

Global X 21Shares Ethereum ETF

(formerly ETFS 21Shares Ethereum ETF)

ARSN 655 392 331

Financial Report -

For the year ended 30 June 2023

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Directors' Report

The directors of Global X Management (AUS) Limited (formerly ETFS Management (AUS) Limited) (the “Responsible Entity”), the Responsible Entity of Global X 21Shares Ethereum ETF (formerly ETFS 21Shares Ethereum ETF) (the “Fund”), present their annual report together with the financial statements of the Fund, for the year ended 30 June 2023 and the auditor’s report thereon.

Fund Objectives

The Fund invests in Ethereum by holding units in the Global X 21Shares Wholesale Ethereum Trust (the “Sub-Fund”), an unregistered managed investment scheme. The Responsible Entity is the trustee of the Sub-Fund. Under the Trust Deed, each unit in the Sub-Fund entitles the Fund to a Coin Interest in the Sub-Fund, separate from all other Coin Interests, and each Coin Interest in the Sub-Fund is in turn an interest in an amount of Ethereum equal to the Coin Entitlement separate from all other interests in the Sub-Fund. Each Holder is therefore absolutely entitled to the value of the underlying Ethereum held by the Sub-Fund.

The Fund aims to provide a return that tracks the performance of the price of Ethereum in Australian dollars (before fees and expenses) by reference to the US dollar Crypto Coin Comparison Aggregate Index (“the Index”) converted to Australian dollars. The value of an investment in a Coin Interest will be subject to fluctuations in the AUD/USD exchange rate as well as fluctuations in the price of Ethereum. The Coin Interests provide Holders with a beneficial interest in Ethereum without the necessity of holding, trading and storing Ethereum.

The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch has been appointed as the custodian of the interests in the Sub-Fund which are held by the Fund. The Sub-Fund has been established by the Responsible Entity to act as a special purpose vehicle for holding Ethereum on behalf of the Fund. Coinbase Custody Trust Company, LLC has been appointed as the custodian of the Ethereum acquired in connection with the Fund.

The Fund is an Exchange Traded Fund (“ETF”) and can be traded by investors on the Cboe Australia securities and derivatives exchange (“Cboe”). ETFs can be bought and sold like any other share through normal brokerage accounts.

Principal Activities

The Fund was constituted on 7 October 2021 and commenced its operations on 9 May 2022. The Fund is currently listed on the Cboe Australia securities and derivatives exchange. The admission date was 12 May 2022.

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 2023.

The Fund did not have any employees during the year ended 30 June 2023.

Directors

Persons who were directors of the Responsible Entity at any time during the financial year or since the end of the financial year and up to the date of this report as follows:

Thomas Park
Young Kim
Evan Metcalf
Kanish Chugh (Resigned on 8 September 2023)
Oliver Reynolds (Appointed on 11 September 2023)

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.

On 16 September 2022, the Directors resolved to change the name of the Fund from ETFS 21Shares Ethereum ETF to Global X 21Shares Ethereum ETF. This change was announced publicly on 19 September 2022.

Directors' Report (continued)

Results

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

	Returns * For the year ended 30 June 2023 % p.a.
Global X 21Shares Ethereum ETF returns	83.40
	Returns * For the period 9 May 2022 to 30 June 2022 % p.a.
Global X 21Shares Ethereum ETF returns	-56.37**

* Returns are calculated after fees.

** Returns are from 9 May 2022 to 30 June 2022 and have not been annualised.

Significant Changes in State of Affairs

In the opinion of the directors, there were no 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

As the investments are measured at their 30 June 2023 fair values in the financial report, any change in values subsequent to the end of the reporting year is not reflected in the Statement of Profit or Loss and Other Comprehensive Income or the Statement of Financial Position.

No other matter or circumstance has arisen since 30 June 2023 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.

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 7 of the financial statements.

