ETFS Morningstar Global Technology ETF

ARSN 616 755 652

Annual Financial Report - 30 June 2018

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Directors' Report

The directors of ETFS Management (AUS) Limited (the "Responsible Entity"), the Responsible Entity of ETFS Morningstar Global Technology ETF (the "Fund"), present their annual report together with the financial statements of the Fund, for the year ended 30 June 2018 and the auditor's report thereon.

Fund Objectives

The Fund aims to provide investors with a return that (before fees and expenses) tracks the performance of the Morningstar Developed Markets Technology Moat Focus Index (the "Index").

The Fund aims to track the performance of the Index by holding all of the shares that make up the Index, in the proportion closely mirroring the Index. All assets of the Fund are held in segregated accounts with the Custodian, JPMorgan Chase Bank N.A. (Sydney Branch).

The Fund is an Exchange Traded Fund ("ETF") and can be traded by investors on the Australian Securities Exchange ("ASX"); ETFs can be bought and sold like any other share through normal brokerage accounts.

Principal Activities

The Fund commenced its operations on 7 April 2017. The Fund is currently listed on the ASX. The admission date was 11 April 2017.

The Fund invested in accordance with the provisions of the Fund's Constitution. There were no significant changes in the nature of the Fund's activities during the year ended 30 June 2018.

The Fund did not have any employees during the year ended 30 June 2018.

Directors

The following persons held office as directors of the Responsible Entity during the year or since the end of the year and up to the date of this report:

Director	**Date appointed**
Vince Fitzgerald	16 December 2014
Graham Tuckwell	16 December 2014
Kris Walesby	03 May 2017

Review and Results of Operations

During the year, the Fund continued to invest funds in accordance with target asset allocations as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

Results

The performance of the Fund, as represented by the results of its operations, was as follows:

	Year ended 30 June 2018 AUD'000	For the period 23 January 2017 to 30 June 2017 AUD'000
Profit/(loss) before finance costs attributable to unitholders	**7,954**	(3)
Distributions paid and payable	**3,125**	61

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Directors' Report (continued)

Review and Results of Operations (continued)

Returns

The table below demonstrates the performance of the Fund as represented by the total return.

		Returns*
	1 Year	For the period 7 April 2017 to 30 June 2018
	% p.a.	% p.a.
ETFS Morningstar Global Technology ETF returns	**32.85**	32.67

* Returns (after fees) are calculated on the assumption that all distributions are reinvested in the Fund, and include the effect of compounding.

Reconciliation of Net Asset Value for Unit Pricing Purposes to Financial Reporting Purposes

The key differences between net assets for unit pricing purposes and net assets attributed to unitholders as reported in the financial statements prepared under Australian Accounting Standards have been outlined below:

	Year ended 30 June 2018 AUD'000	For the period 23 January 2017 to 30 June 2017 AUD'000
Net Assets for Unit Pricing Purposes	**59,570**	7,454
Permanent Differences		
Difference between net market value (for unit pricing) and fair value (for financial statements) of financial assets held at fair value through profit or loss	**5**	(1)
Timing Differences		
Distribution Payable	**(3,094)**	(61)
Net assets attributable to unitholders as at 30 June	**56,481**	7,392

Significant Changes in State of Affairs

Effective from 1 July 2017, the Fund's units have been reclassified from financial liability to equity. Refer to Note 2 for further details.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Fund that occurred during the financial year under review.

Matters Subsequent to the End of the Financial Year

Except as disclosed in the financial statements, no matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect:

(i) the operations of the Fund in future financial years, or

(ii) the results of those operations in future financial years, or

(iii) the state of affairs of the Fund in future financial years.

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Directors' Report (continued)

Likely Developments and Expected Results of Operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests.

The market price is a function of supply and demand amongst investors wishing to buy and sell and the bid or offer spread that the market makers are willing to quote. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information on likely developments in the operations of the Fund and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Fund.

Indemnification and Insurance of Officers and Auditor

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to either the officers of the Responsible Entity or the auditor of the Fund. So long as the officers of the Responsible Entity act in accordance with the Fund's Constitution and the Law, officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

The auditor of the Fund is in no way indemnified out of the assets of the Fund.

Fees Paid and Interests Held in the Fund by the Responsible Entity or its Associates

Fees paid to the Responsible Entity and its associates out of Fund property during the year are disclosed in Note 10 of the financial statements.

No fees were paid out of Fund property to the directors of the Responsible Entity during the year (30 June 2017: Nil). Pursuant to ASIC Class Order relief, the Responsible Entity may individually negotiate fees with certain sophisticated or professional investors.

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial year are also disclosed in Note 10 of the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in Note 6 of the financial statements.

Value of Assets

The value of the Fund's assets and liabilities is disclosed on the Statement of Financial Position and derived using the basis set out in Note 2 of the financial statements.

Environmental Regulation

The operations of the Fund are not subject to any particular or significant environmental regulations under either Commonwealth, State or Territory law.

Rounding of Amounts

The Fund is a registered scheme of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report and financial statements. Amounts in the directors' report and the financial statements have been rounded in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, unless otherwise indicated.

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Directors' Report (continued)

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 5.

The financial statements were authorised for issue by the directors on 25 September 2018.

This report is made in accordance with a resolution of the directors.

Kris Walesby
Director

Sydney
25 September 2018

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KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of ETFS Management (AUS) Limited as Responsible Entity of ETFS Morningstar Global Technology ETF

I declare that, to the best of my knowledge and belief, in relation to the audit of ETFS Morningstar Global Technology ETF for the financial year ended 30 June 2018 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Michael O Connell
Partner
Sydney
25 September 2018

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Liability limited by a scheme approved under Professional Standards Legislation.

