

Base prospectus dated 9 May 2017



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

ETFS Metal Securities Limited

(Incorporated and registered in Jersey under the Companies (Jersey) Law 1991 (as amended) with registered number 95996)

Prospectus for the issue of

ETFS Metal Securities

comprising:

Individual Securities	LSE Code
ETFS Physical Platinum	PHPT
ETFS Physical Palladium	PHPD
ETFS Physical Silver	PHAG
ETFS Physical Gold	PHAU
ETFS Physical Swiss Gold	SGBS
Basket Securities	LSE Code
ETFS Physical PM Basket	PHPM

What is this document?

This document (the “**Prospectus**”) constitutes a base prospectus in compliance with Article 3 of Directive 2003/71/EC and the prospectus rules made under sections 73A and 84 of the Financial Services and Markets Act 2000, as amended as at the date hereof, and is issued in respect of the programme for the issuance of ETFS Metal Securities (the “**Metal Securities**”) by ETFS Metal Securities Limited (the “**Issuer**”).

It is important that an investor carefully reads, considers and understands this Prospectus before making any investment in Metal Securities.

This Prospectus is valid for one year and may be supplemented or replaced from time to time to reflect any significant new factor, material mistake or inaccuracy relating to the information included in it.

Terms used in this Prospectus have the meanings given to them under the heading “Definitions and Interpretation”.

What securities are being issued pursuant to this Prospectus?

This Prospectus relates to the issue of Metal Securities which are undated limited recourse debt securities of the Issuer. The Issuer is currently making available for issue six separate types of Metal Securities – five classes of Individual Securities and one class of Basket Securities. Each class of Individual Security is designed to track the price of individual precious metals (such as silver) and the Basket Securities will track the price of a number of precious metals. The Metal Securities are intended to provide investors with a return equivalent to movements in the spot price of the underlying precious metals less the applicable fees.

An investment in Metal Securities involves a significant degree of risk and investors may lose some or all of their investment. It should be remembered that the value of Metal Securities can go down as well as up.

What is in this Prospectus?

This Prospectus is intended to provide a prospective investor with the necessary information relating to the Issuer and the Metal Securities required to enable them to make an informed assessment of (i) the assets and liabilities, financial position, profits and losses and prospectus of the Issuer; and (ii) the rights attaching to the Metal Securities.

The rights attaching to the Metal Securities are contained in the Conditions set out under the heading “Conditions” in Part 6 (*Trust Instrument and Conditions*) and are completed by the Final Terms specific to a particular issue of Metal Securities which will be published and delivered to the UK Listing Authority before such Metal Securities are issued.

Also set out in this Prospectus are details of the structure of the Programme, the key parties to the Programme, the terms of any material contracts of the Issuer, details of the tax treatment of a holding of Metal Securities in certain jurisdictions and details of the risk factors relating to an investment in Metal Securities.

Worked examples of how an investor can determine the value of their investment are set out in Part 2 (*How does a Security Holder determine the value of their investment?*).

What information is included in the Final Terms?

The Final Terms set out information specific to the Metal Securities to which they relate, including the class and number of Metal Securities to be issued, the underlying precious metal of the Metal Securities to be issued and the fees applicable to the Metal Securities to be issued.

What other information should a prospective investor consider?

Certain of the information in this Prospectus is incorporated by reference. This means that it is not set out in the document but instead has been made publically available elsewhere for reference by investors and prospective investors.

Prospective investors should ensure that they review the Prospectus (including any information that has been incorporated by reference) and the Final Terms.

A copy of this Prospectus (including any information incorporated by reference) and any Final Terms issued are available at <http://www.etfsecurities.com>.

TABLE OF CONTENTS

This table sets out the contents of this Prospectus together with an outline description of the contents of each section and is intended as a guide to help a prospective investor to navigate their way around this Prospectus.

Each section should be carefully considered by a prospective investor before deciding whether to invest in Metal Securities.

<i>Section of Prospectus</i>		<i>Pages</i>	<i>What is covered by this section</i>
Important Information		6	<i>This section sets out important legal notices relating to the Metal Securities</i>
Summary		8	<i>This section sets out in a grid format standard information which is arranged under standard headings and is required to be included in a prospectus summary for this type of product. It also provides the form of the Issue Specific Summary information which will be completed and attached to the form of Final Terms (either in the form contained within this Prospectus at Annex 3 to be issued each time the Issuer has issued securities to a securities house or other market professional approved by the Issuer and which has entered into an agreement with the Issuer in relation to Metal Securities or Annex 4 to be issued each time the Issuer has issued securities to the public pursuant to a public offer)</i>
Risk Factors		24	<i>This section sets out the material risks known to the Issuer associated with an investment in Metal Securities and should be carefully considered by a prospective investor</i>
Frequently Asked Questions		31	<i>This section addresses a list of frequently asked questions about the Metal Securities</i>
Definitions and Interpretation		35	<i>This section sets out the definitions that apply throughout this Prospectus</i>
Directors, Secretary and Advisers		49	<i>This section sets out the name and addresses of the entities which provide services and legal advice to the Issuer</i>
Documents Incorporated by Reference		52	<i>This section details the documents incorporated into this Prospectus by reference and details where copies of these documents can be found. These documents are part of this Prospectus and should be carefully considered by a potential investor</i>
Part 1	General	53	<i>This section provides a description of the Metal Securities and the role of the different parties in the structure of the offering. It also sets out the way in which investment in Metal Securities can be made or redeemed as well as details of some but not all of the rights attached to the Metal Securities and information relating to the Issuer, its directors and service providers</i>

Part 2	How does a Security Holder determine the value of their investment?	61	<i>This section sets out how an investor can work out the value of their investment and provides the relevant formulae and worked examples</i>
Part 3	Precious Metals Market Overview	65	<i>This section provides an overview of the precious metals market both generally and also specifically in respect of gold, silver, platinum and palladium to help an investor decide whether an investment in a product which tracks particular precious metals is appropriate for them</i>
Part 4	Description of Metal Securities	73	<i>This section contains a description of the rights attaching to the Metal Securities (the legal description of which is set out in Part 6), information relating to some, but not all, of the rules applicable to Metal Securities including details on where this Prospectus has been passported to allow public offer of the Metal Securities takes place</i>
Part 5	The Programme	80	<i>This section gives details of the countries in which the Metal Securities are available for offer, the exchanges upon which they can be traded and the settlement processes which apply on each exchange</i>
Part 6	Trust Instrument and the Conditions	85	<i>This section gives details of the main constitutive document in relation to the Metal Securities – the Trust Instrument – and sets out the details of the approval of the issue of the Metal Securities. It includes an extract from the Trust Instrument under the heading “Conditions” which sets out the terms and conditions which apply to the securities. This extract is drafted in legal language as it is taken directly from the Trust Instrument but information on how the terms and conditions apply to Security Holders is contained throughout this Prospectus including in Part 1 and Part 4</i>
Part 7	Particulars of Security Deeds	115	<i>The Security Deeds create security over, and give investors (through the Trustee) rights to, the underlying relating to each class of security. This section contains detail of the terms of the rights granted by the Security Deeds and when these rights become enforceable</i>
Part 8	Custody and the Custodian Agreements	117	<i>The Custodians are responsible for the safe keeping of the physical precious metals which back the Metal Securities. This section provides information on the Custodians and their role as well as describing the key terms of the Custodian Agreements entered into between the Issuer and each of the Custodians. The role of the Custodians in the transaction is also referenced in Part 1 and Part 4</i>
Part 9	Global Bearer Certificates (Germany)	123	<i>This section contains an English translation of the German text of the German Global Bearer Certificates which are set out in Annex I and which are only relevant to investors wishing to purchase their securities on the Frankfurt Stock Exchange</i>
Part 10	Taxation	127	<i>This section sets out a summary of the tax treatment of the holding and redemption of Metal Securities in each of the jurisdictions in which the Metal Securities are available for public offer</i>

