</u>

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

## 8 Financial assets at fair value through profit or loss

	30-Jun-22	30-Jun-21
	USD	USD
Investment in Component Securities	<u>376,888,565</u>	<u>123,270,695</u>

All unrealised (losses)/gains on assets are attributable to market risk arising from price movements on the Component Securities.

The Company purchases Component Securities in underlying traded companies, exchange traded funds and investment structures as set out in the relevant Series documentation. The Company has physical ownership of the Component Securities. The Component Securities are traded regularly on US stock exchanges and the prices listed on the exchange of these securities as at 30 June 2022 represent their fair value.

The Component Securities held by the Company as at 30 June 2022 and 30 June 2021 are as follows:

Component Securities	Code	Fair value		Cost	
		30-Jun-22	30-Jun-22	30-Jun-21	30-Jun-21
		USD	USD	USD	USD
Alphabet Inc	LS GOOG	5,667,683	6,373,819	5,538,967	4,611,625
Amazon.com Inc	LS AMZN	5,539,807	6,660,050	14,297,305	13,587,335
Apple Inc	LS AAPL	8,433,847	9,718,763	7,990,657	7,600,737
Citigroup Inc	LS C	265,270	301,069	254,912	261,630
Facebook Inc	LS FB	1,029,581	1,237,594	2,281,325	1,968,994
Goldman Sachs Group Inc	LS GS	1,060,064	1,085,082	1,073,311	955,958
JPMorgan Chase & Co	LS JPM	714,398	800,977	387,139	357,685
Microsoft Corporation	LS MSFT	5,504,637	6,060,959	5,844,397	5,189,595
Visa Inc	LS V	1,800,559	1,939,037	1,711,796	1,609,487
Netflix Inc	LS NFLX	1,265,359	1,377,711	1,038,989	1,053,414
Nvidia Corporation	LS NVDA	2,508,208	2,956,642	4,673,384	3,566,841
Salesforce.com Inc	LS CRM	388,834	434,661	688,841	643,276
Tesla Inc	LS TSLA2x	12,936,399	14,438,902	16,416,114	15,740,068
Balance carried forward		<u>47,114,646</u>	<u>53,385,266</u>	<u>62,197,137</u>	<u>57,146,645</u>



## Notes to the financial statements (continued)

For the financial year ended 30 June 2022

## 8 Financial assets at fair value through profit or loss (continued)

The Component Securities held by the Company as at 30 June 2022 and 30 June 2021 are as follows (continued):

Component Securities	Code	Fair value	Cost	Fair value	Cost
		30-Jun-22 USD	30-Jun-22 USD	30-Jun-21 USD	30-Jun-21 USD
Balance brought forward (from previous page)		47,114,646	53,385,266	62,197,137	57,146,645
Apple Inc	LS AAP3x	3,552,396	3,735,793	7,750,292	7,279,420
Advanced Micro Devices	LS AMD2x	432,361	547,753	1,443,047	1,261,690
Amazon.com Inc	LS AMZ3x	3,632,594	3,865,988	3,701,612	3,614,110
Alibaba group holding	LS BABA2x	4,017,679	3,698,303	3,288,083	3,201,148
Salesforce.com Inc	LS CRM3x	822,559	884,659	1,201,808	1,136,858
Facebook Inc	LS FB3x	6,668,494	7,379,067	2,505,251	2,347,123
Alphabet Inc	LS GOO3x	4,237,091	4,451,361	1,761,943	1,638,555
Microsoft Corporation	LS MSF3x	8,552,439	8,858,851	4,254,214	3,967,180
Micron Technology Inc	LS MU2x	486,796	609,785	313,406	322,269
Netflix Inc	LS NFLX3x	2,008,032	2,139,936	1,457,331	1,392,516
Nvidia Corporation	LS NVD3x	5,321,567	6,263,922	5,154,244	4,406,984
Uber Technologies Inc	LS UBER2x	360,526	396,541	142,140	154,519
Tesla Inc	LS TSL3x	186,381,107	198,218,379	8,701,519	7,781,105
Paypal	LS PYP3x	2,009,017	2,372,215	866,279	786,599
Shopify	LS SHO3x	446,888	510,269	490,889	457,317
Boeing	LS BA3x	777,663	755,886	627,168	630,394
Zoom	LS ZM3x	1,074,841	1,123,502	371,549	338,063
Square	LS SQ3x	656,946	677,240	1,566,903	1,450,726
HSBC	LS HSC3x	606,649	602,512	230,771	250,217
Barclays	LS BCS3x	1,027,284	1,090,958	252,434	269,737
Royal dutch sell	LS RSH3x	341,035	367,516	419,433	418,191
BP	LS BP3Lx	844,121	860,752	511,438	512,366
Vodafone	LS VDF3x	2,056,295	2,128,503	452,643	500,675
Tesla Inc	LS 1TSLx	994,641	1,326,122	224,301	200,130
Amazon.com Inc	LS 1AMZx	135,949	213,421	213,290	201,190
Microsoft Corporation	LS 1MSFx	166,940	180,913	215,907	199,886
Alphabet Inc	LS 1GOOx	229,682	280,225	208,025	199,755
Facebook Inc	LS 1FBx	177,859	282,721	214,189	199,981
Apple Inc	LS 1AAPx	192,365	193,796	215,438	199,952
Netflix Inc	LS 1NFLx	188,335	420,591	210,228	200,160
Shopify	LS 1SHOx	175,944	520,375	232,296	200,569
Coinbase	LS 1COIx	86,000	94,308	112,465	100,040
AMD	LS AMD3x	7,415,525	9,452,492	1,035,296	896,756
Alibaba group holding	LS BAB3x	27,266,603	26,393,193	737,035	693,627
Uber	LS UBR3x	904,148	1,007,132	584,098	586,342
Airbnb	LS ABN3x	687,163	806,511	639,360	625,487
Plug power	LS PLU3x	1,483,661	1,515,988	779,600	715,542
Disney	LS DIS3x	698,088	788,969	573,010	580,615
Palantir	LS PLT3x	1,680,354	1,681,024	693,294	665,467
Roku	LS ROK3x	773,266	855,954	1,132,970	953,202
JD	LS JD3x	1,448,097	1,393,530	821,644	749,036
Baidu	LS BID3x	1,826,404	1,748,429	734,652	690,446
Plug power	LS 1PLUx	258,558	401,386	223,705	199,252
JD	LS 1JDx	293,678	295,103	223,468	200,006
Airbnb	LS 1ABNx	113,755	203,679	205,208	199,829
Baidu	LS 1BIDx	396,663	385,637	214,707	199,907
Sea	LS 1SEx	390,529	522,956	198,261	200,055
Pinduoduo	LS 1PDDx	406,706	295,242	208,821	200,030
Nio	LS 1NIOx	832,528	954,344	228,604	200,086
Palantir	LS 1PLTx	118,672	303,449	210,695	199,943
Berkshire Hathaway	LS BRK2x	405,708	473,699	-	-
Long Airbus	LS AIR3x	299,511	342,473	-	-
Long Airlines	LS JET3x	317,774	368,021	-	-
Long ARKG Genomic	LS ARG3x	338,045	346,009	-	-
Long ARKK Innovation	LS ARK3x	3,297,278	3,431,306	-	-
ARKW NextGen Internet	LS ARW3x	255,875	285,876	-	-
Biotechnology	LS IBB3x	438,172	435,026	-	-
China Tech	LS KWE3x	2,311,415	2,199,571	-	-
Balance carried forward		340,434,917	365,324,428	120,952,101	111,721,698

## Notes to the financial statements (continued)

For the financial year ended 30 June 2022

## 8 Financial assets at fair value through profit or loss (continued)

The Component Securities held by the Company as at 30 June 2022 and 30 June 2021 are as follows (continued):