	Notes	Year ended 30 June 2018 AUD'000	For the period 23 January 2017 to 30 June 2017 AUD'000
Investment income			
Dividend/distribution income		**284**	11
Net gains/(losses) on financial instruments held at fair value through profit or loss (including FX gains/(losses))	4	**7,831**	(7)
Total net investment income/(loss)		**8,115**	4
Expenses			
Management fees	10	**134**	**4**
Transaction costs		**26**	3
Interest expense		**1**	-
Total operating expenses		**161**	7
Profit/(loss) before finance costs attributable to unitholders		**7,954**	(3)
Finance costs attributable to unitholders			
Distributions to unitholders	5	-	(61)
(Increase)/decrease in net assets attributable to unitholders	6	-	64
Profit/(loss) for the year		**7,954**	-
Other comprehensive income		-	-
Total comprehensive income for the year		**7,954**	-

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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	Notes	**As at 30 June 2018 AUD'000**	As at 30 June 2017 AUD'000
Assets			
Cash and cash equivalents	12(b)	**156**	19
Financial assets held at fair value through profit or loss	7	**59,394**	7,436
Receivables	8	**46**	-
Total assets		**59,596**	7,455
Liabilities			
Distribution payable	5	**3,094**	61
Payables	9	**21**	2
Total liabilities (excluding net assets attributable to unitholders)		**3,115**	63
Net assets attributable to unitholders - liability*	6	**-**	7,392
Net assets attributable to unitholders - equity*	6	**56,481**	-

* Net assets attributable to unitholders are classified as equity at 30 June 2018 and as a financial liability at 30 June 2017. Refer to Note 2 for further details.

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

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	Notes	Year ended 30 June 2018 AUD'000	For the period 23 January 2017 to 30 June 2017 AUD'000
Total equity at the beginning of the financial year		-	-
Reclassification due to AMIT tax regime implementation*		**7,392**	-
Comprehensive income for the year			
Profit/(loss) for the year		**7,954**	-
Other comprehensive income		**-**	-
Total comprehensive income for the year		**7,954**	-
Transactions with unitholders			
Applications		**44,258**	-
Units issued upon reinvestment of distributions		**2**	-
Distributions paid and payable	5	**(3,125)**	-
Total transactions with unitholders		**41,135**	-
Total equity at the end of the financial year		**56,481**	-

* Effective from 1 July 2017, the Fund's units have been reclassified from financial liability to equity. Refer to Note 2 for further details. As a result, equity transactions, including distributions have been disclosed in the above statement for the year ended 30 June 2018.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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	Notes	Year ended 30 June 2018 AUD'000	For the period 23 January 2017 to 30 June 2017 AUD'000
Cash flows from operating activities			
Proceeds from sale of financial instruments held at fair value through profit or loss		**25,386**	1,447
Purchase of financial instruments held at fair value through profit or loss		**(69,488)**	(8,881)
Transaction costs		**(26)**	(3)
Dividends/distributions received		**245**	11
Interest paid		**(1)**	-
Management fees paid		**(115)**	(2)
Operating expenses paid		**(7)**	-
Net cash inflow/(outflow) from operating activities	12(a)	**(44,006)**	(7,428)
Cash flows from financing activities			
Proceeds from applications by unitholders		**44,258**	7,456
Distributions paid		**(90)**	-
Net cash inflow/(outflow) from financing activities		**44,168**	7,456
Net increase/(decrease) in cash and cash equivalents		**162**	28
Cash and cash equivalents at the beginning of the year		**19**	-
Effects of foreign currency exchange rate changes on cash and cash equivalents		**(25)**	(9)
Cash and cash equivalents at the end of the year	12(b)	**156**	19
Non-cash financing activities	12(c)	**2**	-

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

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1 General Information

These financial statements cover ETFS Morningstar Global Technology ETF (the "Fund") as an individual entity. The Fund was constituted on 14 December 2016 and commenced operation on 7 April 2017.

The Responsible Entity of the Fund is ETFS Management (AUS) Limited (the "Responsible Entity"). The Responsible Entity's registered office is Suite 2a, Level 11, 309 Kent Street, Sydney NSW 2000 Australia.

The financial report was authorised for issue by the directors on 25 September 2018. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

The financial statements are presented in Australian Dollars.

2 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(a) Statement of Compliance and Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Accounting Standards Board and the *Corporations Act 2001* in Australia. The Fund is a for-profit unit trust for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets at fair value through profit or loss and net assets attributable to unitholders. The amount expected to be recovered or settled within twelve months after the end of each reporting period cannot be reliably determined.

(i) Compliance with International Financial Reporting Standards

The financial statements of the Fund also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(ii) New and amended standards adopted by the Fund

Reclassification of units from financial liability to equity

On 5 May 2016, a new tax regime applying to Managed Investment Trusts ("MITs") was established under the *Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016.*The Attribution Managed Investment Trust ("AMIT") regime allows MITs that meet certain requirements to make an irrevocable choice to be an AMIT. In order to allow the Fund to elect into the AMIT tax regime, the Fund's Constitution has been amended and the other conditions to adopt the AMIT tax regime have been met effective 1 July 2017. The Responsible Entity is therefore no longer contractually obligated to pay distributions. Consequently, the units in the Fund have been reclassified from a financial liability to equity on 1 July 2017, see Note 6 for further information.

There are no other new standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2017 that would be expected to have a material impact on the Fund.

