“Bringing Exchange Traded Commodities to the World’s Stock Exchanges”

ETFS Metal Securities Australia Limited
ACN 101 465 383

Prospectus for the issue of

Metal Securities
comprising:

<table>
<thead>
<tr>
<th>Class of Security</th>
<th>ASX Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>ETFS Physical Gold</td>
<td>GOLD</td>
</tr>
<tr>
<td>ETFS Physical Silver</td>
<td>ETPMAG</td>
</tr>
<tr>
<td>ETFS Physical Platinum</td>
<td>ETPMPT</td>
</tr>
<tr>
<td>ETFS Physical Palladium</td>
<td>ETPMPD</td>
</tr>
<tr>
<td>ETFS Physical PM Basket</td>
<td>ETPMPM</td>
</tr>
</tbody>
</table>

This Prospectus is a rollover prospectus and was initially issued on 8 December 2008 and subsequently re-issued most recently on 27 March 2019.

ETFS Metal Securities Australia Limited (the “Company”) is issuing five separate types of Metal Security, being four classes of security, which are designed to track the price of individual precious metals (gold, silver, platinum and palladium) and one designed to track the price of a basket of those metals. The Metal Securities are intended to provide investors with a return equivalent to movements in the spot price less the daily Management Fee.

Each Metal Security is backed by physical metal held in custody by JPMorgan Chase Bank, N.A. (the “Custodian”) itself or through sub-custodians pursuant to Custodian Agreements between the Custodian, the Company and the Trustee. All metal will be held in allocated form (other than amounts which may be held on a temporary basis in unallocated form to effect creations and redemptions) as Good Delivery bars. The metal will be held and settled in accordance with the standards set down by the LBMA (for gold and silver) and the LPPM (for platinum and palladium). Payments for creations and redemptions generally will be in unallocated form.

The Company is a special purpose entity administered (as at the date of this Prospectus) by ETFS Management (AUS) Limited. All the issued ordinary shares in the capital of the Company are owned by ETFS Capital Limited.

In order to provide liquidity and ensure minimal tracking error, Metal Securities can be applied for or redeemed at any time by Authorised Participants who are expected to make a market in the securities. It is expected that all other investors will buy and sell Metal Securities through trading on the ASX (although all investors will have the right to redeem their securities directly with the Company).

Dated: 8 January 2020
Important Information

Information and Representations
This Prospectus has been prepared by ETFS Metal Securities Australia Limited (the "Company"), the issuer of the Metal Securities. Potential investors should note that no person is authorised by the Company to give any information to investors or to make any representation on behalf of the Company not contained in this Prospectus. The expiry date of this Prospectus is 13 months after the date of this Prospectus. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. Metal Securities are being offered for subscription only to Authorised Participants (as defined in the Glossary in Section 11). All other investors may purchase Metal Securities on the Australian Securities Exchange. The Company is an authorised representative of ETFS Management (AUS) Limited ACN 150 433 828 ("ETFSA") ETFSA holds Australian Financial Services Licence number 466778. The Company is authorised representative number is 001274650. The Company reserves the right to vary the dates and terms of this offer without notifying the recipient of this Prospectus or any Authorised Participants.

None of the Company, the Trustee, any Authorised Participants, or the Custodian makes any representations as to: the suitability of any Metal Securities for any particular investor, the appropriate accounting treatment or possible tax consequences of an investment in any Metal Securities; or the expected performance of any Metal Securities, either in absolute terms or relative to competing investments.

Prospectus Lodged with ASIC
This Prospectus has been lodged with the Australian Securities and Investments Commission ("ASIC") on 8 January 2020. ASIC takes no responsibility as to the contents of this Prospectus.

The Quotation on ASX
Metal Securities are presently quoted on the Australian Securities Exchange ("ASX"). The fact that the ASX has quoted or may quote any of the Metal Securities of ETFS Metal Securities Australia Limited is not to be taken in any way as an indication of the merits of ETFS Metal Securities Australia Limited or the quoted Metal Securities. The ASX takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this document.

Investment Decisions
It is impossible in a document of this type to take into account the investment objectives, financial situation and particular needs of each potential investor. Accordingly, nothing in this Prospectus is a recommendation by the Company, the Trustee, JPMorgan Chase Bank, N.A. or any other person concerning investments in shares or any other security. Potential investors should not rely on this Prospectus as the sole basis for any investment decision in relation to shares or any other security and should seek independent professional investment and taxation advice before making a decision whether to invest in the Metal Securities. Prospective investors should read the entire Prospectus before making any decisions to invest in the Metal Securities. If prospective investors have any doubt as to their course of action, they should consult their stockbroker, solicitor, accountant or other professional adviser.

Jurisdiction
The offers made in this Prospectus are, subject to the terms described in this Prospectus, available to persons receiving an electronic Prospectus within Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this Prospectus comes should seek advice on and observe any such restrictions. Failure to comply with relevant restrictions may violate those laws. This Prospectus is not an offer or invitation in relation to shares in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the offers under this Prospectus or otherwise permit a public offer of the Metal Securities in any jurisdiction outside Australia. The Metal Securities have not been and will not be registered under the US Securities Act of 1933 ("Securities Act") and may not be offered or sold in the United States or to, or for the account or benefit of, a US person (as defined in Regulation S under the Securities Act) except in a transaction exempt from the registration requirements of the Securities Act and applicable US state securities laws.

Further Information
Investors who are seeking advice on the offer or who have questions in relation to this Prospectus are to contact their broker, accountant or other professional advisor.

Defined Terms
Certain terms used in this Prospectus are defined in the Glossary in Section 11. This Prospectus should be read in conjunction with these defined terms.
# Table of Contents

1 **Details of the Offer** .......................................................................................................................... 5  
1.1 Overview of the Offer .................................................................................................................... 5  
1.2 Continuous Offer Notice ............................................................................................................ 5  
1.3 Applications ............................................................................................................................... 5  
1.4 Use of Application Amounts ...................................................................................................... 5  
1.5 ASX Quotation ........................................................................................................................... 5  
1.6 CHESS ........................................................................................................................................ 6  
1.7 Register ...................................................................................................................................... 6  
1.8 Transaction Documents.............................................................................................................. 6  
1.9 Investment Considerations ......................................................................................................... 6  

2 **Description of a Metal Security** .................................................................................................. 8  
2.1 Components of a Metal Security ............................................................................................... 8  
2.2 Metal Entitlement ....................................................................................................................... 8  
2.3 Structure of Metal Securities ...................................................................................................... 10  
2.4 Applications and Redemptions ................................................................................................. 11  
2.5 Authorised Participants ............................................................................................................. 12  
2.6 Trading Metal Securities on the ASX ....................................................................................... 13  
2.7 Rights of Metal Security Holders .............................................................................................. 13  
2.8 Liabilities and Obligations of Metal Security Holders .............................................................. 13  

3 **The Metal** .................................................................................................................................... 14  
3.1 Where is the Metal? ..................................................................................................................... 14  
3.2 Storage and Insurance of Metal ............................................................................................... 14  
3.3 Details of the Custodian ............................................................................................................ 14  
3.4 Value Added Tax ......................................................................................................................... 15  
3.5 Precious Metal Markets Overview ............................................................................................ 15  

4 **The Business of ETFS Metal Securities Australia Limited** .................................................... 26  
4.1 Background and Corporate Structure ..................................................................................... 26  
4.2 Description of the Company’s Business .................................................................................. 26  
4.3 Application and Redemption Fees ......................................................................................... 26  
4.4 Directors Profiles ....................................................................................................................... 27  

5 **Risk Factors** ............................................................................................................................... 28  
5.1 Bullion Prices ............................................................................................................................ 28  
5.2 Shortage of Physical Bullion ..................................................................................................... 28  
5.3 Tracking Error and Liquidity ................................................................................................... 28  
5.4 Custody and Insurance .............................................................................................................. 28  
5.5 Only Authorised Participants May Apply for or Redeem Metal Securities ......................... 29  
5.6 Early Redemption of Metal Securities ..................................................................................... 29  
5.7 Performance by the Company and Parties to Material Contracts ....................................... 29  
5.8 General Market Risk ............................................................................................................... 30  
5.9 Limited Recourse ..................................................................................................................... 30  

6 **Constitution** ................................................................................................................................ 31  

7 **Trust Deed** ................................................................................................................................... 37  

8 **Summary of Other Transaction Documents** .......................................................................... 51  
8.1 Summary of the Custodian Agreements ................................................................................... 51  
8.2 Metal Sale Counterparty Agreement ....................................................................................... 53  
8.3 Summary of Service Agreement .............................................................................................. 54  
8.4 Summary of Authorised Participants Agreements .................................................................. 54  

9 **Summary of Tax Considerations** ............................................................................................. 56  
9.1 Introduction ............................................................................................................................... 56  
9.2 A Metal Security ....................................................................................................................... 56  
9.3 Sale of Metal Securities ............................................................................................................ 56  
9.4 Foreign Exchange Gains/Losses ............................................................................................. 58  
9.5 Management Fee ...................................................................................................................... 58  
9.6 Redemption of a Metal Security ............................................................................................... 58
9.7 Gearing ................................................................. 59
9.8 TFN withholding ....................................................... 59
10 Anti-Money Laundering and Counter-Terrorism Financing Act 2006 ................................................................. 60
11 Glossary ..................................................................... 61
12 Disclosures ................................................................... 66
1 DETAILS OF THE OFFER

1.1 Overview of the Offer

ETFS Metal Securities Australia Limited (the "Company") is offering five different classes of securities, being ETFS Physical Gold securities, ETFS Physical Silver securities, ETFS Physical Platinum securities, ETFS Physical Palladium securities and ETFS Physical PM Basket securities (each a "Metal Security" and together the "Metal Securities"). The Metal Securities have been designed to enable investors to gain exposure to a return from investing in physical Bullion (being any or all of gold, silver, platinum and palladium) without the necessity of trading and storing physical Bullion. The Metal Securities also enable investors to buy and sell that interest through the trading of the Metal Securities on the ASX.

1.2 Continuous Offer Notice

The Offer (being the invitation made to the public under this Prospectus) is a continuous offer made during the term of this Prospectus. There is no minimum subscription condition that must be fulfilled before the securities offered will be issued.

As a disclosing entity, the Company is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office.

People have the right to obtain a copy of the following documents during the application period for the Prospectus:

- the annual financial report most recently lodged with ASIC by the Company (if any);
- any half-year financial report lodged with ASIC by the Company after lodgement of that annual financial report and before lodgement of this Prospectus with ASIC; and
- any continuous disclosure notices given by the Company after the lodgement of that annual financial report and before lodgement of the copy of this Prospectus with ASIC.

Such information may be obtained from, or inspected at, an ASIC office and shall also be available for download free of charge from the Company’s website at www.etfsecurities.com.au. Upon request, the Company shall also make a copy of the documents available free of charge to anyone who asks during the application period for the Prospectus.

1.3 Applications

Only persons who are Authorised Participants may apply for new Metal Securities - all other persons must buy Metal Securities through trading on the ASX. An Authorised Participant is any bank, securities house or other market professional which holds an AFS Licence and which has been approved by the Company.

A valid Application received by the Registrar by 4.30 p.m. AEST (day T) will generally enable the Applicant to receive the new Metal Securities in their CHESS account two ASX Business Days later (T+2), provided the Applicant has deposited the Bullion into the Unallocated Account (before day T+2). A Metal Security will only be issued upon receipt of a valid Application Form and after the Bullion has been transferred into one or more of the Metals Accounts.

Further details are set out in Section 2.4.2 (Applications).

1.4 Use of Application Amounts

The Bullion subscribed by, or purchased on behalf of, applicants for a Metal Security will be deposited into one or more of the Metal Accounts in the name of the Trustee and held upon the Separate Trust for the Holder. An Application Fee of A$1,000 will be payable for each Application and that fee will be used to pay costs and expenses related to the issue of the Metal Security.

1.5 ASX Quotation

The Metal Securities are presently quoted on the ASX. The ASX takes no responsibility for the contents of this Prospectus.

ASX quotation of the Metal Securities will be pursuant to the AQUA Rules. The Company and its ordinary shares will not be listed on the ASX pursuant to the ASX Listing Rules. The Metal Securities are quoted under the AQUA
Rules because the value (or price) of the Metal Securities is dependent upon the performance of the underlying Bullion rather than the financial performance of the Company itself. Accordingly, a great deal of the disclosure, corporate governance and corporate control rules in the ASX Market Rules for the shares of listed companies do not apply to the Metal Securities.


1.6 CHESS

The Company participates in the Clearing House Electronic Sub register System (“CHESS”). The Company will not issue certificates for Metal Securities to Authorised Participants who are issued Metal Securities. The Registrar, on behalf of the Company, will provide each Holder with an uncertificated securities holding statement which will set out the Metal Securities issued to the Holder. If applicable, the holding statement will inform each Holder of their “Holder Identification Number” and the “Sponsoring Issuer Number” as used by CHESS.

1.7 Register

Computershare Investor Services Pty Limited will maintain a register of the Metal Securities in Sydney.

1.8 Transaction Documents

The documents which, in addition to this Prospectus, set out the terms and conditions relating to the Metal Securities and the holding of the Bullion comprise:

- the Constitution;
- the Trust Deed;
- the Custodian Agreements;
- the Service Agreement; and
- the Metal Sale Counterparty Agreement.

*Details are set out in Section 6 (Constitution), Section 7 (Trust Deed) and Section 8 (Summary of Other Transaction Documents).*

1.9 Investment Considerations

Past performance is not an indication of expected performance and the investment performance of Metal Securities could be volatile. An investment in Metal Securities involves a significant degree of risk. The following are just some of the risk factors which should be carefully considered by prospective investors before deciding whether to invest in Metal Securities:

- Bullion prices, and therefore the value of Metal Securities, may fluctuate widely in both US dollars and Australian dollars.
- Bullion markets have the potential to suffer from market disruption or volatility caused by shortages of physical Bullion.
- At any time, the price at which the Metal Securities trade on the ASX may show some “tracking error”, due to the prices and/or spreads quoted by market-makers, and thus may not reflect accurately the price of Bullion represented by such Metal Securities.
- Access to the vault premises of the Custodian could be restricted by natural events, such as flooding, or human actions, such as a terrorist attack. The Custodian has no obligation to insure the Bullion held in the Metal Accounts against any risk (including the risk of theft, loss, damage, destruction or mis-delivery) and neither the Company nor the Trustee intends to insure against such risks. Accordingly, there is a risk that some or all of the Bullion could be lost, stolen, destroyed, mis-delivered or damaged and the Company would not be able to satisfy its obligations in respect of the Metal Securities. However, the Custodian has agreed that it shall make such insurance arrangements as it considers appropriate in connection with its obligations arising under the Allocated Accounts Agreement.
- Any Bullion held in the Unallocated Account will be an unsecured credit risk against the Custodian.
- There are certain circumstances in which an early redemption of Metal Securities may be imposed on investors, which may result in an investment in Metal Securities being redeemed earlier than desired.

*Further details are set out in Section 5 (Risk Factors).*
2 DESCRIPTION OF A METAL SECURITY

Metal Securities, which comprise a Metal Share and a Metal Entitlement, are constituted by the Constitution of the Company, the Trust Deed and by the terms, provisions and statements contained in this Prospectus. A description of some of the key provisions of these documents is set out in this Section 2 and further details are set out in Section 6 (Constitution) and Section 7 (Trust Deed). These are important documents and they should all be read by investors when making an assessment of whether to buy Metal Securities.

2.1 Components of a Metal Security

A Metal Security is comprised of a Metal Share of nominal value plus a Beneficial Interest in the relevant amount of Bullion (the Metal Entitlement), which Bullion is held in a Separate Trust for each Holder.

A Metal Share is a redeemable preference share with a nominal value of 1/1000th of 1 cent which carries with it a right to the Metal Entitlement applicable to that class of share. Although a Metal Share in itself has no economic value, it exists in order to provide a class of “share” which is tradeable on the ASX.

The economic value of each Metal Security lies in the Metal Entitlement which is carried around with each Metal Share. Whenever there is a transfer in ownership of a Metal Share, there is a corresponding transfer in the ownership of the Metal Entitlement applicable to that Metal Share.

Pursuant to the Trust Deed, a Separate Trust is established for each Holder of a Metal Share and the Metal Entitlement is held by the Trustee on trust for each such Holder. Each Holder will therefore hold:

- a Metal Share issued by the Company; and
- a beneficial interest in a Separate Trust that owns the relevant amount of Bullion (being the Metal Entitlement).

As at 8 January 2020 the number of Metal Securities on issue was:

<table>
<thead>
<tr>
<th>Class of Security</th>
<th>Metal Securities on issue (8 January 2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ETFS Physical Gold</td>
<td>5,515,145</td>
</tr>
<tr>
<td>ETFS Physical Silver</td>
<td>3,976,689</td>
</tr>
<tr>
<td>ETFS Physical Platinum</td>
<td>43,780</td>
</tr>
<tr>
<td>ETFS Physical Palladium</td>
<td>14,993</td>
</tr>
<tr>
<td>ETFS Physical PM Basket</td>
<td>56,511</td>
</tr>
</tbody>
</table>

2.2 Metal Entitlement

There will be a separate Metal Entitlement for each class of Metal Security, which as at 8 January 2020 was:

<table>
<thead>
<tr>
<th>Class of Security</th>
<th>Metal Entitlement (8 January 2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ETFS Physical Gold</td>
<td>0.0938809 fine troy oz</td>
</tr>
<tr>
<td>ETFS Physical Silver</td>
<td>0.947312361 troy oz</td>
</tr>
<tr>
<td>ETFS Physical Platinum</td>
<td>0.09473125 troy oz</td>
</tr>
<tr>
<td>ETFS Physical Palladium</td>
<td>0.09473125 troy oz</td>
</tr>
<tr>
<td>ETFS Physical PM Basket</td>
<td>0.038272529 fine troy oz gold, 1.136774833 troy oz silver, 0.009473108 troy oz platinum and 0.018946301 troy oz palladium</td>
</tr>
</tbody>
</table>

The ETFS Physical Gold securities (previously called Gold Bullion Securities) started in early 2003 with an initial Metal Entitlement of 0.10 fine troy ounces. The ETFS Physical Silver securities started on 1 January 2009 with an initial Metal Entitlement of 1.00 troy ounces. The ETFS Physical Platinum securities started on 1 January 2009 with an initial Metal Entitlement of 0.10 troy ounces. The ETFS Physical Palladium securities started on 1 January 2009 with an initial Metal Entitlement of 0.10 troy ounces. The ETFS Physical PM Basket securities started on 1 January 2009 with an initial Metal Entitlement of 0.10 troy ounces.
2009 with an initial Metal Entitlement of 0.04 fine troy ounces of gold, 1.20 troy ounces of silver, 0.01 troy ounces of platinum and 0.02 troy ounces of palladium.

The Metal Entitlement on all Metal Securities will be reduced daily by the Management Fee Rate shown in the table below. Whenever new securities are issued or existing securities redeemed, this will be done at the then prevailing Metal Entitlement, thereby ensuring that all securities of the same class have the same Metal Entitlement and are fully fungible.
The Management Fee Rate for each class of Metal Security will be:

<table>
<thead>
<tr>
<th>Security</th>
<th>Management Fee Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>ETFS Physical Gold</td>
<td>40 basis points per annum</td>
</tr>
<tr>
<td>ETFS Physical Silver</td>
<td>49 basis points per annum</td>
</tr>
<tr>
<td>ETFS Physical Platinum</td>
<td>49 basis points per annum</td>
</tr>
<tr>
<td>ETFS Physical Palladium</td>
<td>49 basis points per annum</td>
</tr>
<tr>
<td>ETFS Physical PM Basket</td>
<td>40 basis points per annum on the gold component and 49 basis points per annum on all other components</td>
</tr>
</tbody>
</table>

The Management Fee will reduce the Metal Entitlement each day using the following formula:

\[
ME_{(i,t)} = ME_{(i,t-1)} \times (1 - MF_{(i,t)})^{1/N};
\]

where:
- \(i\) refers to the relevant class of Metal Security;
- \(t\) refers to the applicable day (with \(t-1\) being the previous day);
- \(ME_{(i,t)}\) is the Metal Entitlement for Metal Securities of class \(i\) for day \(t\);
- \(MF_{(i,t)}\) is the per annum Management Fee Rate applicable on day \(t\), expressed as a decimal (so that 49 basis points per annum is expressed as 0.0049);
- \(N\) is 365 (or 366 in a leap year).

The Metal Entitlement for each class of Metal Security will be calculated daily by the Company, to nine places of decimals with 0.000000005 troy ounces (or fine troy ounces in the case of gold) rounded upwards, and will be published on the parent company’s website www.etfsecurities.com.au and will also be available through the ASX electronic news announcement system.

The Management Fee may be varied by the Company at any time, but in the case of an increase, such variation may only be made after giving 30 days’ prior notice to all Holders (to be released through the CAP).

2.3 Structure of Metal Securities

The following diagram shows the key aspects of the structure of a Metal Security. The diagram shows the movements of metal and securities for an Application; the same flows occur in the opposite direction for a Redemption.
As shown in the diagram:

- new securities can be created by an Authorised Participant depositing metal with the Custodian;
- the metal is deposited in unallocated form and, at that stage, such Authorised Participant has a credit risk against the Custodian;
- the metal is then allocated (set aside as separately identifiable Good Delivery bars) and, at this point, such Authorised Participant does not have a credit risk against the Custodian and the metal is owned beneficially by Holders of Metal Securities;
- investors buy (and generally sell) Metal Securities through Authorised Participants (market makers);
- each Separate Trust is a bare trust so the Holder is absolutely entitled to the allocated Bullion; and
- each time a Holder transfers a Metal Share to a new holder, the beneficial interest in the Bullion automatically transfers to the new holder.

HSBC Bank USA, N.A., acted as the custodian from the date that ETFS Physical Gold securities were first listed on the ASX and continued to act as the custodian up to and including 28 December 2014. The Company, HSBC Bank USA, N.A. and the Trustee entered into the HSBC Novation Agreement with HSBC Bank plc pursuant to which on 29 December 2014, HSBC Bank plc assumed the obligations of HSBC Bank USA, N.A. and became the custodian. JPMorgan Chase Bank, N.A. entered into the Custodian Agreements on 16 September 2019 and became the Custodian on 8 January 2020.

Further details on how the metal is held are set out in Section 3 (The Metal) and Section 8.1 (Summary of the Custodian Agreements).

The Trustee is Gold Bullion Nominees Pty Ltd – a special purpose company established to facilitate the offer of Metal Securities.

2.4 Applications and Redemptions

2.4.1 Business Days

Application Forms and Redemption Notices may only be lodged on a day which is both an ASX Business Day and a London Business Day. The date on which Metal Securities are issued or cancelled is referred to as the Settlement Date. Due to the time difference between Australia and London, payment for Applications must be made prior to the Settlement Date. Payments for Redemptions will be on the Settlement Date. Payments of Bullion can only be made if it is a “value date” in the Relevant Market. If the Settlement Date would otherwise be a day which is not a “value date” in the Relevant Market, the Settlement Date will be postponed to the next day which is such a “value date” and the Management Fee will accrue to such date.

2.4.2 Applications

Metal Securities may be created at any time during the term of this Prospectus. There is no maximum or minimum number of Metal Securities that may be applied for. Only Authorised Participants may lodge an Application Form.

Payment for new Metal Securities must be made by the Authorised Participant depositing in the Unallocated Account by close of business London time on the day prior to the Settlement Date an amount of Bullion equal to the aggregate Metal Entitlement of the Metal Securities applied for (such deposit also constituting payment of the nominal value of the Metal Shares which carry such Metal Entitlement), calculated as at the Settlement Date (rounded up to the nearest 0.001 troy ounce, or fine troy ounce in the case of gold).

An Application received by the Registrar by 4.30 p.m. AEST (day T) will generally enable the Applicant to receive the new Metal Securities in their CHESS account two ASX Business Days later (T+2), provided the Applicant has deposited the Bullion into the Unallocated Account (before day T+2).

Deposits should be made as unallocated Bullion. New Metal Securities will only be issued after the Bullion is deposited in the Unallocated Account. Once in the Unallocated Account, the Custodian will then allocate all of the Bullion (rounded up to the next Good Delivery bar) by transferring such Bullion to the Allocated Account; allocation is generally expected to be completed on the same day where a deposit is made prior to 2:00 p.m. (London time) (although in exceptional circumstances platinum and palladium may take a day or two longer to allocate).
2.4.3 Redemptions

A Holder may, at any time, by lodging a valid Redemption Notice with the Registrar, require the redemption of all or any of its Metal Securities. A Holder may elect payment on Redemption to be in metal (the Metal Delivery Method) or cash (the Metal Sale Method) but may only elect the former if they have an unallocated metal account with a bullion dealer in London or Zurich, who is a member of the LBMA or LPPM, to which such metal is to be transferred. Redemptions will be effected on the Settlement Date or such later date as requested by the Holder.