Component Securities	Code	Fair value	Cost	Fair value	Cost
		30-Jun-22	30-Jun-22	30-Jun-21	30-Jun-21
		USD	USD	USD	USD
Balance brought forward (from previous page)		340,434,917	365,324,428	120,952,101	111,721,698
Clean Energy	LS ICL3x	464,744	470,239	-	-
Coinbase	LS CON3x	765,862	952,866	-	-
Long Financials	LS XLF3x	282,956	315,863	-	-
Gold Miners	LS GD3x	862,990	974,396	-	-
Moderna	LS MRN3x	577,828	561,823	-	-
NIO	LS NIO3x	4,942,473	4,718,809	-	-
Long Oil & Gas	LS XLE3x	540,973	639,578	-	-
Semiconductors	LS SMH3x	341,655	388,271	-	-
Taiwan Semiconductor	LS TSM3x	282,119	316,335	-	-
Total World	LS VT3x	407,669	451,448	-	-
US 500	LS SP5Yx	2,511,353	2,631,669	-	-
US Tech 100	LS QQQ5x	13,457,924	14,101,882	-	-
ARKG Genomic Tracker	LS 1ARGx	327,779	441,490	-	-
ARKK Innovation Tracker	LS 1ARKx	2,106,661	3,106,214	-	-
ARKW NextGen Internet Tracker	LS 1ARWx	256,659	390,016	-	-
Berkshire Hathaway (BRK-B) Tracker	LS WRRNx	189,203	199,754	-	-
Gold ETP	LS GLD3x	560,466	571,915	-	-
WTI Oil ETP	LS WTI2x	326,542	358,247	-	-
Silver ETP	LS SLV3x	451,032	492,045	-	-
South Korea ETP	LS KOR3x	384,578	436,256	-	-
China ETP	LS CHI3x	680,212	653,771	-	-
Taiwan ETP	LS TAI3x	421,864	468,121	-	-
Japan ETP	LS JPN3x	474,308	510,747	-	-
US Tech 100 ETP	LS QQL3x	441,721	475,607	-	-
US 500 ETP	LS SPY3x	454,964	489,753	-	-
Germany 40 ETP	LS DAX3x	407,322	460,139	-	-
Coupang ETP	LS CPN3x	532,376	522,973	-	-
Xpeng ETP	LS XPE3x	1,028,281	947,321	-	-
Linde (LIN) ETP	LS LIN3x	406,625	457,156	-	-
Siemens (SIE) ETP	LS SIE3x	272,086	330,451	-	-
Mercedes Benz (MBG) ETP	LS MBG3x	316,324	383,267	-	-
Infineon (IFX) ETP	LS IFX3x	286,364	343,553	-	-
Volkswagen (VW) ETP	LS VW3x	332,722	391,700	-	-
ASML ETP	LS ASM3x	357,013	408,348	-	-
Twitter Inc	LS TWTR2x	-	-	512,635	458,001
Twitter	LS TWT3x	-	-	1,026,989	889,612
Peloton	LS PTO3x	-	-	778,970	719,433
		<u>376,888,565</u>	<u>404,686,451</u>	<u>123,270,695</u>	<u>113,788,744</u>

## 9 Other receivables

	30-Jun-22	30-Jun-21
	USD	USD
ETP subscription receivable	808,634	242,971
Dividend receivable	76,336	14,857
Receivable from arranger	29,285	40,101
	<u>914,255</u>	<u>297,929</u>

## 10 Amounts due to/from broker

	30-Jun-22	30-Jun-21
	USD	USD
<i>Due from broker</i>		
Margin accounts - cash collateral for short positions.	94,581,585	15,733,718
Cash at broker	431,075	240,689
	<u>95,012,660</u>	<u>15,974,407</u>
<i>Due to broker</i>		
Margin accounts - Leveraged ETPs	238,850,089	67,884,952
	<u>238,850,089</u>	<u>67,884,952</u>

## Notes to the financial statements (continued)

For the financial year ended 30 June 2022

## 10 Amounts due to/from broker (continued)

The Component Securities are held by the Custodian in margin accounts. Margin accounts include (i) cash borrowings or, (ii) in respect of positive balances, cash held in the margin account as collateral for short positions. A daily margin interest rate corresponding to the relevant benchmark rate plus a margin is charged by the Margin Account Provider to the Company due to cash borrowing costs resulting from obtaining exposure to the Component Security of the relevant index of such Series.

The following table shows the breakdown of amounts due to Custodian/Broker on margin accounts as at 30 June 2022:

Component Securities	Leverage	Cash borrowings for long positions USD	Cash collateral for short positions USD
Alphabet	2	2,825,360	-
Amazon	2	2,761,475	-
Apple	2	4,309,574	-
Citigroup	2	132,245	-
Facebook	2	513,145	-
Goldman Sachs	2	528,437	-
JPMorgan	2	356,096	-
Microsoft	2	2,744,789	-
Visa	2	897,696	-
Netflix	2	630,811	-
NVIDIA	2	1,250,899	-
Salesforce.com	2	193,839	-
Tesla	2	6,449,621	-
Apple	3	2,362,373	-
Advanced Micro Devices	2	215,328	-
Amazon	3	2,416,089	-
Alibaba	2	2,004,477	-
Salesforce.com	3	546,748	-
Facebook	3	4,434,515	-
Alphabet	3	2,816,990	-
Microsoft	3	5,687,949	-
Micron Technology	2	242,568	-
Netflix	3	1,335,312	-
NVIDIA	3	3,537,159	-
UBER	2	179,668	-
Tesla	3	123,929,852	-
Paypal	3	1,334,662	-
Shopify	3	296,853	-
Boeing	3	517,189	-
Zoom	3	714,472	-
Square	3	436,683	-
HSBC	3	403,514	-
Barclays	3	683,002	-
Royal Dutch Shell	3	226,694	-
BP	3	561,919	-
Vodafone	3	1,429,352	-
Tesla	1	(66)	-
Amazon	1	14	-
Microsoft	1	(14)	-
Alphabet	1	(274)	-
Facebook	1	(12)	-
Apple	1	(58)	-
Netflix	1	23	-
Shopify	1	(29)	-
Coinbase	1	(25)	-
AMD	3	4,923,686	-
Alibaba	3	18,143,244	-
UBER	3	601,121	-
AIRBNB	3	456,518	-
Plug power	3	986,806	-
Disney	3	464,077	-
Palantir	3	1,117,681	-
Roku	3	513,810	-
JD	3	963,168	-
Balance carried forward		<u>208,077,025</u>	<u>-</u>

## Notes to the financial statements (continued)

For the financial year ended 30 June 2022

## 10 Amounts due to/from broker (continued)

The following table shows the breakdown of amounts due to Custodian/Broker on margin accounts as at 30 June 2022 (continued):

Component Securities	Leverage	Cash borrowings for long positions USD	Cash collateral for short positions USD
Balance brought forward (from previous page)		208,077,025	-
Baidu	3	1,214,804	-
Plug power	1	(28)	-
JD	1	(60)	-
AIRBNB	1	(7)	-
Baidu	1	12	-
Sea	1	(47)	-
Pinduoduo	1	(45)	-
NIO	1	(65)	-
Palantir	1	(16)	-
Berkshire Hathaway	2	202,245	-
Long Airbus	3	197,180	-
Long Airlines	3	211,218	-
Long ARKG Genomic	3	224,819	-
Long ARKK Innovation	3	2,192,876	-
ARKW NextGen Internet	3	170,045	-
Biotechnology	3	291,456	-
China Tech	3	1,537,731	-
Clean Energy	3	308,969	-
Coinbase	3	508,462	-
Long Financials	3	188,132	-
Gold Miners	3	573,910	-
Moderna	3	384,469	-
NIO	3	3,287,322	-
Long Oil & Gas	3	359,358	-
Semiconductors	3	227,044	-
Taiwan Semiconductor	3	189,037	-
Total World	3	270,897	-
US 500	5	2,011,057	-
US Tech 100	5	10,759,098	-
ARKG Genomic	2	(51)	-
ARKK Innovation	2	(541)	-
ARKW NextGen Internet	2	102,153	-
Berkshire Hathaway (BRK-B)	2	(126)	-
Gold	2	372,838	-
WTI Oil	2	162,858	-
Silver	2	299,967	-
South Korea	2	255,778	-
China	2	452,645	-
Taiwan	2	280,592	-
Japan	2	315,541	-
US Tech 100	2	294,477	-
US 500	2	304,173	-
Germany 40	2	271,307	-
Coupang	2	354,309	-
Xpeng	2	684,344	-
Linde (LIN)	2	270,838	-
Siemens (SIE)	2	181,366	-
Mercedes Benz (MBG)	2	210,642	-
Infineon (IFX)	2	190,707	-
Volkswagen (VW)	2	221,620	-
ASML	2	237,754	-
Tesla	-1	-	5,756,575
Advanced Micro Devices	-1	-	580,567
Amazon	-1	-	280,474
Apple	-1	-	166,222
Alibaba	-1	-	456,836
Salesforce.Com	-1	-	352,381
Facebook	-1	-	371,569
Balance carried forward		<u>238,850,089</u>	<u>7,964,624</u>