Part 11	Additional Information	160	<i>This section sets out further information on the Issuer which the Issuer believes a potential investor will want to be aware of or which the Issuer is required to include under applicable rules. This section includes detail of the material contracts relating to the Metal Securities, other than the Trust Instrument, Security Deeds and the Custodian Agreements which are covered in Parts 6, 7 and 8</i>
Annex 1	Form of the Global Bearer Certificates	169	<i>This section sets out the form of the German Global Bearer Certificates. The German Global Bearer Certificates are only relevant to investors wishing to purchase their Metal Securities on the Frankfurt Stock Exchange</i>
Annex 2	Text of the Conditions of the Global Bearer Certificates (Germany)	170	<i>This section sets out the German text of the German Global Bearer Certificates. The English translation of these certificates is contained in Part 9 of this Prospectus. The German Global Bearer Certificates are only relevant to investors wishing to purchase their securities on the Frankfurt Stock Exchange</i>
Annex 3	Form of Final Terms – Offers to Authorised Participants	173	<i>This section sets out the form of Final Terms which the Issuer will publish when it has issued Metal Securities to a securities house or other market professional approved by the Issuer and which has entered into an agreement with the Issuer in relation to Metal Securities. This details the class, number and relevant information applicable to the issue and when completed will also include an issue specific summary which is taken from the summary set out at the front of this document and adjusted to be relevant only to the securities issued under the final terms. Each time that securities are issued by ETFS Metal Securities Limited, a Final Terms document is prepared by the Issuer and submitted to the FCA and notified to the competent authority in each European jurisdiction that the product is passported into. Completed Final Terms documents are available on the website of the Issuer at http://www.etfsecurities.com</i>
Annex 4	Form of Final Terms – Public Offers	175	<i>This section sets out the form of Final Terms that the Issuer will publish if it issues any Metal Securities to the public pursuant to a public offer rather than to a securities house or other market professional (as set out at Annex 3). This details the class, number and relevant information applicable to the issue and when completed will also include an issue specific summary which is taken from the summary set out at the front of this document and adjusted to be relevant only to the securities issued under the final terms. Each time that securities are issued by ETFS Metal Securities Limited, a Final Terms document is prepared by the Issuer and submitted to the FCA and notified to the competent authority in each European jurisdiction that the product is passported into. Completed Final Terms documents are available on the website of the Issuer at http://www.etfsecurities.com</i>

ETFS Metal Securities

Important Information

A. Approvals

A copy of this document, which comprises a base prospectus relating to the Metal Securities of each type in compliance with Article 3 of Directive 2003/71/EC and the prospectus rules made under sections 73A and 84 of the Financial Services and Markets Act 2000, has been filed with the FCA and made available to the public for the purposes of section 85 of that Act and in accordance with Article 14 of Directive 2003/71/EC and Rule PR3.2 of those prospectus rules. Metal Securities will be available to be issued on a continuing basis during the period of 12 months from the date of this document. A prospective investor should be aware that compensation will not be available under the UK Financial Services Compensation Scheme.

This Prospectus is prepared, and a copy of it has been sent to the Jersey Financial Services Commission, in accordance with the Collective Investment Funds (Certified Funds-Prospectuses) (Jersey) Order 2012.

The Issuer has obtained a certificate under the Collective Investment Funds (Jersey) Law 1988, as amended (the “**CIF Law**”) to enable it to undertake its functions in relation to the Metal Securities. The Jersey Financial Services Commission is protected by the CIF Law against liability arising from the discharge of its functions thereunder.

Each of ManJer, R&H funds Services (Jersey) Limited and the Registrar is registered under the Financial Services (Jersey) Law 1998, as amended, (the “**Financial Services Law**”) to enable it to undertake its functions in relation to Metal Securities. The Jersey Financial Services Commission is protected by the Financial Services Law against liability arising from the discharge of its functions thereunder.

The Jersey Financial Services Commission does not take any responsibility for the financial soundness of the fund or for the correctness of any statements made or expressed in this Prospectus.

The Metal Securities have not been and will not be registered under the United States Securities Act of 1933 (the “**Securities Act**”), as amended, or under the securities laws of any states of the United States. Except in a transaction exempt from the registration requirements of the Securities Act and applicable United States securities laws, the Metal Securities may not be directly or indirectly offered, sold, taken up, delivered or transferred in or into the United States.

B. Listing and Trading

Application has been made to the UK Listing Authority for all Metal Securities issued within 12 months of the date of this document to be admitted to the Official List and to the London Stock Exchange, which operates a Regulated Market, for all such Metal Securities to be admitted to trading on the Main Market of the London Stock Exchange which is part of its Regulated Market for listed securities and is a regulated market for the purposes of Directive 2004/39/EC (the Markets in Financial Instruments Directive).

C. Responsibility and No Investment Advice

The Issuer accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Issuer, which has taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Nothing in this document or anything communicated to holders or potential holders of the Metal Securities or other obligations by the Issuer is intended to constitute or should be construed as advice on the merits of the purchase of or subscription for the Metal Securities or the exercise of any rights attached thereto for the purposes of the Jersey Financial Services (Jersey) Law 1998, as amended.

None of the Issuer, the Authorised Participants, or the Custodians makes any representations as to (i) the suitability of any Metal Securities for any particular investor; (ii) the appropriate accounting treatment or possible tax consequences of an investment in any Metal Securities; or (iii) the expected performance of any Metal Securities, either in absolute terms or relative to competing investments.

D. Investors to make their own assessment

Prospective Security Holders may wish to obtain their own independent accounting, tax and legal advice and may wish to consult their own professional investment advisers to ascertain the suitability of Metal Securities as an investment. Prospective Security Holders may wish to conduct such independent investigation and analysis regarding the risks, security arrangements, delivery processes and cash-flows associated with Metal Securities as they deem appropriate, in order to evaluate the merits and risks of an investment in Metal Securities.

E. Supplementary Prospectus

If at any time the Issuer shall be required to prepare a supplementary prospectus pursuant to section 87G of FSMA, the Issuer will either prepare and make available an appropriate amendment or supplement to this document which shall constitute a supplementary prospectus as required by section 87G of FSMA or prepare and make available a further base prospectus in compliance with Article 3 of the Prospectus Directive and the Prospectus Rules.

SUMMARY

ETFs Metal Securities Limited

ETFs Metal Securities

Prospectus Summary

Base Prospectus dated 9 May 2017 for the issue of ETFs Metal Securities

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted into the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

Section A – Introduction and Warnings		
A.1	Standard warning disclosure	<ul style="list-style-type: none">• This summary should be read as an introduction to the base prospectus of ETFs Metal Securities Limited (the “Issuer”) relating to the programme for the issue of ETFs Metal Securities (the “Metal Securities”) dated 9 May 2017 (the “Prospectus”).• Any decision to invest in the Metal Securities should be based on consideration of the Prospectus as a whole by the investor.• Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.• Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Metal Securities.
A.2	Disclosure of consent for use of the Prospectus for subsequent resale or final placement of securities by financial intermediaries	The Issuer has consented to the use of the Prospectus, and has accepted responsibility for the content of the Prospectus, with respect to subsequent resale or final placement by way of public offer of the Metal Securities in any of Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Spain, Sweden and the United Kingdom by any financial intermediary which is an investment firm within the meaning of the Markets in Financial Instruments Directive, as amended (“ MiFID ”) and which is authorised in accordance with MiFID in any member state. Such consent applies to any such resale or final placement by