A Holder who is not an Authorised Participant may only require the redemption of any or all of its Metal Securities if they lodge a valid Redemption Notice and deliver the Metal Securities being redeemed to the Company by depositing them into an appropriate CHESS account in the name of the Company or the Registrar and giving correct delivery free of payment instructions in CHESS (or otherwise deliver such Metal Securities to the Company by agreement with the Company). Redemption Notices will not be treated as having been lodged until the Metal Securities have been so delivered to the Company.

Redemptions using the Metal Delivery Method shall be made by the Custodian, on approval of the Trustee, by withdrawing Bullion from the Metal Accounts in an amount equal to the aggregate Metal Entitlement of the Metal Securities being redeemed, calculated as at the Settlement Date (rounded down to the nearest 0.001 troy ounce, or fine troy ounce in the case of gold), and delivering the same to the unallocated metal account of the redeeming Holder. To the extent required, Bullion will be de-allocated from the Allocated Account to the Unallocated Account before being transferred to the Holder’s account on the Settlement Date and such transfer shall settle the Delivery Obligations in respect of such Metal Security (including the redemption of the Metal Share). For platinum and palladium being delivered loco Zurich, the Custodian will only be able to effect the transfer after the Bullion has been credited to the Custodian’s account with its Zurich clearing bank and this may take a day or two longer to occur. If so, the Settlement Date will be postponed to such later date. A Holder who is an Authorised Participant must deposit the Metal Securities being Redeemed with the Registrar by not later than 4.00 p.m. AEST on the Settlement Date and payment for redemption will only be made after the Registrar has confirmed to the Custodian receipt of the Metal Securities. Redemption Notices lodged with the Registrar by 5.00 p.m. AEST (day T) will be treated as having been lodged on the next Business Day, where the Bullion is required to be physically withdrawn, rather than withdrawn through procuring a book entry transfer, the Custodian may require notice of up to 5 Business Days’ prior to the date of collection.

Redemptions using the Metal Sale Method will follow the same procedures as the Metal Delivery Method except that the Trustee will sell Bullion to the Metal Sale Counterparty pursuant to the Metal Sale Counterparty Agreement in an amount equal to the aggregate Metal Entitlement of the Metal Securities being redeemed, calculated as at the Settlement Date (rounded down to the nearest 0.001 troy ounce, or fine troy ounce in the case of gold). The Bullion will be sold in US dollars at the Fixing Price for such type of Bullion on the Redemption Notice Date. Once the proceeds are received, they will be paid in US dollars (or in Australian dollars if through CHESS), less any Redemption Fee, on the Settlement Date; that is, on a T+2 basis.

Neither the Trustee nor the Company shall be responsible or liable for any failure by the Custodian (or the Metal Sale Counterparty) to effect a payment of Bullion (or dollars) in accordance with the instructions of the Trustee and/or the Company. However, in the event of such failure, the Trustee shall, with the consent of the Custodian and to the extent practicable, assign to the redeeming Holder its claims in relation to such Bullion (or dollars) in satisfaction of all claims of such Holder in respect of the Metal Securities to be redeemed and the Holder shall have no further claims against the Company or the Trustee.

2.5 Authorised Participants

Only Authorised Participants may deal with the Company in applying for Metal Securities - all other persons must buy Metal Securities through trading on the ASX. It is generally expected that only Authorised Participants will redeem Metal Securities and that other persons will realise their investment by trading on the ASX rather than redeeming directly with the Company.

A person can only be an Authorised Participant if: (a) it is a bank, securities house or other market professional approved by the Company (in its absolute discretion); and (b) it is an authorised person, being a person who holds
an AFS Licence as authorised by ASIC for the purposes of the Corporations Act. An Authorised Participant must also have been approved by the Company and may be subject to certain terms dealing with, amongst other things, the rights and obligations of the Authorised Participant in relation to applying for and redeeming Metal Securities. Please contact the Company at primarymarkets@etfsecurities.com.au to obtain a list of the names of all Authorised Participants at any time.

The Company will use its reasonable endeavours to ensure that at all times there are at least two Authorised Participants.

2.6 Trading Metal Securities on the ASX

The application and redemption processes described above are intended to ensure that Metal Securities will have sufficient liquidity and that the price at which they trade on the ASX will track the relevant Bullion price. Further, the parent company of the Company intends to have agreements with one or more market-makers requiring them to continually make a market on the ASX in all of the Metal Securities.

The market value of the Metal Securities trading on the ASX may be affected by:
- the price of the underlying Bullion for the class of Metal Security, expressed in Australian dollar terms;
- the bid/offer spread on the ASX for Metal Securities, which may be impacted by the bid/offer spreads in the underlying Bullion markets and the A$/US$ foreign exchange market;
- the Management Fee Rate;
- the Application Fee and Redemption Fee payable on Metal Securities;
- the volatility and liquidity of the Metal Securities in trading; and
- the degree of comfort investors have with all the contractual arrangements underlying the Metal Securities.

2.7 Rights of Metal Security Holders

Holders of Metal Securities have the right to:
- redeem Metal Securities;
- vote on any proposal that affects rights attached to a Metal Security (except the issue of new Metal Securities or the redemption of Metal Securities in issue); and
- vote on any proposal to wind up the Company and vote during the winding up of the Company.

Holders of Metal Securities have no other rights and in particular are not entitled to:
- any right to the payment of any dividends;
- any rights of participation in any surplus assets and profits of the Company; or
- priority of payment of capital in relation to other classes of shares, except on the winding up of the Company.

Holders of Metal Securities do not have any direct rights against the Custodian and must rely on the Trustee to enforce the obligations of the Custodian under the Custodian Agreements.

2.8 Liabilities and Obligations of Metal Security Holders

Holders of Metal Securities are:
- bound by terms and conditions of the Constitution (set out in Section 6 (Constitution)), any Prospectus issued in relation to the Metal Securities and the Trust Deed;
- responsible for immediately notifying the Company of any change to its Registered Address details;
- responsible for ensuring that any Redemption Notice submitted is valid and specifies the Delivery Method; and
- immediately responsible for the Bullion (including all costs, expenses and liabilities in relation to the Bullion) once the legal interest in the Bullion transfers to the Holder on the Delivery or Redemption Date.
3 THE METAL

3.1 Where is the Metal?

All gold, silver, platinum and palladium will be held by the Custodian at vaults in London. Bullion may be held elsewhere by the Custodian or a Sub-Custodian on a temporary basis prior to Bullion being transported to such vault premises or as part of a creation or redemption process.

As at the date of this Prospectus the Sub-Custodians directly appointed by the Custodian are the Bank of England (with respect to gold only), The Bank of Nova Scotia (ScotiaMocatta), HSBC Bank plc, UBS AG, Brink's Global Services Inc., Malca-Amit Commodities Limited (with respect to silver only) and Loomis International.

All Bullion for the Metal Securities will be held in allocated form pursuant to the terms of the Custodian Agreements except that some Bullion may be held in unallocated form on a short term basis when Bullion is in the process of being allocated or de-allocated in connection with creations and redemptions of Metal Securities. Where the quantity of Bullion cannot be allocated in a whole number of Good Delivery bars, the number of allocated Good Delivery bars will be rounded up to the nearest whole number and the difference between the rounded up quantity and the quantity intended to be allocated will be debited to the Unallocated Account balance. The Unallocated Account may therefore be in overdraft by less than one Good Delivery bar.

Bullion held in allocated form is not a credit risk against the Custodian but represents direct beneficial ownership of the metal, whereas Bullion held in unallocated form is an unsecured credit risk against the Custodian.

*See Sections 3.5.4 and 3.5.5 for the meaning of allocated and unallocated Bullion.*

3.2 Storage and Insurance of Metal

The Custodian has, pursuant to the Allocated Accounts Agreement, agreed to make such insurance arrangements from time to time in connection with its custodial obligations with respect to Bullion held in allocated form as it considers appropriate. The Custodian has no specific obligation to insure such Bullion against any risk including the risk of loss, damage, destruction or mis-delivery and the Company does not intend to insure against such risks. In addition, the Trustee is not responsible for ensuring that adequate insurance arrangements have been made, or for insuring the Bullion held in the Metal Accounts and shall not be required to make any enquiry regarding such matters.

The Custodian will be responsible for the safekeeping of the Bullion held in the Metal Accounts. The primary business activity of the Custodian in respect of its role to the Company and the Trustee is to act as custodian of Bullion. The Custodian will maintain custody of the assets on both a book-entry or unallocated basis and an allocated basis.

The Custodian Agreements contain provisions limiting the liability of the Custodian and a broad indemnity in favour of the Custodian which are restricted to exclude costs, expenses, damages, liabilities and losses arising by reason of fraud, negligence, wilful default or material breach by the Custodian in the performance of its duties. The Custodian may make use of sub-custodians and depositories in the exercise of its functions.

The Custodian will charge a fee for its services under the Custodian Agreements based on the aggregate US dollar value of Bullion held in the Allocated Account (with no minimum fee), calculated daily.

The Custodian Agreements will continue unless either the Company or Custodian gives notice in accordance with the terms of the agreements or the Custodian Agreement terminates otherwise in accordance with its terms. In the event of termination of the Custodian Agreements or if it considers it necessary, the Company will use reasonable endeavours to negotiate any alternative custodian agreements required or it considers are appropriate on substantially similar terms as the Custodian Agreements. Upon entry into any new custodian agreements, the Company will publish details of the new arrangements on its website at [www.etfsecurities.com.au](http://www.etfsecurities.com.au).

*See Section 8.1 for more details on the Custodian Agreements.*

3.3 Details of the Custodian
The Custodian is a company incorporated in the United States of America, whose principal place of business in England is at 25 Bank Street, Canary Wharf, London EC14 5JP and provides custody and transfer facilities from time to time pursuant to the Custodian Agreements.

The Custodian is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority in the UK and had total assets of US$2,765 billion as at 30 September 2019.

The Custodian and any of its affiliates may from time to time purchase or sell Metal Securities for their own account, as agent for their customers and for accounts over which they exercise investment discretion.

The Custodian does not warrant the contents of this Prospectus, nor are they involved in the management, administration or net asset value calculation of the Metal Securities.

3.4 Value Added Tax

Silver, platinum and palladium are subject to UK value added tax (“VAT”) of 20 per cent. when imported into the United Kingdom (except those arrivals from within the EU which are not subject to such import VAT). The VAT can be reclaimed as long as the importer is a member of the LBMA (in the case of silver) and the LPPM (in the case of platinum and palladium) and the metals are kept within the London “black box” clearing system. Investment gold is zero rated.

The Custodian is a member of both the LBMA and the LPPM and thus any VAT charged to the Custodian under the Programme is reclaimable. The processes designed by the Custodian for the benefit of the Company means that Metal Securities should not accrue any future irrecoverable VAT charges, although if the rules for irrecoverable VAT or importation were changed, it is possible that Metal Securities could be liable for VAT when the Bullion is imported into the UK. However, under current rules, if upon redemption the Holder requires physical delivery outside of the “black box” system then they will be liable for VAT.

In respect of metals coming in from outside the EU, they can be brought straight into the bonded warehouse which will mean that as they are not in free circulation no import VAT charge arises. They can be traded whilst remaining in bond, without a VAT charge arising. Storage charges for metals in bond do not attract a VAT charge, whereas storage charges for metals that are outside the bond but fall within the reliefs of the London “black box” clearing system are subject to VAT.

Pursuant to the Custodian Agreements, the Company (and not the Custodian) is liable for any VAT.

3.5 Precious Metal Markets Overview

The underlying of the Metal Securities are physical precious metals: platinum, palladium, silver and gold. Descriptions of those physical precious metals and the markets in them are set out below.

3.5.1 Market Overview

The Company believes that two factors set precious metals apart from other commodities: precious metals can be stored in a vault at low cost without deteriorating and, whether as coins, jewellery or bullion, precious metals can be used as a store of value. While silver and gold have a history, which is thousands of years old, platinum and palladium have a much shorter history. The primary source of these four precious metals is mining, but all can be recycled. Their main uses are industrial and jewellery applications.

Platinum Group Metals

Platinum and palladium are the two best known metals of the six platinum group metals (PGMs). Platinum and palladium have the greatest economic importance and are found in the largest quantities. The other four iridium, rhodium, ruthenium and osmium—are produced only as co-products of platinum and palladium.

PGMs are found primarily in South Africa and Russia. South Africa is the world’s leading platinum producer and the second largest palladium producer. Russia is the largest producer of palladium and most production is concentrated in the Norilsk region. All of South Africa’s production is sourced from the Bushveld Igneous Complex, which hosts the world’s largest resource of PGMs. Together, South Africa and Russia accounted for over 80% of total platinum and palladium supply at the end of 2018.

- Platinum
The following table displays the breakdown of supply and demand for the platinum market for the period from 2009 to 2018 and is based on information reported from Johnson Matthey PGM Market Report, May 2019.

**Platinum Supply and Demand**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Supply</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Africa</td>
<td>4635</td>
<td>4635</td>
<td>4860</td>
<td>4110</td>
<td>4208</td>
<td>3546</td>
<td>4572</td>
<td>4392</td>
<td>4450</td>
<td>4467</td>
</tr>
<tr>
<td>Russia</td>
<td>785</td>
<td>825</td>
<td>835</td>
<td>801</td>
<td>736</td>
<td>700</td>
<td>670</td>
<td>714</td>
<td>720</td>
<td>687</td>
</tr>
<tr>
<td>North America</td>
<td>260</td>
<td>200</td>
<td>350</td>
<td>306</td>
<td>318</td>
<td>339</td>
<td>314</td>
<td>337</td>
<td>329</td>
<td>332</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>230</td>
<td>280</td>
<td>340</td>
<td>337</td>
<td>410</td>
<td>401</td>
<td>400</td>
<td>489</td>
<td>466</td>
<td>474</td>
</tr>
<tr>
<td>Others</td>
<td>115</td>
<td>110</td>
<td>100</td>
<td>126</td>
<td>163</td>
<td>167</td>
<td>151</td>
<td>162</td>
<td>158</td>
<td>153</td>
</tr>
<tr>
<td><strong>Total Supply</strong></td>
<td>6025</td>
<td>6050</td>
<td>6485</td>
<td>5680</td>
<td>5835</td>
<td>5153</td>
<td>6107</td>
<td>6094</td>
<td>6123</td>
<td>6113</td>
</tr>
<tr>
<td><strong>Autocatalyst</strong></td>
<td>2185</td>
<td>3075</td>
<td>3185</td>
<td>3158</td>
<td>3000</td>
<td>3063</td>
<td>3263</td>
<td>3344</td>
<td>3248</td>
<td>3051</td>
</tr>
<tr>
<td><strong>Chemical</strong></td>
<td>290</td>
<td>440</td>
<td>470</td>
<td>452</td>
<td>528</td>
<td>576</td>
<td>502</td>
<td>476</td>
<td>463</td>
<td>540</td>
</tr>
<tr>
<td><strong>Electrical</strong></td>
<td>190</td>
<td>230</td>
<td>230</td>
<td>176</td>
<td>218</td>
<td>225</td>
<td>228</td>
<td>232</td>
<td>233</td>
<td>266</td>
</tr>
<tr>
<td><strong>Glass</strong></td>
<td>10</td>
<td>385</td>
<td>515</td>
<td>153</td>
<td>100</td>
<td>143</td>
<td>227</td>
<td>247</td>
<td>366</td>
<td>478</td>
</tr>
<tr>
<td><strong>Investment</strong></td>
<td>660</td>
<td>655</td>
<td>460</td>
<td>450</td>
<td>871</td>
<td>277</td>
<td>451</td>
<td>620</td>
<td>361</td>
<td>67</td>
</tr>
<tr>
<td><strong>Jewellery</strong></td>
<td>2810</td>
<td>2420</td>
<td>2475</td>
<td>2783</td>
<td>3028</td>
<td>2839</td>
<td>2746</td>
<td>2412</td>
<td>2400</td>
<td>2269</td>
</tr>
<tr>
<td><strong>Medical &amp; Biomedical</strong></td>
<td>250</td>
<td>230</td>
<td>230</td>
<td>223</td>
<td>214</td>
<td>214</td>
<td>215</td>
<td>216</td>
<td>218</td>
<td>221</td>
</tr>
<tr>
<td><strong>Petroleum</strong></td>
<td>210</td>
<td>170</td>
<td>210</td>
<td>112</td>
<td>159</td>
<td>172</td>
<td>140</td>
<td>175</td>
<td>230</td>
<td>372</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>190</td>
<td>300</td>
<td>320</td>
<td>395</td>
<td>433</td>
<td>434</td>
<td>480</td>
<td>568</td>
<td>607</td>
<td>582</td>
</tr>
<tr>
<td><strong>Total Gross Demand</strong></td>
<td>6795</td>
<td>7905</td>
<td>8095</td>
<td>7902</td>
<td>8551</td>
<td>7943</td>
<td>8252</td>
<td>8290</td>
<td>8126</td>
<td>7846</td>
</tr>
<tr>
<td><strong>Recycling</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Autocatalyst</strong></td>
<td>-830</td>
<td>-1085</td>
<td>-1240</td>
<td>-1120</td>
<td>-1206</td>
<td>-1272</td>
<td>-1109</td>
<td>-1164</td>
<td>-1267</td>
<td>-1338</td>
</tr>
<tr>
<td><strong>Electrical</strong></td>
<td>-10</td>
<td>-10</td>
<td>-10</td>
<td>-22</td>
<td>-24</td>
<td>-27</td>
<td>-29</td>
<td>-32</td>
<td>-34</td>
<td>-36</td>
</tr>
<tr>
<td><strong>Jewellery</strong></td>
<td>-565</td>
<td>-735</td>
<td>-810</td>
<td>-895</td>
<td>-790</td>
<td>-762</td>
<td>-574</td>
<td>-738</td>
<td>-746</td>
<td>-731</td>
</tr>
<tr>
<td><strong>Total Recycling</strong></td>
<td>-1405</td>
<td>-1830</td>
<td>-2060</td>
<td>-2037</td>
<td>-2020</td>
<td>-2061</td>
<td>-1712</td>
<td>-1934</td>
<td>-2047</td>
<td>-2105</td>
</tr>
<tr>
<td><strong>Total Net Demand</strong></td>
<td>5390</td>
<td>6075</td>
<td>6035</td>
<td>5865</td>
<td>6531</td>
<td>5882</td>
<td>6540</td>
<td>6356</td>
<td>6079</td>
<td>5741</td>
</tr>
<tr>
<td><strong>Movements in Stocks</strong></td>
<td>635</td>
<td>-25</td>
<td>450</td>
<td>-185</td>
<td>-696</td>
<td>-729</td>
<td>-433</td>
<td>-262</td>
<td>44</td>
<td>372</td>
</tr>
</tbody>
</table>

(Source: Johnson Matthey PGM Market Report, May 2019)

**Suppliers of Platinum**

The main supplier of platinum is South Africa, providing over 70 per cent. of total mine supply. Russia is the second largest supplier of platinum. Its share of world mine production has fallen slightly to 11 per cent over the past three years. Recovery of platinum from autocatalysts is the other main source of supply and provided around 22 per cent. of total supply in 2018. This source of supply increases along with autocatalyst production.

**Demand for Platinum**

Over the past decade, jewellery demand for platinum peaked at 41 per cent. of total demand in 2009. Jewellery demand has since declined to 29 per cent. total demand in 2018. Autocatalyst demand for platinum accounted for around 39 per cent. of total demand at the end of 2018, just above its 10-year average. Investment demand accounted for just 1 per cent. of the total in 2018 down sharply from 7 per cent. in 2016.
**Palladium**

The following table sets forth a summary of the world palladium supply and demand for the period from 2009 to 2018 and is based on information reported from Johnson Matthey PGM Market Report, May 2019.

### Palladium Supply and Demand

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Supply</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Africa</td>
<td>2370</td>
<td>2640</td>
<td>2560</td>
<td>2359</td>
<td>2465</td>
<td>2126</td>
<td>2683</td>
<td>2570</td>
<td>2547</td>
<td>2543</td>
</tr>
<tr>
<td>Russia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary</td>
<td>2675</td>
<td>2720</td>
<td>2705</td>
<td>2627</td>
<td>2528</td>
<td>2589</td>
<td>2434</td>
<td>2781</td>
<td>2,452</td>
<td>2,976</td>
</tr>
<tr>
<td>Stock Sales</td>
<td>960</td>
<td>1000</td>
<td>775</td>
<td>260</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>North America</td>
<td>755</td>
<td>590</td>
<td>900</td>
<td>811</td>
<td>831</td>
<td>912</td>
<td>874</td>
<td>913</td>
<td>890</td>
<td>936</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>180</td>
<td>220</td>
<td>265</td>
<td>266</td>
<td>322</td>
<td>327</td>
<td>320</td>
<td>396</td>
<td>386</td>
<td>393</td>
</tr>
<tr>
<td>Others</td>
<td>160</td>
<td>185</td>
<td>155</td>
<td>162</td>
<td>152</td>
<td>160</td>
<td>144</td>
<td>129</td>
<td>133</td>
<td>129</td>
</tr>
<tr>
<td>Total Supply</td>
<td>7100</td>
<td>7355</td>
<td>7360</td>
<td>6485</td>
<td>6398</td>
<td>6114</td>
<td>6455</td>
<td>6789</td>
<td>6,408</td>
<td>6,977</td>
</tr>
<tr>
<td><strong>Autocatalyst</strong></td>
<td>4050</td>
<td>5580</td>
<td>6155</td>
<td>6673</td>
<td>7061</td>
<td>7523</td>
<td>7696</td>
<td>7986</td>
<td>8,532</td>
<td>8,721</td>
</tr>
<tr>
<td>Chemical</td>
<td>325</td>
<td>370</td>
<td>440</td>
<td>524</td>
<td>315</td>
<td>452</td>
<td>418</td>
<td>449</td>
<td>565</td>
<td></td>
</tr>
<tr>
<td>Dental</td>
<td>635</td>
<td>595</td>
<td>540</td>
<td>510</td>
<td>457</td>
<td>464</td>
<td>468</td>
<td>429</td>
<td>391</td>
<td>364</td>
</tr>
<tr>
<td>Electrical</td>
<td>1370</td>
<td>1410</td>
<td>1375</td>
<td>1190</td>
<td>1070</td>
<td>970</td>
<td>903</td>
<td>872</td>
<td>843</td>
<td>807</td>
</tr>
<tr>
<td>Investment</td>
<td>625</td>
<td>1095</td>
<td>-565</td>
<td>467</td>
<td>-8</td>
<td>943</td>
<td>-659</td>
<td>-646</td>
<td>-386</td>
<td>-574</td>
</tr>
<tr>
<td>Jewellery</td>
<td>775</td>
<td>595</td>
<td>505</td>
<td>442</td>
<td>354</td>
<td>272</td>
<td>220</td>
<td>189</td>
<td>173</td>
<td>157</td>
</tr>
<tr>
<td>Other</td>
<td>70</td>
<td>90</td>
<td>110</td>
<td>104</td>
<td>109</td>
<td>111</td>
<td>134</td>
<td>155</td>
<td>144</td>
<td>182</td>
</tr>
<tr>
<td><strong>Total Gross Demand</strong></td>
<td>7850</td>
<td>9735</td>
<td>8560</td>
<td>9910</td>
<td>9483</td>
<td>10598</td>
<td>9214</td>
<td>9403</td>
<td>10,146</td>
<td>10,222</td>
</tr>
<tr>
<td><strong>Recycling</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Recycling</strong></td>
<td>-1430</td>
<td>-1850</td>
<td>-2385</td>
<td>-2312</td>
<td>-2525</td>
<td>-2722</td>
<td>-2403</td>
<td>-2492</td>
<td>-2,863</td>
<td>-3,124</td>
</tr>
<tr>
<td><strong>Total Net Demand</strong></td>
<td>6420</td>
<td>7885</td>
<td>6175</td>
<td>7598</td>
<td>6958</td>
<td>7876</td>
<td>6811</td>
<td>6911</td>
<td>7283</td>
<td>7098</td>
</tr>
<tr>
<td><strong>Movements in stocks</strong></td>
<td>680</td>
<td>-530</td>
<td>1185</td>
<td>-1113</td>
<td>-560</td>
<td>-1762</td>
<td>-356</td>
<td>-122</td>
<td>-875</td>
<td>-121</td>
</tr>
</tbody>
</table>

(Source: Johnson Matthey PGM Market Report, May 2019)

**Suppliers of Palladium**

Russia has traditionally been the largest producer of palladium, providing on average 44 per cent. of supply over the past 10 years. However, its production has declined, and sales of state-held stock has dwindled down to zero. In 2018, Russia provided 43 per cent. of mine supplies while South Africa produced 29 per cent. South Africa has on average supplied 33 per cent. of production over the past 10 years. North America contributes approximately
13 per cent. of mine supply. Recovery of palladium has more than doubled over the past 10 years to account for 45 per cent. of overall supply at the end of 2018.

