



Independent Shariah Auditor's Report to the Board of WisdomTree Metal Securities Limited

14th Dhū al-Qa‘ dal 1442 AH / 25th June 2021

In the Name of Allah, the Beneficent, the Merciful

In compliance with the Letter of Intent dated 8th June 2021, we are required to submit the following report:

We have reviewed the principles and the contracts related to the transactions and applications introduced by WisdomTree Metal Securities Limited [formerly ETFs Metal Securities Limited until 26/09/2019] during the period ended 31st December 2020. We have also conducted our audit to form an opinion as to whether the modus operandi for investing in WisdomTree Metal Securities Limited remained compliant with Shariah Rules and Principles.

WisdomTree Metal Securities Limited's management is responsible for ensuring that the modus operandi for investing in WisdomTree Metal Securities Limited remained in accordance with Islamic Shariah Rules and Principles. It is our responsibility to form an independent opinion, based on our audit of the operations of WisdomTree Metal Securities Limited, as to whether the modus operandi for investing in WisdomTree Metal Securities Limited remained compliant with Shariah Rules and Principles.

We conducted our audit which included an examination of:

- The Prospectus of WisdomTree Metal Securities Limited [04/01/2021];
- A Draft Authorized Participant Agreement template [20/08/2020]; and
- The Report and Financial Statements for the year ended 31st December 2020

We performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that WisdomTree Metal Securities Limited has not violated Islamic Shariah Rules and Principles.

In our opinion:

the agreements, transactions and dealings entered into by WisdomTree Metal Securities Limited during the year ended 31st December 2020 that we have reviewed are in compliance with the Islamic Shariah Rules and Principles. We are also assured that the trading in the five months of 2021 is on an identical basis of the documents audited for the year ended 31st December 2020.

the modus operandi detailed in the documents we have reviewed for investing in MSL is in accordance with Islamic Shariah Rules and Principles.

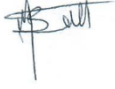
WisdomTree Metal Securities Limited is fully compliant with the Screening Criteria approved by the Al-Qalam Shariah panel.

We note that AAOIFI published Standard No. 57 on Gold and its Trading Controls (Arabic) in November 2017, which requires that the counter-values are exchanged during the trading session, even if on a constructive basis. It is our assessment that the AAOIFI standard No. 57¹ does not allow the mutual book entry of the trade and the earmarking of the securities with "pending out settlement" status in the seller's account until the settlement date to be considered a constructive form of possession and, hence, requires final settlement on a T+0 basis. WisdomTree Metal Securities are settled on a T+2 basis. On T+2 the investor or broker makes payment for the Metal Securities and the Metal Securities are simultaneously delivered to the purchaser under the Delivery Versus Payment system (DVP) and the shares settle in the CREST settlement and clearing system. Thus, a *prima facie* reading of the AAOIFI Standard No. 57 would indicate that the trading of WisdomTree Gold [and Silver] Metal Securities does not currently adhere to the AAOIFI Shariah Standards. Al-Qalam recognises the primacy of the AAOIFI Standards as a valid measure of Sharia compliance and seeks to adhere to the same whenever possible. However, it is our assessment that the trading of WisdomTree Gold [and Silver] Metal Securities does, despite a delay up to T+2,

¹ Clause 3/4.

adhere to the AAOIFI Shariah Standards as AAOIFI Standard No. 1 on Trading in Currencies² tolerates a delay due to unavoidable constraints of prevailing business practices. However, no subsequent trade can be concluded until the trade has been settled.

We beg Allah the Almighty to grant us all success and straight-forwardness.



Mufti Mohammed Zubair Butt (Chair)

On behalf of the Al Qalam Shariah Scholar Panel (bio's for each panel member attached overleaf)

This report covers the period between 1st January 2020 and 31st May 2021.

Next audit: 1st June 2022.

Completion Date: 25th June 2021

² Clause 2/6/5.



Al Qalam Shari'ah Panel Member Biographies

Mufti Muhammed Zubair Butt

Mufti Muhammed Zubair Butt is British born and committed the Holy Qur'an to memory at the age of 16 before going onto receiving Ijazahs in the ten variant recitals of the Holy Qur'an at the Institute of Islamic Education, Dewsbury, UK. He has studied traditional Islamic sciences, including Arabic language and literature, Fiqh, Usul al-Fiqh, Hadith, Usul al-Hadith, Tafseer, Usul al-Tafseer, and completed the Shahaadah al-'Aalamiyyah at Darul Uloom Karachi, Pakistan in 1995. In 1997 he graduated from his post graduate specialization in the issuance of fatwa – legal edicts under the instruction of the world renowned Shaykh Mufti Muhammad Taqi Usmani.

Mufti Zubair holds the position of Senior Advisor on Islamic law at the Institute of Islamic Jurisprudence, Bradford. He is also active in various fields including health and education where he serves as Chair, Shariah Advisor, or member of several committees. He lectures on the Ethics of Transplants and Autopsy at the University of Leeds and is a regular contributor at seminars on Islamic medical ethics.

Mufti Baraktullah

Mufti Baraktullah is a Senior Imam (cleric) in London and Lecturer on Islamic Finance at a Community College. He is a prominent Islamic Shariah law scholar with a strong background in economics and finance. Trained extensively both in traditional Islamic and modern Western educational traditions, Mufti has served UK Muslims as a community worker and Sharia Judge at Islamic Sharia Council, London. Previously Mufti had developed Islamic Sharia information databases on CD-Rom and recently hosted live phone-in shows on community TV channels.