		<p>way of public offer during the period of 12 months from the date of the Prospectus, unless such consent is withdrawn prior to that date by notice published on the Issuer’s website. Other than the right of the Issuer to withdraw the consent, no other conditions are attached to the consent described in this paragraph.</p> <p>In the event of an offer being made by a financial intermediary, this financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made. Any financial intermediary using the Prospectus for the purpose of any offering must state on its website that it uses the Prospectus in accordance with the consent given and the conditions attached thereto.</p> <p>It is a condition of this consent that, where the financial intermediary wishes to resell or make a final placement by way of public offer of the Metal Securities, such financial intermediary may not reuse this Prospectus for such purpose unless it is in specific agreed jurisdictions during a specified offer period. The financial intermediary may not otherwise reuse this Prospectus to sell Metal Securities.</p> <p>In the event of a public offer in one or more Public Offer Jurisdictions identified in the Final Terms, the Metal Securities may be offered and sold to persons in the relevant Public Offer Jurisdiction who are legally eligible to participate in a public offering of such securities in such jurisdiction under applicable laws and regulations.</p> <p>The Issuer has not authorised, nor does it authorise, the making of any offer of Metal Securities in any other circumstances.</p> <p>Issue Specific Summary:</p> <p>Public Offer Jurisdiction(s): •</p> <p>Offer Period: •</p>
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Section B – Issuer		
B.1	Legal and commercial name	ETFS Metal Securities Limited.
B.2	Domicile/Legal form/Legislation/ Country of incorporation	The Issuer is a public company incorporated and registered in Jersey under the Companies (Jersey) Law 1991 (as amended) with registered number 95996.
B.16	Direct/ indirect control of the Issuer	The shares in the Issuer are held entirely by ETFS Holdings (Jersey) Limited (“ HoldCo ”), a holding company incorporated in Jersey. The shares in HoldCo are directly owned by ETF Securities Limited (“ ETFSL ”) which is also incorporated in Jersey. The Issuer is neither directly or indirectly owned or controlled by any other party to the program.
B.20	Special purpose vehicle	The Issuer has been established as a special purpose vehicle for the purpose of issuing the Metal Securities as asset-backed securities.

B.21	Principal activities	<p>The principal activity of the Issuer is issuing classes of Metal Securities backed by physical precious metals. The Issuer has established a programme under which six classes of Metal Securities may be issued from time to time, in the form of five classes of Metal Security which each provide exposure to only one type of physical precious metal (“Individual Securities”) currently either gold stored in London, silver, platinum, palladium or gold stored in Zurich (“Bullion”) and one class of basket security which provides exposure to a proportion of each of gold stored in London, silver, platinum and palladium (“Basket Securities”).</p> <p>Metal Securities are designed to offer investors a means of investing in physical precious metals without the necessity of taking physical delivery of that physical precious metal, and to enable investors to buy and sell that interest through trading of a security on a stock exchange.</p> <p>The types of Bullion backing each class of Metal Security are as follows:</p> <table border="0" data-bbox="719 831 1402 1155"> <thead> <tr> <th style="text-align: left;">Class of Metal Security</th> <th style="text-align: left;">Applicable Physical Precious Metal</th> </tr> </thead> <tbody> <tr> <td>ETFS Physical Gold</td> <td>Gold vaulted in London</td> </tr> <tr> <td>ETFS Physical Silver</td> <td>Silver</td> </tr> <tr> <td>ETFS Physical Platinum</td> <td>Platinum</td> </tr> <tr> <td>ETFS Physical Palladium</td> <td>Palladium</td> </tr> <tr> <td>ETFS Physical Swiss Gold</td> <td>Gold vaulted in Zurich</td> </tr> <tr> <td>ETFS Physical PM Basket</td> <td>Gold vaulted in London, Silver, Platinum and Palladium</td> </tr> </tbody> </table> <p>Metal Securities can be issued to and required to be redeemed on a daily basis by financial institutions (“Authorised Participants”) who have (i) entered into an agreement entitled “Authorised Participant Agreement” with the Issuer; (ii) have certified to the Issuer as to their status under the Financial Services and Markets Act 2000 (“FSMA”); and (iii) have certified to the Issuer that they are not collective investment schemes regulated under Council Directive No. 85/611/EEC as undertakings for collective investment in transferable securities (except that other holders of Metal Securities may also redeem Metal Securities if there are no Authorised Participants or the Issuer otherwise announces). All other parties may buy and sell Metal Securities through trading on an exchange or market on which the Metal Securities are admitted to trading.</p> <p>Each Metal Security is backed by physical bars of the relevant Bullion or (in the case of the Basket Securities) metals which are held in the name of the Trustee (as defined below) as mortgagee for the Security Holders in secure vaults at the Custodians (as defined below).</p> <p>The Issuer and the Trustee (as defined below) have entered into agreements (the “Initial Custodian Agreements”) with HSBC Bank plc (the “Initial Custodian”) for the storage of the Bullion backing the Metal Securities other than the ETFS Swiss Gold</p>	Class of Metal Security	Applicable Physical Precious Metal	ETFS Physical Gold	Gold vaulted in London	ETFS Physical Silver	Silver	ETFS Physical Platinum	Platinum	ETFS Physical Palladium	Palladium	ETFS Physical Swiss Gold	Gold vaulted in Zurich	ETFS Physical PM Basket	Gold vaulted in London, Silver, Platinum and Palladium
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		<p>Securities at the London vault premises of the Initial Custodian (or of a sub-custodian or delegate of theirs). The Issuer and the Trustee have also entered into agreements (the “Swiss Gold Custodian Agreements”) with JPMorgan Chase Bank N.A. (the “Swiss Gold Custodian”) and together with the Initial Custodian the “Custodians”) for the storage of the gold attributable to the ETFs Swiss Gold Securities at the Zurich vault premises of the Swiss Gold Custodian (or of a sub-custodian or delegate of theirs).</p> <p>Metal Securities are constituted under an agreement entitled the “Trust Instrument” between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee (the “Trustee”) of all rights and entitlements under the Trust Instrument for any person identified on the Issuer’s registers as holding the Metal Securities (the “Security Holders”).</p> <p>The Issuer and the Trustee have entered into separate documents each entitled “Security Deed” in respect of each type of Bullion and such Bullion is held in the name of the Trustee at each of the Custodians. The Trust Instrument and each Security Deed give the Trustee, on trust for holders of the applicable class of Metal Securities, rights against the Issuer in respect of the Metal Securities.</p> <p>ETFs Management Company (Jersey) Limited (“ManJer”), a company which is wholly owned by ETFSL, supplies, or will arrange the supply of, all management and administration services to the Issuer and pays all the management and administration costs of the Issuer in return for a fee payable by the Issuer in Bullion.</p> <p>Issue Specific Summary:</p> <p>Applicable Physical Precious Metal •</p>
B.22	No financial statements	Not applicable; financial statements have been made up as at the date of this Prospectus.