Demand for Palladium

Autocatalysts are the largest component of palladium demand, representing close to 85 per cent. of total demand in 2018. Palladium investment demand has been negative since 2015, as users have turned to investment stocks to satisfy excess demand. Jewellery demand for palladium contributed 2 per cent. of total demand in 2018, down from 10 per cent. in 2009. Other industrial demand (electronics, dentistry and chemical) has fallen from 30 per cent. of total demand in 2009 to 17 per cent. of total demand in 2018.

- **Gold**

The following table sets forth a summary of the world gold supply and demand for the period from 2009 to 2018 and is based on information reported by the GFMS Gold Survey, 2019.

### Gold Supply and Demand

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mine production</td>
<td>2,651</td>
<td>2,771</td>
<td>2,868</td>
<td>2,882</td>
<td>3,076</td>
<td>3,180</td>
<td>3,222</td>
<td>3,252</td>
<td>3,259</td>
<td>3,332</td>
</tr>
<tr>
<td>Scrap</td>
<td>1,765</td>
<td>1,743</td>
<td>1,698</td>
<td>1,700</td>
<td>1,130</td>
<td>1,159</td>
<td>1,180</td>
<td>1,106</td>
<td>1,210</td>
<td>1,178</td>
</tr>
<tr>
<td>Total Supply</td>
<td>4,182</td>
<td>4,407</td>
<td>4,584</td>
<td>4,543</td>
<td>4,340</td>
<td>4,446</td>
<td>4,422</td>
<td>4,590</td>
<td>4,428</td>
<td>4,518</td>
</tr>
<tr>
<td>Demand</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jewellery Fabrication</td>
<td>1,879</td>
<td>2,096</td>
<td>2,109</td>
<td>2,075</td>
<td>2,737</td>
<td>2,569</td>
<td>2,474</td>
<td>1,962</td>
<td>2,222</td>
<td>2,129</td>
</tr>
<tr>
<td>Industrial Fabrication</td>
<td>426</td>
<td>480</td>
<td>470</td>
<td>432</td>
<td>428</td>
<td>411</td>
<td>376</td>
<td>366</td>
<td>380</td>
<td>391</td>
</tr>
<tr>
<td>...of which Electronics</td>
<td>295</td>
<td>346</td>
<td>342</td>
<td>310</td>
<td>306</td>
<td>297</td>
<td>267</td>
<td>264</td>
<td>277</td>
<td>288</td>
</tr>
<tr>
<td>...of which Dental &amp; Medical</td>
<td>53</td>
<td>48</td>
<td>43</td>
<td>39</td>
<td>36</td>
<td>34</td>
<td>32</td>
<td>29</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td>...of which Other Industrial</td>
<td>79</td>
<td>86</td>
<td>85</td>
<td>84</td>
<td>85</td>
<td>80</td>
<td>76</td>
<td>71</td>
<td>73</td>
<td>74</td>
</tr>
<tr>
<td>Net Official Sector</td>
<td>-34</td>
<td>-34</td>
<td>457</td>
<td>544</td>
<td>409</td>
<td>466</td>
<td>443</td>
<td>253</td>
<td>366</td>
<td>536</td>
</tr>
<tr>
<td>Retail Investment</td>
<td>866</td>
<td>1,263</td>
<td>1,617</td>
<td>1,407</td>
<td>1,871</td>
<td>1,165</td>
<td>1,172</td>
<td>1,051</td>
<td>1,031</td>
<td>1,097</td>
</tr>
<tr>
<td>...of which Bars</td>
<td>562</td>
<td>946</td>
<td>1,248</td>
<td>1,057</td>
<td>1,444</td>
<td>886</td>
<td>875</td>
<td>785</td>
<td>771</td>
<td>800</td>
</tr>
<tr>
<td>...of which Coins</td>
<td>304</td>
<td>317</td>
<td>369</td>
<td>350</td>
<td>426</td>
<td>279</td>
<td>296</td>
<td>266</td>
<td>261</td>
<td>297</td>
</tr>
<tr>
<td>Physical Surplus/Deficit</td>
<td>1,044</td>
<td>492</td>
<td>69</td>
<td>85</td>
<td>-1105</td>
<td>-164</td>
<td>-42</td>
<td>959</td>
<td>429</td>
<td>365</td>
</tr>
<tr>
<td>ETF Inventory Build</td>
<td>623</td>
<td>384</td>
<td>189</td>
<td>279</td>
<td>-879</td>
<td>-155</td>
<td>-117</td>
<td>539</td>
<td>177</td>
<td>59</td>
</tr>
<tr>
<td>Exchange Inventory Build</td>
<td>39</td>
<td>54</td>
<td>-6</td>
<td>-10</td>
<td>-98</td>
<td>1</td>
<td>-48</td>
<td>86</td>
<td>0</td>
<td>-21</td>
</tr>
<tr>
<td>Net Balance</td>
<td>382</td>
<td>54</td>
<td>-251</td>
<td>-185</td>
<td>-129</td>
<td>-10</td>
<td>124</td>
<td>334</td>
<td>252</td>
<td>327</td>
</tr>
</tbody>
</table>

(Source: GFMS Gold Survey, 2019)

The following are some of the main characteristics of the gold market illustrated by the table:

One factor which separates gold from other precious metals is that there are large above-ground stocks which can be quickly mobilised. As a result of gold’s liquidity, gold often acts more like a currency than a commodity.

Over the past ten years, (new) mine production of gold has experienced a modest rise of an average of 3.1 per cent. per annum. Of the three sources of supply, mine production accounts for 74 per cent. of total supply in 2018. Recycled gold volumes have ranged from 1,159 to 1,765 tonnes over the past 10 years.

On the demand side, jewellery is clearly the greatest source of demand however jewellery’s contribution to demand has fallen from 60 per cent. in 2009 to 51 per cent. of demand in 2018. Industrial demand has been relatively constant, contributing between 8 per cent. to 14 per cent. to total demand.
Exchange traded product inventory build had seen strong growth until 2009, more than doubling between 2006 and 2009, before tapering and eventually seeing outflows between 2013 and 2015 as the price of gold fell by 36 per cent. in that time frame. Gold ETF inventory build resumed strong growth in 2016, continuing into 2017 and 2018. During the 2013 price crash, retail coin and bar demand rose to a 10-year high as retail investors, especially from China, were enticed by the falling prices.

- Silver

The following table sets forth a summary of the world silver supply and demand for the period from 2009 to 2018 and is based on information reported in the World Silver Survey 2019, published for The Silver Institute by the GFMS team at Refinitiv.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Supply</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mine Production</td>
<td>717.3</td>
<td>753.0</td>
<td>758.3</td>
<td>791.7</td>
<td>823.3</td>
<td>867.8</td>
<td>893.7</td>
<td>893.4</td>
<td>876.9</td>
<td>855.7</td>
</tr>
<tr>
<td>Net Government Sales</td>
<td>15.6</td>
<td>44.2</td>
<td>12.0</td>
<td>7.4</td>
<td>7.9</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Scrap</td>
<td>200.6</td>
<td>227.2</td>
<td>261.2</td>
<td>253.8</td>
<td>191.2</td>
<td>167.4</td>
<td>150.2</td>
<td>151.8</td>
<td>153.8</td>
<td>151.3</td>
</tr>
<tr>
<td>Net Hedging Supply</td>
<td>-17.4</td>
<td>50.4</td>
<td>12.2</td>
<td>-47.1</td>
<td>-34.8</td>
<td>16.8</td>
<td>7.8</td>
<td>-19.4</td>
<td>1.9</td>
<td>-2.8</td>
</tr>
<tr>
<td>Total Supply</td>
<td>916.1</td>
<td>1074.</td>
<td>1043.</td>
<td>1005.8</td>
<td>987.6</td>
<td>1052.</td>
<td>1051.</td>
<td>1052.</td>
<td>1032.6</td>
<td>1004.3</td>
</tr>
<tr>
<td><strong>Demand</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jewellery</td>
<td>176.9</td>
<td>190.0</td>
<td>191.5</td>
<td>186.7</td>
<td>219.7</td>
<td>227.3</td>
<td>223.3</td>
<td>202.7</td>
<td>204.5</td>
<td>212.5</td>
</tr>
<tr>
<td>Coins &amp; Bars</td>
<td>79.6</td>
<td>174.1</td>
<td>211.7</td>
<td>161.2</td>
<td>240.7</td>
<td>233.6</td>
<td>293.6</td>
<td>208.7</td>
<td>150.4</td>
<td>181.2</td>
</tr>
<tr>
<td>Silverware</td>
<td>53.2</td>
<td>51.9</td>
<td>47.5</td>
<td>43.8</td>
<td>59.3</td>
<td>61.2</td>
<td>63.2</td>
<td>52.4</td>
<td>57.6</td>
<td>61.1</td>
</tr>
<tr>
<td>Industrial Fabrication</td>
<td>528.2</td>
<td>633.8</td>
<td>653.0</td>
<td>600.1</td>
<td>604.6</td>
<td>596.3</td>
<td>582.6</td>
<td>566.4</td>
<td>585.8</td>
<td>578.6</td>
</tr>
<tr>
<td>...of which Electrical &amp; Electronics</td>
<td>227.4</td>
<td>301.2</td>
<td>290.8</td>
<td>266.7</td>
<td>266.0</td>
<td>263.9</td>
<td>246.0</td>
<td>233.9</td>
<td>243.1</td>
<td>248.5</td>
</tr>
<tr>
<td>...of which Brazing Alloys &amp; Solders</td>
<td>53.8</td>
<td>61.2</td>
<td>63.2</td>
<td>61.1</td>
<td>63.7</td>
<td>66.7</td>
<td>61.5</td>
<td>55.3</td>
<td>57.5</td>
<td>58.0</td>
</tr>
<tr>
<td>...of which Photography</td>
<td>76.4</td>
<td>67.5</td>
<td>61.2</td>
<td>54.2</td>
<td>50.5</td>
<td>48.5</td>
<td>46.1</td>
<td>44.7</td>
<td>40.9</td>
<td>39.3</td>
</tr>
<tr>
<td>...of which Photovoltaic</td>
<td>-</td>
<td>-</td>
<td>67.4</td>
<td>64.4</td>
<td>54.8</td>
<td>53.9</td>
<td>64.5</td>
<td>74.9</td>
<td>88.9</td>
<td>80.5</td>
</tr>
<tr>
<td>...of which Ethylene Oxide</td>
<td>4.8</td>
<td>8.7</td>
<td>6.2</td>
<td>4.7</td>
<td>7.7</td>
<td>5.0</td>
<td>10.2</td>
<td>10.2</td>
<td>6.9</td>
<td>5.4</td>
</tr>
<tr>
<td>...of which Other Industrial</td>
<td>165.8</td>
<td>195.2</td>
<td>164.2</td>
<td>148.9</td>
<td>162.0</td>
<td>158.5</td>
<td>154.4</td>
<td>147.3</td>
<td>148.4</td>
<td>146.9</td>
</tr>
<tr>
<td>ETP Inventory Build</td>
<td>156.9</td>
<td>129.5</td>
<td>-24.0</td>
<td>55.3</td>
<td>2.5</td>
<td>1.4</td>
<td>-17.8</td>
<td>49.8</td>
<td>2.4</td>
<td>-20.3</td>
</tr>
<tr>
<td>Exchange Inventory Build</td>
<td>-15.3</td>
<td>-7.4</td>
<td>12.2</td>
<td>62.2</td>
<td>8.8</td>
<td>-5.3</td>
<td>12.6</td>
<td>79.8</td>
<td>51.5</td>
<td>71.2</td>
</tr>
<tr>
<td>Total Demand</td>
<td>979.5</td>
<td>1171.9</td>
<td>1091.9</td>
<td>1109.3</td>
<td>1135.6</td>
<td>1114.5</td>
<td>1157.5</td>
<td>1159.8</td>
<td>1052.2</td>
<td>1084.3</td>
</tr>
<tr>
<td>Net Balance</td>
<td>-63.4</td>
<td>-97.1</td>
<td>-48.1</td>
<td>-103.5</td>
<td>-148.0</td>
<td>-62.5</td>
<td>-105.7</td>
<td>-134.0</td>
<td>-19.6</td>
<td>-80.0</td>
</tr>
</tbody>
</table>

(Source: World Silver Survey, 2019)

The following are some of the main characteristics of the silver market illustrated by the table:

Like gold, silver has also been used as a currency in the past. However, the main differences between gold and silver is that 51 per cent. of gold is used for jewellery while 53 per cent. silver fabrication demand is industrial uses. New mine production accounts for approximately 85 per cent. of total silver supply. Recycled silver accounts for around 15 per cent. of total supply. Recycled silver totalled 151 million ounces in 2018, marking the sixth
consecutive time recycling has fallen below 200 million ounces in 10 years. The total of producer hedging, government sales and implied “net disinvestment” has been in decline but together account for the balance of total supply. Industrial applications and jewellery demand accounted for 77 per cent. of total demand in 2018. Photography has been taking a lower share of overall silver demand falling from 9 per cent. in 2009 to below 4 per cent. in 2018, while all other industrial applications have remained in the range of 45 per cent. to 51 per cent. over the past 10 years. Jewellery and silverware have remained relatively constant at 230 to 290 million ounces per annum. Investment in coins and bars grew more than three-fold in 7 years to 2015 before falling 38% to 181 million ounces in 2018.

3.5.2 The LBMA and LPPM

Clearing in the physical precious metals market is primarily centred in London for silver and gold and in Zurich and London for platinum and palladium. There are two trade associations which act as the coordinator for activities conducted in these markets – the London Bullion Market Association (LBMA) and the London Platinum and Palladium Market (LPPM). The roles of both these associations include maintaining a “Good Delivery” list and ensuring that the physical bars meet the minimum standard of quality, coordinating market clearing and vaulting, promoting good trading practices and developing standard documentation.

3.5.3 Good Delivery

“Good Delivery” is the list of specifications to which a bar/ingot must adhere to be accepted for trading physical metal in the London precious metal markets. The standards required for gold and silver bars to be included in the “Good Delivery Lists” are set out in “The Good Delivery Rules for Gold and Silver Bars” published by the LBMA. The standards required for platinum and palladium ingots to be included in the “London/Zurich Good Delivery List” are set out on the LPPM website.

A summary of these appear in the table below:

<table>
<thead>
<tr>
<th></th>
<th>Gold</th>
<th>Silver</th>
<th>Platinum</th>
<th>Palladium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form</td>
<td>bar</td>
<td>bar</td>
<td>Plate or ingot</td>
<td>Plate or ingot</td>
</tr>
<tr>
<td>Minimum fineness/purity</td>
<td>99.5%</td>
<td>99.9%</td>
<td>99.95%</td>
<td>99.95%</td>
</tr>
<tr>
<td>Weight</td>
<td>350oz to 430oz</td>
<td>750oz to 1,100oz</td>
<td>1kg to 6kg (32 to 192 oz)</td>
<td>1kg to 6kg (32 to 192 oz)</td>
</tr>
<tr>
<td>Measure</td>
<td>fine troy oz</td>
<td>troy oz</td>
<td>troy oz</td>
<td>troy oz</td>
</tr>
</tbody>
</table>

The actual quantity of pure gold in a bar is expressed to three decimal places and is calculated by multiplying the gross weight (in ounces, to three decimal places) by the fineness (in per cent., to two decimal places). For example, a gold bar with a gross weight of 404.075 troy ounces and a fineness of 99.58 per cent. would be recorded as having a fine gold content of 402.377 fine troy ounces (there is no rounding up unless the fourth decimal is a nine).

Even though a variety of smaller and exact weight bars are available in the market, the Company will only issue securities which are backed by Good Delivery bars.

3.5.4 Location

Gold and silver traded in the London market is generally on a loco London basis, meaning the metal is physically held in vaults in London or is transferred into accounts established in London. The basis for settlement and delivery of a loco London spot trade is payment (generally in US dollars) two business days after the trade date against delivery. Delivery of the metal can either be by physical delivery or through the clearing systems to an unallocated account.

Trading of platinum and palladium is similar to that of gold and silver except that the metals are usually traded in both Zurich and London on either a loco Zurich or loco London basis.

3.5.5 Allocated Accounts

An allocated account is an account held with a dealer in a customer’s name evidencing that uniquely identifiable bars of metal have been “allocated” to the customer and are segregated from other metal held in the vault of that dealer. The client has the beneficial title to this metal with the dealer holding it as custodian.
3.5.6 Unallocated Accounts

Most metal traded in the London and Zurich markets is traded and settled in unallocated form. Metal held in this form does not entitle the holder to specific bars of metal but gives the holder a right to require the delivery of certain amounts of metal. Subject to the terms of a client’s account agreement, a client may make exchanges between allocated and unallocated accounts (provided the client has a sufficient balance).

3.5.7 Trading Unit

The trading unit for gold is one fine troy ounce (“fine” meaning pure metal, i.e. the actual gold content based on 100 per cent. purity) and for silver, platinum and palladium is troy ounces (since the word “fine” is not used, the weight is irrespective of purity). The conversion factors between troy ounces and metric used by the Associations are: one troy ounce equals 31.1034768 grams and one kilogram equals 32.1507465 troy ounces.

3.5.8 International Benchmark Prices

The London market provides a metal pricing service whereby the fixing price is intended to represent the matching of orders from customers throughout the world. Historically the fixings in each of the Relevant Markets took place by telephone every day on which members are open for dealing in London. In 2014 and 2015, a number of changes were implemented to the Fixing Price for each type of Bullion to introduce new auction processes.

- LBMA Silver Price

ICE Benchmark Administration (IBA) provide the electronic auction platform on which the price is calculated and are also responsible for the administration and governance of the LBMA Silver price. The LBMA own the intellectual property rights. IBA is responsible for the governance and oversight of the LBMA Silver Price. It is regulated by the Financial Conduct Authority for its role as the benchmark administrator. The LBMA Silver Price Oversight Committee reviews and maintains the definition, setting, scope and methodology of the benchmark. The price is set daily at 12:00 (London BST time) in US dollars. Sterling and Euro prices are available, but these are indicative prices for settlement only.

- LBMA Gold Price

The price is set twice daily (at 10:30 and 15:00 London BST) in US dollars. Sterling and Euro prices are available, but these are indicative prices for settlement only. The LBMA Gold Price is operated and administered by an independent third-party provider, ICE Benchmark Administration (IBA). IBA, an independent specialist benchmark administrator, provide the price platform and methodology, as well as the overall administration and governance for the LBMA Gold Price. The IBA platform is electronic, auction-based, tradeable, auditable and fully IOSCO-compliant solution for the London bullion marketplace.

- The Fixing Price for platinum and palladium

As of 1st December, 2014 the London Platinum and Palladium Fixing Company Limited has ceased to administer the London Platinum and London Palladium fixing price processes. New benchmarks, the LBMA Platinum Price and the LBMA Palladium Price, are being administered by the London Metal Exchange (LME) by agreement with the London Bullion Market Association. The price is independently administered by the London Metal Exchange (LME).

The auction process is fully compliant with IOSCO Principles for Financial Benchmarks. The prices are set twice daily at 09:45 and 14:00 (London BST) in US dollars per 0.9995 fine ounces. Sterling and Euro prices are available but these are indicative prices for settlement only. The intellectual property for both prices is held by ‘Precious Metals Prices Limited’, a newly established subsidiary company of the LBMA. Same-day LBMA Platinum and Palladium prices can be accessed through market data vendors listed on the LME’s website. Since 13 July, 2015 the prices on the LBMA’s website are displayed with a delay until midnight following the setting of the prices each day.

<table>
<thead>
<tr>
<th></th>
<th>Gold</th>
<th>Silver</th>
<th>Platinum</th>
<th>Palladium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price setting times</td>
<td>10.30</td>
<td>12.00</td>
<td>09.45</td>
<td>09.45</td>
</tr>
<tr>
<td>(approximate)</td>
<td>15.00</td>
<td>14.00</td>
<td>14.00</td>
<td>14.00</td>
</tr>
</tbody>
</table>
3.5.9 **Vaulting and Clearing**

Certain members of the Relevant Associations offer clearing services. They may use their own vaults for storage of physical metal and/or have the use of storage facilities under security with another company. The present Custodian is a member of both associations. The Company believes that presently the Custodian and its affiliated entities are among the largest precious metal clearers in the market. The clearing members of both associations use a daily clearing system whereby those members utilise the unallocated metal they maintain between each other for the settlement of all mutual trades and third-party transfers. This system is designed to avoid the security risks and costs involved in the physical movement of the metals.

3.5.10 **Documentation**

The Relevant Associations have developed and introduced a number of standard agreements which cover the terms and conditions for operating allocated and unallocated accounts and for dealing in spot metal transactions. In all dealings in metal the Company, to the extent possible, will use the standard clearing documentation, amended as required by the Trustee.

3.5.11 **Historic Precious Metal Prices**

The charts below show the relative historical price performance (in US dollars) of the five Individual Securities and the Basket Security (before fees). The historical performance has been broken down into two time periods (i) Chart 1 shows the past 20 years for which historical data is available for all four metals and (ii) Chart 2 shows the period beginning in returns over the past five years.

(i) Chart 1

![Cumulative Return for Gold, Silver, Platinum, Palladium and PM Basket](source)

Source: Bloomberg, ETF Securities
The data used to create the above charts has been sourced from Bloomberg LP. The relative returns shown in the above charts are mostly simulated, cumulative returns based on the spot prices of the underlying four metals excluding fees. Please note that past performance may not be indicative of future performance.

Each of the LBMA and LME (where relevant) publishes on its website (http://www.lbma.org.uk/ and http://www.lme.com) historic Fixing Prices enabling users to calculate historic performance and volatility.

- **Gold**

  The gold price tends to rise during periods of low real interest rates and high monetary expansion, as they are often associated with currency debasement and systemic financial failures. The decline in the US dollar against other currencies, a surge in investment demand in commodities as an asset class generally, and the low level of forward selling by mining companies have all contributed to the increase in the gold price between 2004 and 2011. The gold price peaked at US$1,900/oz in September 2011 as successive Euro leader summits, bailouts and bond stability funds failed to staunch both sovereign debt and banking sector solvency concerns in Europe. Since that peak, gold fell 44% to the end of 2015 as the US dollar strengthened and real US interest rates rose with the economy showing signs of improvement. In 2016 gold prices rose once again as US interest rates did not rise as much as initially anticipated and a number of political shocks led investors to buy gold, a metal traditionally seen as a haven asset. Low real interest rates, tepid economic growth, and rising policy uncertainty were key tailwinds for gold that sparked a return of investor interest. Gold prices rose 13.1% in 2017 and fell 1.6% in 2018 closing at $1282 per troy ounce. In 2019, against a back-drop of slowing global growth, ultra-loose monetary policy and heightened geo-political concerns, gold rose 18.8%, peaking at $1,552 per troy ounce in September. In Australian dollar terms, gold reached new all-time highs at A$2,289 per troy ounce.

- **Silver**

  Between 2003 and 2011, the price of silver increased due to a number of factors. Among such factors are the decline in the US dollar against other currencies, a surge in investment demand in commodities as an asset class generally, strength in fabrication demand, and the low level of forward selling by mining companies. Since the global financial crisis that started in 2008, investors have increasingly been using silver as store of value to counter the effects of an increase in paper money by major reserve currency central banks. However, since 2011, when prices peaked at $48.44/oz, prices have trended downwards, albeit with multiple upwards rallies (that have often lasted several months). The rise in the value of the US dollar, sluggish industrial growth and a tame inflation environment
(which has led some investors to revise their expectations of the effects of monetary expansion) are some of the drivers behind the fall in silver prices between 2011 and 2015. Silver fell 8.5% in 2018 but rose 16.7% in 2019 tracking the up-swing in precious metals prices across the board.