## Notes to the financial statements (continued)

For the financial year ended 30 June 2022

## 10 Amounts due to/from broker (continued)

The following table shows the breakdown of amounts due to Custodian/Broker on margin accounts as at 30 June 2022 (continued):

Component Securities	Leverage	Cash borrowings for long positions USD	Cash collateral for short positions USD
Balance brought forward (from previous page)		238,850,089	7,964,624
Alphabet	-1	-	464,868
Microsoft	-1	-	454,888
Micron Technology	-1	-	153,686
Netflix	-1	-	475,325
NVIDIA	-1	-	152,918
UBER	-1	-	650,889
Tesla	-2	-	4,179,952
Paypal	-1	-	476,993
Shopify	-1	-	492,303
Boeing	-1	-	527,811
Zoom	-1	-	308,731
Square	-1	-	1,957,433
Citigroup	-1	-	567,023
Goldman Sachs	-1	-	339,892
JPMorgan	-1	-	516,479
HSBC	-1	-	286,523
Barclays	-1	-	1,256,219
Royal Dutch Shell	-1	-	274,200
BP	-1	-	284,561
Vodafone	-1	-	374,067
AIRBNB	-1	-	362,756
Plug power	-1	-	876,639
Disney	-1	-	321,162
Palantir	-1	-	172,759
Roku	-1	-	526,700
JD	-1	-	316,999
Peloton	-1	-	328,650
Tesla	-3	-	8,611,143
Baidu	-1	-	570,379
Airbus (AIR.PA)	-3	-	590,481
Airlines	-3	-	799,884
ARKG Genomic	-3	-	880,990
ARKK Innovation	-3	-	9,513,293
ARKW NextGen Internet	-3	-	916,791
Biotechnology	-3	-	311,438
China Tech	-3	-	669,743
Clean Energy	-3	-	843,110
Coinbase (COIN)	-3	-	5,490,578
Financials	-3	-	1,142,787
Gold Miners	-3	-	1,880,246
Moderna (MRNA)	-3	-	500,034
NIO	-3	-	2,129,489
Oil & Gas	-3	-	1,392,616
Semiconductors	-3	-	1,348,053
Taiwan Semiconductor (TSM)	-3	-	1,382,203
US 500	-3	-	1,500,364
US Tech 100	-3	-	3,099,307
Gold	-3	-	839,695
WTI Oil	-2	-	704,341
Silver	-3	-	1,011,957
South Korea	-3	-	1,161,305
China	-3	-	634,002
Taiwan	-3	-	1,081,488
Japan	-3	-	973,162
Germany 40	-3	-	1,199,728
Coupang	-3	-	652,969
Xpeng	-3	-	283,589
Linde (LIN)	-3	-	1,192,819
Balance carried forward		238,850,089	78,373,034

## Notes to the financial statements (continued)

For the financial year ended 30 June 2022

## 10 Amounts due to/from broker (continued)

The following table shows the breakdown of amounts due to Custodian/Broker on margin accounts as at 30 June 2022 (continued):

Component Securities	Leverage	Cash borrowings for long positions USD	Cash collateral for short positions USD
Balance brought forward (from previous page)		238,850,089	78,373,034
Siemens (SIE)	-3	-	1,658,575
Mercedes Benz (MBG)	-3	-	1,450,502
Infineon (IFX)	-3	-	1,520,890
Volkswagen (VW)	-3	-	1,397,048
ASML	-3	-	1,234,504
Microsoft (MSFT)	-3	-	861,458
Amazon (AMZN)	-3	-	1,147,706
Facebook (META)	-3	-	1,202,513
Alibaba (BABA)	-3	-	830,904
Apple (AAPL)	-3	-	917,495
Alphabet (GOOG)	-3	-	910,595
Kronos Strategy	-3	-	1,772,355
Nvidia (NVDA)	-3	-	1,304,006
		<u>238,850,089</u>	<u>94,581,585</u>

## 11 Financial liabilities at fair value through profit or loss

	Financial year ended 30-Jun-22 USD	Financial year ended 30-Jun-21 USD
Fair value on short exposure to Component Securities - Note 11(b)	64,097,400	8,138,057
ETP Securities issued - Note 11(a)	168,651,340	62,330,540
	<u>232,748,740</u>	<u>70,468,597</u>

Fair value on short exposure to Component Securities is the market value of the short positions taken in equities that underly the short exposure Series and is measured at fair value through profit and loss. ETP Securities issued for a particular Series are measured at fair value through profit or loss.

The Company's obligations under the financial liabilities issued are secured by the Component Securities and margin account balances as per notes 8 and 10 to the financial statements. The noteholders' recourse per Series is limited to the assets of that particular Series. Each Series has an option for early redemption.

All unrealised gains/(losses) on financial liabilities are primarily attributable to market risk arising from price movements in the Component Securities.

Details about the ETP Securities exchanges on which the ETPs are listed are disclosed in the Director's report.

## (a) The ETPs in issue at 30 June 2022 and 30 June 2021 are as follows:

Description	ISIN	Maturity date	Fair value	Nominal Amount	Fair value	Nominal Amount
			30-Jun-22 USD	30-Jun-22 USD	30-Jun-21 USD	30-Jun-21 USD
2x Alphabet ETP	IE00BF01VY89	05-Dec-67	2,833,819	1,117,760	2,768,405	740,000
2x Amazon ETP	IE00BF03XH11	05-Dec-67	2,769,522	1,641,740	7,144,317	1,317,740
2x Apple ETP	IE00BF03XJ35	05-Dec-67	4,216,418	733,560	3,993,260	624,440
2x Citigroup ETP	IE00BF03XL56	05-Dec-67	132,607	740,280	127,295	284,700
2x Facebook ETP	IE00BF03XP94	05-Dec-67	514,753	1,688,360	1,140,035	570,200
2x Goldman Sachs ETP	IE00BF03XR19	05-Dec-67	530,174	626,460	536,298	361,880
2x JPMorgan ETP	IE00BF03XW61	05-Dec-67	357,170	471,920	193,220	126,000
2x Microsoft ETP	IE00BF03XY85	05-Dec-67	2,751,947	482,280	2,920,717	419,520
2x Visa ETP	IE00BD09ZV33	05-Dec-67	900,078	478,400	856,061	288,700
2x Netflix ETP	IE00BD09ZW40	05-Dec-67	632,571	2,572,920	519,136	135,780
2x NVIDIA ETP	IE00BD09ZX56	05-Dec-67	1,253,934	505,160	2,335,490	378,160
2x Salesforce.com ETP	IE00BD09ZY63	05-Dec-67	194,373	175,440	344,216	115,800
-1x Tesla ETP	IE00BKT6ZH01	07-Apr-70	2,877,339	55,147,720	3,077,348	39,313,160
2x Tesla ETP	IE00BK5BZY66	07-Apr-70	6,467,662	554,160	8,207,525	455,440
3x Apple ETP	IE00BK5BZS07	04-Jun-70	1,183,655	508,100	2,583,182	814,800
2x Advanced micro devices ETP	IE00BKT6ZG93	04-Jun-70	216,169	192,100	721,461	297,000
-1x Advanced micro devices ETP	IE00BKT66Q62	04-Jun-70	290,126	801,560	84,906	200,000
Balance carried forward			<u>28,122,317</u>	<u>68,437,920</u>	<u>37,552,872</u>	<u>46,443,320</u>

## Notes to the financial statements (continued)

For the financial year ended 30 June 2022

## 11 Financial liabilities at fair value through profit or loss (continued)

(a) The ETPs in issue at 30 June 2022 and 30 June 2021 are as follows (continued):