Mufti Barkatulla is member of the Shariah supervisory boards for several Islamic financial institutions and Banks, including Islamic Bank of Britain and Lloyds TSB. As a respected Scholar, and maintainer of the Islamic Helpline, he has a wealth of experience in Islamic community and financial issues in Europe.

Mufti Muhammad ibn Adam al-Kawthari

Mufti Muhammad ibn Adam al-Kawthari is a young traditionally trained scholar who studied in different parts of the world. British born and bred, he memorized the Qur'an at the age of nine, and initially studied the Arabic Language and various other traditional Islamic Sciences at Darul Uloom, Bury, UK, and thus received authorizations (ijazas) in various books including the six major books of Hadith. He also took part in a one year course of specialization in the science of giving legal verdicts (Iftaa). He also travelled to Karachi, Pakistan, where he studied under Justice (Rtd) Mufti Muhammad Taqi Usmani and others. Later, he travelled to Damascus, Syria, where he increased in experience and knowledge by studying there and receiving authorization (ijaza) from Shaykh Abd al-Razzaq al-Halabi and others.

He frequently authors fiqh related articles for the Sunnipath website www.sunnipath.com, and provides a shariah advisory service at www.daruliftaa.com, as part of his role as director and founder of the Institute of Islamic Jurisprudence (Darul Iftaa), Leicester, where he helps people with their queries and problems.

Mufti Muhammed is also a Shari'ah Advisor for Habib Bank AG Zurich, UK – Islamic Banking department.

Mufti Yusuf Sacha

Mufti Yusuf Sacha is a Senior Lecturer of fiqh, hadith & Usool at Bradford Darul Uloom, and is the founder member of the Darul Iftaa of Batley, which has now been in operation for many years. He has substantial experience in issuing edicts (Fatawa) dealing in both traditional and contemporary Islamic issues as well as issues related to Islamic finance.

Mufti Yusuf Sacha has trained extensively both in traditional Islamic and modern educational settings. He studied traditional Islamic Sciences including Arabic language, Arabic Literature, Fiqh, Usool, Hadith and tafseer at Jamiah Talimuddin, Dabhel, Gujarat, India, and then graduated at Imdadul Uloom, Wadali, Gujrat, India. Mufti Sacha later qualified by specialising in the science of issuing legal verdicts (Fatwa) at the famous Islamic Institute of Higher Islamic Learning, based in Jalabaad in the Utter Pardesh district of India. Mufti Yusuf Sacha is also the author of a number of books and regularly contributes and writes articles for the monthly journal 'PAIGHAAM'.

Imam Abu Eesa

Imam Abu Eesa is a lecturer in Islamic law, hadith and social interactions as both a senior instructor for the *AlMaghrib Institute* as well as for the *Prophetic Guidance* organisation. He is a member of the *Al-Qalam Shari'ah Scholar Panel*. Imam Abu Eesa read Pharmacy, Anthropology and the Islamic Sciences in both Muslim and non-Muslim countries and teaches students through his personal writings, circles and seminars. Abu Eesa is known for his teaching of orthodox Islam and his refutations of extremist ideology at both ends of the scale, acknowledged both by Muslim and non-Muslim audiences.

He is also a public commentator on social and anthropological issues affecting the Muslims, including citizenship, integration and gender issues as well as being involved in various efforts to standardise the use of Islamic finance principles amongst Western Muslims. He was previously a member of the C-100, and is one of the current Global Religious Leaders who attends the annual Davos meeting – both World Economic Forum (WEF) initiatives – as a contributor. Abu Eesa is regularly consulted by the mainstream online and press media for his assistance and opinion on a range of matters.

He was the original founder of *Prophetic Guidance* where he is known for his lectures and in particular his DVD televised series entitled "al-Adab al-Mufrad".

Shaykh Abdul Qayyum

Shaykh Abdul Qayyum is one of Britain's best known scholars, being the senior Imam for many years at the East London Mosque in Whitechapel, London, which holds the UK's largest Friday congregational prayer service with the weekly attendance regularly exceeding 4,000 worshippers.

Being located alongside the City of London, the mosque is frequented by many professionals, and Shaykh Abdul Qayyum has consequently developed an invaluable insight into many of the key financial and legal issues facing British Muslims.

Shaykh Haytham Tamim

Shaykh Haytham Tamim is the senior lecturer and resident scholar at Utrujj, a British non profit Islamic educational foundation. He has studied Islamic law for over 16 years, and has received

accreditation in interpretation and sciences of the Qur'an, Prophetic sayings (hadith) and jurisprudence (fiqh) from scholars of As-Sham.

As well as verifying over 20 books, his specialities include comparative jurisprudence, principles of jurisprudence (usool ul fiqh) and hadith. He served as a lecturer of comparative jurisprudence for many years at the Islamic University of Beirut. He has also served as lecturer of hadith and the life of the Prophet (peace be upon him) (seerah) at the Azhar Lubnan Academy, Lebanon.

He provides counselling and independent consultancy services for Muslim and non-Muslim organisations both in person and via the internet. He has appeared on both Islam Channel and Shari'ah TV channel. He has been a guest speaker on Islamic radio stations throughout the UK responding to questions on Islamic law and living Islam in the modern context. He has also delivered a range of seminars and courses on Islamic Finance.

Shaykh Haytham currently serves on the Shariah Supervisory Board of Gatehouse Bank Plc.