- **Platinum**

In the second half of 2008 platinum prices fell sharply (from a high of $2,276 per ounce in March to a low of $814 per ounce at the end of October 2008) as industrial demand collapsed on the back of the global financial crisis. Prices remained weak in the first few months of 2009 as industrial activity continued to slow. As global manufacturing led to a steep rise in early 2009, platinum prices began to rise. During this period, the prices of a wide range of commodities, equities and other cyclically-oriented assets also began to rebound strongly from the lows of late 2008/early 2009. As it became clear that auto sales in the US and China were rebounding on a sustainable basis, platinum and palladium continued to rise. By the end of 2009, platinum prices had risen to $1,416 per ounce, representing a 63% increase from the beginning of 2009 and 64% of the March 2008 high. The Japanese earthquake in early 2011, coupled with the unfolding of the European financial crisis with Portugal being bailed out, weighed on platinum performance in the second half of 2011. Platinum prices dropped by 26% in the six months to December 2011, from a high of $1,840 in June to a low of $1,369 in December 2011. Continued weakness in the European auto market weighed on platinum performance since then, with prices only partially recouping from 2011 lows. In 2012, platinum prices rose on the back of supply disruptions in South Africa, which accounts for over 70% of world’s supply of platinum. A strike at one of South Africa’s biggest platinum mines caused the price of platinum to rise from $1,387 to $1,709 per ounce in August 2012. At the beginning of 2013, Anglo American Platinum, the world’s biggest producer of the metal, announced its intention to close 4 mine shafts and it is looking to sell another mine complex as part of a radical overhaul of its South African operations. This statement prompted a strong reaction on platinum prices, which rose from $1,656 to $1,736 per ounce in the days following the announcement, on fears of a further tightening in platinum supply. However, platinum’s correlation to gold weighed on platinum prices in 2013 overall. Prolonged strikes at South African mines in 2014 led to the deepest supply deficit in platinum since 1975 (the earliest date we have supply and demand data). However, that failed to arrest the price slide which saw prices fall 11% in 2014, highlighting the extent of negative sentiment towards industrially-exposed precious metals. Despite autocatalyst demand for platinum increasing in 2015, tightening nitrogen oxide emission standards have led to pessimism about the future demand for platinum-heavy diesel autocatalysts relative to palladium-heavy gasoline autocatalysts. This pessimism was exacerbated by the fraud at Volkswagen that affected mainly diesel cars. Platinum prices fell 51% between December 2014 and November 2015, i.e. to the lowest levels since the financial crisis in 2008. After rallying in the first half of 2016 alongside other precious metals, a sell-off in the second half of the year saw the metal’s price appreciate by only 1% in the year. Platinum rose 2.8% in 2017 before declining 14.3% in 2018, reaching a low of $769 per ounce in August 2018. In 2019 platinum benefited from an overall uptrend in precious metals prices, rising 22.3% for the year, and reaching a high of $986 per ounce in September 2019.

- **Palladium**

Palladium prices fell sharply during the first phase of the global financial crisis, when prices dropped from $579/oz in February 2008 to $173/oz in October 2008. Prices then rallied almost five-fold until February 2011 to $841/oz, in line with other precious metals that gained favour as investors sought to diversify their assets away from paper currencies that they felt were being debased. Adding to demand for palladium, a number of European countries had car scrappage programs, as part of their expenditure programs to counter the recession and to encourage people to replace their old vehicles with newer more environmentally-friendly ones. Demand for palladium which is used in diesel autocatalysts saw a lift from the temporary rise in European car sales. The rise in Chinese demand for cars and autocatalysts has also provided support for palladium demand. Palladium prices have tempered since 2011 but concerns over supply shortages due to labour problems at mines in South Africa and dwindling Russian stocks have provided some price support since mid-2012. Palladium rose to a 13 year high of $907/oz in September 2014, a 27% increase from the start of the year. The rally was driven by supply side concerns following the longest strike in South African mining history and escalating tensions between Russia and Ukraine. The strong rally in 2014 was completely unwound in 2015, when South African mine supply resumed back to pre-strike levels and pessimism about industrial demand in China overwhelmed the true tightness in the market. Palladium prices rose over 20% in 2016 as supply tightness remained, while strong growth in global gasoline auto sales increased demand for the metal. Palladium was the top performer of the precious metals complex in both 2017, 2018 and 2019, rising 56.2%, 18.6% and 52.0% respectively and reaching a record high of $1,979 per ounce in December 2019.

### 3.5.12 Correlation of Precious Metals with Other Asset Classes
Numerous academic and other research papers in recent years have examined the risk and return characteristics of a variety of commodities compared to other asset classes such as equities and bonds. A portfolio comprising securities of different asset classes will increase portfolio diversification and decrease portfolio risk (volatility) when the correlation between the asset classes is low or negative. While the precise results of the research vary, depending on choice of time period, data frequency, and indices selected, the results mostly suggest that commodities (including precious metals) have low to negative correlation to equities and bonds.

For example, several papers by the World Gold Council and a paper by Ibbotson Associates (“Portfolio Diversification with Gold, Silver and Platinum”) support these results. The table below also confirms that over the past five years, platinum, palladium, silver and gold had low to negative correlation with equities and bonds.

**Five Year Correlations**

Based on monthly returns period considered: December 2014 to December 2019.

<table>
<thead>
<tr>
<th>PM Basket</th>
<th>Gold</th>
<th>Silver</th>
<th>Palladium</th>
<th>Platinum</th>
<th>Equity</th>
<th>Bond</th>
</tr>
</thead>
<tbody>
<tr>
<td>PM Basket</td>
<td>1.00</td>
<td>0.79</td>
<td>0.78</td>
<td>0.56</td>
<td>0.72</td>
<td>0.12</td>
</tr>
<tr>
<td>Gold</td>
<td></td>
<td>1.00</td>
<td>0.78</td>
<td>0.21</td>
<td>0.62</td>
<td>-0.16</td>
</tr>
<tr>
<td>Silver</td>
<td></td>
<td></td>
<td>1.00</td>
<td>0.34</td>
<td>0.65</td>
<td>0.06</td>
</tr>
<tr>
<td>Palladium</td>
<td></td>
<td></td>
<td></td>
<td>1.00</td>
<td>0.42</td>
<td>0.35</td>
</tr>
<tr>
<td>Platinum</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.00</td>
<td>0.17</td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.00</td>
</tr>
<tr>
<td>Bond</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Correlation based on the proportions of the Bullion of each type comprised in an ETFS Physical PM Basket Security

2 S&P 500 Total Return Index

3 Bloomberg Barclays US Aggregate Bond Index

*Source: Bloomberg data as at 31 December 2019*
4 THE BUSINESS OF ETFS METAL SECURITIES AUSTRALIA LIMITED

4.1 Background and Corporate Structure

The Company was founded in September 2002 and on 28 March 2003 it was included in the official list of the ASX and the ETFS Physical Gold securities (then known as Gold Bullion Securities) commenced trading that day. That listing of a gold-backed product on a stock exchange was a world first and precipitated the creation of similar exchange traded gold products around the world, which, as at 31 December 2019, in aggregate held some 81,433,564 ounces of physical gold, in excess of US$ 123 billion.

The Company is a wholly owned subsidiary of ETFS Capital Limited and is administered by the Administrator, another company in the ETFS group. The management team and controlling shareholders who founded the Company are the same persons who now run and own the parent company.

The Company has three directors and two of them, being the Chairman and Dr Vince FitzGerald, have been directors since the Company was founded. The other director, Kris Walesby, has been part of the management team since 2015. Each director of the Company is appointed by ETFS Capital Limited. Each director will allocate an appropriate amount of time to perform their individual roles as directors of the Company.

The Trustee has to date been a special purpose proprietary company entity, with the same ownership and directors as the Company.

4.2 Description of the Company’s Business

Pursuant to the Service Agreement, the Administrator is responsible for supplying all administration services and covering all administrative costs of the Company.

These costs will include:
- management and administration services;
- Directors’ fees and insurance;
- shareholder information costs;
- ASX and ASIC reporting and compliance costs;
- ASX fees and share registry costs;
- storage and insurance costs for the Bullion; and
- any promotion costs and other fees and expenses relating to activities which the Administrator decides to undertake from time to time.

In return, the Administrator will receive the Management Fee (as set out in section 2.2 above) plus any Application Fees and Redemption Fees (as set out in section 4.3 below) generated from the issue and redemption of Metal Securities. The Directors will manage the Company including by ensuring that all services to be provided under the Service Agreement, the Metal Sale Counterparty Agreement and the Custodian Agreements are provided in accordance with the terms of each agreement.

The above arrangements mean that the net operating income or loss of the Company is generally nil. Financial statements of the Company as at 31 December 2019 have been lodged with ASIC and can may be obtained from, or inspected at, an ASIC office. They can also be downloaded free of charge from the Company’s website at www.etfsecurities.com.au.

4.3 Application and Redemption Fees

Application Fees and Redemption Fees will only be payable on Application for and Redemption of Metal Securities and not by investors who buy and sell such on the secondary market, including the ASX.

The Company will charge a fee of A$1,000 for each Application and Redemption, regardless of the number of Metal Securities to be issued or redeemed.

In the event of a compulsory redemption or where a Holder lodges a Redemption Notice when there are no Authorised Participants, the Company will reduce the Redemption Fee to an amount equal to the Company’s cost.
in satisfying such Redemption Notice (but not exceeding A$1,000) and that amount will be charged by the Company by way of a deduction from the redemption proceeds due to such Holder.

The Company may vary the Application Fees and Redemption Fees at any time after giving 30 days’ written notice to Authorised Participants and through the CAP.

### 4.4 Directors Profiles

The Directors of the Company at the date of this Prospectus are as follows:

**Graham Tuckwell – Chairman**

Mr. Tuckwell is the founder and chairman of ETF Securities Limited (now ETFS Capital Limited). Prior to the sale of the US and European businesses of ETF Securities in April 2018, Mr Tuckwell was director of ten other companies issuing exchange-traded commodities: Gold Bullion Securities Limited in Jersey, ETFS Metal Securities Australia Limited, ETFS Metal Securities Limited, ETFS Oil Securities Limited, ETFS Commodity Securities Limited, ETFS Foreign Exchange Limited, ETFS Hedged Commodity Securities Limited, Swiss Commodity Securities Limited, ETFS Hedged Metal Securities Limited and ETFS Equity Securities Limited. He was also a director of GO UCITS ETF Solutions plc and of its manager GO UCITS Management Limited in Ireland, a trustee of ETFS Trust in the U.S., as well as the President and Chief Executive Officer of ETF Securities USA LLC. Assets under management immediately prior to the sale of those businesses were in excess of US$25 billion. Previously, Mr. Tuckwell was the founder and managing director of Investor Resources Limited, a boutique corporate advisory firm which specialised in providing financial, technical and strategic advice to the resources industry. He has more than 20 years of corporate and investment banking experience. Prior to the above activities, Mr. Tuckwell was Head of Mining Asia/Pacific at Salomon Brothers, Group Executive Director at Normandy Mining responsible for Strategy and Acquisitions and Head of Mergers and Acquisitions at Credit Suisse First Boston in Australia. He holds a Bachelor of Economics (Honours) and a Bachelor of Laws degree from the Australian National University.

**Dr Vince FitzGerald AO – Non-Executive Director**

Dr. FitzGerald has been a Director of ACIL Allen Consulting Group Pty Ltd, an Australian consulting company in economics, public policy and economic and financial regulation. He has been a director of that company since April 2013. From 1989 to 2013 he was a director of a predecessor company – Allen Consulting Group Pty Ltd. Prior to that time, he was a senior government official in Canberra, his career involving assignments in the Treasury, Prime Minister and Cabinet, Finance (Deputy Secretary), Trade (Secretary) and Employment, Education and Training (Secretary). He is a well-known expert on the superannuation industry in Australia and is a superannuation fund trustee. He was, until April 2018, the President of the Board of Governors of the Australian National University Endowment for Excellence. He was a member of the Victorian State Council of the Australian Institute of Company Directors, and for a number of years until 2015 its President and a member of the Institute’s national board. He is a Fellow of the Institute of Public Administration, Australia. He was, until July 2017, a director of The Conversation Media Group Limited. He was formerly a director of ING Australia Holdings Limited and Chairman of its Audit and Risk Management Committees. He was previously a director of ETFS Securities Limited prior to the sale of its European and U.S. businesses in April 2018. He holds a Bachelor of Economics (First class Honours in Econometrics and a University Medal) from the University of Queensland, a PhD in Economics from Harvard University, an Honorary Doctorate of Law from Monash University and an Honorary Doctorate of Economics from the University of Queensland. Dr. FitzGerald was awarded an Officer of the Order in Australia in June 2016.

**Kris Walesby - Director**

Mr. Walesby is the Chief Executive Officer and a director of ETFS Management (AUS) Limited. He has over 10 years' experience in the ETF industry. Prior to joining ETFS Management (AUS) Limited, he was Head of Capital Markets for Invesco PowerShares covering Europe, the Middle East and Africa, with responsibility for all aspects of business development and distribution. From 2010 to 2014, Mr Walesby was the Global Head of Capital Markets for ETF Securities (UK) Limited with overall responsibility for the entire Capital Markets function including sell-side relationship management and development and buy-side sales support. Prior to that time, he worked at Blackrock and Deutsche Bank. He holds a Bachelor of Science (Honours) in Management from the University of Manchester Institute of Science and Technology (UMIST) and a Masters of Science in Investment Management from Cass Business School.
5  RISK FACTORS

5.1 Bullion Prices

Bullion prices generally may fluctuate widely and may be affected by numerous factors, including but not limited to:

- global or regional political, economic or financial events and situations, particularly war, terrorism, expropriation and other activities which might lead to disruptions to supply from countries that are major Bullion producers;
- global metal supply and demand, which is influenced by such factors as exploration success, mine production and net forward selling activities by metal producers, jewellery demand, investment demand and industrial demand, net of any recycling;
- financial activities including investment trading, hedging or other activities conducted by large trading houses, producers, users, hedge funds, commodities funds, governments or other speculators which could impact global supply or demand; and
- financial market factors such as investors’ expectations with respect to the future rates of inflation, movements in world equity, financial and property markets, interest rates and currency exchange rates, particularly the strength of and confidence in the US dollar.

Bullion prices are generally quoted in US dollars and the price of Metal Securities will be quoted on the ASX in Australian dollars. To the extent that a Holder values Metal Securities in another currency, that value will be affected by changes in the exchange rate between the US dollar and that other currency. For more information about historic precious metal prices please refer to section 3.5.11.

5.2 Shortage of Physical Bullion

Bullion markets, particularly in platinum and palladium, have the potential to suffer from market disruption or volatility caused by shortages of physical Bullion. Bullion shortages could potentially occur following a sudden reduction in production or supply. Platinum and palladium markets are significantly smaller than those for gold or silver and production is much more geographically concentrated, meaning supply disruptions can have a relatively larger impact. In recent years, platinum supply has been reduced after labour strikes and from mining companies shutting down production in South Africa.

Such events could result in a spike in Bullion prices. Price spiking can also result in volatile forward rates and lease rates which could result in the bid-offer spread on any stock exchange or market where Metal Securities are traded to widen, reflecting short-term forward rates in the relevant Bullion.

5.3 Tracking Error and Liquidity

At any time, the price at which Metal Securities trade on the ASX may not reflect accurately the price of Bullion represented by such Metal Securities. The application and redemption procedures for Metal Securities and the role of certain Authorised Participants as market-makers are intended to minimise this potential difference or “tracking error”. However, the market price of Metal Securities will be a function of supply and demand amongst investors wishing to buy and sell Metal Securities and the bid-offer spread that market-makers are willing to quote for Metal Securities.

With respect to market bid prices, it is expected that investors will usually rely on Authorised Participants to provide investors with better pricing than they can obtain (net of Redemption Fees) if dealing direct with the Company on Redemptions. With respect to market offer prices, if new demand for Metal Securities exceeds the availability of the physical Bullion required to create such new Metal Securities then the issue of new Metal Securities will be restricted and therefore Metal Securities may trade at a premium. Investors who pay a premium, risk losing the premium if demand for Metal Securities abates or when new Metal Securities are issued.

5.4 Custody and Insurance

Gold, silver, platinum and palladium will be held by the Custodian at its London vault premises or in the vaults of a Sub-Custodian appointed by the Custodian or by a delegate of a Sub-Custodian. Access to such Bullion could be restricted by natural events, such as flooding, or human actions, such as terrorist attack.
The Custodian may make such insurance arrangements in connection with its custodial obligations with respect to Bullion in allocated form as it considers appropriate. The Custodian has no obligation to insure such Bullion against loss, damage, destruction or mis-delivery and the Company does not intend to insure against such risks. In addition, the Trustee is not responsible for ensuring that adequate insurance arrangements have been made, or for insuring the Bullion held in the Metal Accounts and shall not be required to make any enquiry regarding such matters.

Accordingly, there is a risk that some or all of the Bullion could be lost, stolen or damaged and the Company would not be able to satisfy its obligations in respect of the Metal Securities.

The Custodian Agreements provide that the Custodian has no responsibility for any action of any Sub-Custodians except to the extent the Trustee suffers loss directly resulting from the Custodian’s fraud, negligence or bad faith in the appointment of that Sub-Custodian. The Trustee has no direct relationship with any of the Sub-Custodians. Accordingly, the Trustee has no rights to direct any Sub-Custodian. Its only rights are, in certain circumstances, to direct the Custodian.

The Custodian is regulated by the Prudential Regulation Authority and the FCA, but the custodial services provided by the Custodian and any sub-custodian under the Custodian Agreements are presently not a regulated activity subject to the supervision and rules of the FCA.

5.5 Only Authorised Participants May Apply for or Redeem Metal Securities

Only Authorised Participants may deal with the Company in applying for Metal Securities - all other persons must buy Metal Securities through trading on the ASX. It is generally expected that only Authorised Participants will redeem Metal Securities and that other persons will realise their investment by trading on the ASX rather than redeeming directly with the Company. The Company has agreed to use reasonable endeavours to ensure that at all times there are at least two Authorised Participants. There can, however, be no assurance that there will at all times be an Authorised Participant to deal with the Company in applying for or redeeming Metal Securities. In circumstances where there are no Authorised Participants, no new Metal Securities could be created (this is because only Authorised Participants may apply for new Metal Securities). In such circumstances, it may also be difficult or impossible to sell Metal Securities on the ASX at a price which accurately reflects the price of the Bullion represented by such Metal Securities or within a reasonable time period (although Holders will be entitled to redeem their Metal Securities in accordance with this Prospectus).

5.6 Early Redemption of Metal Securities

The Company may, at any time, upon not less than 30 days’ notice by an announcement through the CAP to the Holders, redeem all Metal Securities of a particular type.

If the Custodian terminates the Custodian Agreements in certain circumstances - see paragraph 8.1.11 (Termination) of Section 8.1 (Summary of the Custodian Agreement), then unless the Company is able to find a suitable replacement custodian, the Company will elect to redeem the outstanding Metal Securities. In addition, the Metal Sale Counterparty Agreement will terminate automatically if the Unallocated Account Agreement is terminated. In the event that no replacement Metal Sale Counterparty Agreement is entered into, the Company will elect to redeem the outstanding Metal Securities.

Consequently, an investment in Metal Securities may be redeemed earlier than desired by a Holder.

5.7 Performance by the Company and Parties to Material Contracts

The value of a Metal Security depends on the ability of the Company to perform its obligations under the Trust Deed and the Constitution as well as the ability of various persons to perform their obligations under the material contracts summarised in Section 8 (Summary of Other Transaction Documents) of this Prospectus. These obligations are unsecured contractual obligations of the Company or other third parties which will rank equally with other unsecured contractual obligations of these parties other than liabilities mandatorily preferred by law. In particular, any Bullion held in the Unallocated Account will be an unsecured credit risk against the Custodian. Investors must make their own assessment of the ability of the Company and any person involved in performing an obligation under the Transaction Documents in meeting their obligations concerning the Metal Securities.
5.8 General Market Risk

General movements in local and international markets and factors that affect the investment climate and investor sentiment could all affect the level of trading and, therefore, the market price of Metal Securities. These risks are generally applicable to any investment in quoted securities. Holders should be aware that Metal Securities can go down in price as well as up and investors may lose the value of all or part of their investment.

5.9 Limited Recourse

Upon redemption by an Authorised Participant, the Holder only has recourse to:

- the nominal value of the redeemable preference share which is payable by the Company; and
- an entitlement to receive delivery of an amount of Bullion equal to the Metal Entitlement from the Trustee pursuant to the Separate Trust over that Bullion.

Should there be insufficient Bullion in the Separate Trust, the Holder will have no recourse to any other assets of the Trustee or the Company (except to the extent that the shortfall is due to fraud, wilful default or negligence). If the Custodian should fail to deliver the Bullion from the relevant account, with the consent of the Custodian, the Trustee may assign its rights against the Custodian to the Holder in settlement of its obligation to deliver the physical Bullion, or otherwise bring an action on their behalf.
6 CONSTITUTION

The terms applicable to the Metal Shares are set out in Annexure 1 to the Constitution, a copy of which is reproduced in full below.

Annexure 1

Additional Terms applicable to Metal Shares

A1 The nature of Metal Shares – redeemable preference shares

Metal Shares are preference Shares which are liable to be redeemed by the Company. The terms upon which and the manner in which any redemption is to be effected must be in accordance with this Constitution or as otherwise specified in the conditions of issue of the Metal Share as set out in a Prospectus and the Trust Deed.

A2 The issue of various classes of Metal Shares

A Metal Share will relate to an entitlement to the following Beneficial Interest:

(a) for a Gold Share, one tenth (1/10) of one fine troy ounce of gold;
(b) for a Silver Share, one troy ounce of silver;
(c) for a Platinum Share, one tenth (1/10) of one troy ounce of platinum;
(d) for a Palladium Share, one tenth (1/10) of one troy ounce of palladium; and
(e) for a Basket Share, four hundredths (4/100) of one fine troy ounce of gold, one hundred and twenty hundredths (120/100) of one troy ounces of silver, one hundredth (1/100) of one troy ounce of platinum and two hundredths (2/100) of one troy ounce of palladium, (as determined in accordance with the rules of the Relevant Association) unless the terms of issue in the Prospectus provide otherwise.

A3 Rights attaching to Metal Shares

All Metal Shares issued by the Company confer on the holders of those Shares the right to vote in each of the following circumstances only and in no others:

(a) on a Resolution to approve the terms of a buy-back agreement for those Shares;
(b) on a proposal that affects or amends the rights attached to the Metal Share (other than the issue by the Company of additional Metal Shares, a capital reduction or the redemption of the Metal Shares);
(c) on a proposal to wind up the Company; and
(d) during the winding up of the Company.

A4 Rights which do not attach to Metal Shares

Metal Shares issued by the Company do not confer on the Holder:

(a) any right to the payment of any dividends;
(b) any rights of participation in surplus assets and profits of the Company; or
(c) priority of payment of capital or dividends in relation to other Shares, except on the winding up of the Company.

A5 Obligations of Metal Shareholders

(a) The Holder of a Metal Share is bound by the terms and conditions set out in this Constitution, any Prospectus issued in relation to the Metal Shares and the Trust Deed.
(b) The Holder of a Metal Share must ensure that any change to its Registered Address details are immediately notified to the Company for recording in the Register.

A6 Redemption of Metal Shares

(a) Metal Shares will be redeemed by the Company on the Delivery Date if the Metal Delivery Method applies or on the Redemption Date if the Metal Sale Method applies after the receipt of a valid Redemption Notice for those specific Metal Shares. The Metal Shares may be redeemed earlier than indicated in the Prospectus in accordance with the Trust Deed, or otherwise in accordance with this Constitution.

(b) If the Company determines to compulsorily redeem a Metal Security in accordance with clause 10.2 of the Trust Deed, the Metal Share comprised in that Metal Security will be redeemed on the date determined in accordance with that clause.

(c) Subject to clause A15 each Metal Share will be redeemed by the Company paying to the Holder 1/1000th of one cent (0.001 cent) for each Metal Share held by the Holder.

A7 The Redemption Notice

(a) A Holder may lodge a Redemption Notice with the Company, electing which Delivery Method is to apply in accordance with the Trust Deed.

(b) Upon receipt of a valid Redemption Notice, the Company will ensure that all things necessary to deal with the Bullion in accordance with Redemption Instructions occur.