Description	ISIN	Maturity date	Fair value	Nominal	Fair value	Nominal
			30-Jun-22	Amount	30-Jun-21	Amount
			USD	USD	USD	USD
Balance brought forward (from previous page)			28,122,317	68,437,920	37,552,872	46,443,320
3x Amazon ETP	IE00BK5BZQ82	04-Jun-70	1,210,464	4,929,300	1,234,300	648,560
-1x Amazon ETP	IE00BKT66S86	04-Jun-70	191,170	234,080	124,365	200,000
1x Apple ETP	IE00BKTWZ451	04-Jun-70	82,941	187,080	197,491	392,000
2x Alibaba ETP	IE00BK5C1C97	04-Jun-70	2,008,549	14,774,300	1,643,956	1,876,780
-1x Alibaba ETP	IE00BKT66M25	04-Jun-70	227,870	252,660	158,758	200,000
3x Salesforce.com ETP	IE00BK5BZT14	04-Jun-70	274,106	993,540	400,594	248,140
-1x Salesforce.com ETP	IE00BKTWZ568	04-Jun-70	176,056	258,800	113,271	200,000
3x Facebook ETP	IE00BK5C1B80	04-Jun-70	2,222,378	34,516,480	835,046	387,300
-1x Facebook ETP	IE00BKTWZ675	04-Jun-70	185,553	208,100	111,981	200,000
3x Alphabet ETP	IE00BK5BZX59	04-Jun-70	1,412,369	757,820	587,531	150,400
-1x Alphabet ETP	IE00BKTW9N20	04-Jun-70	232,691	450,000	102,615	200,000
3x Microsoft ETP	IE00BK5BZV36	04-Jun-70	2,850,092	1,840,400	1,417,912	591,920
-1x Microsoft ETP	IE00BKTW9M13	04-Jun-70	227,288	401,460	121,610	200,000
2x Micron Technology ETP	IE00BKT66K01	04-Jun-70	243,444	296,720	156,670	64,500
-1x Micron Technology ETP	IE00BKT66P55	04-Jun-70	76,804	137,000	92,802	200,000
3x Netflix ETP	IE00BK5BZW43	04-Jun-70	669,217	208,013,520	485,679	440,400
-1x Netflix ETP	IE00BKTWZ782	04-Jun-70	237,544	182,000	129,557	200,000
3x NVIDIA ETP	IE00BK5BZR99	04-Jun-70	1,773,378	1,920,420	1,717,960	280,960
-1x NVIDIA ETP	IE00BKTW5674	04-Jun-70	76,411	238,100	70,802	200,000
2x Uber ETP	IE00BKT66L18	04-Jun-70	180,217	1,135,880	71,052	51,500
-1x Uber ETP	IE00BKT66R79	04-Jun-70	325,218	351,300	108,878	200,000
3X Tesla ETP	XS2297549128	21-Mar-71	62,114,574	291,044,638	2,900,265	3,839,960
3X Paypal ETP	XS2297550217	21-Mar-71	669,546	130,659,758	288,752	199,946
3X Shopify ETP	XS2297550563	21-Mar-71	148,895	83,396,051	163,501	96,749
3X Boeing ETP	XS2297551371	21-Mar-71	259,168	4,140,227	209,049	326,017
3X Zoom ETP	XS2297551611	21-Mar-71	358,174	47,385,949	123,872	105,618
3X Square ETP	XS2297552262	21-Mar-71	218,913	120,083,589	522,193	653,019
3X HSBC ETP	XS2297618030	21-Mar-71	202,137	200,407	76,912	89,308
3X Barclays ETP	XS2297618626	21-Mar-71	342,205	1,429,591	84,130	108,348
3X Royal Dutch Shell ETP	XS2297634318	21-Mar-71	113,655	96,898	139,789	199,996
3X BP ETP	XS2297636107	21-Mar-71	281,290	362,172	170,462	199,943
3X Vodafone ETP	XS2297637253	21-Mar-71	685,233	1,335,748	150,857	199,996
1X Tesla Tracker ETP	XS2337093798	07-May-71	994,582	897,221	224,145	200,000
1X Amazon Tracker ETP	XS2337104231	07-May-71	135,917	207,883	212,077	200,008
1X Microsoft Tracker ETP	XS2337100320	07-May-71	166,932	162,196	216,007	199,995
1X Alphabet Tracker ETP	XS2337100163	07-May-71	229,927	253,380	208,244	200,004
1X Facebook Tracker ETP	XS2337100080	07-May-71	177,851	358,983	214,185	199,999
1X Apple Tracker ETP	XS2337099563	07-May-71	192,386	178,336	215,465	199,984
1X Netflix Tracker ETP	XS2337098839	07-May-71	188,288	542,001	210,043	200,000
1X Shopify Tracker ETP	XS2337094259	07-May-71	175,948	714,604	231,699	200,003
1X Coinbase Tracker ETP	XS2338070282	07-May-71	86,007	413,971	112,419	100,003
3X AMD ETP	XS2337090422	07-May-71	2,471,234	7,589,996	345,027	199,863
3X Alibaba ETP	XS2337090851	07-May-71	9,086,653	234,822,155	245,617	199,946
3X Uber ETP	XS2337092550	07-May-71	301,198	13,347,024	194,666	199,776
3X Airbnb ETP	XS2336344762	07-May-71	228,962	3,262,458	213,122	199,927
3X Plug Power ETP	XS2336361345	07-May-71	494,444	25,691,637	259,832	199,974
3X Disney ETP	XS2335553801	07-May-71	232,645	2,168,338	191,008	199,944
3X Palantir ETP	XS2337085851	07-May-71	559,895	63,502,484	231,058	199,908
3X Roku ETP	XS2337086826	07-May-71	257,684	273,048,714	377,670	199,952
3X JD.COM ETP	XS2337087808	07-May-71	482,592	2,804,978	273,862	199,873
3X Baidu ETP	XS2337092808	07-May-71	608,646	4,297,407	244,820	199,936
1X Plug Power Tracker ETP	XS2337100759	07-May-71	258,554	477,870	223,697	199,918
1X JD.COM Tracker ETP	XS2337100676	07-May-71	293,706	319,449	223,456	199,968
1X Airbnb Tracker ETP	XS2337098086	07-May-71	113,746	190,926	205,257	199,923
1X Baidu Tracker ETP	XS2337097518	07-May-71	396,599	507,256	214,769	199,993
1X Sea Tracker ETP	XS2337094093	07-May-71	390,521	1,620,624	198,308	199,998
1X Pinduoduo Tracker ETP	XS2337093954	07-May-71	406,703	803,600	208,786	199,985
Balance carried forward			127,331,487	1,658,835,399	57,960,723	64,493,560

## Notes to the financial statements (continued)

For the financial year ended 30 June 2022

## 11 Financial liabilities at fair value through profit or loss (continued)

(a) The ETPs in issue at 30 June 2022 and 30 June 2021 are as follows (continued):