No fees were paid out of Fund property to the directors of the Responsible Entity during the year. 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 7 of the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in Note 5 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 to the nearest dollars in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, unless otherwise indicated.

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 20 September 2023. This report is made in accordance with a resolution of the directors.



Evan Metcalf
Director

Sydney

20 September 2023




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

To the Directors of Global X Management (AUS) Limited as the Responsible Entity
of Global X 21Shares Ethereum ETF

I declare that, to the best of my knowledge and belief, in relation to the audit of Global X 21Shares
Ethereum ETF for the financial year ended 30 June 2023 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


Nicholas Buchanan
Partner
Sydney
20 September 2023

Global X 21Shares Ethereum ETF
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2023

	Notes	For the year ended 30 June 2023 AUD	For the period ended 30 June 2022 AUD
<i>Investment income</i>			
Net gains/(losses) on financial instruments at fair value through profit or loss	4	2,085,062	(2,982,388)
<i>Total net investment income/(loss)</i>		<u>2,085,062</u>	<u>(2,982,388)</u>
<i>Expenses</i>			
<i>Total operating expenses</i>		<u>-</u>	<u>-</u>
<i>Profit/(loss) for the year/period</i>		2,085,062	(2,982,388)
Other comprehensive income		<u>-</u>	<u>-</u>
<i>Change in net assets attributable to unit holders</i>		<u><u>2,085,062</u></u>	<u><u>(2,982,388)</u></u>

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

Global X 21Shares Ethereum ETF
Statement of Financial Position
As at 30 June 2023

	Notes	As at 30 June 2023 AUD	As at 30 June 2022 AUD
Assets			
Financial assets at fair value through profit or loss	6	4,723,803	2,382,666
Total assets		4,723,803	2,382,666
Total liabilities		-	-
Net assets attributable to unitholders - liability	5	4,723,803	2,382,666

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

Global X 21Shares Ethereum ETF
Statement of Changes in Equity
For the year ended 30 June 2023

	For the year ended 30 June 2023 AUD	For the period ended 30 June 2022 AUD
<i>Total equity at the beginning of the year</i>	<u>-</u>	<u>-</u>
<i>Total equity at the end of the year</i>	<u><u>-</u></u>	<u><u>-</u></u>

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

The Fund does not have any cash flows as defined under AASB 107 Statement of Cash Flows. As such no Statement of Cash Flows has been presented for the current year.

1 General Information

These financial statements cover Global X 21Shares Ethereum ETF (formerly ETFS 21Shares Ethereum ETF) (the “Fund”) as an individual entity. The Fund was constituted on 7 October 2021 and commenced its operations on 9 May 2022. The Fund is currently listed on the Cboe Australia securities and derivatives exchange. The admission date was 12 May 2022.

The Fund is domiciled in Australia and is a for-profit entity.

The investment objective of the Coin Interests issued by the Fund is to provide a return that tracks the performance of the price of Ethereum in Australian dollars (before fees and expenses) by reference to the US dollar Crypto Coin Comparison Aggregated Index converted to Australian dollars. The Coin Interests provide Holders with a beneficial interest in Ethereum without the necessity of holding, trading and storing Ethereum. The Fund will invest in Ethereum through the ETFS 21 Shares Wholesale Ethereum Trust (the “Sub-Fund”), an unregistered managed investment scheme.

Under the Trust Deed, each unit in the Sub-Fund entitles the Fund to a Coin Interest in the Sub-Fund, separate from all other Coin Interests, and each Coin Interest in the Sub-Fund is in turn an interest in an amount of Ethereum equal to the Coin Entitlement separate from all other interest in the Sub-Fund. Each Holder is therefore absolutely entitled to the value of the underlying Ethereum held by the Sub-Fund.

The Responsible Entity of the Fund is Global X Management (AUS) Limited (formerly ETFS Management (AUS) Limited) (the “Responsible Entity”). The Responsible Entity’s registered office is Level 9, 115 Pitt Street, Sydney NSW 2000, Australia.