(c) When the Company has fulfilled all its Delivery Obligations, the Company will have discharged all of its obligations to the Holder and the Holder will cease to have any rights or interest in the Company (other than those rights which survive termination if any). The Company’s obligations will be discharged upon taking the last action necessary to fulfil its obligations, irrespective of whether the Holder actually receives the Bullion or the Sale Proceeds.

(d) If an invalid Redemption Notice is received by the Company, the Company may notify the Holder of the invalid Redemption Notice and the reasons for its invalidity so that the Holder may immediately correct the invalidity.

(e) If the Company acts in good faith and without default or negligence in endeavouring to perform its obligations under this Constitution, it is not responsible or liable to the Holders for any loss suffered in respect of the Bullion including any loss suffered by the Holder upon the Company arranging for the Bullion to be delivered in accordance with the Redemption Instructions.

A8 Valid Redemption Notice

A Redemption Notice is valid only if it is valid in accordance with the terms of the Trust Deed and the Prospectus relating to the issue.

A9 [deleted]

A10 Consequences of redemption

On the Delivery Date if the Metal Delivery Method applies or the Redemption Date if the Metal Sale Method applies, the Company will redeem each Metal Share and the following will occur:

(a) the Company will, subject to the other provisions in this Constitution, instruct the Trustee to transfer the Bullion to the Holder free and clear of any security interest or third party interest;

(b) subject to clause A15, the Company will pay the Holder a redemption amount of 1/1000th of one cent (0.001 cent) per Metal Share redeemed on the Redemption Date;

(c) the Holder’s rights and interests in the Metal Share redeemed cease to have effect; and

(d) the Metal Share will be cancelled by the Company.

A11 Risks and Expenses

On the legal interest in the Bullion transferring to the Holder on the Delivery Date or the Redemption Date, all title to the Bullion and all risks in and relating to the Bullion pass to the Holder. If the Holder elected the Metal Delivery Method, the Holder becomes immediately responsible for all matters relating to the delivery or ongoing storage of the Bullion and for the costs, expenses and liabilities in relation to the Bullion. If the Holder elected the Metal
Sale Method, the Holder becomes responsible and liable for the costs associated with sale of the Bullion in accordance with the Metal Sale Method.

A12 Delivery of the Bullion

(a) The Metal Delivery Method will apply where the Holder has elected for the Metal Delivery Method to apply by returning a completed valid Redemption Notice which specifies the Metal Delivery Method.

(b) The Metal Sale Method will apply if:

   (i) the Holder fails to send a valid Redemption Notice specifying the Metal Delivery Method by 5.00pm five Business Days prior to a Compulsory Redemption Date;

   (ii) if the Metal Delivery Method is elected but through no fault of the Trustee or Company the Bullion is not successfully delivered and is not claimed by the Holder within one calendar month of attempted delivery being made; or

   (iii) the Holder has elected the Metal Sale Method on its Redemption Notice.

A13 Metal Delivery Method

(a) If the Metal Delivery Method applies the Company will arrange for delivery of the Bullion to the Holder in unallocated form only and otherwise in accordance with the Redemption Instructions and the Prospectus.

(b) From the Delivery Date, all title to the Bullion and all risks in and relating to the Bullion pass to the Holder. The Company is not responsible or liable for any loss or damage whatsoever that occurs to the Bullion after the Delivery Date.

(c) The Company's Delivery Obligations will be satisfied by transferring Bullion to and notifying the Holder of the account details of the Bullion delivery.

A14 Metal Sale Method

(a) If the Metal Sale Method applies as a result of clause A12(b)(i) or (ii) then the Company may, in its absolute discretion, store the Bullion for up to 12 months from the Redemption Date before selling. In this event, the Holder may claim any Bullion stored and request physical delivery or transfer of the Bullion after payment of all of the Company's costs and expenses.

(b) If the Metal Sale Method is applicable, the Company undertakes to arrange for the sale of the Bullion on the spot market at the Fixing Price.

(c) If the Metal Sale Method applies:

   (i) The Company is irrevocably authorised to accept physical delivery of the Bullion for and on behalf of the Holder from the Trust;

   (ii) the Holder irrevocably authorises the Company to sell the Bullion on the spot market at the Fixing Price, and the Holder irrevocably directs and authorises the Company or any of its nominees to take all action necessary or desirable to effect the sale by the Company of the Bullion;

   (iii) the Company will pay the Sale Proceeds as soon as reasonably practicable to the Holder as instructed by the Holder in the Redemption Notice;

   (iv) the Holder acknowledges and agrees that:

      (A) the Company agrees to sell the Bullion on behalf of the Holder, as agent for the Holder and the Trustee, on a best efforts basis in the spot market at the Fixing Price;

      (B) the Holder agrees to accept the price obtained by the Company in accordance with the Prospectus and this Constitution and to sell its Bullion at this price;
the Company makes no representations or warranties as to the price at which the Company will be able to sell the Bullion or the amount of the Sale Proceeds; and

(D) to the maximum extent permitted by law, the Company is not responsible or liable for any loss, costs or expense incurred by the Holder as a result of the Company selling the Holder’s Bullion on behalf of the Holder, except to the extent that such loss, cost or expense arises as a result of the Company’s negligence, default, fraud or dishonesty; and

(v) when the Company pays the Sale Proceeds to the Holder in accordance with this clause, the Company will have discharged all of its obligations to the Holder and the Holder will cease to have any rights or interest in the Metal Share, the Company or the Trust (other than those rights that survive termination of membership if any).

A15  Set Off Rights

(a) All monetary obligations imposed on a Holder under this Constitution are:

(i) absolute;

(ii) free of any right to counterclaim or set off; and

(iii) may only be satisfied once the payment has cleared.

(b) The Company may:

(i) set off any amount payable to the Company, the Trust or one of their agents or contractors by a Holder against any amount payable by the Company, the Trust or one of their agents or contractors to the Holder; and

(ii) withhold any amount payable by the Company, the Trust or one of their agents or contractors to a Holder in satisfaction of any amount payable to the Company, the Trust or one of their agents or contractors by the Holder.

A16  The Metal Delivery and Custody Undertaking

The Company undertakes to the Holder that:

(a) the Custody Bank will be an LBMA member clearing bank which uses its own vaults for storage of Bullion or has dedicated storage facilities with another party.

(b) the Company will arrange for the custody of the Bullion with the Custodian Bank on behalf of the Holder from the time that the Bullion is delivered to the Company (or the Trust) in accordance with the rules and conventions of the Relevant Market up to the Delivery Date. The custody arrangements will be in accordance with standards required by the Relevant Market (disclosed in the Prospectus) from time to time; and

(d) unless otherwise agreed in writing by the Company, if an Applicant wishes to apply for Metal Shares by transferring Bullion to the Trust in accordance with the Prospectus, the Applicant must arrange for delivery of the Bullion to the Trustee’s account at the Custodian Bank loco London (in the case of gold and silver) and loco Zurich (in the case of platinum and palladium).

A17  Metal Delivery Representations

The Company represents and warrants to the Holder as a continuing representation and warranty that:

(i) the Bullion delivered to the Holder in accordance with the Metal Delivery Method or sold on behalf of the Holder in accordance with the Metal Sale Method is and will be of the quality as represented by the Company in the Prospectus; and

(ii) the Bullion will be stored in accordance with the standards set out in the Prospectus.
A18 Insurance

The Company undertakes to the Holder that it will retain a Custodian that, as part of the services provided, will organise insurance of the Gold.

A19 Appointment of Agents and Contractors

The Company, may in its absolute discretion, discharge any of its obligations (including without limitation, the delivery of the Bullion) or satisfy or discharge any of its undertakings by engaging agents and/or contractors to perform the obligations or undertakings of the Company or carry out any relevant function of the Company on its behalf.

A20 Application by Delivery of Bullion

When a person or entity subscribes for a Metal Share under a Prospectus, the person or entity must deliver an amount of Bullion equal to the relevant Metal Entitlement to the Unallocated Account of the Trustee with the Custodian which will be held on trust for the benefit of the Holder under the Trust. The nominal value of the Metal Share will be deducted from the Application Fee and will become part of the capital of the Company.

A21 Reduction of Capital

Without limiting clause 11.2 of this Constitution, the Company may reduce its capital to:

(a) pay any amount to any person or entity, including any Related Body Corporate on account of or as payment for any storage, registry, insurance costs and other expenses of whatever nature relating to the Bullion or any fees whatsoever relating to the Metal Shares; and

(b) pay any amount to any person or entity, including any Related Body Corporate to otherwise discharge the Company’s obligations under the Metal Delivery and Custody Undertakings.

A22 Unclaimed Monies or Bullion

If the Holder:

(a) fails to take delivery of the Bullion as nominated on the Redemption Notice; or

(b) fails to accept the Sale Proceeds;

by the day which is 12 months after the Delivery Date then the Bullion or the Sale Proceeds, as the case may be, becomes the sole property of the Company. The Bullion, if not already sold in accordance with clause A14, may be sold by the Company and any Sale Proceeds may be used by the Company to pay for any costs accrued by the Company in relation to the Bullion for the 12 month period and the balance will be used to pay for or reduce any future costs involved in the issue of further Metal Shares or otherwise as determined by the Company.

A23 Dealing with Metal Shares

(a) A Holder may Deal with its Metal Share and Beneficial Interest only in accordance with this Constitution.

(b) When a Holder Deals with a Metal Share in any way, then as a result of this provision and without the need for any additional writing or action, an equivalent Dealing between the same parties shall occur in respect of the corresponding Beneficial Interest of the Holder. When a Holder Deals with a Beneficial Interest in any way, then as a result of this provision and without the need for any additional writing or action, an equivalent Dealing between the same parties shall occur in respect of the corresponding Metal Share of the Holder. For example, when an existing Holder (the "old holder") transfers a Metal Share to another person (the "new holder"):  

(i) all the rights and obligations that attach to that Metal Share, as well as the Beneficial Interest are transferred from the old holder to the new holder; and

(ii) the old holder will be removed from the Register and the new holder will be added to the Register; and
(iii) the old holder ceases to have any rights in relation to the Metal Shares, the Trust or the Company.

If any Holder purports to Deal with a Metal Share without an equivalent Dealing in the corresponding Beneficial Interest or if any Holder purports to Deal with a Beneficial Interest without an equivalent Dealing in the corresponding Metal Share or if any Holder purports to contract out of this clause in any way, the legal and equitable interests in the affected Metal Share and the Beneficial Interest will immediately transfer to the Trustee to hold for the benefit of the largest holder of ordinary shares in the Company at the time of the transfer.

(c) When an existing Holder deals with a Metal Share in a manner that does not involve the transfer of legal ownership of the Metal Share the Registrar has no duty to record the dealing on the Register.

(d) The Metal Shares are transferable in accordance with the ASX Rules and ACH Clearing Rules.

(e) The Metal Shares are CHESS Approved Securities. Certificates will not be issued to Holders.

(f) The interest in the Bullion, corresponding to a particular Metal Share, will pass to a new Holder upon registration of a transfer of the Metal Share in the Register.

A24 Indemnity, Exclusion and Limitation of Liability

(a) The Company, its Related Bodies Corporate, their respective employees, officers, agents and all contractors and sub-contractors (the “Released Parties”) shall not be liable for any claim, loss, damage, liability, obligation, suit, proceedings, action, costs or expenses (whether arising at law, in equity or under statute) including, without limitation, indirect or consequential loss and/or loss of profit (“Claims”) arising out of, in connection with or in any way related to Metal Shares including matters that are standard exclusions from any insurance coverage obtained by the Company or provided by the Custodian from time to time.

(b) The Holder releases the Released Parties from, and indemnifies the Released Parties in respect of, all such Claims.
7 TRUST DEED

The operative provisions of the Trust Deed are set out in full below, except for the Definitions and Interpretation provision in section 1 of the Trust Deed. Defined terms used in the Trust Deed are set out in the Glossary in Section 11 of this Prospectus.

The Trust Deed was amended and restated on 22 December 2009 in order to clarify the arrangements applicable to Applicants with respect to the application and redemption of Metal Securities.

These changes were made pursuant to the provisions of clause 17.3(a)(i) of the Trust Deed and did not require a meeting of Holders of existing securities.

Extract from Trust Deed

1. Not included in extract.

2. Acquisition of Bullion
   (a) The Issuer or its agent may accept the transfer of Subscription Metal by an Applicant for or on behalf of the Trustee as consideration for the issue of a Metal Security.
   (b) A transfer of Subscription Metal by an Applicant to the Trustee must be conducted and will only be accepted in accordance with the terms of the Prospectus and the Transaction Documents.

3. The Metal Securities
   3.1 Applicant becoming a Holder
      (a) The Applicant becomes a Holder on the date the Registrar registers the Applicant as a holder of a Metal Security.
      (b) On the transfer of any Subscription Metal by an Applicant, the Trustee will hold that Subscription Metal or any substituted asset as bare Trustee for the Applicant. The Issuer will ensure the Trustee is informed of an acceptance of an Application. Upon receiving that notice the Trustee will then continue to hold the Beneficial Interest in the Subscription Metal or any substituted asset, and subsequently the Bullion, as bare Trustee for the Holder. The Applicant will be absolutely entitled to the Subscription Metal or any substituted asset and once the Applicant becomes a Holder, as Holder it will be absolutely entitled to the Bullion.

3.2 Dealing with Metal Securities
   (a) An Applicant or Holder may Deal with its Beneficial Interest only in accordance with this Trust Deed, prospectus for the Metal Shares and the Constitution.
   (b) When a Holder Deals with a Metal Share in any way, then as a result of this provision and without the need for any additional writing or action, an equivalent Dealing between the same parties shall occur in respect of the corresponding Beneficial Interest of the Holder. When a Holder Deals with a Beneficial Interest in any way, then as a result of this provision and without the need for any additional writing or action, an equivalent Dealing between the same parties shall occur in respect of the corresponding Metal Share of the Holder. For example, when an existing Holder (the "old holder") transfers a Metal Share to another person (the "new holder"):
      (i) all the rights and obligations that attach to that Metal Share, as well as the Beneficial Interest are transferred from the old holder to the new holder;
      (ii) the old holder will be removed from the Register and the new holder will be added to the Register; and
      (iii) the old holder ceases to have any rights in relation to the Metal Shares, the Trust or the Issuer.

If any Holder purports to Deal with a Metal Share without an equivalent Dealing in the corresponding Beneficial Interest or if any Holder purports to Deal with a Beneficial Interest without an equivalent Dealing in the corresponding Metal Share or if any Holder purports to contract out of this clause in any
way the legal and equitable interests in the affected Metal Share and the Beneficial Interest will immediately transfer to the Trustee to hold for the benefit of the largest holder of ordinary shares in the Issuer at the time of the transfer.

(c) When an existing Holder deals with a Beneficial Interest in a manner that does not involve the transfer of ownership of the Beneficial Interest the Registrar has no duty to record the dealing on the Register.

(d) The Metal Securities are transferable in accordance with the ASX Rules and ACH Clearing Rules.

(e) The Metal Securities are CHESS Approved Securities. Certificates will not be issued to Holders.

(f) The Beneficial Interest in the Bullion, corresponding to a particular Metal Security, will pass to a new Holder upon registration of a transfer of the Metal Share in the Share Register as set out in clause 9.

4. Instructions

4.1 Trustee’s Instructions

(a) Each Holder and Applicant authorises the Issuer to instruct the Trustee to act on all matters relating to the amount paid by the Applicant for the Bullion or any substituted asset or the Bullion, provided those instructions are in accordance with the terms of the Transaction Documents to which the Issuer is a party.

(b) Each Holder and Applicant authorises the Trustee to accept the Issuer’s instructions in accordance with clause 4.1(a) and authorises the Trustee to request that the Issuer, or a third party, as agent, carry out the Trustee’s duties on its behalf.

5. Separate Trusts

(a) A Separate Trust is established in respect of:

(i) the Subscription Metal or any substituted asset whose Beneficial Interest is held by an Applicant; and

(ii) the Bullion whose Beneficial Interest is held by a Holder

(b) The Trustee is the trustee of each Separate Trust. The initial Trustee is appointed the first Trustee of each Separate Trust.

6. Status of Metal Securities

The parties acknowledge that the Metal Securities and any interests related to them are not interests in a managed investment scheme for the purposes of the Corporations Act.

7. Aggregation

The Trustee, the Issuer and the Registrar must keep separate, and not pool, the interests or the property of the Separate Trusts and the Bullion, but each may administer the Separate Trusts, and each Holder and Applicant acknowledges, that:

(a) all Subscription Metal held for a particular Applicant from time to time may be aggregated;

(b) all Bullion held for a particular Holder from time to time may be aggregated;

(c) all Beneficial Interests held by a particular Applicant or Holder from time to time may be aggregated by the Registrar;

(d) the legal interest in all trust assets including Bullion is held by the Trustee (or a nominee permitted under this Trust Deed);

(e) any money received by the Trustee in respect of the Separate Trusts may be deposited in the same bank account; and

(f) accounting, taxation and other records or returns may be prepared on a consolidated basis in accordance with this Trust Deed.

8. Applicant’s and Holders’ rights and liabilities

(a) Each Applicant or Holder is bound by the terms of this Trust Deed and is entitled to the benefit of the terms of this Trust Deed.
Subject to this Trust Deed, an Applicant or Holder does not indemnify the Trustee or any creditor of the Trustee in respect of any liabilities of the Trustee arising from:

(i) any of the Separate Trusts; or
(ii) the exercise of the Trustee’s rights under this Trust Deed; or
(iii) the discharge of the Trustee’s duties under this Trust Deed.

9. Beneficial Interest

9.1 A Holder of a Metal Security will immediately acquire a Beneficial Interest in the Bullion:

(a) at the time the Trustee takes delivery of the Bullion if the Metal Security is acquired by the Holder as a consequence of a new issue of Metal Securities; or

(b) on becoming registered as a Holder of a Metal Share if the Holder acquired the Metal Share in the secondary market.

9.2 An Applicant will retain a Beneficial Interest in the Subscription Metal or any substituted asset at the time the Applicant transfers the Subscription Metal as consideration for a Metal Security.

9.3 A Holder will be absolutely entitled to the Bullion that corresponds to the Metal Share at all times and an Applicant will be absolutely entitled to the Subscription Metal or any substituted asset.

9.4 Upon the transfer of a Metal Share from the transferor Holder to the transferee Holder, the Beneficial Interest in the Bullion will automatically transfer to the transferee Holder upon the transferee Holder becoming registered as the Holder of the Metal Share without any further action being required. The Issuer will ensure that an appropriate entry is recorded in the Share Register and the Register.

10. Redemption of the Metal Securities

10.1 Redemption

(a) Holders may at any time redeem all or part of their holding of Metal Securities by lodging with the Issuer or its agent a Redemption Notice in the form prescribed by the Issuer and in accordance with this 10.1.

(b) A Redemption Notice:

(i) must contain an election by the Holder as to:

(A) the class of Metal Security the Holder wishes to redeem;
(B) the number of Metal Securities the Holder wishes to redeem, which must not be less than the Minimum Redemption Amount; and
(C) the Delivery Method applicable to those Metal Securities;

(ii) must specify an intended Delivery Date or Redemption Date (as applicable) in respect of the Metal Securities specified in the Redemption Notice, which shall not be earlier than three Business Days after the Redemption Notice Date;

(iii) must be lodged with the Issuer before 5.00pm on a Redemption Date;

(iv) if the Holder elects the Metal Delivery Method, must nominate appropriate custodial arrangements loco London (in the case of gold and silver) and loco Zurich (in the case of platinum and palladium); and

(v) is irrevocable once it has been given to the Issuer.

(c) Redemption Notices lodged with the Issuer after 5.00pm on a Business Day or lodged with the Issuer on a day which is not a Business Day will be deemed to be lodged on the following Business Day.

(d) Upon receipt of a valid Redemption Notice, the Issuer will instruct the Trustee to do all things necessary to deal with the Bullion in accordance with the Redemption Instructions and in accordance with Annexure 1 of the Constitution.

(e) If the Holder elects the Metal Delivery Method, clause A13 of the Constitution will apply.

(f) If the Holder elects the Metal Sale Method, then clause A15 of the Constitution will apply.
When the Trustee has fulfilled all its instructions under this clause 10, the Trustee will have discharged all of its obligations to the Holder and the Holder will cease to have any rights or interests in the Beneficial Interest or the Metal Trust (other than those rights which survive termination if any). The Trustee's obligations will be discharged upon taking the last action necessary to fulfil its instructions, irrespective of whether the Holder actually receives the Bullion or the Sale Proceeds.

After receipt of a valid Redemption Notice in accordance with clause 10.3, on the either the Delivery Date if the Metal Delivery Method applies or the Redemption Date if the Metal Sale Method applies the following shall occur:

(i) the legal title to the Bullion automatically passes to the Holder and the Holder’s Beneficial Interest merges with the legal interest
(ii) the Metal Share shall be redeemed in accordance with the terms of the Constitution; and
(iii) the Separate Trust is dissolved.

The Holder must pay to the Issuer a redemption fee in accordance with Prospectus relating to the Metal Securities.

**10.2 Compulsory Redemption**

(a) The Issuer (for and on behalf of the Trustee) may in its absolute discretion decide to redeem all or part of the Metal Securities in accordance with this clause 10 and will be entitled to determine the Redemption Date for the purposes of this clause 10 and the Trust Deed in general and which shall be not less than 30 days following notice of early redemption by the Issuer to each holder.

(b) If practicable, the Issuer will provide the Holder with a notice of an early redemption under clause 10.4(a) requesting the Holder to provide a valid Redemption Notice within such time as the Issuer in its discretion may specify. However, the Issuer is under no obligation to do so.

**10.3 Valid Redemption Notice**

(a) A Redemption Notice is valid only if:

(i) the Redemption Notice specifies all of the information required under clause 10.1(b) of this Deed; and

(ii) the Holder has nominated one Delivery Method only for each Metal Security; and

(iii) the Redemption Notice is given by the person who, to the knowledge, or in the reasonable opinion of the Issuer, was registered as the Holder of that Metal Security at 5.00pm on the Redemption Date. Every other Redemption Notice given in respect of that Metal Security is invalid; and

(iv) the Holder has provided sufficient cleared funds for payment of all costs, expenses and Transfer Taxes (if any) payable by the Trustee associated with Completion; and

(v) the Holder has agreed that the Issuer may disclose information provided by the Holder within the Redemption Notice (where the consent requested from the Holder and form of the disclosure required shall comply with the requirements of the Privacy Amendment (Private Sector) Act 2000) to any third party specified on the Redemption Notice as being a party that shall be responsible for effecting delivery or storage of the Bullion; and

(vi) the Redemption Notice is not given or received during a period when the Metal Securities are suspended from trading or quotation, and where the Metal Securities subsequently recommence trading or quotation. In such circumstances if a Holder wishes to redeem a Metal Security at the end of the suspension the Holder must send in a new Redemption Notice; and

(vii) the Holder lodges the Redemption Notice with the Issuer by 5.00 pm on the Redemption Date.

(b) The Issuer may in its absolute discretion determine whether a Redemption Notice is valid. The Issuer will promptly notify the Holder that a Redemption Notice is invalid.

**10.4 Failure to provide Redemption Notice following Notice of Compulsory Redemption**

(a) If, following notice by the Issuer of compulsory redemption of Metal Securities a Holder fails to lodge a valid Redemption Notice specifying the Metal Delivery Method by 5.00pm five Business Days prior to the Compulsory Redemption Date, or if the Issuer determines that it is not practicable to provide the Holder with notice of the early redemption, then on the Delivery Date:
(i) the legal title to the Bullion automatically passes to the Holder and the Holder's Beneficial Interest merges with the legal interest; and
(ii) the Metal Share shall be redeemed in accordance with the terms of the Constitution; and
(iii) the Separate Trust is dissolved; and
(iv) the Holder is deemed to have elected the Metal Sale Method and instructed the Trustee, as its agent, to sell its Bullion. The Holder authorises the Issuer to instruct the Trustee in relation to sale of the Bullion in accordance with clause A14 of the Constitution.

(b) All Sale Proceeds of the Bullion will be sent to the Holder's Registered Address, in accordance with clause A14 of the Constitution.

10.5 Sale of Bullion

(a) If the Metal Sale Method applies in accordance with clause A14 of the Constitution, then the Holder instructs or is deemed to instruct the Trustee, as its agent, to arrange for the sale of the Bullion in accordance with clause A14 of the Constitution and irrevocably authorises the Trustee to appoint the Issuer its agent and to act in accordance with the Issuer's instructions.

(b) The Trustee makes no representation or warranty as to the price at which the Bullion will be sold or the amount of the Sale Proceeds.