(b) Financial Instruments

(i) Classification

The Fund's investments are classified as at fair value through profit or loss. They comprise:

- *Financial instruments held for trading*

  Derivative financial instruments such as futures, forward foreign exchange contracts, options and swaps are included under this classification. The Fund does not designate any derivatives as hedges in a hedging relationship.

2 Summary of Significant Accounting Policies (continued)

(b) Financial Instruments (continued)

(i) Classification (continued)

- *Financial instruments designated at fair value through profit or loss upon initial recognition*

  These include financial assets that are not held for trading purposes and which may be sold. These are investments in listed equities, listed unit trusts, unlisted unit trusts, interest bearing securities and money market securities.

Financial assets and financial liabilities designated at fair value through profit or loss upon initial recognition are those that are managed and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Responsible Entity to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

(ii) Recognition/derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments has expired or the Fund has transferred substantially all risks and rewards of ownership.

(iii) Measurement

Financial assets and liabilities held at fair value through profit or loss

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Profit or Loss and Other Comprehensive Income.

- *Fair value in an active market*

  The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting date without any deduction for estimated future selling costs. The quoted market price used for financial assets and financial liabilities held by the Fund is the last traded market price.

- *Fair value in an inactive or unquoted market*

  The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

  Accordingly, there may be a difference between the fair value at initial recognition and amounts determined using a valuation technique. If such a difference exists, the Fund recognises the difference in the Statement of Profit or Loss and Other Comprehensive Income to reflect a change in factors, including time, that market participants would consider in setting a price.

  Investments in other unlisted unit trusts are recorded at the net asset value per unit as reported by the Responsible Entity of such funds.

(c) Offsetting Financial Instruments

Financial assets and liabilities are reported on a gross basis in the Statement of Financial Position. Where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously on default or in the ordinary course of business, the financial assets and liabilities will be offset and reported on a net basis in notes to the financial statements.

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2 Summary of Significant Accounting Policies (continued)

(d) Net Assets Attributable to Unitholders

Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders.

The units can be put back to the Fund at any time for cash based on the redemption price, which is equal to a proportionate share of the Fund's net asset value attributable to the unitholders.

The units are carried at the redemption amount that is payable at balance sheet date if the holder exercises the right to put the unit back to the Fund. This amount represents the expected cash flows on redemption of these units.

Units are classified as equity when they satisfy the following criteria under AASB 132 *Financial instruments: Presentation:*

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Fund's liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavorable conditions to the Fund, and it is not a contract settled in the Fund's own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

As at 30 June 2017, net assets attributable to unitholders are classified as a financial liability. Effective from 1 July 2017, the Fund's units have been reclassified from financial liability to equity as they satisfied all the above criteria.

(e) Distributions to Unitholders

in accordance with the Fund's Constitution, the Fund attributes its taxable income, and any other amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the Statement of Changes in Equity as distributions paid and payable.

(f) Increase/Decrease in Net Assets Attributable to Unitholders

Movements in net assets attributable to unitholders are recognised in the Statement of Changes in Equity for the current year ended 30 June 2018.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown as liabilities on the Statement of Financial Position.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities as movements in the fair value of these securities represent the Fund's main income generating activity.

(h) Applications and Redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

Unit redemption prices are determined by reference to the net assets for unit pricing purposes of the Fund, divided by the number of units on issue at or immediately prior to close of business each day. Applications and redemptions of units are processed simultaneously.

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2 Summary of Significant Accounting Policies (continued)

(i) Investment Income and Expenses

Interest income and expenses are recognised in the Statement of Profit or Loss and Other Comprehensive Income for all interest bearing securities using the effective interest method. Interest income on assets held at fair value through profit or loss is included in the net gains/(losses) on financial instruments. Other changes in fair value for such instruments are recorded in accordance with the policies described in Note 2(b).

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimates cash flows, considering all contractual terms of the financial instrument (for example, prepayment options), but do not consider future credit losses.

The calculation includes all fees and points paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Dividend income is recognised on the ex-dividend date. The Fund may incur withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in the Statement of Profit or Loss and Other Comprehensive Income. If a portion of the foreign withholding taxes is reclaimable, it is recorded as an asset.

Dividends declared on securities sold short are recorded as a dividend expense on the ex-dividend date.

(j) Expenses

All expenses, including Management fees, are recognised in the Statement of Profit or Loss and Other Comprehensive Income on an accruals basis.

(k) Income Tax

Under current legislation, the Fund is not subject to income tax provided the taxable income of the Fund is fully attributed to unitholders under the Attribution Managed Investment Scheme regime (which the Responsible Entity has adopted from 1 July 2017).

The benefit of imputation credit and foreign tax paid are passed on to unitholders.

(l) Goods and Services Tax ("GST")

The GST incurred on the costs of various services provided to the Fund by third parties such as custodial services and investment management fees have been passed onto the Fund. The Fund qualifies for Reduced Input Tax Credits ("RITC") hence, investment management fees, custodial fees and other expenses have been recognised in the Statement of Profit or Loss and Other Comprehensive Income net of the amount of GST recoverable from the Australian Taxation Office ("ATO"). Accounts payable and accrued expenses are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the Statement of Financial Position. Cash flows relating to GST are included in the Statement of Cash Flows on a gross basis.

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2 Summary of Significant Accounting Policies (continued)

(m) Receivables

Receivables may include amounts for dividends, interest, trust distributions, amounts due from brokers and applications receivable. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of the reporting date from the time of the last payment using the effective interest rate method. Amounts due from brokers represent receivables for securities that have been contracted for but not yet delivered by the end of the reporting date. Applications receivable are recorded when the applications are made for units in the Fund with the consideration yet to be received as at the end of the reporting date.