The financial report was authorised for issue by the directors on 20 September 2023. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

The financial statements are presented in Australian Dollars, which is the Fund’s functional currency.

2 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

(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 Australian Accounting Standards Board (“AASB”) and the *Corporations Act 2001* in Australia.

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. The amount expected to be recovered or settled within twelve months after the end of each reporting year 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

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the year ended 30 June 2023 that would be expected to have a material impact on the Fund.

(b) Financial Instruments

(i) Classification

The Fund classifies its investments based on its business model for managing those financial assets and their contractual cash flow characteristics. The Fund’s portfolio of financial assets is managed and its performance is evaluated on a fair value basis in accordance with the Fund’s documented investment strategy. The Fund evaluates the information about its investments on a fair value basis together with other related financial information.

Coin Interests are measured at fair value through profit or loss.

The Fund holds units (in the form of Coin Interests) in the Global X 21Shares Wholesale Ethereum Trust (the “Sub-Fund”), an unregistered management investment scheme which are classified as financial assets at fair value through profit or loss.

2 Summary of Significant Accounting Policies (continued)

(b) Financial Instruments (continued)

(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 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 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 in the year in which they arise.

- *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.

(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 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 liability under AASB 132 *Financial instruments: Presentation*.

2 Summary of Significant Accounting Policies (continued)

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

Movements in net assets attributable to unitholders are recognised in the Statement of Financial Position.

(f) 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.

(g) Income Tax

Under current legislation, and as disclosed in the PDS, the Fund is not subject to income tax and the taxable income of the Fund is fully attributed to unitholders.

(h) Management Fees

A Management Fee of 1.25 percent per annum of the Net Asset Value of the Fund is borne by, and will be paid out of the assets of the Sub-Fund to the Responsible Entity. The Management Fee will be accrued based on the daily Net Asset Value of the Fund and paid monthly in arrears by the Sub-Fund. The Coin Entitlement represented by each Coin Interest reduces each day by the amount of the Management Fee.

(i) 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. Actual results may differ from these estimates.

As disclosed in the PDS, the Ethereum held by the Sub-Fund is valued at the Crypto Coin Comparison Aggregate Index, which calculates the market price of cryptocurrency pairs traded across exchanges, based on readily available quoted market prices. 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.

(j) 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 to the nearest dollars in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, unless otherwise indicated.

3 Financial Risk Management

The Fund's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including price risk and currency 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. Financial risk management is carried out by the Portfolio Managers with oversight by the Compliance Officer and ultimately by the Board of Directors of the Responsible Entity (the "Board") under policies approved by 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 foreign exchange and other price risks. Sensitivity analysis is explained in Note 3(b).

Market disruptions associated with current geopolitical events have had a global impact, and uncertainty exists as to their implications. Such disruptions can adversely affect asset values and thus the performance of the Fund. The Responsible Entity is continuing to monitor this development and evaluate its impact on the Fund.

3 Financial Risk Management (continued)

(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 financial assets at fair value through profit or loss. 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.

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.

(b) Sensitivity Analysis

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

	Global X 21Shares Ethereum ETF Price Risk	
	-10%	+10%
	AUD	AUD
30 June 2023	(472,380)	472,380

	Global X 21Shares Ethereum ETF Price Risk	
	-10%	+10%
	AUD	AUD
30 June 2022	(238,267)	238,267

(c) Liquidity 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. The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

	Less than 1 month AUD	Total AUD
At 30 June 2023		
Liabilities		
Net assets attributable to unitholders	4,723,803	4,723,803
Total liabilities	4,723,803	4,723,803
At 30 June 2022		
Liabilities		
Net assets attributable to unitholders	2,382,666	2,382,666
Total liabilities	2,382,666	2,382,666

3 Financial Risk Management (continued)

(d) 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.

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) 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.