B.23	Key historical financial information	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th colspan="2" style="text-align: right;"><i>As at 31 December</i></th> </tr> <tr> <th></th> <th style="text-align: right;"><i>2016</i></th> <th style="text-align: right;"><i>2015</i></th> </tr> <tr> <th></th> <th style="text-align: right;"><i>USD</i></th> <th style="text-align: right;"><i>USD</i></th> </tr> </thead> <tbody> <tr> <td colspan="3">Current Assets</td> </tr> <tr> <td>Trade and Other Receivables</td> <td style="text-align: right;">2,579,431</td> <td style="text-align: right;">1,753,307</td> </tr> <tr> <td>Metal Bullion</td> <td style="text-align: right;">7,274,049,951</td> <td style="text-align: right;">4,862,900,530</td> </tr> <tr> <td>Amounts Receivable on Securities</td> <td></td> <td></td> </tr> <tr> <td>Awaiting Settlement</td> <td style="text-align: right;">14,531,022</td> <td style="text-align: right;">–</td> </tr> <tr> <td>Total Assets</td> <td style="text-align: right;"><u>7,291,160,404</u></td> <td style="text-align: right;"><u>4,864,653,837</u></td> </tr> <tr> <td colspan="3">Current Liabilities</td> </tr> <tr> <td>Metal Securities</td> <td style="text-align: right;">7,274,133,341</td> <td style="text-align: right;">4,855,767,067</td> </tr> <tr> <td>Amounts Payable on Bullion</td> <td></td> <td></td> </tr> <tr> <td>Awaiting Settlement</td> <td style="text-align: right;">14,531,022</td> <td style="text-align: right;">–</td> </tr> <tr> <td>Trade and Other Payables</td> <td style="text-align: right;">2,579,427</td> <td style="text-align: right;">1,753,303</td> </tr> <tr> <td>Total Liabilities</td> <td style="text-align: right;"><u>7,291,243,790</u></td> <td style="text-align: right;"><u>4,857,520,370</u></td> </tr> <tr> <td colspan="3">Equity</td> </tr> <tr> <td>Stated Capital</td> <td style="text-align: right;">4</td> <td style="text-align: right;">4</td> </tr> <tr> <td>Revaluation Reserve</td> <td style="text-align: right;">(83,390)</td> <td style="text-align: right;">7,133,463</td> </tr> <tr> <td>Total Equity</td> <td style="text-align: right;"><u>(83,386)</u></td> <td style="text-align: right;"><u>7,133,467</u></td> </tr> <tr> <td>Total Equity and Liabilities</td> <td style="text-align: right;"><u>7,291,160,404</u></td> <td style="text-align: right;"><u>4,864,653,837</u></td> </tr> </tbody> </table>		<i>As at 31 December</i>			<i>2016</i>	<i>2015</i>		<i>USD</i>	<i>USD</i>	Current Assets			Trade and Other Receivables	2,579,431	1,753,307	Metal Bullion	7,274,049,951	4,862,900,530	Amounts Receivable on Securities			Awaiting Settlement	14,531,022	–	Total Assets	<u>7,291,160,404</u>	<u>4,864,653,837</u>	Current Liabilities			Metal Securities	7,274,133,341	4,855,767,067	Amounts Payable on Bullion			Awaiting Settlement	14,531,022	–	Trade and Other Payables	2,579,427	1,753,303	Total Liabilities	<u>7,291,243,790</u>	<u>4,857,520,370</u>	Equity			Stated Capital	4	4	Revaluation Reserve	(83,390)	7,133,463	Total Equity	<u>(83,386)</u>	<u>7,133,467</u>	Total Equity and Liabilities	<u>7,291,160,404</u>	<u>4,864,653,837</u>
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Total Equity and Liabilities	<u>7,291,160,404</u>	<u>4,864,653,837</u>																																																												
B.24	Material adverse change	Not applicable; there has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements as at 31 December 2016.																																																												
B.25	Underlying assets	<p>The underlying assets for the Metal Securities of each class, by which they are backed and on which they are secured, are physical bars of Bullion. These bars are held in the name of the Trustee for the Security Holders in secure vaults at the premises of the Initial Custodian or the Swiss Gold Custodian (or of a sub-custodian or delegate of theirs).</p> <p>The books and records of the Initial Custodian and the Swiss Gold Custodian evidence that such bars of Bullion are segregated from other metal held in each of their vaults and that certain uniquely numbered bars of Bullion are held for the Trustee in allocated form (i.e. that those specific bars are held for and held by the Trustee as legal mortgagee and are not fungible with other bars held by the Initial Custodian or the Swiss Gold Custodian).</p> <p>Any bars of Bullion held by the Trustee in the vaults of the Initial Custodian or the Swiss Gold Custodian and backing the Metal Securities must meet particular specifications, known as “Good Delivery” standards, as to weight and purity. These specifications are set by the trade associations for the particular type of Bullion. In the case of physical gold and physical silver, the relevant trade association is the London Bullion Market Association (the “LBMA”) and in the case of physical platinum and physical palladium, the relevant trade association is the London Platinum and Palladium Market (the “LPPM”).</p> <p>The securitised assets backing the issue have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the securities.</p> <p>The securitised assets are the physical precious metals.</p>																																																												

		<p>The amount of the relevant Bullion represented by each Metal Security at any time is known as the “Metal Entitlement”. This is the amount of the relevant precious metal(s) in ounces that is reduced each day by the fees that are payable by the Issuer.</p> <p>Issue specific summary:</p> <p>The underlying for the Metal Securities being issued pursuant to the Final Terms is physical [gold vaulted in London]/[silver]/[platinum]/[palladium]/[gold vaulted in Zurich] held in the name of the Trustee at the vault premises of [the Initial Custodian]/[the Swiss Gold Custodian].</p>
B.26	Investment management	Not applicable; there is no active management of the assets of the Issuer.
B.27	Further securities backed by same assets	<p>Further Metal Securities of any class set out in this Prospectus may be issued but only after an amount of the relevant Bullion equal to the aggregate Metal Entitlement of the Metal Securities to be issued has been transferred into the Trustee’s accounts at the Initial Custodian or Swiss Gold Custodian (as applicable). Such newly issued Metal Securities will be fungible with all existing Metal Securities of the same class and will be backed by the same assets.</p> <p>Issue specific summary:</p> <p>Further Metal Securities of any class set out in this Prospectus may be issued but only after an amount of [gold] [silver] [platinum] [and] [palladium] equal to the aggregate Metal Entitlement of the Metal Securities to be issued has been transferred into the Trustee’s accounts at the [Initial Custodian]/[Swiss Gold Custodian]. Such newly issued Metal Securities will be fungible with all existing Metal Securities of the same class and will be backed by the same assets.</p>
B.28	Structure of the transaction	<p>The Issuer has created a programme whereby Metal Securities may be issued from time to time. The Metal Securities can be issued to or required to be redeemed on a daily basis by Authorised Participants who have entered into an Authorised Participant Agreement with the Issuer.</p> <p>Authorised Participants may then sell and buy Metal Securities to and from other investors on exchange or in private transactions.</p> <p>Metal Securities are constituted by the Trust Instrument. Under the terms of the Trust Instrument the Trustee acts as trustee for the Security Holders of each class of Metal Securities both (a) to make determinations and exercise rights under the Metal Securities and (b) to hold on trust for the benefit of Security Holders the security granted by the Issuer under the Security Deeds, to exercise any rights to enforce the same and to distribute the proceeds (after payments of all amounts owed to the Trustee) to the Security Holders (among others).</p>

		<p>A diagrammatic representation of the principal aspects of the structure as currently in place appears below:</p>
B.29	Description of the flow of funds	<p>Metal Securities can be bought or sold for cash on the London Stock Exchange and certain of the Metal Securities can also be bought or sold for cash on Euronext Amsterdam, NYSE Euronext Paris, Borsa Italiana and/or the Frankfurt Stock Exchange (being the other stock exchanges on which they are admitted to trading) or in private off-exchange transactions. Details of the exchanges on which a particular type of security can be traded are set out in a document entitled “Final Terms”, prepared by the Issuer each time that securities are issued. Market makers provide liquidity on those stock exchanges and for those transactions but only Authorised Participants can apply directly to the Issuer for the issue of Metal Securities. The Issuer has entered into Authorised Participant Agreements and has agreed with Authorised Participants to issue Metal Securities to those Authorised Participants on an on-going basis. An Authorised Participant may sell the Metal Securities on an exchange or in an off exchange transaction or may hold the securities themselves.</p> <p>Upon creation of Metal Securities, an Authorised Participant must deliver Bullion of the relevant type with an aggregate weight equal to the Metal Entitlement of the Metal Securities to be created into the accounts of the Trustee following which the Issuer issues the Metal Securities and delivers them to the Authorised Participant via the system of paperless settlement trades and the holding of uncertificated securities administered by Euroclear UK & Ireland (“CREST”).</p> <p>Upon redemption of Metal Securities by an Authorised Participant, the Authorised Participant must return those Metal Securities into CREST and in return will receive Bullion equivalent to the aggregate Metal Entitlement of the Metal Securities which are being redeemed through a transfer from the Trustee’s accounts at the relevant Custodian.</p>