Collectability of receivables is reviewed on an ongoing basis. Receivables which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the Statement of Profit or Loss and Other Comprehensive Income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Statement of Profit or Loss and Other Comprehensive Income.

(n) Payables

Payables include liabilities and accrued expenses owing by the Fund and redemptions payable which are unpaid as at the end of the reporting period.

Trades are recorded on trade date, and normally settled within three business days. Purchases of financial instruments that are unsettled at reporting date are included in payables. Redemptions payable are recognised when the unitholder returns their holdings back into the Fund foregoing all rights associated with the units, with the payment yet to be released.

The distribution amount payable to unitholders as at reporting date is recognised separately on the Statement of Financial Position when unitholders are presently entitled to the distributable income under the Fund's Constitution.

(o) Foreign Currency Translation

(i) Functional and Presentation currency

Items included in the Fund's financial statements are measured using the currency of the primary economic environment in which it operates (the “functional currency”). This is the Australian Dollar, which reflects the currency of the economy in which the Fund competes for funds and is regulated. The Australian Dollar is also the Fund's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

The Fund does not isolate that portion of gains or losses on securities and derivative financial instruments which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments at fair value through profit or loss.

Non monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

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2 Summary of Significant Accounting Policies (continued)

(p) New Accounting Standards and Interpretations

The following new accounting standards and interpretations have been published that are not mandatory for the 30 June 2018 reporting year and have not been early adopted by the Fund:

(i) AASB 9 Financial Instruments and applicable amendments, effective from 1 July 2018 for the Fund

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting. The derecognition rules have not been changed from the previous requirements, and the Fund does not apply hedge accounting.

The Fund intends to adopt AASB 9 for the annual period beginning on 1 July 2018. Management has undertaken a preliminary assessment of the impact of adoption AASB 9 and has concluded that there would be no impact on the recognition and measurement of the Fund's financial instruments as they are carried at fair value through profit or loss. Disclosures in the financial statements will be amended as necessary to meet the requirements of the standard.

(ii) AASB 15 Revenue from Contracts with Customers, effective from 1 July 2018 for the Fund

AASB 15 will replace AASB 118, which covers contracts for goods and services, and AASB 111, which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer so the notion of control replaces the existing notion of risks and rewards.

The Fund's main sources of income are dividends and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, management does not expect the adoption of the new revenue recognition rules to have a significant impact on the Fund's accounting policies or the amounts recognised in the financial statements.

There are no other standards that are not yet effective and that are expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

(q) Use of Estimates and Critical Accounting Judgments

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example, over-the-counter derivatives or unquoted securities are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them. Models are calibrated by back-testing to actual transactions to ensure that outputs are reliable.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other financial instruments, including amounts due from/to brokers and payables, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

(r) Rounding of Amounts

The Fund is a registered scheme of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report and financial statements. Amounts in the directors' report and financial statements have been rounded in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, unless otherwise indicated.

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3 Financial Risk Management

The Fund's activities exposes it to a variety of financial risks: credit risk, liquidity risk, and market risk (including price risk, currency risk and interest rate risk). The Fund's overall risk management program focuses on ensuring compliance with the Fund's Product Disclosure Statements and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. The Fund may use derivative financial instruments to moderate and create certain risk exposures. Financial risk management is carried out by the Chief Operating Officer under policies approved by the Board of Directors of the Responsible Entity (the "Board").

The Fund uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks. Sensitivity analysis is explained in Note 3(b).

(a) Market Risk

(i) Price Risk

The Fund is exposed to price risk. This arises from investments held by the Fund for which prices in the future are uncertain. They are classified in the Statement of Financial Position as fair value through profit or loss. Where non monetary financial instruments are denominated in currencies other than the Australian Dollar, the price in the future will also fluctuate because of changes in foreign exchange rates. Note 3(a)(ii) below sets out how this component of price risk is managed and measured. All securities investments present a risk of loss of capital.

Market risk is managed and monitored by the Responsible Entity on a portfolio basis, with risks managed through ensuring that investment activities are undertaken in accordance with the Fund's investment model which is reviewed and updated regularly.

The Responsible Entity continuously monitors the Fund's holdings relative to the recommended portfolio, and the exposure of the Fund is monitored to ensure that it remains within designated ranges or asset allocation constraints, taking into account any derivative position being used to manage risks.

In addition, the Board regularly reviews the Fund to ensure the Fund is following the appropriate investment model, its portfolio is in accordance with its stated guidelines and restrictions, and the performance of the Fund remains in expected bounds.

The sensitivity analysis in Note 3(b) explains how the risk is measured and summarises the potential exposure of the Fund's net assets attributable to unitholders.

(ii) Currency Risk

The Fund holds monetary and non monetary assets denominated in currencies other than the Australian Dollar. The currency risk relating to non monetary assets and liabilities is a component of price risk. Currency risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates.

The sensitivity analysis in Note 3(b) explains how the risk is measured and summarises the potential exposure of the Fund's net assets attributable to unitholders.

Currency risk is managed using forward foreign exchange contracts and other derivatives in accordance with Fund guidelines and restrictions. Daily monitoring is undertaken to ensure instruments used and exposures created are consistent with the investment strategy and objectives of the Fund. For accounting purposes, the Fund does not designate any derivatives as hedges in a hedging relationship, and hence these derivative financial instruments are classified as at fair value through profit or loss.

This disclosure for the Fund has not been made on a look through basis for investments held indirectly through underlying funds. The disclosure of currency risk may not present the true currency risk profile of the Fund where the underlying fund has a significant exposure to currency risk.