Description	ISIN	Maturity date	Fair value	Nominal	Fair value	Nominal
			30-Jun-22	Amount	30-Jun-21	Amount
			USD	USD	USD	USD
Balance brought forward (from previous page)			127,331,487	1,658,835,399	57,960,723	64,493,560
1X Nio Tracker ETP	XS2337093871	07-May-71	832,521	1,789,028	228,602	199,942
1X Palantir Tracker ETP	XS2337092980	07-May-71	118,674	327,992	210,684	199,889
-2X Tesla ETP	XS2297550134	21-Mar-71	1,392,865	5,474,350	284,894	341,602
-1X Paypal ETP	XS2297550308	21-Mar-71	238,358	94,838	70,353	84,835
-1X Shopify ETP	XS2297551298	21-Mar-71	408,490	240,995	60,562	84,243
-1X Boeing ETP	XS2297551454	21-Mar-71	263,649	174,292	99,453	91,775
-1X Zoom ETP	XS2297551884	21-Mar-71	154,235	75,347	89,900	107,017
-1X Square ETP	XS2297552932	21-Mar-71	978,105	521,822	81,036	88,687
-1X Citigroup ETP	XS2297553070	21-Mar-71	283,316	208,063	77,315	75,128
-1X Goldman Sachs ETP	XS2297553153	21-Mar-71	169,834	171,163	85,310	95,624
-1X JPMorgan ETP	XS2297593456	21-Mar-71	258,050	218,561	89,001	91,152
-1X HSBC ETP	XS2297618204	21-Mar-71	143,121	192,195	92,698	92,223
-1X Barclays ETP	XS2297618972	21-Mar-71	627,408	613,542	95,475	95,048
-1X Royal Dutch Shell ETP	XS2297634409	21-Mar-71	137,009	203,876	79,964	76,448
-1X BP ETP	XS2297636875	21-Mar-71	141,889	192,542	76,142	77,547
-1X Vodafone ETP	XS2297637410	21-Mar-71	184,270	191,941	83,783	80,773
-1X Airbnb ETP	XS2336345223	07-May-71	181,288	159,479	193,587	199,892
-1X Plug Power ETP	XS2336362079	07-May-71	437,941	485,693	173,162	199,909
-1X Disney ETP	XS2337085422	07-May-71	160,478	96,479	202,007	199,895
-1X Palantir ETP	XS2337086669	07-May-71	86,327	53,395	188,397	199,945
-1X Roku ETP	XS2337087634	07-May-71	263,180	121,712	155,828	199,979
-1X JD.COM ETP	XS2337087980	07-May-71	158,385	265,157	177,609	199,945
-1X Peloton ETP	XS2337089846	07-May-71	164,208	35,584	177,771	199,936
-3X Tesla ETP	XS2337090265	07-May-71	2,195,178	32,646,378	143,651	199,959
-1X Baidu ETP	XS2337093525	07-May-71	285,004	374,635	184,969	199,821
-3X Short Airbus ETP	XS2399367171	09-Nov-71	145,797	200,000	-	-
-3X Short Airlines ETP	XS2399369466	09-Nov-71	199,750	200,000	-	-
-3X Short ARKG Genomic ETP	XS2399367841	09-Nov-71	219,257	144,300	-	-
-3X Short ARKK ETP	XS2399368906	09-Nov-71	2,372,797	1,147,085	-	-
-3X Short ARKW NextGen ETP	XS2399368492	09-Nov-71	228,359	89,910	-	-
-3X Short Bio Technology ETP	XS2399370472	09-Nov-71	77,727	59,000	-	-
-3X Short China Tech ETP	XS2399370126	09-Nov-71	167,292	885,540	-	-
-3X Short Clean Energy ETP	XS2399371108	09-Nov-71	210,504	248,290	-	-
-3X Short Coinbase ETP	XS2399367411	09-Nov-71	1,368,895	338,330	-	-
-3X Short Financials ETP	XS2399369623	09-Nov-71	285,454	200,000	-	-
-3X Short Gold Miners ETP	XS2399369979	09-Nov-71	469,818	598,300	-	-
-3X Short Moderna ETP	XS2399366108	09-Nov-71	124,780	208,710	-	-
-3X Short NIO ETP	XS2399365555	09-Nov-71	532,001	4,796,555	-	-
-3X Short Oil & Gas ETP	XS2399370803	09-Nov-71	347,922	1,195,050	-	-
-3X Short Semiconductors ETP	XS2399367684	09-Nov-71	336,728	200,000	-	-
-3X Short Taiwan Semiconductor ETP	XS2399365399	09-Nov-71	344,158	200,000	-	-
-3X Short US 500 ETP	XS2399364665	09-Nov-71	373,312	250,000	-	-
-3X Short US Tech 100 ETP	XS2399364319	09-Nov-71	772,988	410,140	-	-
2X Long Berkshire Hathaway	XS2399369110	09-Nov-71	202,837	235,550	-	-
3X Long Airbus ETP	XS2399366280	09-Nov-71	99,773	200,000	-	-
3X Long Airlines ETP	XS2399369383	09-Nov-71	105,874	320,000	-	-
3X Long ARKG Genomic ETP	XS2399367767	09-Nov-71	112,640	1,675,820	-	-
3X Long ARKK Innovation ETP	XS2399368658	09-Nov-71	1,098,830	39,019,950	-	-
3X Long ARKW NextGen ETP	XS2399368146	09-Nov-71	85,253	3,299,050	-	-
3X Long Biotechnology ETP	XS2399370399	09-Nov-71	146,038	351,020	-	-
3X Long China Tech ETP	XS2399370043	09-Nov-71	770,333	4,123,580	-	-
3X Long Clean Energy ETP	XS2399371017	09-Nov-71	154,944	313,745	-	-
3X Long Coinbase ETP	XS2399367254	09-Nov-71	255,322	506,133,140	-	-
3X Long Financials ETP	XS2399369540	09-Nov-71	94,299	200,000	-	-
3X Long Gold Miners ETP	XS2399369896	09-Nov-71	287,561	521,590	-	-
3X Long Moderna ETP	XS2399365639	09-Nov-71	192,484	3,020,940	-	-
Balance carried forward			149,778,997	2,274,550,053	61,362,876	68,174,774



## Notes to the financial statements (continued)

For the financial year ended 30 June 2022

## 11 Financial liabilities at fair value through profit or loss (continued)

(a) The ETPs in issue at 30 June 2022 and 30 June 2021 are as follows (continued):

Description	ISIN	Maturity date	Fair value	Nominal	Fair value	Nominal
			30-Jun-22	30-Jun-22	30-Jun-21	30-Jun-21
			USD	USD	USD	USD
Balance brought forward (from previous page)			149,778,997	2,274,550,053	61,362,876	68,174,774
3X Long NIO ETP	XS2399365472	09-Nov-71	1,647,107	35,974,610	-	-
3X Long Oil & Gas ETP	XS2399370555	09-Nov-71	180,350	109,755	-	-
3X Long Semiconductors ETP	XS2399367502	09-Nov-71	113,875	555,220	-	-
3X Long Taiwan						
Semiconductor ETP	XS2399365043	09-Nov-71	94,014	373,700	-	-
3X Long Total World ETP	XS2399364822	09-Nov-71	136,026	290,235	-	-
5X Long US 500 ETP	XS2399364582	09-Nov-71	501,846	2,138,370	-	-
5X Long US Tech 100 ETP	XS2399364152	09-Nov-71	2,690,405	30,790,575	-	-
ARKG Genomic Tracker ETP	XS2399368062	09-Nov-71	327,734	628,900	-	-
ARKK Innovation Tracker ETP	XS2399369037	09-Nov-71	2,106,586	5,052,115	-	-
ARKW NextGen Internet	XS2399368575	09-Nov-71	256,581	640,565	-	-
Berkshire Hathaway	XS2399369201	09-Nov-71	189,272	200,000	-	-
Kronos Strategy ETP	XS2338070365	09-Nov-71	1,770,410	2,110,000	-	-
Gold ETP	XS2472195101	17-May-72	186,770	200,000	-	-
WTI Oil ETP	XS2472195366	17-May-72	163,232	200,000	-	-
Silver ETP	XS2472195952	17-May-72	150,274	200,000	-	-
South Korea ETP	XS2472196257	17-May-72	128,135	200,000	-	-
China ETP	XS2472196414	17-May-72	226,661	200,000	-	-
Taiwan ETP	XS2472196687	17-May-72	140,528	200,000	-	-
Japan ETP	XS2472196844	17-May-72	158,025	200,000	-	-
US Tech 100 ETP	XS2472197065	17-May-72	147,232	200,000	-	-
US 500 ETP	XS2472197149	17-May-72	151,612	200,000	-	-
Germany 40 ETP	XS2472331995	17-May-72	135,713	200,000	-	-
Coupang ETP	XS2472332530	17-May-72	177,353	200,000	-	-
Xpeng ETP	XS2472332704	17-May-72	342,694	200,000	-	-
Linde (LIN) ETP	XS2472332969	17-May-72	135,481	200,000	-	-
Siemens (SIE) ETP	XS2472333181	17-May-72	90,456	200,000	-	-
Mercedes Benz (MBG) ETP	XS2472333348	17-May-72	105,382	200,000	-	-
Infineon (IFX) ETP	XS2472333694	17-May-72	95,473	200,000	-	-
Volkswagen (VW) ETP	XS2472333850	17-May-72	110,824	200,000	-	-
ASML ETP	XS2472334072	17-May-72	118,975	200,000	-	-
-3x Short Gold ETP	XS2472195283	17-May-72	209,768	200,000	-	-
-2x Short WTI Oil ETP	XS2472195440	17-May-72	234,569	200,000	-	-
-3x Short Silver ETP	XS2472196174	17-May-72	252,804	200,000	-	-
-3x Short South Korea ETP	XS2472196331	17-May-72	290,100	200,000	-	-
-3x Short China ETP	XS2472196505	17-May-72	158,006	200,000	-	-
-3x Short Taiwan ETP	XS2472196760	17-May-72	270,216	200,000	-	-
-3x Short Japan ETP	XS2472196927	17-May-72	243,066	200,000	-	-
-3x Short Germany 40 ETP	XS2472332290	17-May-72	298,950	200,000	-	-
-3x Short Coupang ETP	XS2472332613	17-May-72	163,008	200,000	-	-
-3x Short Xpeng ETP	XS2472332886	17-May-72	70,794	200,000	-	-
-3x Short Linde (LIN) ETP	XS2472333009	17-May-72	297,526	200,000	-	-
-3x Short Siemens (SIE) ETP	XS2472333264	17-May-72	413,890	200,000	-	-
-3x Short Mercedes Benz ETP	XS2472333421	17-May-72	361,954	200,000	-	-
-3x Short Infineon (IFX) ETP	XS2472333777	17-May-72	379,460	200,000	-	-
-3x Short Volkswagen ETP	XS2472333934	17-May-72	348,481	200,000	-	-
-3x Short ASML ETP	XS2472334155	17-May-72	307,927	200,000	-	-
-3x Short Microsoft ETP	XS2472334239	17-May-72	215,243	200,000	-	-
-3x Short Amazon ETP	XS2472334312	17-May-72	286,878	200,000	-	-
-3x Short Facebook ETP	XS2472334403	17-May-72	300,464	200,000	-	-
-3x Short Alibaba ETP	XS2472334585	17-May-72	207,623	470,000	-	-
-3x Short Apple ETP	XS2472334742	17-May-72	229,235	200,000	-	-
-3x Short Alphabet ETP	XS2472335046	17-May-72	227,572	200,000	-	-
-3x Short Nvidia ETP	XS2472335129	17-May-72	325,783	200,000	-	-
3X Peloton ETP	XS2337088012	07-May-71	-	-	259,613	199,902
2x Twitter ETP	IE00BKT66J95	04-Jun-70	-	-	256,299	92,700
Balance carried forward			168,651,340	2,361,884,098	61,878,788	68,467,376