(c) Unless agreed otherwise, the Holder agrees to accept the price negotiated or by the Issuer and to sell its Bullion at this price.

(d) The Holder indemnifies the Trustee (and its agent) from any cost, expense, loss or liability incurred by the Trustee in relation to the sale of the Bullion in accordance with the Metal Sale Method.

(e) The Trustee is not liable for any cost, expense, loss or liability incurred by the Holder in relation to the sale of the Bullion in accordance with the Metal Sale Method.

11. Risk and Expenses

The legal interest in the Bullion transfers to the Holder on the Delivery Date if the Metal Delivery Method Applies or on the Redemption Date if the Metal Sale Method applies, and all title to the Bullion and all risks in and relating to the Bullion pass to the Holder. If the Holder elected the Metal Delivery Method, then the Holder becomes immediately responsible for all matters relating to the transfer, delivery, custody or on-going storage of the Bullion and for all costs, expenses and liabilities in relation to the Bullion. If the Holder elected the Metal Sale Method, the Holder becomes responsible and liable for all the costs associated with sale of the Bullion in accordance with the Metal Sale Method.

12. Set off Rights

(a) All monetary obligations imposed on a Holder or Applicant under this Trust Deed are:
   (i) absolute; and
   (ii) free of any right to counterclaim or set off, and
   (iii) may only be satisfied once the payment has cleared.

(b) The Trustee may, and on instruction from the Issuer must:
   (i) set off any amount payable to the Trustee, the Issuer or any of their agents by a Holder or Applicant against any amount payable by the Trustee or the Issuer to the Holder or Applicant; and
   (ii) withhold any amount payable by the Trustee, the Issuer or any of their agents to a Holder or Applicant in satisfaction of any amount payable to the Trustee, the Issuer or any of their agents by the Holder or Applicant.

13. No Disposal

The Trustee must not dispose of the trust assets including Bullion for the duration of a Separate Trust except if there is a change of Trustee in accordance with this Deed.
14. **Holder's or Applicant's Sole Responsibility for Investment**

Each Holder or Applicant is solely responsible for making its own enquiries and decisions in respect of:

(a) whether or not to invest or deal in Metal Securities; and  
(b) the Issuer.

15. **Duration of the Separate Trusts**

15.1 **Commencement**

Each Separate Trust begins on the Commencement Date for such Separate Trust.

15.2 **Termination**

A Separate Trust terminates on the earlier of:

(a) in the case of a Separate Trust for an Applicant, upon the Applicant becoming a Holder in respect of the relevant Metal Securities;  
(b) in the case of a Separate Trust for a Holder, the actual delivery of Bullion by either Metal Sale Method or Metal Delivery Method; or  
(c) in either case, by operation of law.

15.3 **Early Termination in relation to the Issuer**

(a) If an Insolvency Event occurs in relation to the Issuer, then all Metal Securities are suspended and cease trading or quotation on ASX and Holders may not transfer their Metal Securities off-market during the period of suspension.  
(b) If the Issuer can remedy the Insolvency Event within a reasonable time frame, the Holder may, upon notice received from the Trustee and/or Issuer, recommence trading or quotation in their Metal Securities.  
(c) If the Insolvency Event cannot be remedied in accordance with sub clause 15.3(b), then with effect from the Insolvency Date:  
(i) the Applicant's or Holder's Beneficial Interest in the trust assets is deemed to have merged with the legal interest in the trust assets including Bullion and the legal title passed to the Applicant or Holder; and  
(ii) the Metal Share shall be redeemed in accordance with the terms of the Constitution; and  
(iii) the Separate Trust is dissolved.  
(d) Where the Insolvency Event cannot be remedied, an Insolvency Event Redemption Notice will be immediately forwarded to each Holder specifying the date by which the Insolvency Event Redemption Notice must be lodged with the Issuer.  
(e) Upon receipt of a valid Insolvency Event Redemption Notice the Trustee will act in accordance with clauses 10.1(d), 10.1(e) and 10.1(f) as if a valid Redemption Notice had been lodged.  
(f) If the Holder fails to return the Insolvency Event Redemption Notice by the specified date, the Holder is deemed to have elected the Metal Sale Method and instructed the Trustee, as its agent, to sell its Bullion, and clause 10.5 will apply.  
(g) If a Termination Event occurs, then the Issuer may, in its absolute discretion, treat the Termination Event as an Insolvency Event and this clause 15.3 will apply. If a Termination Event occurs, the Holder irrevocably authorises the Issuer to instruct the Trustee to treat the Termination Event as an Insolvency Event and irrevocably authorises the Trustee to act in accordance with the Issuer's instructions.

16. **The Trustee**

16.1 **Trustee's Powers**

The Trustee has no powers, duties, rights or discretions under the Separate Trust other than those expressly set out in this Trust Deed. The Trustee undertakes that it will exercise its powers under this Trust Deed in good faith on the direction of the Issuer. The Trustee holds the trust assets, without any interest in them, other than that existing
by reason of the office and legal title as Trustee, and without any duties to perform except as directed by the Applicant or Holder.

16.2 Trustee's Sale or Custody Powers
In exercising any power of sale or custody under this Trust Deed:

(a) where the Holder fails to lodge a Redemption Notice prior to or on the Compulsory Redemption Date, in respect of a compulsory redemption under clause 10.4 the Trustee may act as agent and arrange for the sale or custody of the relevant Bullion;
(b) the Trustee is not obligated to insure, or arrange for insurance, of the Bullion;
(c) the Trustee will hold any Sale Proceeds on trust for the Applicant or Holder of the Beneficial Interest;
(d) the Trustee is under no liability to an Applicant or Holder and an Applicant or Holder is not entitled to bring any action against the Trustee in connection with the price received by the Trustee on the sale by the Trustee of the trust assets including Bullion or the cost payable for custody or purchase of the Bullion;
(e) neither the Trustee nor the Issuer will be liable to an Applicant or Holder and an Applicant or Holder is not entitled to bring an action against the Trustee or the Issuer in connection with the purchase, sale of, or custody of, the trust assets including Bullion as contemplated by this clause, including any loss or damage caused as a result of any failure to obtain insurance.

16.3 Delegation
(a) The Trustee may authorise any person(s) to act as its delegate (in the case of a joint appointment, jointly and severally) to hold title to trust assets including Bullion, perform any act or obligation or exercise any discretion within the Trustee's power. The delegate may be the Issuer, an Associate of the Issuer, the Trustee or the Registrar.
(b) The authorisation may be in such form as the Trustee determines.
(c) Subject to clause 16.13, the Trustee remains liable for the acts or omissions of a delegate except the Trustee will not be liable in respect of:
   (i) the holding of property or receipt or payment of money through a recognised settlement system or clearing system; or
   (ii) a delegate whose acts or omissions are not reasonably capable of supervision by the Trustee.

16.4 Indemnity
Subject to clause 16.23, the Metal Trust indemnifies the Trustee for any liability incurred by the Trustee in performing or exercising any of its powers or duties in relation to any Separate Trust. This indemnity is in addition to any indemnity allowed by law, but does not extend to liabilities arising from a breach of trust, negligence or fraud of the Trustee.

The Trustee must not act or fail to act if by doing so it will knowingly incur any material liability in the proper performance by the Trustee of its obligations under this Trust Deed for which it is indemnified except if the Trustee is expressly indemnified for that liability under this Trust Deed.

16.5 Retirement
The Trustee must retire as the trustee of each Separate Trust when required to retire by the operation of law. The Trustee may retire by giving 3 months’ notice to the Issuer, Applicant and the Holder.

16.6 Voting Rights
The Trustee will not have power and is not required to exercise any voting rights in relation to the Metal Securities.

16.7 Removal
The Trustee may only be removed:

(a) by written direction from the Issuer, giving not less than 30 Business Days’ notice to the Trustee, or such shorter time as the Trustee and the Issuer may agree;
(b) in accordance with any relevant legislation and regulations; or
(c) by order of the court.

A Holder or Applicant has no right to request, or commence proceedings for, the removal of the Trustee, in the absence of fraud, dishonesty or gross negligence.

16.8 New Trustee

If the Trustee retires or is removed, the Issuer may appoint a replacement trustee by deed. The appointment is not complete until the new Trustee executes a deed by which it covenants to be bound by the same terms as this Trust Deed.

16.9 Release

When it retires or is removed as Trustee of each Separate Trust, the Trustee is released from all obligations in relation to each Separate Trust arising from the time it retires or is removed, except that the Trustee is still obliged:

(a) to vest the trust assets including Bullion of each Separate Trust in the new Trustee (subject to the satisfaction of all liabilities owed to the Trustee on its own account under this Trust Deed or for which the Trustee may be personally liable or for which there has been provision satisfactory to the Trustee);
(b) deliver all books and records relating to each Separate Trust to the new Trustee; and
(c) this Trust Deed continues in effect in respect of anything done or omitted to be done by the retiring Trustee when it was Trustee.

The retiring Trustee retains the rights and remedies available to it under this Trust Deed or at law in relation to the performance and exercise of its powers, duties and functions while Trustee.

16.10 No Guarantee

None of the Issuer and its Associates guarantee that the Trustee will perform or otherwise comply with its obligations under this Trust Deed. Nothing in this Trust Deed constitutes a guarantee by the Issuer or its Associates of those obligations.

16.11 Knowledge of the Trustee

(a) The Trustee will only be considered to have knowledge, awareness or notice of a thing or grounds to believe anything by virtue of its officers having actual knowledge, actual awareness or actual notice of that thing or grounds to believe that thing.
(b) The Trustee undertakes to immediately notify the Issuer of any information relating to the trust assets including Bullion of which the Trustee becomes aware which is price sensitive or otherwise relevant to the Issuer complying with its continuous disclosure obligations under the ASX Rules.

16.12 Rights and Liabilities Of Trustee

(Holder of Trust): The Trustee must not be an Applicant or Holder at any time.

(Other capacities): Nothing in this Trust Deed restricts the Trustee or its associates from:

(a) dealing with each other, the Issuer, any Separate Trust, Applicant or any Holder;
(b) being interested in any contract or transaction with each other or the Issuer or any Applicant or Holder or retaining for its own benefit any profits or benefits derived from any such contract or transaction;
(c) acting in the same or a similar capacity in relation to any other scheme; or
(d) selling Bullion to the Issuer,

subject to the Trustee acting at all times with good faith towards an Applicant or Holder.

Nothing in this Trust Deed restricts the Issuer or its associates or nominees acquiring the trust assets including Bullion from the Trustee or elsewhere.
16.13 Limitation on liability

(a) The Trustee does not have any obligations or duties in respect of the Separate Trusts, the Metal Securities, the trust assets including Bullion or anything in relation to them except as expressly set out in this Trust Deed.

(b) If the Trustee acts in good faith and without default or negligence in endeavouring to perform its obligations under this Trust Deed, it is not responsible to Applicants or Holders for any loss suffered in respect of the relevant Separate Trust including any loss suffered by the Applicant or Holder upon delivery of the trust assets including Bullion and in case of a breach of an obligation imposed on the Trustee under this Trust Deed.

(c) The liability of the Trustee in relation to each Separate Trust is in any case limited to the trust assets including Bullion of the Separate Trust.

(d) The Trustee is not liable for the acts or omissions of any brokers or other agents whose acts or omissions are not reasonably capable of supervision by the Trustee.

(e) The Trustee is not responsible for the performance by the Issuer, the Registrar or the Custodian of their respective obligations under this Trust Deed or the Transaction Documents.

(f) The Trustee is not liable for the acts or omissions of the Issuer, the Registrar or the Custodian (including any of their agents), including for any breach of this Trust Deed to the extent caused by such act or omission.

(g) The Trustee is not liable for the acts or omissions of any storage providers or other service providers who store, hold or transfer the trust assets including Bullion for all, or part, of the Trust's duration.

16.14 Trustee's reliance

The Trustee may take and act upon:

(a) the opinion or advice of counsel or solicitors instructed by the Trustee in relation to the interpretation of this deed or any other document (whether statutory or otherwise) or generally as to the administration of each of the Separate Trusts or any other matter in connection with the Separate Trusts;

(b) the advice, statements or information from any bankers, accountants, auditors, valuers and other persons consulted by the Trustee who are in each case believed by the Trustee in good faith to be expert in relation to the matters upon which they are consulted and who are independent of the Trustee;

(c) advice, statements, notices or information from the Issuer, the Registrar or the Custodian in respect of all matters arising under this Trust Deed;

(d) any other opinion, advice, statement or information provided to the Trustee in respect of the Separate Trusts, however it is given to the Trustee, unless the Trustee has reasonable grounds to believe that the document is not genuine or correct; and

(e) the Trustee will not be liable for anything done, suffered or omitted by it in good faith in reliance upon such opinion, advice, documents, statements, notices or information, including in respect of payments and dealings with cases of Bullion required by this Trust Deed. If the Trustee requests any advice, information, notices or statement from any person under this clause, the Trustee has no liability in connection with any delay in the exercise or performance of the relevant powers or duties the subject of the relevant advice, information, notice or statements.

16.15 Exercise of discretion

(a) The Trustee need not act except when required to do so by this Trust Deed.

(b) The Trustee need not consult with the Applicants or Holders before acting, giving any consent, approval or agreement or making any determination under this Trust Deed except if this Trust Deed expressly provides otherwise.

16.16 Directions of the Court

The Trustee may apply to a court for directions as to any matter arising in connection with performance of its obligations including the exercise of the powers and functions of the Trustee under this Trust Deed. The Trustee is not liable to any person for any delay arising as a result of that application.

16.17 No Responsibility for Trust Deed
The Trustee has no responsibility for the form or contents of this Trust Deed or any disclosure document issued in relation to the Metal Securities and accordingly has no liability as a result of or in connection with:

(a) any inadequacy, invalidity or unenforceability of any provision of this Trust Deed; or
(b) any statement in, omission from or publication of any such disclosure document.

16.18 Further Obligations

Notwithstanding any other provision of this Trust Deed:

(a) the Trustee is not required to do or to omit to do anything or to incur any liability unless the Trustee’s liability is limited in a manner satisfactory to the Trustee;
(b) the Trustee will not be under any obligation to advance or to use its own funds for the payment of any costs, expenses or liabilities;
(c) the Trustee is not required to keep itself generally informed as to the circumstances or activities of the Registrar, the Issuer, the Custodian or any other person in relation to the trust assets including Bullion, including their compliance with their obligations in connection with this Trust Deed, the Metal Securities, trust assets including the Bullion or the Register, and
(d) a liability or obligation of the Trustee arising under this Trust Deed is strictly limited to the extent to which (and can be enforced against the Trustee only to the extent to which) the liability or obligation can lawfully be satisfied in accordance with this Trust Deed out of the trust assets including Bullion of a Separate Trust.

16.19 Satisfaction of Liabilities of each Separate Trust

Liabilities of or referable to each Separate Trust are to be satisfied from the trust assets including Bullion of that Separate Trust. In particular, but without limitation to the foregoing, the Trustee may satisfy any fee or liability of a Holder which is described in a Prospectus as payable from the sale of the Bullion in a Separate Trust and the Trustee has power to sell Bullion for such purposes.

16.20 Appointments

(a) The Trustee may for the purpose of exercising any of its rights or discharging any of its obligations appoint (and remove) Officers or any Associate or engage agents or sub-contractors or experts on such terms, including remuneration, as the Trustee thinks fit.
(b) The Trustee may appoint a Custodian to be the registered holder of the trust assets including Bullion held under this Trust Deed but so that:
   (i) the Custodian is a bare trustee for the Trustee with no power to deal in the trust assets including Bullion except as directed by the Trustee or the Issuer;
   (ii) the Custodian may be an Associate of the Trustee; and
   (iii) the registered holdings of trust assets including Bullion of the Custodian are deemed for the purposes of this Trust Deed to be a registered holding of the Trustee.

16.21 Obligations are Several

The obligations of the Issuer, the Trustee and the Registrar under this Trust Deed are several only and not joint.

16.22 Providing Information

The Trustee must, to the extent permitted by law, on request, provide to the Issuer information concerning the trust assets including Bullion. The Trustee does not have to inquire as to the purpose of the Issuer for requesting the information except to the extent required by law.

The Trustee is not obliged to disclose any information relating to the Issuer or its Associates, whether to the Applicant, Holder or any other person. Disclosure is in any case not required if in the opinion of the Trustee disclosure would or might breach a law or duty of confidence or other fiduciary duty.
16.23 Funding Of Trustee

The Trustee will have no right of recourse:

(a) to recover any of its outgoings under this Trust Deed in relation to a Separate Trust; or
(b) in respect of any claim, loss or liability which may arise from its actions or omissions as the Trustee of a Separate Trust; or
(c) in respect of any right of indemnity in relation to a Separate Trust which it might have under this Trust Deed or at law; or
(d) against the trust assets including Bullion which correspond to that Separate Trust,

except that the Trustee will have a right of recourse which the Trustee has against the property of a Separate Trust, as set out in those specific provisions of this Trust Deed which authorise the Trustee to recoup from the trust fund of a Separate Trust.

16.24 Trustee not required to act

The Trustee is not required to act in any court proceedings, arbitration or other dispute concerning the Separate Trust including proceedings by the Applicant or Holder or a third party against the Trustee in the absence of the Trustee being indemnified for all costs, fees, expenses and liabilities reasonably and properly incurred by the Trustee in relation to such action.

16.25 Recourse to Separate Trusts

The Trustee may have recourse to the Separate Trusts for any remuneration or reimbursement or indemnity permitted under this Trust Deed only if the Trustee is expressly authorised to deduct costs and fees from the proceeds of any payment received by the Trustee from the Issuer or any third party on the sale or disposal of the trust assets including Bullion. The Trustee has no right of recourse against any Subscription Metal or the physical Bullion, only against proceeds from any sale of the Bullion.

16.26 Transfer Taxes

(a) Neither the Issuer nor the Trustee are liable for any Transfer Tax or other charge arising from the ownership, transfer or redemption of a Metal Share.
(b) Holders must pay all Transfer Tax payable by the Trustee in connection with the ownership, transfer and completion of a Metal Share.
(c) Each Holder acknowledges that it is their own responsibility to ensure that the correct tax treatment, including declaration of income and payment of Tax, is applied in relation to the Holder's Metal Securities and the Bullion.

16.27 Failure to Pay

(a) If the Holder fails to pay any Transfer Taxes within the required period, then the Issuer must pay the amount of the Transfer Taxes on behalf of the Trustee and the Holder. That amount and any related costs or expenses, including reasonable interest, is recoverable by the Issuer from the person who is registered as the Holder as a debt due.
(b) Nothing in this clause obliges a Holder to pay stamp duty in respect of a transfer of Metal Securities only because notice of the transfer has been given to the Trustee by a person other than the Holder.

16.28 Stamp Duty

The Holder will be responsible for paying all stamp duties assessed in respect of the Separate Trusts or the Bullion to which the Metal Securities of that Holder relate.

16.29 Statements, Accounts And Audit

Obligation of Trustee

(a) To the extent required by Law, the Trustee must prepare and lodge consolidated accounts and financial and taxation returns and must ensure compliance with applicable audit requirements in respect of the Separate Trusts and the performance by the Trustee of its functions under this Trust Deed.

Exemption
(b) The Trustee is empowered to apply for any waiver, modification or exemption which will or may have the effect of reducing the extent of its obligations under clause 16.29 and to give undertakings and to perform any conditions associated with any such application or any such modification or exemption.

Engage Accountants

(c) In order to perform its obligations under clause 16.29(a) and (b), the Trustee may engage an Accountant or an agent. The Trustee has no liability to the Issuer or to any Applicant or Holder in respect of any document prepared, action taken, or record made by the Trustee in the performance of the obligations imposed upon it by clause 16.29 if the same was prepared by or upon the advice of an Accountant or Accountants engaged pursuant to this clause 16.29.

No obligation to provide financial information

(d) Subject to the ASX Rules and contrary provisions of this Trust Deed, the Trustee has no obligation whatever to provide or to procure the Registrar to provide information to Applicants or Holders about the Separate Trusts or the Bullion.

(e) In particular, the Trustee has no obligation to provide Applicants or Holders with any financial accounts, financial reports or financial statements for the Separate Trusts.

(f) The Trustee is not obliged in any event to make available or to forward its own financial accounts, reports or statements to any Applicant or Holder.

Audits of Compliance

(g) The Issuer must at its own expense cause an audit of compliance with the ASX Rules to be undertaken annually by a registered company auditor appointed by the Issuer and will cause the audit report concerned to be lodged with the ASX as soon as it is available.

16.30 Register

(a) The Trustee must maintain a register of Beneficial Interests which meets the requirements of the Corporations Act, the ASX Rules and the ACH Clearing Rules.

(b) Except as otherwise provided in this Trust Deed, the Trustee must recognise the Applicant or Holder from time to time as the absolute owner of the Beneficial Interest and all persons must act accordingly.

(c) The details of Holder’s Beneficial Interest on the Register maintained by the Trustee will be identical to the Share Register maintained by the Issuer.

17. General Provisions

17.1 Notices

(a) Except as otherwise provided by this Trust Deed, a notice required or permitted to be given to an Applicant or Holder under this Trust Deed must be in writing and is to be treated as being given if:

(i) left at the Registered Address of the Applicant or Holder;

(ii) sent by pre-paid mail to the Registered Address of the Applicant or Holder;

(iii) sent by facsimile transmission to the Applicant’s or Holder’s facsimile number; or

(iv) in the event of time constraints, by such other method as approved by the ASX.

Notice by advertisement

(b) Any notice which is required or allowed by a court of competent jurisdiction to be given to an Applicant or Holder by advertisement will, unless otherwise stipulated or required by law or by a court in Australia or in any relevant foreign jurisdiction, be sufficiently advertised if advertised once in a daily newspaper circulating in the States and Territories of Australia.

Notices by Applicants and Holders

(c) All notices required or permitted to be given by Applicants or Holders to the Issuer, Trustee or Registrar under this Trust Deed or otherwise in respect of Metal Securities must be in writing and are treated as being duly given upon being actually received by the Issuer, the Trustee, or the Registrar at its principal office or such other address as it may by notice to the Applicant or Holder specify.
17.2 Payment To Applicants or Holders

Methods of payment

(a) Any money payable to an Applicant or Holder may be paid in a manner as determined by the Trustee acting on the Issuer’s instructions.

Receipt

(b) The receipt of the Applicant or Holder in respect of the trust assets including Bullion and any money payable in respect of it is a good discharge to the Trustee.

Unclaimed Money

(c) Any payments made to Applicants or Holders but remaining unclaimed for twelve months after the date of payment will, subject to applicable laws, be paid to the Issuer to be used to reduce future costs of issue and the relevant Applicant or Holder has no claim, whether against the Issuer, the Trustee, the Registrar or otherwise, to any amount paid to the Issuer under this clause.

17.3 Amendments To Trust Deed

Trustee may amend

(a) The Trustee may by supplemental deed amend this Trust Deed if one or more of the following applies:

(i) in the reasonable opinion of the Trustee the amendment is necessary or desirable to and which, in the reasonable opinion of the Trustee, is not materially prejudicial to the rights of Applicants or Holders;

(ii) the terms of the amendment are authorised by a resolution of the Holders passed in accordance with this Trust Deed;

(iii) the terms of the amendment are necessary or desirable in the reasonable opinion of the Trustee to comply with any statutory or other requirement of law (including as modified or applied in any respect to the Metal Securities) or any requirement of the ASX or to rectify any inconsistency, technical defect, manifest error or ambiguity in the terms of this Trust Deed; and

(iv) the terms of the amendment are necessary or desirable in the reasonable opinion of the Trustee for Metal Securities provided that the amendment does not affect the rights of current Holders of Metal Securities.

Resolution of Holders

(b) The Trustee must notify all Holders in writing of a proposed amendment in accordance with clause 17.3(a)(ii).

(c) Holders may return ballot papers to the Trustee by no later than 20 Business Days after the date of the notice. Each Holder is entitled to one vote for each Metal Share held.

(d) A resolution is duly passed if 75% or more of the votes cast are in favour of the amendment.

(e) The Trustee or its associates must not vote unless they are voting as trustee or nominee for a person who is not an associate.

(f) An amendment must be notified to the ASX, if it concerns Metal Securities which are listed, traded or quoted on the ASX.

(g) An amendment shall be subject to and in accordance with any applicable ASX Rules, including any requirement that ASX consent to the proposed amendment.

17.4 Obligation Of Holders To Provide Information

An Applicant or Holder will provide such information as the Trustee may request or as required by law.