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3 Financial Risk Management (continued)

(a) Market Risk (continued)

(ii) Currency Risk (continued)

The following tables summarise the Fund's assets and liabilities, monetary and non-monetary, which are denominated in different currencies:

30 June 2018	**United States Dollar AUD'000**	**European Euro AUD'000**	**Japanese Yen AUD'000**	**Australian Dollar AUD'000**	**Total AUD'000**
Assets					
Cash and cash equivalents	**92**	**13**	**18**	**33**	**156**
Financial assets designated at fair value through profit or loss	**51,455**	**1,348**	**4,094**	**2,497**	**59,394**
Receivables	**39**	**2**	**-**	**5**	**46**
Total assets	**51,586**	**1,363**	**4,112**	**2,535**	**59,596**
Liabilities					
Distribution payable	**-**	**-**	**-**	**3,094**	**3,094**
Payables	**-**	**-**	**-**	**21**	**21**
Total liabilities	**-**	**-**	**-**	**3,115**	**3,115**
Net assets attributable to unitholders - equity	**51,586**	**1,363**	**4,112**	**(580)**	**56,481**
Total foreign currency exposure	**51,586**	**1,363**	**4,112**	**(580)**	**56,481**

30 June 2017	United States Dollar AUD'000	European Euro AUD'000	Japanese Yen AUD'000	Australian Dollar AUD'000	Total AUD'000
Assets					
Cash and cash equivalents	8	-	-	11	19
Financial assets designated at fair value through profit or loss	6,405	-	563	468	7,436
Total assets	6,413	-	563	479	7,455
Liabilities					
Distribution payable	-	-	-	61	61
Payables	-	-	-	2	2
Total liabilities (excluding net assets attributable to unitholders)	-	-	-	63	63
Net assets attributable to unitholders - liability	6,413	-	563	416	7,392
Total foreign currency exposure	6,413	-	563	416	7,392

(iii) Interest Rate Risk

The majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of markets interest rates.

The Fund's exposure to cash flow interest rate risk is limited to its cash and cash equivalents, which are floating rate interest bearing investments. As at 30 June 2018 the total investment in cash of the Fund was AUD 156,280 (2017: AUD 18,886).

Interest rate risk is mitigated through ensuring activities are transacted in accordance with mandates, overall investment strategy and within approved limits.

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3 Financial Risk Management (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk (continued)

The disclosure for the Fund has not been made on a look through basis for investments held indirectly through the underlying fund. The disclosure of interest rate risk may not present the true interest rate risk profile of the Fund where the underlying fund has significant exposure to interest rate risk.

The following tables summarise the Fund's exposure to interest rate risks. It includes the Fund's assets and liabilities at fair values.

30 June 2018	**Floating interest rate**	**Non interest bearing**	**Total**
	AUD'000	**AUD'000**	**AUD'000**
Financial assets			
Cash and cash equivalents	**156**	**-**	**156**
Financial assets designated at fair value through profit or loss			
Listed equity securities	-	**59,394**	**59,394**
Receivables	**-**	**46**	**46**
Total assets	**156**	**59,440**	**59,596**
Financial liabilities			
Distribution payable	**-**	**3,094**	**3,094**
Payables	**-**	**21**	**21**
Total liabilities	**-**	**3,115**	**3,115**
Net assets attributable to unitholders - equity	**156**	**56,325**	**56,481**

30 June 2017	Floating interest rate	Non interest bearing	Total
	AUD'000	AUD'000	AUD'000
Financial assets			
Cash and cash equivalents	19	-	19
Financial assets designated at fair value through profit or loss			
Listed equity securities	-	7,436	7,436
Receivables	-	-	-
Total assets	19	7,436	7,455
Financial liabilities			
Distribution payable	-	61	61
Payables	-	2	2
Total liabilities (excluding net assets attributable to unitholders)	-	63	63
Net assets attributable to unitholders - liability	19	7,373	7,392

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3 Financial Risk Management (continued)

(b) Sensitivity analysis

The following table summarises the sensitivity of the Fund's net assets attributable to unitholders to interest rate risk, currency risk and price risk. Actual movements may be greater or less than anticipated depending on prevailing market conditions.

	ETFS Morningstar Global Technology ETF Price risk Impact on net assets attributable to unit holders	
	-10%	**+10%**
	AUD'000	**AUD'000**
30 June 2018	**(5,939)**	**5,939**
30 June 2017	(744)	744

	ETFS Morningstar Global Technology ETF Currency risk Impact on net assets attributable to unit holders	
	-10%	**+10%**
	AUD'000	**AUD'000**
30 June 2018	**(5,706)**	**5,706**
30 June 2017	(698)	698

(c) Credit Risk Exposure

Credit risk is the risk that the counterparty will fail to perform contractual obligations, either in whole or in part, when they fall due.

Credit risk primarily arises from the Fund's investment in debt instruments and from trading derivative products. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions, amounts due from brokers and other receivables. None of these assets are impaired nor past due but not impaired.

Market prices generally incorporate credit risk assessments into valuations and risk of loss is implicitly provided for in the carrying value of financial assets and liabilities as they are marked to market.

(i) Interest Bearing Securities

The Fund does not have any direct holding in interest bearing securities. The Fund may be exposed to other credit risk from cash and cash equivalents, deposits with banks and other financial institutions, amounts due from brokers and other receivables.

(ii) Settlement of Securities Transactions

All transactions are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

(iii) Other Credit Risk

The exposure to credit risk for cash and cash equivalents, deposits with banks and other financial institutions is considered to be minimal due to the high credit rating of the relevant financial institution. The sensitivity analysis is also used to manage and measure the credit risk of the Fund.