## Notes to the financial statements (continued)

For the financial year ended 30 June 2022

## 11 Financial liabilities at fair value through profit or loss (continued)

(a) The ETPs in issue at 30 June 2022 and 30 June 2021 are as follows (continued):

Description	ISIN	Maturity date	Fair value	Nominal	Fair value	Nominal
			30-Jun-22	30-Jun-22	30-Jun-21	30-Jun-21
			USD	USD	USD	USD
Balance brought forward (from previous page)			168,651,340	2,361,884,098	61,878,788	68,467,376
-1x Twitter ETP	IE00BKT66N32	04-Jun-70	-	-	109,464	293,700
3X Twitter ETP	XS2337090778	07-May-71	-	-	342,288	199,792
			<u>168,651,340</u>	<u>2,361,884,098</u>	<u>62,330,540</u>	<u>68,960,868</u>

The return on each Series of ETPs is linked to the daily performance of the applicable index for such Series. The redemption amount of the ETPs is derived from the liquidation of the collateral assets, as purchased or sold in accordance with the leverage factor of such Series of ETPs. Each Series of ETPs constitutes limited recourse obligations of the Company, secured on and payable solely from the assets constituting the Security in respect of such Series.

(b) The Fair value on short exposure to Component Securities at 30 June 2022 and 30 June 2021 are as follows:

Description	Code	Fair value	Fair value
		30-Jun-22	30-Jun-21
		USD	USD
Tesla	LS TSLASx	2,877,524	3,077,682
Advanced Micro Devices	LS AMDSx	290,127	84,913
Amazon	LS AMZNSx	191,178	123,846
Apple	LS APPLSx	82,989	197,496
Alibaba	LS BABASx	227,928	158,746
Salesforce.Com	LS CRMSx	176,098	113,341
Facebook	LS FBSx	185,599	111,963
Alphabet	LS GOOGSx	231,870	102,759
Microsoft	LS MSFTSx	227,295	121,634
Micron Technology	LS MUSx	76,784	92,798
Netflix	LS NFLXSx	237,473	129,411
Nvidia	LS NVDASx	76,401	71,209
Uber	LS UBERSx	325,273	108,911
Short Tesla	LS TS2Sx	2,785,265	569,589
Short Paypal	LS PYPSx	238,364	70,247
Short Shopify	LS SHOSx	409,338	59,900
Short Boeing	LS BASx	263,733	99,417
Short Zoom	LS ZMSx	154,289	89,791
Short Square	LS SQSx	978,136	80,942
Short Citigroup	LS CITSx	283,344	77,330
Short Goldman Sachs	LS SGSx	169,895	85,394
Short Jpmorgan	LS SJPMx	258,102	88,969
Short Hsbc	LS SHSBx	143,127	92,695
Short Barclays	LS SBCSx	627,517	95,487
Short Royal Dutch Shell	LS RDSSx	137,000	79,992
Short Bp	LS BPSx	141,920	76,142
Short Vodafone	LS SVODx	184,280	83,800
Short Airbnb	LS ABNSx	181,278	193,569
Short Plug Power	LS PLGSx	437,978	173,172
Short Disney	LS DISSx	160,480	201,960
Short Palantir	LS PLTSx	86,319	188,421
Short Roku	LS ROKSx	263,177	155,686
Short Jd.Com	LS JD1Sx	158,367	177,657
Short Peloton	LS PTOSx	164,239	177,845
Short Tesla	LS TS3Sx	6,586,048	430,930
Short Baidu	LS BIUSx	284,967	184,937
Short Airbus (Air.Pa)	LS AIRSx	438,559	-
Short Airlines	LS JE3Sx	599,511	-
Balance carried forward		<u>21,341,772</u>	<u>8,028,581</u>

## Notes to the financial statements (continued)

For the financial year ended 30 June 2022

## 11 Financial liabilities at fair value through profit or loss (continued)

(b) The Fair value on short exposure to Component Securities at 30 June 2022 and 30 June 2021 are as follows (continued):

Description	Code	Fair value	Fair value
		30-Jun-22	30-Jun-21
		USD	USD
Balance brought forward (from previous page)		21,341,772	8,028,581
Short Arkg Genomic	LS ARGSx	658,235	-
Short Arkk Innovation	LS SARKx	7,120,534	-
Short Arkw Netgen Internet	LS ARWSx	685,468	-
Short Biotechnology	LS IBBSx	233,260	-
Short China Tech	LS KWESx	501,949	-
Short Clean Energy	LS ICLSx	631,736	-
Short Coinbase (Coin)	LS CO3Sx	4,109,924	-
Short Financials	LS XL3Sx	856,446	-
Short Gold Miners	LS GDMSx	1,409,741	-
Short Moderna (Mrna)	LS MRNSx	374,696	-
Short Nio	LS SNIOx	1,596,463	-
Short Oil & Gas	LS XLGSx	1,043,903	-
Short Semiconductors	LS SMHSx	1,010,297	-
Short Taiwan Semiconductor	LS TSMSx	1,032,666	-
Short Us 500	LS SPYSx	1,120,433	-
Short Us Tech 00	LS QQ3Sx	2,320,158	-
Short Gold	LS GL3Sx	629,367	-
Short Wti Oil	LS WTISx	469,164	-
Short Silver	LS SLVSx	758,573	-
Short South Korea	LS KORSx	870,348	-
Short China	LS CHNSx	474,218	-
Short Taiwan	LS TAISx	810,703	-
Short Japan	LS JPNSx	729,318	-
Short Germany 40	LS DAXSx	897,723	-
Short Coupang	LS CPNSx	489,409	-
Short Peng	LS XP3Sx	212,436	-
Short Linde (Lin)	LS LINSx	892,924	-
Short Siemens (Sie)	LS SIESx	1,242,036	-
Short Mercedes Benz (Mbg)	LS MBGSx	1,086,284	-
Short Infineon (If)	LS IFXSx	1,138,788	-
Short Volkswagen (Vw)	LS VWSx	1,046,209	-
Short Asml	LS AL3Sx	924,255	-
Short Microsoft (Msft)	LS MS3Sx	645,671	-
Short Amazon (Amzn)	LS AM3Sx	860,301	-
Short Facebook (Meta)	LS FB3Sx	901,388	-
Short Alibaba (Baba)	LS BA3Sx	622,966	-
Short Apple (Aapl)	LS AAP3Sx	687,702	-
Short Alphabet (Goog)	LS GG3Sx	682,484	-
Short Nvidia (Nvda)	LS NV3Sx	977,452	-
Twitter	LS TWTRSx	-	109,476
		<u>64,097,400</u>	<u>8,138,057</u>

## 12 Other payables

	30-Jun-22	30-Jun-21
	USD	USD
Interest payable	931,908	105,944
Fees payable to Arranger	190,255	42,410
VAT payable to Arranger	17,142	17,142
Corporation tax accrued	4,622	4,140
Redemption Payable	-	775,319
	<u>1,143,927</u>	<u>944,955</u>

**Notes to the financial statements (continued)**

For the financial year ended 30 June 2022

**13 Payable to GWM Limited**

Where new capital is being invested into an ETP there may be a timing gap between the trade date and the receipt of the proceeds from the ETP issuance (normally T+3) and the Margin Account Provider may not provide the funding required to enable the portfolio administrator to execute the trade and maintain the economic exposure to the relevant index. When such events occurred during the year, GWM Limited provided the necessary funding to facilitate the trade. GWM Limited have been making available to the Company a line of credit of up to USD 1,000,000. GWM Limited has a limited recourse on the proceeds out of the ETP issuance.