		<p>In circumstances where there are no Authorised Participants or as the Issuer may in its sole discretion determine, Security Holders who are not Authorised Participants may redeem their securities directly with the Issuer. In this case, the Issuer will sell the underlying Bullion to the relevant Custodian (under the terms of agreements between the Issuer, the Trustee and the Custodian (each entitled “Metal Sale Counterparty Agreement”)) and use the cash proceeds of such sale to pay redemption proceeds to redeeming Security Holders.</p> <p>Issue Specific Summary:</p> <p>Upon creation of Metal Securities, an Authorised Participant must deliver [gold] [silver] [platinum] [and] [palladium] of an amount equal to the Metal Entitlement of the Metal Securities to be created into the accounts of the Trustee at the [Initial Custodian]/[Swiss Gold Custodian]. Upon a redemption the opposite flow of assets takes place.</p>
B.30	Originators of the securitised assets	Not applicable. There are no originators of the securitised assets.

SECTION C – Securities

C.1	Type and class of securities being offered	<p>Metal Securities are designed to give investors a return equivalent (before fees and expenses) to holding physical precious metal.</p> <p>The Issuer has created and made available for issue 6 classes of Metal Securities of two types: five classes of Individual Securities and one class of Basket Securities. The exposure provided by each of class of Metal Security is as follows:</p> <p>Individual Securities – 5 classes of Individual Securities are available for issue each of which provide exposure to a single underlying Bullion being either gold vaulted in London, silver, platinum, palladium or gold vaulted in Zurich.</p> <p>Basket Securities – 1 class of Basket Securities is available for issue providing exposure to a fixed number of Individual Securities of the following Metal Securities as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">ETFS Physical Platinum Security</td> <td style="text-align: right;">0.1</td> </tr> <tr> <td>ETFS Physical Palladium Security</td> <td style="text-align: right;">0.2</td> </tr> <tr> <td>ETFS Physical Silver Security</td> <td style="text-align: right;">1.2</td> </tr> <tr> <td>ETFS Physical Gold Security</td> <td style="text-align: right;">0.4</td> </tr> </table> <p>Issue specific summary:</p> <p>The following details apply to the Metal Securities being issued pursuant to the Final Terms:</p> <p>Class: •</p> <p>LSE Code: •</p> <p>ISIN: •</p> <p>Aggregate number of Metal Securities of that class: •</p> <p>Bullion to which Metal Securities of that class provide exposure: [gold vaulted in London] [silver] [platinum] [and] [palladium] [gold vaulted in Zurich]</p>	ETFS Physical Platinum Security	0.1	ETFS Physical Palladium Security	0.2	ETFS Physical Silver Security	1.2	ETFS Physical Gold Security	0.4
ETFS Physical Platinum Security	0.1									
ETFS Physical Palladium Security	0.2									
ETFS Physical Silver Security	1.2									
ETFS Physical Gold Security	0.4									

C.2	Currency	The Metal Securities are denominated in United States dollars.																										
C.5	Restrictions on transfer	Not applicable; the Metal Securities are freely transferable.																										
C.8	Rights	<p>A Metal Security entitles an Authorised Participant to require the redemption of the security and receive an amount of Bullion equal to the aggregate Metal Entitlement of the Metal Securities to be redeemed.</p> <p>In certain circumstances, a Security Holder who is not an Authorised Participant may redeem their securities directly with the Issuer in return for cash obtained by the sale to the relevant Custodian of an amount of Bullion equal to the Metal Entitlement of the securities being redeemed.</p> <p>There is a separate Metal Entitlement for each class of Individual Security.</p> <p>The Metal Entitlement for each class of Metal Security on the date dealings in each commenced on the London Stock Exchange is shown in the table below. The table below also shows the Metal Entitlement of each class of Individual Security at 1 May 2017.</p> <p>The trading unit for platinum, palladium and silver is troy ounces (since the word “fine” is not used, the weight is irrespective of purity). For gold it is one fine troy ounce (“fine” meaning pure metal, i.e. the actual gold content based on 100 per cent. purity). The conversion factors between troy ounces and metric are: one troy ounce equals 31.1034768 grammes and one kilogramme equals 32.1507465 troy ounces.</p> <p>A troy ounce is slightly heavier than the more common ounces used in the UK and the United States, being approximately 1.097 times the weight of the latter.</p> <table border="1"> <thead> <tr> <th>Class of Metal Security</th> <th>Metal Entitlement on date trading commenced</th> <th>Metal Entitlement as at 1 May 2017</th> </tr> </thead> <tbody> <tr> <td>ETFS Physical Gold</td> <td>0.10 fine troy ounces</td> <td>0.096158475</td> </tr> <tr> <td>ETFS Physical Silver</td> <td>1.00 troy ounces</td> <td>0.951951144</td> </tr> <tr> <td>ETFS Physical Platinum</td> <td>0.10 troy ounces</td> <td>0.095195124</td> </tr> <tr> <td>ETFS Physical Palladium</td> <td>0.10 troy ounces</td> <td>0.095195124</td> </tr> <tr> <td>ETFS Physical Swiss Gold</td> <td>0.10 fine troy ounces</td> <td>0.097177071</td> </tr> </tbody> </table> <p>Each Basket Security provides exposure to a fixed number of Individual Securities and the weighted Metal Entitlements of those Individual Securities as they are contained in the Basket Security at 1 May 2017 was:</p> <table border="1"> <tbody> <tr> <td>ETFS Physical Platinum</td> <td>0.009519512</td> </tr> <tr> <td>ETFS Physical Palladium</td> <td>0.019039025</td> </tr> <tr> <td>ETFS Physical Silver</td> <td>1.142341373</td> </tr> <tr> <td>ETFS Physical Gold</td> <td>0.038463390</td> </tr> </tbody> </table> <p>A Metal Security is an undated secured limited recourse debt obligation of the Issuer, which ranks equally with all other securities of the same class. Security Holders only have recourse of the assets of the class of security of which they are a Security Holder.</p>	Class of Metal Security	Metal Entitlement on date trading commenced	Metal Entitlement as at 1 May 2017	ETFS Physical Gold	0.10 fine troy ounces	0.096158475	ETFS Physical Silver	1.00 troy ounces	0.951951144	ETFS Physical Platinum	0.10 troy ounces	0.095195124	ETFS Physical Palladium	0.10 troy ounces	0.095195124	ETFS Physical Swiss Gold	0.10 fine troy ounces	0.097177071	ETFS Physical Platinum	0.009519512	ETFS Physical Palladium	0.019039025	ETFS Physical Silver	1.142341373	ETFS Physical Gold	0.038463390
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ETFS Physical Silver	1.142341373																											
ETFS Physical Gold	0.038463390																											