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3 Financial Risk Management (continued)

(c) Credit Risk Exposure (continued)

(iii) Other Credit Risk (continued)

The Fund is not materially exposed to credit risk on other financial assets.

The maximum exposure to credit risk at the reporting date is the carrying amount of cash and cash equivalents, and other financial assets and collateral held and pledged. None of these assets are impaired nor past due but not impaired.

(d) Liquidity and Cash Flow Risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. The Statement of Financial Position is presented on a liquidity basis and discussed in Note 2(a).

The Fund is exposed to daily cash redemptions of redeemable units and daily margin calls on derivatives. The liquidity risks associated with the need to satisfy unitholders' requests for redemptions are mitigated by maintaining adequate liquidity to satisfy usual redemption volumes and restricting the investment activities of the Fund to securities that are actively traded and highly liquid. The Fund also maintains continuous monitoring of forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Responsible Entity considers and maintains the liquidity of the Fund, in the context of the investment objectives and liquidity requirements of the Fund.

The following tables analyse the Fund's financial liabilities and derivative financial instruments (as appropriate) into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the tables are contractual undiscounted cash flows.

At 30 June 2018	**Less than 1 month**	**Total**
	AUD'000	**AUD'000**
Liabilities		
Distribution payable	**(3,094)**	**(3,094)**
Payables	**(21)**	**(21)**
Total liabilities	**(3,115)**	**(3,115)**

At 30 June 2017	Less than 1 month	Total
	AUD'000	AUD'000
Liabilities		
Distribution payable	(61)	(61)
Payables	(2)	(2)
Net assets attributable to unitholders	(7,392)	(7,392)
Total liabilities	(7,455)	(7,455)

(e) Fair Values of Financial Assets and Liabilities

The carrying amounts of the Fund's assets and liabilities at the end of each reporting period approximate their fair values.

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Profit or Loss and Other Comprehensive Income.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair value. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

(i) Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is based on their last traded prices at the end of the reporting period without any deduction for estimated future selling costs.

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3 Financial Risk Management (continued)

(e) Fair Values of Financial Assets and Liabilities (continued)

(i) Fair value in an active market (continued)

The Fund values its investments in accordance with the accounting policies set out in Note 2(b). For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets and financial liabilities held by the Fund is the last traded market price. Where the last traded price does not fall within the bid-ask spread, an assessment is performed by the Responsible Entity to determine the appropriate valuation price to use that is most representative of fair value.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual regularly occurring market transactions on an arm's length basis.

(ii) Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward foreign exchange contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

Investments in other unlisted unit trusts are recorded at the net asset value per unit as reported by the Responsible Entity of such funds.

(f) Fair Value Hierarchy

The Fund classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Responsible Entity. The Responsible Entity considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

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3 Financial Risk Management (continued)

(f) Fair Value Hierarchy (continued)

The following tables present the Fund's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2018 and 30 June 2017.

As at 30 June 2018	Level 1 AUD'000	Level 2 AUD'000	Level 3 AUD'000	Total AUD'000
Financial assets				
Financial assets designated at fair value through profit or loss:				
Listed equity securities	**59,394**	**-**	**-**	**59,394**
Total	**59,394**	**-**	**-**	**59,394**

As at 30 June 2017	Level 1 AUD'000	Level 2 AUD'000	Level 3 AUD'000	Total AUD'000
Financial assets				
Financial assets designated at fair value through profit or loss:				
Listed equity securities	7,436	-	-	7,436
Total	7,436	-	-	7,436

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and trusts.

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. These include investment grade corporate bonds, certain listed equities, certain unlisted unit trust, and over-the-counter derivatives. As level 2 investments 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.

Investments classified within level 3 have significant unobservable inputs, as they are infrequently traded. As observable prices are not available for these securities, the Responsible Entity has used valuation techniques to derive fair value.

The Fund did not hold any level 3 instruments during the year ended 30 June 2018 (30 June 2017: Nil).

There were no transfers between levels for recurring fair value measurements during the year ended 30 June 2018 (30 June 2017: Nil).

(g) Offsetting Financial Assets and Financial Liabilities

Financial assets and liabilities are reported on a gross basis in the Statement of Financial Position. The Fund did not hold any derivative instruments during the year ended 30 June 2018 (30 June 2017: Nil).

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4 Net Gains/(Losses) on Financial Instruments Held at Fair Value Through Profit or Loss

The net gains/(losses) recognised in relation to financial assets and financial liabilities held at fair value through profit or loss:

	Year ended 30 June 2018 AUD'000	For the period 23 January 2017 to 30 June 2017 AUD'000
Financial assets and liabilities		
Net gain/(loss) on financial assets and liabilities held for trading (including FX gains/(losses))	**63**	-
Net gain/(loss) on financial assets and liabilities designated at fair value through profit or loss (including FX gains/(losses))	**7,768**	(7)
Net gains/(losses) on financial instruments held at fair value through profit or loss (including FX gains/(losses))	**7,831**	(7)

5 Distributions to Unitholders

The distributions during the year were as follows:

	Year ended 30 June 2018 AUD'000	Year ended 30 June 2018 CPU	For the period 23 January 2017 to 30 June 2017 AUD'000	For the period 23 January 2017 to 30 June 2017 CPU
Distributions paid - 31 December	**31**	**6.36**	-	-
Distributions payable - 30 June	**3,094**	**363.98**	61	43.65
	3,125		61	

6 Net Assets Attributable to Unitholders

Under AASB 132 *Financial instruments: Presentation,* puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Fund shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

Prior to 1 July 2017 the Fund classified its net assets attributable to unitholders as liabilities in accordance with AASB 132. On 1 July 2017, the Fund has elected into the AMIT tax regime. The Fund's Constitution has been amended on the same date and it no longer has a contractual obligation to pay distributions to unitholders.