(e) Fair Values of Financial Assets and Liabilities

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

Financial assets and liabilities 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 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 loss allowance 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 the Fund's units (Coin Interests) in the Sub-Fund is determined by measuring the aggregate value of any Ethereum which is deliverable or delivered to the Sub-Fund at the Crypto Coin Comparison Aggregate Index at the end of the reporting year without any deduction for estimated future selling costs.

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

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.

(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.

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 2023 and 30 June 2022:

As at 30 June 2023	Level 1 AUD	Level 2 AUD	Level 3 AUD	Total AUD
Financial Assets				
Unlisted unit trust	-	4,723,803	-	4,723,803
Total	-	4,723,803	-	4,723,803

As at 30 June 2022	Level 1 AUD	Level 2 AUD	Level 3 AUD	Total AUD
Financial Assets				
Unlisted unit trust	-	2,382,666	-	2,382,666
Total	-	2,382,666	-	2,382,666

The Fund's units (Coin Interests) in the Sub-Fund are categorised in either level 2 or 3 of the fair value hierarchy depending on the extent of observable data inputs used in the pricing models. In accordance with the replacement PDS, the fair value of the Ethereum held by the Sub-Fund is based on the Crypto Coin Comparison Aggregate Index, which calculates the market price of cryptocurrency pairs traded across exchanges, based on readily available quoted market prices, using a 24-hour volume weighted average for each currency pair.

The Fund did not hold any level 3 instruments during the year ended 30 June 2023 (30 June 2022: Nil).

There were no transfers between levels for recurring fair value measurements during the year ended 30 June 2023 (30 June 2022: Nil).

(g) Offsetting Financial Assets and Financial Liabilities

Financial assets and liabilities are reported on a gross basis in the Statement of Financial Position.

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

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

	Year ended 30 June 2023 AUD	Period ended 30 June 2022 AUD
Net unrealised gain/(loss) on financial assets at fair value through profit or loss	2,494,176	(2,011,884)
Net realised gain/(loss) on financial assets at fair value through profit or loss	(409,114)	(970,504)
Net gains/(losses) on financial assets at fair value through profit or loss	2,085,062	(2,982,388)

5 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.

The Fund does not meet the criteria set out under AASB 132 and, as a result, net assets attributable to unitholders is classified as liability.

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.

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

	Year ended		Period ended	
	No.'000	30 June 2023 AUD	No.'000	30 June 2022 AUD
Opening balance	1,600	2,382,666	-	-
Movement in net assets attributable to unitholders	-	2,085,062	-	(2,982,388)
Applications	500	1,109,757	3,300	10,097,063
Redemptions	(371)	(853,682)	(1,700)	(4,732,009)
Closing balance	1,729	4,723,803	1,600	2,382,666

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 2023, 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.

6 Financial Assets at Fair Value Through Profit or Loss

	As at 30 June 2023 AUD	As at 30 June 2022 AUD
Financial assets at fair value through profit or loss		
Unlisted unit trust	4,723,803	2,382,666
Total financial assets at fair value through profit or loss	4,723,803	2,382,666

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

7 Related Party Transactions

Responsible Entity

The Responsible Entity of the Fund is Global X Management (AUS) Limited (formerly ETFs Management (AUS) Limited) (ACN 150 433 828, AFSL 466778) whose ultimate holding company is Mirae Asset Global Investments Co., Ltd and the direct parent company is Global X (AUS) Pty Ltd (formerly ETFs (AUS) Pty Ltd).

On 15 June 2022, Mirae Asset Global ETFs Holding Ltd (55%) and Global X Management Company, Inc. (45%) purchased all the shares in ETFs (AUS) Pty Limited (the immediate parent entity of the Responsible Entity). Both companies are part of the Mirae Asset Global Investments Group. The acquisition has not had an impact on the operations of the Fund.