		<p>Issue specific summary:</p> <p>The Metal Entitlement of the Metal Securities being issued pursuant to the Final Terms as at [the issue date thereof] is [•].</p>														
C.11	Admission	<p>Application has been made to the UK Listing Authority for all Metal Securities issued within 12 months of the date of this Prospectus to be admitted to the Official List and to the London Stock Exchange, which operates a Regulated Market, for all such Metal Securities to be admitted to trading on the Main Market of the London Stock Exchange, which is part of its Regulated Market for listed securities (being securities admitted to the Official List). It is the Issuer's intention that all Metal Securities issued after the date of this document will also be admitted to trading on the Main Market.</p> <p>The Metal Securities other than the ETFS Physical Swiss Gold Securities are also admitted to listing on the Regulated Market (General Standard) (<i>Regulierter Markt [General Standard]</i>) of the Frankfurt Stock Exchange (<i>Frankfurter Wertpapierbörse</i>), NYSE Euronext Paris, Euronext Amsterdam and the ETFplus market of the Borsa Italiana S.p.A.</p> <p>The ETFS Physical Swiss Gold Securities are also listed on the Regulated Market (General Standard) (<i>Regulierter Markt [General Standard]</i>) of the Frankfurt Stock Exchange (<i>Frankfurter Wertpapierbörse</i>) and on the ETFplus market of the Borsa Italiana S.p.A.</p> <p>Issue Specific Summary:</p> <p>Application has been made for the Metal Securities being issued pursuant to the Final Terms to trading on the Main Market of the London Stock Exchange, which is part of its Regulated Market for listed securities (being securities admitted to the Official List).</p> <p>Such Metal Securities are also admitted to listing on the Regulated Market (General Standard) (<i>Regulierter Markt [General Standard]</i>) of the Frankfurt Stock Exchange (<i>Frankfurter Wertpapierbörse</i>), NYSE Euronext Paris, Euronext Amsterdam] and the ETFplus market of the Borsa Italiana S.p.A.</p>														
C.12	Minimum denomination	<p>Each Metal Security has a face value known as the "Principal Amount" which is the minimum denomination for a Metal Security of the relevant type as follows:</p> <table border="0"> <thead> <tr> <th>Type of Metal Securities</th> <th>The Principal Amount is:</th> </tr> </thead> <tbody> <tr> <td>ETFS Physical Platinum</td> <td>US\$20.00</td> </tr> <tr> <td>ETFS Physical Palladium</td> <td>US\$5.00</td> </tr> <tr> <td>ETFS Physical Silver</td> <td>US\$2.00</td> </tr> <tr> <td>ETFS Physical Gold</td> <td>US\$10.00</td> </tr> <tr> <td>ETFS Physical PM Basket</td> <td>US\$9.40</td> </tr> <tr> <td>ETFS Physical Swiss Gold</td> <td>US\$10.00</td> </tr> </tbody> </table>	Type of Metal Securities	The Principal Amount is:	ETFS Physical Platinum	US\$20.00	ETFS Physical Palladium	US\$5.00	ETFS Physical Silver	US\$2.00	ETFS Physical Gold	US\$10.00	ETFS Physical PM Basket	US\$9.40	ETFS Physical Swiss Gold	US\$10.00
Type of Metal Securities	The Principal Amount is:															
ETFS Physical Platinum	US\$20.00															
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ETFS Physical Gold	US\$10.00															
ETFS Physical PM Basket	US\$9.40															
ETFS Physical Swiss Gold	US\$10.00															

will only be issued upon receipt of a valid Application Form and after the relevant Bullion has been transferred into the Trustee's accounts at the Initial Custodian or the Swiss Gold Custodian (as applicable). A Metal Security will only be cancelled upon receipt of a valid redemption request and the delivery of the relevant Metal Securities to the registrar, whereupon the Bullion will be transferred out of the Trustee's accounts at the Initial Custodian or the Swiss Gold Custodian (as applicable).

Settlement on NYSE Euronext ESES

Settlements in the Euronext markets of France and the Netherlands are performed through the Euroclear Settlement for Euronext-zone Securities ("ESES") platform and all trades of Metal Securities listed on NYSE Euronext Paris or NYSE Euronext Amsterdam will be executed on the single order book held at NYSE Euronext Paris as the market of reference.

Settlement on the Frankfurt Stock Exchange

For the purpose of good delivery of the Metal Securities on the Frankfurt Stock Exchange, Clearstream Banking Aktiengesellschaft ("**Clearstream**") will issue, for each series and the relevant number of Metal Securities, a Global Bearer Certificate (each a "**Global Bearer Certificate**") in the German language created under German law. Whenever the number of Metal Securities represented by the Global Bearer Certificate of a class changes, Clearstream will amend the relevant Global Bearer Certificate accordingly.

Settlement on Borsa Italiana

All Metal Securities traded on the Borsa Italiana S.p.A. are eligible for settlement through the normal Monte Titoli S.p.A. settlement systems on the deposit accounts opened with Monte Titoli S.p.A.

Issue specific summary:

[Settlement on NYSE Euronext ESES

Settlements in the Euronext markets of France and the Netherlands are performed through the Euroclear Settlement for Euronext-zone Securities ("ESES") platform and all trades of Metal Securities listed on NYSE Euronext Paris or NYSE Euronext Amsterdam will be executed on the single order book held at NYSE Euronext Paris as the market of reference.]

[Settlement on NYSE Euronext Paris

All Metal Securities traded in NYSE Euronext Paris will be settled and cleared through the normal Euroclear systems.]

[Settlement on the Frankfurt Stock Exchange

For the purpose of good delivery of the Metal Securities on the Frankfurt Stock Exchange, Clearstream Banking Aktiengesellschaft ("**Clearstream**") will issue, for each series and the relevant number of Energy Securities, a Global Bearer Certificate (each a "**Global Bearer Certificate**") in the German language created under German law. Whenever the number of Metal Securities

		<p>represented by the Global Bearer Certificate of a class changes, Clearstream will amend the relevant Global Bearer Certificate accordingly.]</p> <p>[Settlement on Borsa Italiana</p> <p>All Metal Securities traded on the Borsa Italiana S.p.A. are eligible for settlement through the normal Monte Titoli S.p.A. settlement systems on the deposit accounts opened with Monte Titoli S.p.A.]</p>
C.18	Description of return	<p>A Metal Security entitles a Security Holder (provided it is an Authorised Participant or in certain other limited circumstances) to require the redemption of a Metal Security and receive an amount of Bullion equal to the Metal Entitlement on the applicable settlement date.</p> <p>The Metal Securities do not bear interest. The amount of an investor's return (in metal terms) is equal to the difference between: a) the Metal Entitlement at which the relevant Metal Securities are issued; and b) the Metal Entitlement at which the same Metal Securities are redeemed.</p> <p>Investors other than Authorised Participants can buy and sell Metal Securities on any of the stock exchanges on which they are admitted to trading or in private transactions (OTC). For an investor purchasing in the secondary market, the amount of return is equal to the difference between: a) the 'bid price' at which the relevant Metal Securities are purchased; and b) the 'offer price' at which the same Metal Securities are subsequently sold.</p> <p>Issue specific summary:</p> <p>The following details apply to the Metal Securities being issued pursuant to the Final Terms:</p> <p>Bullion to which Metal Securities of that class provide exposure: [gold vaulted in London] [silver] [platinum] [palladium] [gold vaulted in Zurich].</p>
C.19	Final price/exercise price	<p>Redemptions of Metal Securities with the Issuer will be in return for the amount of the relevant precious metal equal to the Metal Entitlement of the Metal Securities being redeemed.</p> <p>Issue Specific Summary:</p> <p>Bullion to which Metal Securities provide exposure: [gold vaulted in London] [silver][platinum][palladium] [gold vaulted in Zurich]</p>
C.20	Type of underlying and where information on underlying can be found	<p>The underlying assets for the Metal Securities, on which they are secured, is physical bars of the relevant Bullion held in the name of the Trustee for the Security Holders in secure vaults at the premises of the Initial Custodian or Swiss Gold Custodian (or of a sub-custodian or delegate of theirs).</p> <p>All such Bullion meets the standards of the LBMA (in the case of gold and silver) and the LPPM (in the case of Platinum and Palladium) as to the purity and weight of each bar to enable such bars to qualify as good delivery bars.</p>