The balance payable to GWM Limited at the year end is USD 65,204 (2021: USD 225,708). This balance is a related party transaction, as it has the same ultimate beneficial owner as the Arranger. This payable amount is not subject to interest and is repayable within 1 year.

**14 Called up share capital presented as equity**

	30-Jun-22	30-Jun-21
<i>Authorised:</i>	USD	USD
25,000 ordinary shares of EUR1 each	26,703	26,703
	<hr/> <hr/>	<hr/> <hr/>
<i>Issued, called up and fully paid:</i>	USD	USD
25,000 ordinary shares of EUR1 each	26,703	26,703
	<hr/> <hr/>	<hr/> <hr/>

**15 Ownership of the Company**

The issued shares are held by Monument Trustees Limited holding 25,000 shares. All shares are held in trust for charity under the terms of a declaration of trust.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings. No dividends were paid during the financial year or proposed by the Directors at the reporting date (2021: USD Nil).

The shareholders have appointed a Board to run the day to day activities of the Company. The Directors have considered the issue as to who is the ultimate controlling party. It has been determined that the control of the day to day activities of the Company rests with the Board.

**16 Related party transactions including transactions with Administrator and Directors***Transactions with Administrator and Directors*

Neil Fleming is also a Director of the Company's arranger, Leverage Shares Management Company Limited.

Details of directors' remuneration are set out in note 6.

Apex IFS Limited provides services such as accounting and reporting, company secretarial and other administration services to the Company. Lisa Hand is a Director of Apex IFS Limited and a Director of the Company.

During the financial year ended, fees of USD 35,385 (2021: USD 28,044) were earned by Apex Group, the corporate secretary, the corporate service provider and the security trustee, in respect of corporate secretary, administration fees.

*Transactions with Arranger*

Leverage Shares Management Company Limited provides arrangement services to the Company. The Company incurred fees for such services amounting to USD 1,123,697 (2021: USD 270,875) during the financial year ended 30 June 2022. In return for this, Leverage Shares Management Company Limited pays all operating expenses as described in note 6 to the financial statements. As at 30 June 2022, the balance payable to Leverage Shares Management Company Limited was USD 190,255 (2021: USD 42,410).

*Transactions with Portfolio Administrator*

A director and ultimate shareholder of the Arranger, Jose Gonzalez, is also a director and ultimate shareholder of GWM Limited. GWM Limited acts as portfolio administrator and broker dealer of record for the Company. Balances with GWM Limited are disclosed in note 13 to the financial statements.

*Transactions with Determination Agent*

A director and ultimate shareholder of the Arranger, Jose Gonzalez, is also the owner of Calculation Agent Services LLC. Calculation Agent Services LLC acts as determination agent for the Company.

Other than the above, there were no related party transactions during the financial year under review.

No director of the Company held any ETPs as at 30 June 2022 and 2021 and/or during the financial year.

**Notes to the financial statements (continued)**

For the financial year ended 30 June 2022

**17 Financial risk management*****Risk management framework***

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company has attempted to match the properties of its financial liabilities to its financial assets, to avoid significant elements of risk generated by mismatches of investment performance against its obligations together with any maturity or interest rate risk. The Company uses the net proceeds of the issuance of ETPs to invest in Component Securities. The Component Securities (including cash held as collateral) for each Series of ETPs will produce net cash flows to service all the Company's payment obligations in respect of that Series. The Company mitigates its exposure to market risk (interest rate risk, currency risk and price risk) and liquidity risk. However, the security holders are still exposed to these risks and these risks are not managed by the Company as the investors have entered the ETP program for the purpose of obtaining exposure to these risks. This economic hedge is executed through the Company's activities as described above and through its agreements with its counterparties. Refer to "Operational risk" section for more details.

The risk profile of the Company is such that market, credit, liquidity and other risks of the Component Securities are borne fully by the holders of ETPs issued. The ETPs issued are initially recorded at the value of the net proceeds received and are carried as financial liabilities at fair value through profit or loss. The ultimate amount to be repaid to the ETP holders will depend on the proceeds from the related Component Securities (including cash held as collateral). All substantial risks and rewards associated with the performance of the Component Securities are ultimately borne by the ETP holders. Therefore, any change in risk variables would not affect the equity or the results of the Company.

The Company, and ultimately the holders of the ETP Securities, have exposure to the following risks from its use of financial instruments:

- (a) Market risk;
- (b) Credit risk;
- (c) Liquidity risk; and
- (d) Operational risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing these risks.

**(a) Market risk**

The Company's liabilities in respect of the ETP Securities issued is referenced to various equity securities and is managed by the Company by investing in Component Securities which match the liability created by the issue of ETPs and margin account funding.

**(i) Interest rate risk**

As the Company has invested in Component Securities to match the ETP Securities in issue and the margin account balance, there is deemed to be no interest rate risk to the Company.

***Sensitivity analysis***

Any change in the benchmark rate for the margin account will be offset by a change in the valuation of the ETP Securities. The ETP Security value includes cash borrowing costs. This is the finance expense on the margin account. The finance expense on the margin account equates to a daily margin interest rate corresponding to the relevant benchmark rate plus one per cent and as a result is floating in nature. See table below for sensitivity analysis in relation to increase/decrease of the relevant benchmark of 100bps on the nominal value financial liabilities at year end.

	<b>Interest Expense</b>	<b>Impact of 100bps increase</b>	<b>Impact of 100bps decrease</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
30 June 2022	4,758,882	23,618,841	23,618,841
30 June 2021	609,700	689,609	689,609

**(ii) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As the Company's activity is the investment in Component Securities whose base currency matches the base currency of the ETPs and margin account, there is deemed to be no currency risk to the Company. As at 30 June 2022, the Company is owed USD 26,703 from Leverage Shares LLC (2021: USD 26,703). As the balance is minimal, the Directors are satisfied that the Company faces minimal currency risk and thus have not included any sensitivity analysis in these financial statements.

**Notes to the financial statements (continued)**

For the financial year ended 30 June 2022

**17 Financial risk management (continued)****(a) Market risk (continued)***(iii) Price risk*

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

The underlying securities are all listed on US stock exchanges. However, they are not necessarily US incorporated companies. The breakdown by industry of the underlying securities is as follows:

	<b>30-Jun-22</b>	<b>30-Jun-21</b>
	%	%
Communication Services	8	15
Consumer Discretionary	73	40
Energy	-	1
Financials	3	2
Industrials	1	2
Information Technology	15	40
	100	100

*Sensitivity analysis*

Any changes in the values of the Component Securities held by the Company would not have any effect on the equity or profit or loss of the Company as any fair value fluctuations are ultimately borne by the holders of the ETPs issued by the Company. However an increase in the security's price will cause the cash that is posted as collateral to be used as margin to increase but the value of the ETP Securities will go down. If there was a 5% increase in the value of the Component Securities to USD 328,430,723 (2021: USD 120,889,267), the value of the ETPs issued would increase by USD 8,432,567 (2021: USD 3,116,527) to USD 177,083,907 (2021: USD 65,447,067). If there was a 5% decrease in the value of the Component Securities to USD 297,151,607 (2021: USD 109,376,006), the value of the ETPs issued would decrease by USD 8,432,567 (2021: USD 3,116,527) to USD 160,218,773 (2021: USD 59,214,013).