Global X Management (AUS) Limited and Global X (AUS) Pty Ltd. are incorporated in Australia. The Fund does not employ personnel in its own right. However, it is required to have an incorporated Responsible Entity to manage the activities of the Fund and this is considered the key management personnel.

Key management personnel

Key management personnel include persons who were directors of the Responsible Entity at any time during the financial year or since the end of the financial year and up to the date of this report as follows:

Directors

Thomas Park

Young Kim

Evan Metcalf

Kanish Chugh (Resigned on 8 September 2023) Oliver Reynolds (Appointed on 11 September 2023)

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 reporting year and up to the date of this report.

Key management personnel unitholdings

From time to time, directors of the Responsible Entity, or their related entities, may invest in or withdraw from the Fund. These investments or withdrawals are subject to the same terms and conditions as those entered into by other unitholders of the Fund.

No units were held by key management personnel during the year.

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 year.

7 Related Party Transactions (continued)

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
	AUD	AUD
At 30 June 2023		
Management fees	45,490	4,856
	Amount Charged	Amount Outstanding
	AUD	AUD
At 30 June 2022		
Management fees	4,919	1,913

The management fee is calculated by applying a fixed percentage to the value of units in issue on a daily basis, equivalent to 1.25% per annum. The management fees are paid by the Sub-Fund on a monthly basis.

Investments

As disclosed in the replacement PDS, the Fund holds units in the Global X 21Shares Wholesale Ethereum Trust (the "Sub-Fund"), an unregistered managed investment scheme. The Responsible Entity is the trustee of the Sub-Fund.

Related party unitholdings

The Responsible Entity, its related parties and other funds managed by the Responsible Entity did not hold any units in the Fund as at 30 June 2023.

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.

8 Remuneration of Auditor

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

	For the year ended 30 June 2023	For the period ended 30 June 2022
	AUD	AUD
KPMG		
Audit and review of the financial statements	31,000	20,000
Other regulatory assurance services	2,625	2,500
	<u>33,625</u>	<u>22,500</u>
Total	<u><u>33,625</u></u>	<u><u>22,500</u></u>

Other services related 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.

9 Events Occurring After the Reporting Period

As the investments are measured at their 30 June 2023 fair values in the financial report, any change in values subsequent to the end of the reporting year is not reflected in the Statement of Profit or Loss and Other Comprehensive Income or the Statement of Financial Position. Since the end of the reporting year, the Fund's net asset value has increased by more than 10% due to changes in fair value of investments held. The movement is a result of implementation of the investment strategy as set out in the Fund's product disclosure statement.

No other significant events have occurred since the end of the reporting year up to the date of signing the Financial Report which would impact on the financial position of the Fund disclosed in the Statement of Financial Position as at 30 June 2023 or on the results and cash flows of the Fund for the year ended on that date.

10 Contingent Assets, Contingent Liabilities and Commitments

There are no outstanding contingent assets, contingent liabilities or commitments as at 30 June 2023.

11 Structured Entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, and the relevant activities are directed by means of contractual arrangements.

An interest in a structured entity is any form of contractual or non contractual arrangement with an entity which creates variability in returns from the performance of the arrangement for the Fund.

The Fund invests in the Sub-Fund and considers this investment to be an interest in a structured entity. The Fund generally has no involvement with these structured entities other than the securities it holds as part of its investments. The maximum exposure to loss on investments in structured entities is restricted to the carrying value of the asset.

The exposure to investments in the Sub-Fund are summarised in Note 6. These investments are managed in accordance with financial risk management practices as set out in Note 3.

Directors' Declaration

In the opinion of the directors of Global X Management (AUS) Limited, the Responsible Entity of Global X 21Shares Ethereum ETF (the "Fund"):

- (a) the financial statements and notes set out on pages 6 to 19 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the Fund's financial position as at 30 June 2023 and of its performance, 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*.



Evan Metcalf
Director

Sydney
20 September 2023