		<p>Issue specific summary:</p> <p>The type of underlying for the Metal Securities being issued pursuant to the Final Terms [is/are]: [gold vaulted in London] [silver] [platinum] [palladium] [gold vaulted in Zurich].</p> <p>All such Bullion meets the standard of the [LBMA][LPPM]. Further information [relating to [gold] [and] [silver] can be found on the website of the LBMA at http://www.lbma.org.uk] [and]] [relating to [platinum] [and] [palladium] can be found at the website of the LPPM at http://www.lppm.com].</p>
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SECTION D – Risks		
D.2	Key risks of Issuer	<p>The Issuer is a special purpose company established for the purpose of issuing exchange traded commodities (ETCs) as asset backed securities and has no assets other than any it holds to back the Metal Securities.</p> <p>The amounts that a Security Holder could receive following a claim against the Issuer are, therefore, limited to the proceeds of realisation of the secured property applicable to such Security Holder’s class of Metal Securities and as the Issuer is a special purpose vehicle formed only for the purpose of issuing the Metal Securities, and as the Metal Securities are not guaranteed by any other person, the Issuer would have no further assets against which the Security Holder could claim. If the new proceeds from the physical precious metals held in the Trustee’s accounts at the Custodians in respect of a class are not sufficient to meet all obligations and make all payments then due in respect of the Individual Securities of such class (and the Basket Securities to the extent they notionally comprise Individual Securities of that class) and all amounts ranking prior to such obligations and payments under the Trust Instrument and Security Deed, the obligations of the Issuer will be limited to the net proceeds of realisation of that precious metal. In such circumstances the assets of the Issuer (if any) will not be available to meet any shortfall, the rights of the relevant Security Holders to receive any further amounts in respect of such obligations will be extinguished and none of the Security Holders or the Trustee may take any further action to recover such amounts. In the event that the net proceeds of realisation of the precious metal are insufficient to cover the amount payable to the Security Holder, the Security Holder would suffer a loss.</p>
D.6	Key risks of Metal Securities	<p>Past performance is not an indication of expected performance and the investment performance of Metal Securities could be volatile. Consequently investors in Metal Securities may lose the value of their entire investment or part of it.</p> <p>Access to the vault premises of the Initial Custodian, the Swiss Gold Custodian or any of their sub custodians or delegates could be restricted by natural events, such as flooding, or human actions, such as a terrorist attack. The Initial Custodian and the Swiss Gold Custodian have no</p>

		<p>obligation to insure the Bullion held in the Trustee's accounts against loss, theft or damage and the Issuer does not intend to insure against such risks. Accordingly, there is a risk that the Bullion underlying the Metal Securities could be lost, stolen or damaged and the Issuer would not be able to satisfy its obligations in respect of the Metal Securities leading to a loss for Security Holders.</p> <p>Investors are dependent on there being Authorised Participants making a market in Metal Securities in order to minimise tracking error and to provide investors with liquidity. If no such markets are being made in Metal Securities it may be difficult for a Security Holder to sell their Metal Securities which could lead to a loss.</p> <p>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, (i) upon 30 days' written notice by the Issuer to all Security Holders of a particular class or classes of Metal Security; or (ii) if the Metal Securities to be compulsorily redeemed are held by a Security Holder who cannot provide evidence to the Issuer of their status. Such early redemption could lead to an investor incurring a tax charge that they would otherwise not be subject to and/or if the redemption takes place at a time when the cash value of the Metal Securities redeemed is less than when they were purchased by the Security Holder, the Security Holder could suffer a loss.</p>
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SECTION E – Offer

E.2b	Reasons for offer and use of proceeds	Not applicable; the reasons for the offer and use of proceeds are not different from making profit and/or hedging.
E.3	Terms and conditions of the offer	The Metal Securities are being made available by the Issuer for subscription only to Authorised Participants who have submitted a valid application and who have delivered Bullion of the relevant type equalling the Metal Entitlement of the Metal Securities applied for to an account of the Issuer at the Initial Custodian or the Swiss Gold Custodian (as applicable) and the Metal Securities will only be issued once Bullion of the relevant type equalling the Metal Entitlement of the Metal Securities applied for has been transferred to the accounts of the Trustee at the Initial Custodian or Swiss Gold Custodian (as applicable). An Authorised Participant must also pay the Issuer an application fee of £500. Any applications for Metal Securities received by 4.30 p.m. London time on a business day will generally enable the Authorised Participant to be registered as the holder of the Metal Securities within two business days.

E.4	Material or conflicting interests	<p>Mr Tuckwell and Mr Roxburgh (who are directors of the Issuer) are also directors of ManJer and each of the directors of the Issuer (other than Mr Foulds and Mr Ross) are also directors of HoldCo, the sole shareholder of the Issuer. Mr Roxburgh is also secretary of the Issuer. Mr Ross is also a director of R&H, the administrator. Mr Tuckwell is also a director and a shareholder in ETFSL and Mr Roxburgh is the Chief Financial Officer of ETFSL. Mr Foulds is also the Compliance Officer of the Issuer and ManJer. The Directors do not believe that there are any actual or potential conflicts of interest between the duties which the directors and/or members of the administrative, management and supervisory bodies of the Issuer owe to the Issuer, and the private interests and/or other duties that they have.</p> <p>The Directors of the Issuer also hold directorships of other issuers of exchange traded commodities also owned by HoldCo.</p>						
E.7	Expenses	<p>The Issuer charges the following costs to investors:</p> <p><i>To Authorised Participants only:</i></p> <ul style="list-style-type: none"> – the Issuer charges a fee of £500 per creation or redemption carried out directly with the Issuer; and <p><i>To all Security Holders:</i></p> <ul style="list-style-type: none"> – the Issuer charges a Management Fee (by way of daily deduction from the Metal Entitlement) of: <ul style="list-style-type: none"> • 0.39 per cent. per annum to holders of ETFS Physical Gold Securities; • 0.29 per cent. per annum to holders of ETFS Physical Swiss Gold Securities; • 0.49 per cent. per annum to holders of ETFS Physical Silver Securities, ETFS Physical Platinum Securities and ETFS Physical Palladium Securities; and • an estimated cost of 0.44 per cent. per annum to the holders of ETFS Physical PM Basket Securities (being the aggregate of the Metal Entitlements of the Individual Securities of which they are notionally comprised from time to time). <p>No other costs will be charged to investors by the Issuer.</p> <p>If an investor purchases the Metal Securities from a financial intermediary, the Issuer estimates that the expenses charged by such financial intermediary in connection with the sale of Metal Securities to an investor will be in the region of 0.15 per cent. of the value of the Metal Securities sold to such investor.</p> <p>Issue specific summary:</p> <table data-bbox="715 1928 1394 2029"> <tr> <td>Application Fee:</td> <td style="text-align: right;">[£500]</td> </tr> <tr> <td>Redemption Fee:</td> <td style="text-align: right;">[£500]</td> </tr> <tr> <td>Management Fee:</td> <td style="text-align: right;">[0.29%] [0.39%] [0.49%] [0.44%]</td> </tr> </table>	Application Fee:	[£500]	Redemption Fee:	[£500]	Management Fee:	[0.29%] [0.39%] [0.49%] [0.44%]
Application Fee:	[£500]							
Redemption Fee:	[£500]							
Management Fee:	[0.29%] [0.39%] [0.49%] [0.44%]							

RISK FACTORS

An investment in Metal Securities involves a significant degree of risk. Prior to making an investment decision, prospective investors should carefully read the entire Prospectus. Prospective investors should note that the risks relating to the Issuer, its industry and the Metal Securities summarised in the section of this document headed "Summary" are the risks that the Issuer believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in Metal Securities. However, as the risks which the Issuer and the Metal Securities face relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "Summary" but also, among other things, the risks and uncertainties described below, which constitute all the principal risks known to the Issuer.