The Fund meets the criteria set out under AASB 132 and net assets attributable to unitholders is classified as equity from 1 July 2017 onwards. As a result of the reclassification of net assets attributable to unitholders from liabilities to equity, the Fund's distributions are no longer classified as finance cost in the Statement of Profit or Loss and Other Comprehensive Income, but rather as distributions paid in the Statement of Changes in Equity.

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

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6 Net Assets Attributable to Unitholders (continued)

Movement in number of units and net assets attributable to unitholders during the year were as follows:

	Year ended 30 June 2018		For the period 23 January 2017 to 30 June 2017	
	No '000	**AUD'000**	No '000	AUD'000
Opening balance*	**140**	**7,392**	-	-
Profit/(loss) for the year	**-**	**7,954**	-	-
Applications	**710**	**44,258**	140	7,456
Units issued upon reinvestment of distributions	**-**	**2**	-	-
Distributions paid and payable	**-**	**(3,125)**	-	-
Increase/(decrease) in net assets attributable to unitholders	**-**	**-**	-	(64)
Closing balance	**850**	**56,481**	140	7,392

*Net assets attributable to unitholders are classified as equity at 30 June 2018 and as a financial liability at 30 June 2017. Refer to Note 2 for further details.

Capital Risk Management

The Fund manages its net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

The Fund monitors the level of daily applications and redemptions relative to the liquid assets in the Fund. As of 30 June 2018 the capital of the Fund is represented in the net assets attributable to unitholders table.

In the event of a significant redemption, the Fund's Constitution allows the delay of payment beyond the usual redemption timeframe but no later than the maximum number of days specified in the Constitution for satisfying redemption requests. Further, in certain circumstances such as disrupted markets, the Constitution allows payment to be delayed beyond the maximum number of days.

7 Financial Assets Held at Fair Value Through Profit or Loss

	As at 30 June 2018	As at 30 June 2017
	AUD'000	AUD'000
Designated at fair value through profit or loss		
Listed equity securities	**59,394**	7,436
Total designated at fair value through profit or loss	**59,394**	7,436
Total financial assets held at fair value through profit or loss	**59,394**	7,436

An overview of the risk exposures relating to financial assets held at fair value through profit or loss is included in Note 3.

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8 Receivables

	As at 30 June 2018 AUD'000	As at 30 June 2017 AUD'000
Dividends/distributions receivable	39	-
Other receivables	7	-
Total	46	-

There are no past due (not impaired) or allowance for doubtful debts included in the above receivables as at 30 June 2018. (30 June 2017: Nil).

9 Payables

	As at 30 June 2018 AUD'000	As at 30 June 2017 AUD'000
Management fees payable	21	2
Total	21	2

10 Related Party Transactions

Responsible Entity

The Responsible Entity of the Fund is ETFS Management (AUS) Limited (ABN 13 150 433 828, AFSL 466778) whose holding company is ETFS (AUS) Pty Limited.

ETFS Management (AUS) Limited and ETFS (AUS) Pty Limited are incorporated in Australia.

Key management personnel

Directors

Key management personnel include persons who were directors of the Responsible Entity at any time during the financial year as follows:

Director	Date appointed
Vince Fitzgerald	16 December 2014
Graham Tuckwell	16 December 2014
Kris Walesby	03 May 2017

Other key management personnel

No other person had authority and responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the financial year.

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10 Related Party Transactions (continued)

Key management personnel unitholdings

The key management personnel who held units in the Fund were as follows:

2018 **Unitholder**	**Number of units held opening Units**	**Number of units held closing Units**	**Fair value of investment AUD**	**Interest held %**	**Number of units acquired Units**	**Number of units disposed Units**	**Distributions paid/payable by the Fund AUD**
Dr Vincent William Fitzgerald & Mrs Penelope Fitzgerald (Fitzgerald Super Fund A/c)	**800**	**800**	**53,153**	**0.09**	**-**	**-**	**2,963**

2017 Unitholder	Number of units held opening Units	Number of units held closing Units	Fair value of investment AUD	Interest held %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund AUD
Dr Vincent William Fitzgerald & Mrs Penelope Fitzgerald (Fitzgerald Super Fund A/c)	-	800	42,246	0.57	800	-	349

Key management personnel compensation

Key management personnel are paid by the Responsible Entity. Payments made from the Fund to the Responsible Entity do not include any amounts attributable to the compensation of key management personnel.

Key management personnel loan disclosures

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

Management fees and other transactions

In accordance with the Fund's Constitution, the Responsible Entity was entitled to receive fees for the provision of services to the Fund.

	Amount Charged	**Amount Outstanding**
At 30 June 2018	**AUD**	**AUD**
Management fees	**134,454**	**21,440**

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10 Related Party Transactions (continued)

Management fees and other transactions (continued)

At 30 June 2017	Amount Charged AUD	Amount Outstanding AUD
Management fees	4,177	2,352

The Management Fee is calculated by applying a fixed percentage to the value of Units in issue on a daily basis, equivalent to 0.35% per annum, inclusive of GST, and net of applicable RITC. The Management Fee is paid in Australian Dollars on a monthly basis.

Investments

The Fund did not hold any investments in schemes also managed by the Responsible Entity or its related parties during the reporting year (30 June 2017: Nil).