17.5 Waiver

The failure, delay, relaxation or indulgence on the part of the Issuer or the Trustee in exercising any power or right conferred upon the Issuer or the Trustee under this Trust Deed does not operate as a waiver of that power or right nor does any single exercise of any power or right preclude any other or further exercise of it or the exercise of any other power or right under this Trust Deed.
17.6  **Governing Law**
This Deed is governed by the laws of Victoria.

17.7  **Jurisdiction**
Each party irrevocably and unconditionally:

(a) submits to the non-exclusive jurisdiction of the courts of Victoria; and

(b) waives, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.
8 SUMMARY OF OTHER TRANSACTION DOCUMENTS

8.1 Summary of the Custodian Agreements

The Custodian Agreements are the Allocated Precious Metals Accounts Agreement between the Company, the Trustee and JPMorgan Chase Bank, N.A. (Allocated Accounts Agreement) and the Unallocated Precious Metals Accounts Agreement between the same parties (Unallocated Accounts Agreement), each dated 16 September 2019. The Allocated Account and the Unallocated Account (the "Metal Accounts") have been established pursuant to the terms of the Custodian Agreements.

The Custodian Agreements will continue until they are terminated in accordance with their terms. In particular, either party to the Allocated Accounts Agreement can provide 90 days termination notice to the other party. Either party to the Unallocated Accounts Agreement can provide 10 days termination notice to the other party. Upon entry into any new custodian agreements, the Company will publish details of the new arrangements on its website at www.etfsecurities.com.au.

Certain key provisions of the Custodian Agreement are summarised below. This summary is not intended to set out in detail all the provisions of the Custodian Agreements. Certain capitalised terms used in this summary have defined meanings in the Custodian Agreement that are not always repeated or paraphrased in this summary or this Prospectus.

8.1.1 Metal Accounts

The Custodian will open and maintain the Metal Accounts in the name of the Trustee, in its capacity as trustee for the Holders. The Metal Accounts shall evidence and record the withdrawals of Bullion from and deposits of Bullion to that account. The Metal Accounts will be denominated in respect of platinum, palladium and silver in troy ounces and in respect of gold, fine troy ounces.

The Custodian will provide daily electronic reports to the Trustee. The Custodian retains the right to reverse recording errors with retrospective effect.

8.1.2 Deposits

Deposits may only be made into the Metal Accounts either by Authorised Participants on Application or by transfers between the accounts when effecting creations or redemptions of Metal Securities. Notice of an intended deposit by an Authorised Participant into the Unallocated Account must be given by the Trustee to the Custodian no later than 2:00 p.m. (London time) on a Business Day when such Bullion is to be deposited into such account.

8.1.3 Withdrawals

Withdrawals are only permitted from the Metal Accounts to effect redemptions, to pay Management Fees or (if the Custodian changes) to move Bullion to the replacement custodian.

The Custodian may amend the procedure for withdrawing Bullion from the Metal Accounts or impose additional procedures as it considers appropriate in certain circumstances.

Once a withdrawal of Bullion from the Allocated Account is requested, such Bullion will be de-allocated for purposes of crediting it to an Unallocated Account.

8.1.4 Instructions

The Company, the Trustee and the Custodian have agreed that only the Trustee shall have the right to give instructions to the Custodian for deposits and withdrawals of Bullion.

If, in the Custodian’s opinion, any instructions are unclear or ambiguous, the Custodian shall use reasonable endeavours (taking into account any relevant time constraints) to obtain clarification of those instructions from the Trustee and, failing that, the Custodian may in its absolute discretion and without any liability on its part, act upon what the Custodian believes in good faith such instructions to be or refuse to take any action or execute such instructions until any ambiguity or conflict has been resolved to the Custodian’s satisfaction.

8.1.5 Confidentiality
Neither party is permitted to disclose information acquired under the agreement without the consent of the other party. However, certain disclosures are permitted if required by (amongst other things) laws or a court order or similar process, or requested by a government department or agency, fiscal body or regulatory authority. Disclosure may also be required to a party's auditors, by its legal or other advisors or by a company which is in the same group of companies as a party or, in the case of the Trustee, by any beneficiary under the Trust Deed. The Custodian may also be required to make certain disclosures by virtue of its membership of the LPMCL.

8.1.6 Custody Services

The Custodian is appointed as the custodian of the Bullion credited to the Metal Accounts in accordance with the Custodian Agreements. The Custodian will segregate Bullion credited to the Allocated Account from any other Bullion which it owns or holds for others and will request any sub-custodians it appoints to so segregate such Bullion. The Custodian will identify in its books the Trustee as the owner of the Bullion credited to the Metal Accounts.

8.1.7 Sub-Custodians

The Custodian may appoint Sub-Custodians to perform any of its duties under the Allocated Accounts Agreement including the custody and safekeeping of Bullion. It is required to use reasonable care in the appointment of any Sub-Custodian but is not liable for any loss suffered by the Trustee as a result of any act or omission or insolvency of any Sub-Custodian except to the extent directly resulting from the Custodian's fraud, negligence or bad faith in the appointment of that Sub-Custodian.

The Custodian will provide on request the name and address of any Sub-Custodian of the Bullion credited to the Allocated Account along with any other information which may reasonably be required concerning the appointment of a Sub-Custodian.

8.1.8 Fees and Expenses

The Custodian charges a fee for its services under the Custodian Agreements at a rate based on the aggregate US dollar value of Bullion held in the Allocated Account (with no minimum fee), calculated daily. These fees will be paid by the Administrator on behalf of the Company.

In addition, the Company will pay on demand all costs, charges and expenses (including any relevant taxes, duties and legal fees but excluding fees for storage and insurance of Bullion and any fees and expenses of sub-custodians, which are covered by the fee above) incurred by the Custodian in connection with the performance of its duties and obligations under the Custodian Agreements or otherwise in connection with the Bullion credited to the Metal Accounts.

8.1.9 Value Added Tax

All sums payable to the Custodian under the Custodian Agreements shall be deemed to be exclusive of VAT, although under current UK VAT Legislation none of the precious metal services provided by the Custodian to the Company attracts VAT.

8.1.10 Scope of Responsibility

General

The Custodian will use reasonable care in the performance of its duties under the Custodian Agreements and will only be responsible for any loss or damage suffered as a direct result of any negligence, fraud or wilful default by it in the performance of its duties, and in which case its liability will not exceed the aggregate value of the Account Balances at the time of such negligence, fraud or wilful default.

The Custodian is under no duty or obligation to make or take, or require any Sub-Custodian it appoints to make or take, any special arrangements or precautions beyond those required by any applicable rules of the Relevant Association, LPMCL, the Financial Conduct Authority, the Prudential Regulation Authority, the Bank of England or any other applicable regulatory authority or body or as specifically set out in the Custodian Agreements.
Insurance
The Custodian will maintain such insurance in connection with its custodial obligations under the Allocated Accounts Agreement as it considers appropriate, and it shall be responsible for all costs, fees and expenses in relation thereto.

Force majeure
The Custodian shall not be liable for any delay in performance, or for the non-performance of any of its obligations under the Custodian Agreements by reason of any cause beyond the Custodian’s reasonable control. This includes any breakdown, malfunction or failure of, or in connection with, any communication, computer, transmission, clearing or settlement facilities, industrial action, acts and regulations of any governmental or supra national bodies or authorities, or the rules of any relevant regulatory or self-regulatory organisation.

Indemnity
The Trustee shall indemnify the Custodian and keep the Custodian indemnified (on an after tax basis) on demand against all costs and expenses, damages, liabilities and losses which the Custodian may suffer or incur, directly or indirectly in connection with the Custodian Agreements except to the extent that such sums are due to the Custodian’s negligence, wilful default, fraud or material breach of the Custodian Agreements.

8.1.11 Termination
The Trustee and the Custodian may, by giving not less than 90 days’ written notice in relation to the Allocated Accounts Agreement and 10 days’ written notice in relation to the Unallocated Accounts Agreement, terminate the agreements. The Trustee and the Custodian may terminate the Custodian Agreements immediately upon written notice to the other in the event of the presentation of a winding up order, bankruptcy or analogous event in relation to the other party.

Redelivery Arrangements
If arrangements acceptable to the Custodian have not been made for the delivery of the Account Balance within 6 months of the termination date specified in the termination notice, the Custodian will be entitled to close the Allocated Account and sell the Bullion constituting the Account Balance (at such time and on such markets as the Custodian considers appropriate) and account to the Trustee for the proceeds after deducting any amounts due to the Custodian under the Allocated Accounts Agreement. The Unallocated Accounts Agreement provides a similar mechanism under which the Custodian would be required to account to the Trustee for the value of the Account Balance of the Unallocated Account in the event the Company failed to make acceptable arrangements for transfer or repayment of the Account Balance.

Termination shall not affect rights and obligations then outstanding under the Custodian Agreements which continue to be governed by the Custodian Agreements until performed.

8.1.12 Governing Law, Jurisdiction and Arbitration
The Custodian Agreements are legally binding agreements and are governed by, and will be construed in accordance with, English law. English courts have non-exclusive jurisdiction to settle any disputes or claims which may arise out of or in connection with the Custodian Agreements. The parties may agree to resolve a dispute by arbitration.

8.2 Metal Sale Counterparty Agreement
The Metal Sale Counterparty Agreement will be used when a redemption is to be effected using the Metal Sale Method. Appointing the Custodian as the Metal Sale Counterparty reduces exposures and delays that might otherwise arise in transfers of Bullion from the Custodian to another counterparty when using the Metal Sale Method.

The Metal Sale Counterparty Agreement was made on 1 August 2019 between the Company, the Trustee and JPMorgan Chase Bank, N.A and is legally binding on the parties. The Metal Sale Counterparty agrees, at the request of the Trustee, to purchase in a principal capacity such amount of Bullion as the Trustee may specify on any Business Day basis a transaction price representative of the LBMA Auction price in US dollars determined in the LBMA London AM Auction on that Business Day for standard settlement in the Relevant Market and to pay an amount equal to the product of such Auction Price and the amount of Bullion so specified by the Trustee to such account or accounts as the Trustee may nominate by notice in writing for value on the standard Settlement Date.
As noted above the Custodian Agreements may be terminated in certain circumstances. If the Custodian Agreements are terminated, the current Metal Sale Counterparty Agreement will also terminate. The Company will use reasonable endeavours to negotiate any extension or alternative metal sale counterparty agreement on substantially similar terms as the Metal Sale Counterparty Agreement. Upon entry into any new metal sale counterparty agreement or extension of the existing Metal Sale Counterparty Agreement the Company will publish details of the new arrangements on its website at www.etfsecurities.com.au.

8.3 **Summary of Service Agreement**

The Service Agreement is a deed poll made for the benefit of Holders and sets out terms on which the Administrator undertakes to provide or procure services to the Holders and to the Company in connection with the Metal Securities.

The ultimate holding company of the Administrator is ETFS Capital Limited, meaning the Service Agreement is a related party arrangement. The Service Agreement is an important document and should be read by investors when making an assessment of whether to apply for Metal Securities. Accordingly, certain key provisions of the Service Agreement are summarised below. This summary is not intended to set out in detail all the provisions of the Service Agreement. Certain capitalised terms used in this summary have defined meanings in the Service Agreement that are not always repeated or paraphrased in this summary or this Prospectus. A number of defined terms are repeated or paraphrased in the Glossary in Section 11 of this Prospectus.

8.3.1 **Administration Services**

In consideration of the fees payable to it in accordance with this Prospectus, the Administrator undertakes to provide services to Holders and to the Company, for the benefit of Holders (as appropriate), including but not limited to:

- the issue, registration, redemption and quotation on the ASX of the Metal Securities;
- the issue, provision and disposal of each Holder's beneficial interest in Bullion (including the custody and delivery of Bullion);
- the keeping, auditing and lodgement of the accounts of the Company;
- the insurance and regulatory compliance of the Company (including payment of fees to, and liaison with the ASX, ASIC and other regulatory bodies);
- the corporate governance of the Company (including the appointment and payment of directors) and provision of company secretarial services for the Company;
- answering enquiries from Holders; and
- all contractual negotiations and arrangements with third parties on behalf of the Company and legal services for the Company.

8.3.2 **Performance**

The Administrator is required to act in good faith and without gross negligence, fraud or wilful default in carrying out its obligations under the Service Agreement.

8.3.3 **Termination**

The Service Agreement may be terminated by the Administrator on 30 days’ written notice to the Holders or if an Insolvency Event occurs. The Service Agreement is legally binding and will continue in force until terminated.

8.3.4 **The Administrator Not a Fiduciary**

The Administrator has no fiduciary duties to any Holder.

8.4 **Summary of Authorised Participants Agreements**

The Company intends to encourage a number of market participants to sign up as Authorised Participants from time to time.
The current Authorised Participants, who have been approved by the Company, are listed on the Company’s website at www.etfsecurities.com.au. The terms in relation to each Authorised Participant may be amended from time to time and may include commitments for an Authorised Participant to:

- make markets on varying terms;
- maintain particular maximum spreads and minimum lot sizes;
- maintain an AFS Licence;
- comply with ASX Rules, the Law and applicable legislation and regulations; and
- satisfy the Company’s Anti-Money Laundering and Counter-Terrorism Financing program which the Company has in place from time to time.
9 SUMMARY OF TAX CONSIDERATIONS

9.1 Introduction

This summary explores the Australian income tax considerations relevant for an investor in Metal Securities.

The following discussion is based upon the Australian law, Australian Taxation Office ("ATO") guidance and administrative practice in effect as at the date of this Prospectus. Holders should be aware that the ultimate interpretation of taxation law rests with the Courts and that the law, and the way the Commissioner of Taxation ("Commissioner") administers the law, may change at any time. There are a number of areas of the taxation law that are currently under review (including the Board of Taxation’s "Review of the Tax Treatment of Bare Trusts and Similar Arrangements") and this may impact the tax considerations for an investor in Metal Securities.

This statement is provided only for the benefit of the Company and is necessarily general in nature and does not take into account the specific taxation circumstances of each individual investor. Holders should seek independent professional advice in relation to their own particular circumstances before making any investment decision.

This summary only deals with the Australian tax considerations of potential investors and does not deal with tax consequences in relation to other jurisdictions. The summary assumes that there is no compulsory redemption of an investor's Metal Securities.

9.2 A Metal Security

An investor's holding of a Metal Security involves the holding of two separate assets, namely:

- a share in the capital of the Company ("Metal Share"); and
- a beneficial interest in the Bullion ("Metal Entitlement").

As a consequence, any dealing by an investor in a Metal Security will involve a dealing in both the Metal Share and the Bullion. An investor is therefore required to separately assess the tax consequences of dealing in each asset.

9.3 Sale of Metal Securities

Where an investor disposes of their Metal Security, the income tax consequences vary depending on whether:

- the investor holds the Metal Security on capital account or on revenue account; and
- the investor is an Australian resident for tax purposes.

Holder is an Australian resident and holds Metal Security on capital account

Where an Australian resident investor holds their Metal Security on capital account then any capital gain made on the disposal of the Metal Share and the Bullion comprising the Metal Security may be assessable to the investor.

The investor will make a capital gain on the disposal of the Metal Share or the Bullion where the capital proceeds received by the investor exceeds their cost base in these assets. If the capital proceeds received by an investor are less than the investor's reduced cost base in these assets, then the investor will make a capital loss. Capital losses can be offset against capital gains made by an investor but not against other types of income.

The cost base that an investor has in a Metal Share or the Bullion comprising a Metal Security includes 1 and 2 but not 3 of the matters listed immediately above.

1. the amount the investor paid to acquire the Metal Security;
2. incidental costs of acquisition and disposal (e.g. professional advisory fees, the costs of transfer such as brokerage fees and stamp duty if any); and
3. the costs of ownership of the Metal Security (e.g. interest incurred by an investor as a result of borrowing funds to acquire the Metal Security where the interest is not otherwise allowable as a tax deduction).

The reduced cost base of a Metal Share or the Bullion comprising a Metal Security includes 1 and 2 but not 3 of the matters listed immediately above.
As the investor subscribes for a Metal Security with Bullion, the Application Fee will factor into the cost base of the Metal Share only, since the investor does not acquire further Bullion under the subscription. The cost base that such an investor has in their Bullion component of a Metal Security will be the cost base that they had in the Bullion prior to transferring the legal title to the Bullion to the Trustee, since the investor continues to have beneficial ownership of the Bullion.

The cost base that an investor has in the Bullion comprising a Metal Security should include the Management Fee as a cost of ownership of the Bullion. The Management Fee does not factor into an investor's cost base in their Metal Share as it is a fee related to the ownership of the Bullion.

Given that a Metal Share provides an investor with no right to dividends or surplus on the winding up of the Company, it is likely that a reasonable apportionment of the above aggregate amount would result in an investor's cost base and reduced cost base in a Metal Share being nominal, being 1/1000th of 1 cent, and the bulk of the above aggregate sum being allocated to the Bullion.

The capital proceeds which an investor receives will cover the sales proceeds or other property the investor receives or is entitled to receive as a result of selling the Metal Security. Technically, the capital proceeds received by an investor on the disposal of a Metal Security should be apportioned between the Metal Share and the Bullion on a reasonable basis. However, given the rights attaching to the Metal Share it is reasonable to assume that the capital proceeds received in relation to the Metal Share would be a nominal 1/1000th of a cent and the bulk of the capital proceeds are received in relation to the Bullion. Practically, this apportionment means that an investor's sale of a Metal Share will not trigger a material capital gains tax ("CGT") liability for the investor and any material CGT consequences arising from the sale of a Metal Security will broadly come from the disposal of the Bullion component.

If an investor is a resident individual, trust or complying superannuation entity or a life insurance company which holds their Metal Security as a complying superannuation asset, then they may be able to claim the benefit of the CGT discount. A corporate investor cannot claim the benefit of the CGT discount.

Broadly, the CGT discount exempts a portion of the net assessable capital gain from taxable income. For investors who are Australian individuals or trusts this portion is generally 50% (conditions apply). For investors who are complying superannuation entities or life insurance companies who hold their Metal Security as a complying superannuation asset, the portion is generally 33.33%.

The mechanics under which the CGT discount concession operates ensures that any available capital losses incurred by the investor are offset against the gross capital gain before the remaining assessable net capital gain is discounted in the hands of the investor. Capital losses can only be offset against gains assessable under the CGT provisions.

**Holder is a non-resident and holds Metal Security on capital account**

If an investor is a non-resident and holds their Metal Security on capital account, then a disposal of the Metal Share and the Bullion comprising the Metal Security should not trigger an Australian CGT liability for most investors. As discussed above the sale of the Metal Share component of a Metal Security is unlikely to result in a material CGT liability for an investor. Moreover, as the investor is a non-resident, they will only be subject to CGT on the disposal of the Metal Share or the Bullion component of a Metal Security if these assets represent taxable Australian property. As a general rule, the Bullion does not represent taxable Australian property. The Metal Share should not represent taxable Australian property if at the time of its sale, more than 50% (by market value) of the Company’s assets do not comprise taxable Australian real property. The one qualification to this is where the investor is investing in the course of carrying on business through an Australian permanent establishment. If this is the case, the Bullion and Metal Share would be taxable Australian property.

**Holder holds Metal Security on revenue account**

If an Australian resident investor acquires a Metal Security in the course of carrying on a business of dealing in securities or if the investor acquires the Metal Security as part of a profit-making scheme, then any gain made on the sale of the Metal Security will be assessable to the investor as ordinary income. Any loss made on the sale will still be able to deduct an amount equivalent to this loss, as the
investor will have lost an equivalent amount on its trading stock (that is, its beneficial interest in the Bullion will have decreased in value).

Where an investor is not a resident of Australia, then any revenue gain made on the sale of their Metal Securities will only be subject to Australian income tax if it considered to have an Australian source. The issue of source is a question of fact, of which the place where the contract to sell the Metal Securities is concluded will be relevant factor. If the investor is a resident of a jurisdiction which has entered a double tax treaty with Australia, then they may not be subject to tax on gain where its derivation is not attributable to any permanent establishment that they have in Australia. Where this is the case then the business profits article of the relevant double tax treaty may prevent Australia from taxing the gain.

The Commissioner has previously issued a private binding ruling where it was held that the applicant held a security similar to the Metal Security on revenue account. This was based on an argument by the Commissioner that commodities such as gold generally do not have an immediate use other than as an object of trade since it does not generate income over the life of the investment. While the private ruling is only binding on the Commissioner in respect of the specific applicant, it illustrates where the Metal Security will be characterised as being held on revenue account.

9.4 Foreign Exchange Gains/Losses

Division 775 of the Income Tax Assessment Act 1997 (Cth) provides rules on the recognition, timing and measurement of foreign exchange gains and losses. Subject to a number of exceptions and elections, foreign exchange gains and losses are generally assessed to a taxpayer on revenue account.

The purchase and sale of the Bullion component of a Metal Security may involve the purchase and sale of foreign currency. As a consequence, an investor or the Trustee on an investor's behalf may derive foreign exchange gains and losses. Generally, an investor will be assessable on foreign exchange gains made by either the investor or the Trustee on their behalf under Division 775. Foreign exchange losses made by the Trustee cannot be passed down to an investor but instead are trapped in the trust of which an investor is a beneficiary.

9.5 Management Fee

The Management Fee will accrue daily (and be retained until the end of each month when the Bullion will be sold) and reduce the per share entitlement to the Bullion at the end of each day. The sale proceeds will be paid by the Trustee to the Company pursuant to the Service Agreement. Accordingly, every month the investor will be considered to have sold part of their interest in the Bullion.

Broadly, the above discussion of the income tax and CGT consequences for an investor disposing of the Bullion component of their Metal Securities will apply equally here. The cost base/cost that an investor had in their Bullion component prior to this sale will be apportioned between the Bullion which is sold under the Management Fee and the Bullion which the investor continues to hold.

The payment to the Administrator is paid by the Trustee on the direction of an investor as a fee for services provided by the Administrator to the Company and on provided by the Company to the investor. As noted above the Management Fee will be included in an investor's cost base in the Bullion component of their Metal Securities as a cost of ownership of the Bullion. It does not, however, factor into an investor's reduced cost base in the Bullion component. Accordingly, whilst the Management Fee may reduce any capital gain made by an investor on the disposal of the Bullion it will not increase any capital loss made.

If an investor holds a Metal Security in the course of carrying on a business of dealing in securities then the Management Fee may be deductible as an ordinary expense, factored into the calculation of a trading stock gain or loss, or could reduce consideration ultimately received. Investors should seek their own advice.

9.6 Redemption of a Metal Security

An investor who takes delivery of the Bullion on redemption will not be taxed until the Bullion is actually sold.

If an investor requests that the Trustee sell the Bullion on their behalf, then the above discussion in relation to the income tax and CGT consequences of selling the Bullion component will apply equally here to the investor. Where the investor holds their Metal Security on capital account then the Redemption Fee paid will be included in their cost base in the Bullion component. If an investor is a dealer in securities, then they will be able to deduct the Redemption Fee paid as an ordinary business expense. Where an investor held their Metal Securities as part of a
profit-making scheme then the Redemption Fee will be a cost subtracted from the sale proceeds they receive, in order to determine the revenue profit assessable to the investor.

The cancellation of the investor's Metal Shares should not trigger a material CGT or income tax liability for the investor since they will be redeemed at a nominal 1/1000th of 1 cent per Metal Share.

**9.7 Gearing**

Where an investor holds their investment in a Metal Security on capital account, then they will not be able to deduct any interest or borrowing costs which they may incur so as to invest in a Metal Security. This is because an investor will not be deriving any periodic income from the Metal Security but rather will only make a capital gain from their ownership of the Metal Security.

If an investor acquires a Metal Security as part of their business of dealing in securities, then they may be able to deduct interest and borrowing expenses incurred on borrowings used to acquire the Metal Security. This is because the borrowings were used for the purpose of producing assessable income or in carrying on business for that purpose. Interest expenses are generally deductible in the income year they are incurred for tax purposes. Other borrowing expenses are generally deductible over the lesser of 5 years or the life of the loan.

There are various exceptions to the general rule that interest and borrowing expenses are deductible when borrowings are used for the purpose of producing assessable income or in the course of carrying on a business for that purpose. If an investor borrows to invest, the investor should seek their own advice on these matters.