**(b) Credit risk**

Credit/Counterparty risk refers to the risk that the Custodian will default on its contractual obligations resulting in the Company being unable to make payment of amounts due to the ETP Securities holders or collect the amounts due from broker. Accordingly, the Company and the ETP Securities holders are exposed to the creditworthiness of the Custodian.

At the reporting date, the Company's financial assets were concentrated in the following asset types:

	<b>30-Jun-22</b>	<b>30-Jun-21</b>
	USD	USD
Component Securities	376,888,565	123,270,695
Amounts Due from Broker	95,012,660	15,974,407

The broker and the Custodian for the Component Securities, held on 30 June 2021 is Interactive Brokers LLC. Interactive Brokers LLC has a A- (2021: BBB+) Outlook Stable rating from Standard and Poor's. The Custodian will identify in its own books that the Component Securities belong to the Company.

**(c) Liquidity risk**

Liquidity risk is the risk that the Company may be unable to fulfil its obligations, whether expected or unexpected. The maturity date of the ETP Securities has been disclosed in note 11 to the financial statements. ETP Securities cannot be issued without a matching investment in a Component Security being put in place. ETPs can be issued and redeemed daily, therefore this is the earliest maturity date for the purpose of the maturity analysis below.

The ability of the Company to generate enough arranger fees for Leverage Shares Management Company Limited to fund the Company's operational expenses on a long term basis is impacted by the value of the Company's investment in Component Securities which is in turn principally impacted by investor appetite for the ETPs and movements in the market value of the Component Securities.

*Contractual undiscounted cashflows*

The return on each Series of ETP Securities will be linked to the daily performance of the applicable Index for such Series, which in turn will be linked to the performance of the Component Security underlying that index. The redemption amount of the ETP Securities will be derived from the liquidation of the collateral assets, as purchased or sold in accordance with the Leverage Factor of such Series of ETP Securities. The amount payable on redemption of the ETP Securities will depend on the liquidation of the collateral assets held in the margin account.

**Notes to the financial statements (continued)**

For the financial year ended 30 June 2022

**17 Financial risk management (continued)****(c) Liquidity risk (continued)**

The following are the earliest contractual maturities of financial assets and financial liabilities:

<b>30-Jun-22</b>	<b>Carrying Amount USD</b>	<b>Less than one year USD</b>	<b>One to five years USD</b>	<b>More than five years USD</b>
Financial assets at fair value through profit or loss	376,888,565	376,888,565	-	-
Amounts due from broker	95,012,660	95,012,660	-	-
Other receivables	914,255	914,255	-	-
	<u>472,815,480</u>	<u>472,815,480</u>	-	-
Financial liabilities at fair value through profit or loss	232,748,740	232,748,740	-	-
Amounts due to broker	238,850,089	238,850,089	-	-
Other payables	1,143,927	1,143,927	-	-
Payable to GWM Limited	65,204	65,204	-	-
	<u>472,807,960</u>	<u>472,807,960</u>	-	-
<b>30-Jun-21</b>	<b>Carrying Amount USD</b>	<b>Less than one year USD</b>	<b>One to five years USD</b>	<b>More than five years USD</b>
Financial assets at fair value through profit or loss	123,270,695	123,270,695	-	-
Amounts due from broker	15,974,407	15,974,407	-	-
Other receivables	297,929	297,929	-	-
	<u>139,543,031</u>	<u>139,543,031</u>	-	-
Financial liabilities at fair value through profit or loss	70,468,597	70,468,597	-	-
Amounts due to broker	67,884,952	67,884,952	-	-
Other payables	944,955	944,955	-	-
Payable to GWM Limited	225,708	225,708	-	-
	<u>139,524,212</u>	<u>139,524,212</u>	-	-

**(d) Operational risk**

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

Operational risks arise from all the Company's operations. The Company was incorporated with the purpose of engaging in those activities outlined in note 1. Various management and administration functions are outsourced to Apex IFS, the Arranger and other parties as set out in the prospectus.

The Company is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of collateral held in custody occasioned by the insolvency or negligence of the Custodian. Although an appropriate legal framework is in place that reduces the risk of loss of value of the securities held by the Custodian, in the event of its failure, the ability of the Company to transfer the securities might be impaired.

**(e) Fair Values***Fair value measurement principles of Component Securities*

The fair values of the Component Securities are their listed price on the recognised stock exchanges in the United States of America.

*Fair value measurement principles of ETP Securities*

The ETP Securities are valued independently of the Company by a calculation agent using readily available, observable inputs.

The ETP value in respect of a Series of ETPs tracks the value of the specified Component Security and is calculated in accordance with the following:

On the issue date of each Tranche, the ETP Security value will be equal to the issue price of the ETP Security. On any valuation date thereafter, the ETP Security value is calculated as the ETP Security value on the immediately preceding valuation date adjusted by:

- the change in the value of the Component Securities since such preceding Valuation Date (as referenced to on the applicable stock exchange), less
- any cash borrowing costs, cash lending revenues, stock borrowing costs, revenues on collateral or costs of transaction taxes in respect of a Series of ETP Securities resulting from obtaining leveraged or short exposure to the Component Security (as described in the ETP agreement, using market observable inputs), minus
- applicable fees (as disclosed in the ETPs final terms).

## Notes to the financial statements (continued)

For the financial year ended 30 June 2022

## 17 Financial risk management (continued)

## (e) Fair Values (continued)

The fair value of financial instruments carried at fair value is determined according to the following hierarchy:

- Level 1: Financial instruments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities. Quoted prices for these instruments are not adjusted. The Component Securities held by the Company are classified as Level 1.
- Level 2: Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. As level 2 financial instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The ETPs issued by the Company are classified as Level 2. Refer to note 2c for determining the fair value of financial instruments.
- Level 3: Financial instruments classified within level 3 have significant unobservable inputs, as they trade infrequently. Pricing inputs are unobservable for the financial instrument and include situations where there is little, if any, market activity for the financial instrument. As observable prices are not available for these securities, the Company has used valuation techniques to derive the fair value, if applicable.

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

<b>30-Jun-22</b>	<b>Level 1 Quoted price USD</b>	<b>Level 2 Valuation USD</b>	<b>Level 3 Valuation USD</b>	<b>Net Total USD</b>
<i>Financial assets at fair value</i>				
Component Securities	376,888,565	-	-	376,888,565
	<u>376,888,565</u>	<u>-</u>	<u>-</u>	<u>376,888,565</u>
<i>Financial liabilities at fair value</i>				
ETP Securities	-	168,651,340	-	168,651,340
Fair value on short exposure to Component Securities	64,097,400	-	-	64,097,400
	<u>64,097,400</u>	<u>168,651,340</u>	<u>-</u>	<u>232,748,740</u>
<b>30-Jun-21</b>				
	<b>Level 1 Quoted price USD</b>	<b>Level 2 Valuation USD</b>	<b>Level 3 Valuation USD</b>	<b>Net Total USD</b>
<i>Financial assets at fair value</i>				
Component Securities	123,270,695	-	-	123,270,695
	<u>123,270,695</u>	<u>-</u>	<u>-</u>	<u>123,270,695</u>
<i>Financial liabilities at fair value</i>				
ETP Securities	-	62,330,540	-	62,330,540
Fair value on short exposure to Component Securities	8,138,057	-	-	8,138,057
	<u>8,138,057</u>	<u>62,330,540</u>	<u>-</u>	<u>70,468,597</u>

**Accounting categorisation and fair values of financial assets and financial liabilities**

The carrying amounts of financial assets and financial liabilities not measured at fair values recognised in the financial statements approximate their fair values as these are considered short term in nature and are not considered to be realised or settled at values different from their carrying amounts.

## (f) Offsetting financial asset and financial liabilities

The Company does not offset financial assets and financial liabilities. These are presented separately in the Statement of financial position.

## 18 Subsequent events

There have been no significant subsequent events that require disclosure and/or adjustment to the financial statements.



## Notes to the financial statements (continued)

For the financial year ended 30 June 2022

### 19 Capital management

For the purpose of the Company's capital management, capital includes issued share capital. The primary objective of the Company's capital management is to maintain shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to debt securities (i.e. the ETPs). There have been no breaches of any covenants in the current financial year. No changes were made to the objectives, policies or processes for managing capital since the beginning of the financial year.

### 20 Commitments and Contingencies

The Company had no commitments or contingencies as at 30 June 2022 (2021: none).

### 21 Approval of financial statements

The Directors authorised these financial statements for issue on 25 October 2022.