Related party schemes' unit holdings

The Responsible Entity and its related parties did not hold any units in the Fund as at 30 June 2018 (30 June 2017: Nil).

Other transactions with the Fund

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund since the end of the previous financial year and there were no material contracts involving key management personnel's interests subsisting at year end.

11 Remuneration of Auditor

During the year the following fees were paid or payable for services provided by the auditor of the Fund:

	Year ended 30 June 2018 AUD	For the period 23 January 2017 to 30 June 2017 AUD
KPMG		
Audit and review of the financial statements	**9,075**	6,845
Other services	**2,140**	4,190
Total	**11,215**	11,035

Other services relate to the audit of the Fund's compliance plan. The audit fees paid or payable are discharged by the Responsible Entity from the fees earned from the Fund.

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12 Reconciliation of Profit/(Loss) to Net Cash Inflow/(Outflow) from Operating Activities

	Year ended 30 June 2018 AUD'000	For the period 23 January 2017 to 30 June 2017 AUD'000
(a) Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities		
Operating profit/(loss) for the year	**7,954**	(3)
Net (gains)/losses on financial instruments held at fair value through profit or loss (including FX (gains)/losses)	**(7,831)**	7
Proceeds from sale of financial instruments held at fair value through profit or loss	**25,386**	1,447
Purchases of financial instruments held at fair value through profit or loss	**(69,488)**	(8,881)
Net change in receivables and other assets	**(46)**	-
Net change in accounts payables and accrued liabilities	**19**	2
Net cash inflow/(outflow) from operating activities	**(44,006)**	(7,428)
(b) Components of cash and cash equivalents		
Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the Statement of Financial Position as follows:		
Cash	**156**	19
Total cash and cash equivalents	**156**	19
(c) Non-cash financing activities		
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	**2**	-

As described in Note 2(f), income not attributed is included in net assets attributable to unitholders. The changes in this amount each year (as reported in (a) above) represents a non-cash financing cost as it is not settled in cash until such time as it becomes attributable (i.e. taxable).

13 Segment Information

The Fund operates solely in the business of providing investors with the performance of the market, before fees and expenses, as represented by the Morningstar Developed Markets Technology Most Focus Index. The Responsible Entity, which is the chief operating decision maker for the purposes of assessing performance and determining the allocation of resources, ensures that the Fund's holdings and performance are in accordance with the Morningstar Developed Markets Technology Most Focus Index. Accordingly, no additional qualitative or quantitative disclosures are required.

14 Events Occurring After the Reporting Period

No significant events have occurred since the end of the reporting period up to the date of signing the Annual Financial Report which would impact on the financial position of the Fund disclosed in the Statement of Financial Position as at 30 June 2018 or on the results and cash flows of the Fund for the year ended on that date.

15 Contingent Assets, Contingent Liabilities and Commitments

There are no outstanding contingent assets, contingent liabilities or commitments as at 30 June 2018 (30 June 2017: Nil).

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In the opinion of the directors of the Responsible Entity:

(a) the financial statements and notes set out on pages 6 to 28 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the Fund's financial position as at 30 June 2018 and of its performance, as represented by the results of its operations; changes in equity and its cash flows, for the financial year ended on that date;

(b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2(a); and

(c) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Signed in accordance with a resolution of the Responsible Entity made pursuant to s.295(5) of the *Corporations Act 2001*.

Kris Walesby
Director

Sydney
25 September 2018

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KPMG

Independent Auditor's Report

To the members of ETFS Morningstar Global Technology ETF

Opinion

We have audited the ***Financial Report*** of ETFS Morningstar Global Technology ETF (the Scheme).

In our opinion, the accompanying ***Financial Report*** of the Scheme is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Scheme's financial position as at 30 June 2018 and of its financial performance and its cash flows for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Statement of financial position as at 30 June 2018;
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Scheme in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Key Audit Matter we identified is valuation and existence of the financial assets held at fair value through profit or loss.

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Valuation and existence of the financial assets held at fair value through profit or loss	
Refer to Note 7 Financial assets held at fair value through profit or loss ($59,394,000) in the Financial Report	
The Key Audit Matter	**How the matter was addressed in our audit**
Financial assets held at fair value through profit or loss comprise of investments in listed equity securities. Valuation and existence of investments in listed equity securities is considered a Key Audit Matter, and therefore a focus of our audit team, due to the significance of these assets to the Scheme's total assets (99.7%).	Our procedures included: - Recalculated the valuation of the investments in listed equity securities, as recorded in the general ledger, using independently sourced quoted prices. - Checked the ownership and quantity of securities held to external custody reports as at 30 June 2018. - We obtained GS007 (Guidance Statement 007 *Audit Implications of the User of Service Organisations for Investment Management Services*) assurance report related to internal controls at the investment administration, and custody services and obtained confirmation from the key service provider over the period not covered by the GS007 (the bridging letter) that the service provider could demonstrate that controls were operating effectively. - We evaluated the Scheme's assessment of the GS007 assurance report and bridging letter for the key controls relating to investment administration, registry, and custody services key to the recording and valuing of investments. - Assessed the scope, professional competence and independence of the auditor of the GS007 assurance report.

Other Information

Other Information is financial and non-financial information in ETFS Morningstar Global Technology ETF's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors of ETFS Management (AUS) Ltd (the Responsible Entity) are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

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Responsibilities of the Directors for the Financial Report

The Directors of ETFS Management (AUS) Ltd (the Responsible Entity) are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001;*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Scheme's ability to continue as a going concern and whether the use of going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our Auditor's Report.

KPMG

Michael O Connell
Partner
Sydney
25 September 2018