**9.8 TFN withholding**

An investor need not quote a Tax File Number (“TFN”) to the Trustee when acquiring Metal Securities. However, if a TFN is not quoted, or no appropriate TFN exemption information is provided then there may be an issue as to whether the Trustee is required to withhold tax from any income distributions made to an investor at the highest marginal tax rate, plus the Medicare Levy (currently 47%) for the 2019-20 income year. An investor who invests in Metal Securities in the course of carrying on an enterprise may quote their Australian Business Number instead to avoid this withholding tax. If this withholding tax applies it is noted that it is merely a collection mechanism and an investor may claim a credit in their annual income tax return in respect of the tax withheld.
10 ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING ACT 2006

Enacted by the Australian Government in December 2006, the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act) regulates financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML/CTF Act is regulated by the Australian Transaction Reports and Analysis Centre (AUSTRAC). Under the AML/CTF Act, the Company (or its agent) is required:

- to verify the identity of Approved Participants (including any beneficial owners if specified under Chapter 4 of the Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No.1) (Cth)) before issuing securities to the Approved Participant, and to re-identify the Approved Participant if it considers it necessary to do so; and
- to keep a record of any identification documentation for 7 years.

Identification of Authorised Participants

By lodging an Application Form, each Authorised Participant confirms that it is a reporting entity under the AML/CTF Act and undertakes to provide the Company with evidence of identity required by the Company pursuant to the AML/CTF Act at any time upon request. No application will be accepted by the Company unless such evidence of the Authorised Participant's identity satisfactory to the Company and its agents has been provided. The Company can accept or reject any Application in its discretion and is not liable for any resulting loss. You should note that it is an offence under the AML/CTF Act to provide false or misleading information to the Company.

Transaction Freezes

Transactions may be delayed, blocked, frozen or refused where the Company has reasonable grounds to believe that the transaction breaches Australian law or sanctions or the law or sanctions of any other country. Where transactions are delayed, blocked, frozen or refused the Company is not liable for any loss you suffer (including consequential loss) as a result of its compliance with the AML/CTF Act.

Reporting Obligations to AUSTRAC

The Company has certain reporting obligations pursuant to the AML/CTF Act. The legislation prevents the Company from informing you that any such reporting has taken place. Where legally obliged to do so, the Company and its agents may disclose the information gathered to regulatory and/or law enforcement agencies, including AUSTRAC and to other bodies, if required by law.
11 GLOSSARY

In this Offering Circular, unless the context requires otherwise:

“Accountant” means any member of the Australian Society of Certified Practicing Accountants or member of The Institute of Chartered Accountants in Australia;

“ACH” means Australian Clearing House Pty Limited ABN 48 001 314 503;

“ACH Clearing Rules” means the rules of the ACH as amended or varied from time to time;

“Administrator” means ETFS Management (AUS) Limited (wholly owned subsidiary of ETFS (AUS) Limited which is, in turn, a wholly owned subsidiary of ETFS Capital Limited, and which entered into an Administration Services Deed Poll for the benefit of Holders dated 23 February 2018);

“AFS Licence” means an Australian Financial Services Licence issued by ASIC;

“Allocated Account” means the unallocated Bullion account numbers 47404 AA for gold, 14536 AA for silver, 30582 AA for platinum and 20557 AA for palladium opened in the name of the Trustee with the Custodian pursuant to the Allocated Accounts Agreement;

“Allocated Accounts Agreement” means the Allocated Precious Metals Accounts Agreement between the Company, the Trustee and the Custodian dated 16 September 2019;

“Applicant” means the person making an Application;

“Application” means an offer by a person to the Company to subscribe for Metal Securities, being an offer on terms referred to in an Application Form and the Prospectus;

“Application Form” means the form prescribed from time to time by the Company upon which an Application for new Metal Securities must be made;

“Application Fee” means the application fee described in Section 4.3 of this Prospectus;

“ASIC” means the Australian Securities and Investments Commission;

“Associate” has the meaning ascribed by section 11 of the Corporations Act;

“ASX” means the Australian Securities Exchange or ASX Limited ABN 96 008 624 691;

“ASX Business Day” means a day on which the ASX is open for business in Sydney;

“ASX Rules” means the listing rules and the market rules of the ASX as amended or varied from time to time which are applicable to the Metal Securities from time to time;

“Authorised Participant” has the meaning given in Section 2.5 of this Prospectus;

“Beneficial Interest” means the beneficial interest which an investor acquires in the Bullion upon registration as a Holder of a Metal Share or any substituted asset as adjusted in accordance with this Trust Deed;

“Business Day” means:
(a) in relation to any or all of the ETFS Physical Platinum securities, ETFS Physical Palladium securities and ETFS Physical PM Basket securities (and any other Metal Security comprised, inter alia, of platinum or palladium), a day which is both a London Business Day and a Zurich Business Day; and
(b) in relation to ETFS Physical Silver securities and ETFS Physical Gold securities (and any Metal Security comprised only of silver and gold), a London Business Day;

“Bullion” means at any time in respect of each Metal Share the gold, silver, platinum and/or palladium to which that class of Metal Share relates;

“CAP” means the Company Announcements Platform of the ASX;
“CHESS” means the Clearing House Electronic Subregister System established and operated in accordance with the ACH Clearing Rules;

“CHESS Approved Securities” means securities approved by ACH to participate in CHESS in accordance with the ACH Clearing Rules;

“Commencement Date” means in relation to a Separate Trust, the date on which the first Holder’s name is added to the Register;

“Company” means ETFS Metal Securities Australia Limited ACN 101 465 383;

“Completion” means the act of lodging a valid Redemption Notice in accordance with clause 10 of the Trust Deed;

“Compulsory Redemption Date” means the date notified by the Company to the Holders as the date on which all or part of the Metal Securities will be compulsorily redeemed by the Company;

“Constitution” means the constitution of the Company, as amended from time to time;

“Controller” has the same meaning as defined in section 9 of the Corporations Act;

“Corporations Act” and “Corporations Regulations” have the same meanings respectively given to them in the Corporations Act 2001 (Commonwealth) as amended or varied for time to time;

“Custodian” and “Custodian Bank” means the entity that provides custody and transfer facilities for the Bullion from time to time, as at the date of this Prospectus being JPMorgan Chase Bank, N.A.;

“Custodian Agreements” mean the Allocated Accounts Agreement and the Unallocated Accounts Agreement;

“Delivery Date” means the date which is:
(a) the Compulsory Redemption Date; or
(b) the date specified in the Redemption Notice by the Holder, whichever is the later;

“Delivery Method” means either the Metal Delivery Method or the Metal Sale Method as specified by the Holder in a Redemption Notice;

“Delivery Obligations” means the obligation of the Company, on behalf of the Trust, to deliver the Bullion to the Holder in accordance with the terms of the Constitution;

“Directors” means the directors of the Company from time to time;

“ETFSCL” means ETFS Capital Limited, a company incorporated in Jersey, registered number 88370;

“Fixing Price” means in relation to each type of Bullion, on any day on which the Relevant Market is open for business, the price determined by the first fixing process of the day under the rules and procedures of the Relevant Association;

“Good Delivery” means the standards required by the Relevant Association for Bullion bars, as set out in Section 3.5.2 of this Prospectus;

“Holder” means the person whose name is for the time being entered in the Share Register and the Register as the holder of a Metal Share and the holder of a Beneficial Interest, respectively;

“Insolvency Date” means the date on which the first Insolvency Event, in relation to the Company occurs;

“Insolvency Event” means, for the Company, the happening of one or more of the following events:
(a) except for the purpose of a solvent reconstruction or amalgamation:
   (i) process is filed in a court seeking an order that it be wound up or that a Controller be appointed to it or any of its assets, unless the application is frivolous, bona fide contested, withdrawn, struck out or dismissed within 21 days of it being filed; or

(ii) an order is made that it be wound up or that a Controller be appointed to it or any of its assets; or
(iii) a resolution that it be wound up is passed or proposed;
(b) a liquidator, provisional liquidator, Controller or any similar official is appointed to, or takes possession or control of, all or any of its assets or undertaking;
(c) an administrator is appointed to it or a resolution that an administrator be appointed to it is passed;
(d) it enters into, or resolves to enter into, an arrangement, compromise or composition with any of, or any class of, its creditors or members, or an assignment for the benefit of any of, or any class of, its creditors, or process is filed in a court seeking approval of any such arrangement, compromise or composition;
(e) a reorganisation, moratorium, deed of company arrangement or other administration involving one or more of its creditors is effected;
(f) any action is taken by the Australian Securities and Investments Commission with a view to its deregistration or its dissolution, or an application is made to the Australian Securities and Investments Commission that any such action be taken unless such action is frivolous or bona fide contested;
(g) it is insolvent as disclosed in its Accounts or otherwise, states that it is unable to pay its debts or it is presumed to be insolvent under any applicable law;
(h) as a result of the operation of section 459F(1) of the Corporations Act, it is taken to have failed to comply with a statutory demand;
(i) any event or circumstance set out in section 461 of the Corporations Act occurs in relation to it; or
(j) anything having a substantially similar effect to any of the events specified in paragraphs (a) to (i) inclusive happens to it under the law of any jurisdiction;

“Insolvency Event Redemption Notice” means a compulsory Redemption Notice forwarded to Holders if an Insolvency Event occurs and cannot be remedied;

“Law” means the Corporations Act 2001;

“LBMA” means the London Bullion Market Association (www.lbma.org.uk);

“LBMA Auction Price” means the daily precious metal AM Auctions to establish the price of gold, silver, platinum and palladium;

“London Business Day” means a day (other than a Saturday or a Sunday or a public holiday in England) on which commercial banks generally and the London Bullion market are open for the transaction of business in London;

“LPPM” means The London Platinum and Palladium Market (www.lppm.org.uk);

"LPMCL" means London Precious Metal Clearing Limited;

"Management Fee" means the amount of Bullion which may be debited from the Metal Accounts (at the end of each month and paid to the Administrator), which shall be calculated as the Management Fee Rate times the Bullion held for all outstanding Metal Securities on each day during that month;

“Management Fee Rate” means, in respect of each class of Metal Security, the rate per annum specified in Section 2.2 of this Prospectus;

“Metal Accounts” means the Unallocated Account and the Allocated Account;

“Metal Delivery Method” means the method used by the Company to discharge its Delivery Obligations as set out in the Constitution;

“Metal Entitlement” means the relevant amount of Bullion to which a Holder of a Metal Share is entitled on each day, calculated in accordance with Section 2.2 of this Prospectus;

“Metal Sale Counterparty” means JPMorgan Chase Bank, N.A.;

“Metal Sale Counterparty Agreement” means the Metal Sale Counterparty Agreement dated 1 August 2019 between the Company, the Trustee and JPMorgan Chase Bank, N.A.;
“Metal Sale Method” means the method used by the Company to discharge its Delivery Obligations as set out in the Constitution;

“Metal Security” means a Metal Share and entitlement to the corresponding Beneficial Interest;

“Metal Shares” are redeemable preference shares which have the rights set out in the Constitution, issued by the Company in accordance with the Constitution or a Special Resolution of the Company. There are five classes of Metal Shares, being Gold Shares, Silver Shares, Platinum Shares, Palladium Shares and Basket Shares;

“Metal Trust” or “Trust” means each Separate Trust over the Bullion of each Holder;

“Minimum Redemption Amount” means the minimum number of Metal Securities which may be redeemed by a Holder as specified by the Company from time to time (at present there is no minimum);

“Prospectus” means any offer document issued by the Company from time to time in relation to the issue of Metal Securities by the Company;

“Redemption Date” means the date which is:
(a) the Compulsory Redemption Date; or
(b) the date specified in the Redemption Notice by the Holder, whichever is the later;

“Redemption Fee” means the redemption fee described in Section 4.3 of this Prospectus;

“Redemption Instructions” means the instructions provided by the Holder to the Company and the Trust which in the Company’s reasonable opinion are sufficient to allow the Company to effect the delivery or sale of the Bullion in accordance with the Constitution and the Prospectus relating to the relevant Metal Securities. The Redemption Instructions must include as a minimum, the name, HIN/SRN for the Metal Securities, contact telephone number and payment details of the recipient if the Bullion is to be sold, and delivery and custodial arrangements loco London only (in the case of gold and silver) and loco Zurich only (in the case of platinum and palladium) if the Bullion is to be delivered;

“Redemption Notice” means a written notice in the form approved by the Trustee and Company from time to time to be lodged by the Holder with the Company which instructs the Trustee how to deal with the Bullion and confirms redemption of the Metal Share;

“Redemption Notice Date” means the date on which a valid Redemption Notice is lodged or deemed to be lodged with the Company under the Trust Deed and the Constitution;

“Register” means the register or registers and any sub-registers of Holders of Beneficial Interests kept and maintained by the Registrar and the register or registers and any sub-register of Holders to be kept pursuant to the Law and the ASX Rules;

“Registered Address” means in relation to a Holder, whether or not there is one or more than one Holder registered in respect of that Metal Share, the last single address recorded in the Share Register in respect of that Metal Share;

“Registrar” means any person the Company may appoint from time to time to maintain the Register and the Share Register;

“Related Body Corporate” has the same meaning given to the term “related body corporate” in the Law;

“Released Parties” means the Company, its Related Bodies Corporate, their respective employees, officers, agents and all contractors and sub-contractors;

“Relevant Association” means (a) in respect of gold and silver, the LBMA or its successors and (b) in respect of platinum and palladium, the LPPM or its successors;

“Relevant Market” means (a) in respect of gold and silver, the over-the-counter market in gold and silver co-ordinated by the LBMA and (b) in respect of platinum and palladium, the over-the-counter market in platinum and palladium co-ordinated by the LPPM;
“Sale Costs” means all of the costs of arranging the sale of a Holder’s Bullion determined by the Company. The costs of the sale include any costs and expenses incurred by the Company (or its agents) whatsoever which in the Company’s opinion relates to the arranging and completion of the sale;

“Sale Proceeds” means the actual amount for which the Bullion is sold on behalf of the Holder less the Sale Costs, storage costs, insurance costs and any applicable Transfer Taxes;

"Settlement Date" means:
(a) in relation to any Application, the day three ASX Business Days after the Application; and
(b) in relation to any Redemption, the day three ASX Business Days after the applicable Redemption Notice Date, provided that if the Relevant Association determines that such day is not a "value date" in the Relevant Market, it shall be the next "value date" as specified by the Relevant Association;

“Separate Trust” means each of the trusts constituted under the Trust Deed;

“Service Provider” means the Custodian and any agent or contractor of ASX or the Company who provides delivery services, storage or insurance services in connection with the Bullion;

“Service Agreement” means the deed poll entitled "Administration Services Deed Poll" and dated 23 February 2018, made by ETFS Management (AUS) Limited (see “Administrator”) for the benefit of Holders;

“Share Register” means the register maintained by the Company in respect of the Metal Shares;

“Sub-Custodian” means a sub-custodian, agent or depository (including an entity within the Custodian’s corporate group) appointed by the Custodian, including the safekeeping of the Bullion;

“Subscription Metal” the gold, silver, platinum and/or palladium that an Applicant delivers as payment for a Metal Security;

“Termination Event” means if a contract that either:
(a) the Company or the Trustee has with a Service Provider; or
(b) a Service Provider has entered into or arranged in accordance with its obligations to either the Company or the Trustee, is terminated for whatever reason and a replacement contract on similar commercial terms cannot be negotiated or executed;

“Transaction Documents” means the Trust Deed, the Prospectus, the Constitution of the Company and any other document identified as a transaction document for the purposes of the Trust Deed or the Prospectus;

“Transfer Tax” means any tax, income tax, capital gains tax, goods and services tax, withholding tax, stamp, financial institutions, registration and other duties, bank accounts debits tax, import/export tax or tariff and other related taxes, levies, imposts, deductions, interest, penalties and charges imposed or levied by a Government or Government agency;

“Trust Deed” means the deed entitled “Bare Trust Deed” of the Metal Trust dated 14 February 2003 and amended and restated on 22 December 2009;

“Trustee” means the trustee for the time being of the Metal Trust (which at the date of this Prospectus is Gold Bullion Nominees Pty Ltd), appointed as such by the Trust Deed and includes any subsequent Trustee or any nominee, custodian, delegate or agent of the Trustee as the context requires;

“Unallocated Account” means the unallocated Bullion account numbers 47403 UA for gold, 14535 UA for silver, 30581 UA for platinum and 20556 UA for palladium opened in the name of the Trustee with the Custodian pursuant to the Unallocated Accounts Agreement;

“Unallocated Accounts Agreement” means the amended and restated Unallocated Precious Metals Accounts Agreement between the Company, the Trustee and the Custodian dated 16 September 2019;

“Zurich Business Day” means a day (other than a Saturday or a Sunday or a public holiday in Zurich) on which commercial banks and the Zurich Bullion market are generally open for business in Zurich; and
References in this document to a particular time are, unless otherwise stated, references to Australian Eastern Standard Time (AEST).

Unless the context otherwise requires, references in this document to any agreement or documents includes a reference to such agreement or document, as amended, varied, novated, supplemented or replaced from time to time and unless otherwise stated or the context otherwise requires references in this document to any statute or any provision of any statute include a reference to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or any such modification or re-enactment, in each case in force as at the date of this Prospectus.

Any reference to these Conditions or to any agreement or document includes a reference to these Conditions, or, as the case may be, such agreement or document, as amended, varied, novated, supplemented or replaced from time to time.

12 DISCLOSURES

Consents

KPMG

KPMG, Auditors, has given its consent to be named as the Auditor of the Company in the form and context in which its name appears in this Prospectus. KPMG has not withdrawn this consent before the document is lodged with ASIC.

KPMG has not caused or authorised the issue of the Prospectus and take no responsibility as to the contents of the Prospectus.

JPMorgan Chase Bank, N.A. and Computershare Investor Services Pty Limited

Neither JPMorgan Chase Bank, N.A. nor Computershare Investor Services Pty Limited has caused or authorised the issue of this Prospectus and has not made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based. JPMorgan Chase Bank, N.A. and Computershare Investor Services Pty Limited take no responsibility for, and are not liable as to the contents of the Prospectus. In particular, the Company notes that:

- JPMorgan Chase Bank, N.A. will at all times treat the Trustee as its sole client and accepts no duty, obligation or liability towards any Authorised Participants, Holder or other third party; and
- none of Computershare Investor Services Pty Limited, JPMorgan Chase Bank, N.A., nor any other member of the JPMorgan group of companies guarantees the performance of the Company, the Trustee or the Metal Securities.

Responsibility Statement

ETFS Metal Securities Australia Limited is the issuer of this Prospectus and is solely responsible for its contents.

Litigation

The Company is not and has not been involved in any legal or arbitration proceedings since its date of incorporation. Nor, so far as the Directors are aware, are any such proceedings pending or threatened against the Company.

Expenses of the Issue

The expenses of issue were paid by ETFS Management (AUS) Limited. These expenses included:

- Creation of the Prospectus documentation;
- Lodgement fees with ASIC;
- ASX fees;
- Registry maintenance;
• Legal Fees;
• CHESS fees; and
• Marketing.

**Expert’s and Advisers’ Interests**

Except as set out in this paragraph, no person named in this document as performing a function in an expert professional, advisory or other capacity and no firm in which an expert is a partner, has any interest that exists when this Prospectus is lodged with the ASIC, nor has had such an interest that existed within 2 years before lodgement of this Prospectus for registration in connection with the formation or promotion of the Company and no amounts, whether in cash or shares or otherwise has been paid or agreed to be paid to any expert or to any firm in which such expert is a partner for services rendered by the expert or the firm in connection with the promotion or formation of the Company.

**Related Party Transactions**

The Company has entered into employment contracts with its Directors that are related party arrangements and with the Administrator, through the Service Agreement.

The Service Agreement is a deed poll made for the benefit of Holders and sets out terms on which the Administrator undertakes to provide or procure services to the Holders and to the Company in connection with the Metal Securities. The Service Agreement is a related party arrangement as ETFS Capital Limited is the ultimate holding company of both the Administrator and the Company.

Related party arrangements present a risk that the interests of a related party may influence the decision-making of Directors to the detriment of the interests of Holders in relation to the related party arrangement. The Company has in place systems and procedures to monitor and supervise the services provided by the Administrator in order to mitigate these risks. The Company also has policies in place to manage conflicts of interest, which includes specific training of Responsible Managers in relation to related party issues. The Company considers that the Service Agreement is an arrangement that has been entered into on an arm’s length basis.

**Director’s Interests**

Except as set out below, no Director or proposed Director of the Company and no firm in which a Director or proposed Director of the Company is a partner, has any interest that existed when this Prospectus is lodged with the ASIC, nor has had such an interest that existed within 2 years before lodgement of this Prospectus for registration, in the promotion of or in any property proposed to be acquired by the Company in connection with the formation or promotion of the Company and no amount, whether in cash or shares or otherwise, has been paid or agreed to be paid to any Director or proposed Director or to any firm in which such Director or proposed Director is a partner for services rendered by the Director or proposed Director or by the firm in connection with the promotion or formation of the Company:

- No director of the Company currently draws a salary from the Company. However, the salary of the directors of the Company may be varied from time to time as determined by the Board of Directors;
- Mr Graham Tuckwell is an officer of each of ETFSCL, ETFS Management Company (Jersey) Limited and ETFS Management (AUS) Limited and may receive fees for his services to ETFSCL and the Administrator from time to time;
- Dr Vince FitzGerald is an officer of each of ETFSCL and ETFS Management (AUS) Limited and may receive fees for his services to ETFSCL and the Administrator from time to time;
- Mr Kris Walesby is an officer and employee of ETFS Management (AUS) Limited and receives a salary from ETFS Management (AUS) Limited;
- the Directors may hold other property whether in their own right or non-beneficially, in which the Company may have an interest from time to time;
- the Constitution of the Company contains indemnities in favour of the Directors within the limits prescribed by the Corporations Act 2001; and
- Associates (including Directors) of the Company may hold the Metal Securities and from time to time buy and sell these.
Material Contracts

The Company has entered into the following contracts which in the opinion of the Directors may be material to the issue of this Prospectus:

- Trust Deed;
- Custodian Agreements; and
- Metal Sale Counterparty Agreement.

Privacy

The Company respects the privacy of investors. Although the Company only accepts applications for the issue of new Metal Securities from Authorised Participants, if you purchase Metal Securities your personal information will be collected by the Company and your name may be placed on the Register. The Company may use or disclose your personal information for the purpose of processing your application, managing the Register and administering the Metal Securities and as required or authorised by law, including under the Corporations Act. This means the Company may collect your personal information from the Registrar. Your personal information and any contact details you provide may also be used to provide you with Company updates and new product information from the Company or any of its affiliates, in accordance with any consents you have given. Your personal information may also be disclosed to Company affiliates outside Australia, including affiliates based in Jersey and the United Kingdom. Please note that personal information may also be provided to third party service providers for the purposes above, but only under strict privacy controls. We may also disclose personal information to competent regulators where required or authorised by law. If you do not provide personal information when requested we may not be able to provide you with assistance, information or services you request, and we may not be able to process your application or in the case of any payments due may be required to make withholdings for tax. Your personal information will be handled in accordance with the Company's privacy policy which details how you can access, correct or complain about the handling of your personal information, and how the Company will respond to your requests or complaints. For more information on our privacy policy, or to see what information we have concerning you, please contact us at the details provided in the Corporate Directory below.
EXECUTION

Each director of ETFS Metal Securities Australia Limited has given his consent to the lodgement of this disclosure document in accordance with the Corporations Act 2001.

Executed by Mr Kris Walesby
CORPORATE DIRECTORY

REGISTERED OFFICE OF THE COMPANY
Suite 2a, Level 11, 309 Kent Street
Sydney NSW 2000

DIRECTORS
Mr Graham Tuckwell
Dr Vince FitzGerald
Mr Kris Walesby

SECRETARIES
Mr Graham Tuckwell
Mr Evan Metcalf
Mr Cliff Man

ADMINISTRATOR
ETFS Management (AUS) Limited
Suite 2a, Level 11, 309 Kent Street
Sydney NSW 2000

CUSTODIAN
JPMorgan Chase Bank, N.A.
25 Bank Street
Canary Wharf
London EC14 5JP
United Kingdom

REGISTRAR
Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford VIC 3067

PARENT
ETFS Capital Limited
31 Pier Road
St Helier
Jersey JE4 8PW
Channel Islands

TRUSTEE
Gold Bullion Nominees Pty Limited
Suite 2a, Level 11, 309 Kent Street
Sydney NSW 2000

AUDITORS
KPMG
Tower Three, International Towers Sydney
300 Barangaroo Avenue
Sydney NSW 2000
These statements are included for the benefit of New Zealand investors and do not form part of the Prospectus

Warning statement
This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (http://www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

Additional warning statement: currency exchange risk
The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

Additional warning statement: trading on financial product market
If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

Additional warning statement: dispute resolution process
The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.