A Security Holder may lose some or the entire value of their investment or part of their investment in Metal Securities including for reasons other than those set out in the risk factors below, for example, for reasons not currently considered by the Issuer to be material or based on circumstances or facts of which the Issuer is not currently aware.

Investment Risk Factor

A Security Holder may lose the value of their entire investment or part of their investment in Metal Securities.

Metal Security Risk Factors

Bullion Prices

Bullion prices generally may fluctuate widely and may be affected by numerous factors, including:

- 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 and any shortages of a particular type of Bullion could result in a spike in prices of that type of Bullion. Price spiking can also result in volatile forward rates and lease rates which could result in the bid-offer spread on any exchange where Metal Securities are traded widening, reflecting short-term forward rates in the relevant Bullion;
- 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.

Adverse movements in the price of Bullion may negatively affect the return to Security Holders who sell their securities when the price of the relevant Bullion has decreased since the time they purchased their Metal Securities.

Currency

Bullion prices are generally quoted in US dollars and the price of Metal Securities will be quoted on the London Stock Exchange in US dollars. To the extent that a Security 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.

Tracking Error and Liquidity Risk

At any time, the price at which Metal Securities trade on the London Stock Exchange (or any other exchange or market on which they may be quoted or traded) 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. In addition, if new demand for Metal

Securities exceeds the availability of the 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. Investors are dependent on there being Authorised Participants making a market in Metal Securities in order to minimise tracking error and to provide investors with liquidity.

There can be no assurance as to the depth of the secondary market (if any) in Metal Securities, which could affect their liquidity and market price.

Custody and Insurance

In respect of Bullion attributable to the Initial Metal Securities or any other Basket Securities to the extent comprised of any Initial Individual Metal Securities, platinum and palladium will be held by the Initial Custodian at its London vault premises or, in the case of some or all of the platinum and palladium, by one or more Initial Zurich Sub-Custodians at their Zurich vault premises. Silver and gold (other than gold attributable to ETFS Physical Swiss Gold Securities) will be held by the Initial Custodian at its London vault premises or, in the case of silver, by up to two Silver Sub-Custodians at their vault premises.

Gold attributable to the ETFS Physical Swiss Gold Securities will be held in Switzerland by the Swiss Gold Custodian through the Swiss Gold Zurich Sub-Custodian at its Zurich vault premises.

Such Bullion may be held elsewhere by the relevant Custodian or a Sub-Custodian appointed by the relevant Custodian or by a delegate of 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. Access to such Bullion could be restricted by natural events, such as flooding, or human actions, such as a terrorist attack.

The Custodians may make such insurance arrangements in connection with their custodial obligations with respect to Bullion in allocated form as they consider fit. The Custodians have no obligation to insure such Bullion against loss, theft or damage and the Issuer 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 Secured Metal Accounts, and shall not be required to make any enquiry regarding such matters. Furthermore, neither the Issuer nor the Trustee will require any Silver Sub-Custodian, Zurich Sub-Custodian or any other direct or indirect sub-custodians to be insured or bonded with respect to their custodial activities or in respect of the Bullion held by them pursuant to the Custodian Agreements.

Accordingly, there is a risk that the Bullion could be lost, stolen or damaged and the Issuer would not be able to satisfy its obligations in respect of the Metal Securities which would result in a loss to Security Holders.

The Custodian Agreements provide that, other than the Custodian's obligations to make commercially reasonable efforts to obtain delivery of Bullion from its Sub-Custodians, the Custodians have no responsibility for any action of any Sub-Custodians (unless the appointment of the relevant Sub-Custodian was made negligently or in bad faith), other than the Silver Sub-Custodians and Zurich Sub-Custodians. The Trustee has no direct relationship with any of the Sub-Custodians other than the Silver Sub-Custodians and Zurich Sub-Custodians. The Trustee's relationship with the Silver Sub-Custodians and Zurich Sub-Custodians is limited to its receipt of confirmation from the Silver Sub-Custodians and Zurich Sub-Custodians that Bullion will be segregated from Bullion owned by the Silver Sub-Custodians and Zurich Sub-Custodians or held for others and segregated from Bullion held for the Custodians and any other customers of the Custodians and make appropriate entries in its books and records. Accordingly, the Trustee has no contractual rights to direct any Sub-Custodian, any Silver Sub-Custodian or any Zurich Sub-Custodian. Its only contractual rights are, in certain circumstances, to direct the Custodian.

Under the Custodian Agreements, the Custodians are only liable for losses that are the direct result of their own negligence, fraud or wilful default in the performance of their duties and then only up to the market value of the Bullion lost or damaged at the time such negligence, fraud or wilful default is discovered by the relevant Custodian. In addition, the Custodians are not liable for any delay in performance or any non-performance of any of their obligations under the Custodian Agreements by reason of any cause beyond their reasonable control, including breakdown, malfunction or failure of transmission, communication or computer facilities. If any Bullion forming part of the Secured Property attributable to any Metal Securities is lost, damaged, stolen or destroyed under circumstances rendering a party liable to the Issuer and/or the Trustee, the responsible party may not have the financial resources (including liability insurance coverage) sufficient to satisfy the claim or may not readily be identifiable

and the Issuer would not be able to satisfy its obligations in respect of the Metal Securities resulting in a loss to Security Holders.

The ability of the Issuer and the Trustee to monitor the performance of the Custodian may be limited because, under the Custodian Agreements, the Trustee and the Issuer have only limited rights to visit the premises of the Custodian, the Silver Sub-Custodian or the Zurich Sub-Custodian for the purpose of examining the Bullion and certain related records maintained by the Custodian, the Silver Sub-Custodian or Zurich Sub-Custodian.

No investigation has been made as to the effectiveness of the security granted to the Trustee over the Bullion as against any Sub-Custodian, any Silver Sub-Custodian or any Zurich Sub-Custodian.

Each Custodian is entitled to terminate the relevant Custodian Agreements and the Metal Sale Counterparty Agreement upon 90 days written notice (see paragraph 10 (*Termination*) of Part 8 (*Description of Custodian Agreements*)). If following such notice of termination, the Issuer is not able to appoint a new Custodian it would be forced to redeem the affected Metal Securities which would lead to a Security Holder realising their investment earlier than desired and if the value of the Metal Securities at such time is less than that at the time of purchase of those Metal Securities by a Security Holder this could lead to a loss for a Security Holder.

The Custodians are each regulated in the UK by the Financial Conduct Authority, but the custodial services provided by the Custodians and any Sub-Custodian under the Custodian Agreements are presently not a regulated activity subject to the supervision and rules of the FCA.

Further details regarding the custody of Bullion are set out in Part 1 (*General*).

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 and this may lead to a fall in the price of Metal Securities which will have an adverse impact on any investor that purchased the Metal Securities at a higher price. These risks are generally applicable to any investment in listed securities. Investors 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.

Regulatory activity or lawsuits with respect to the historical methods of setting the price of gold, which was used prior to the adoption of the LBMA PM Gold Price in March 2015, may impact market confidence in the LBMA PM Gold Price

The historical methods of setting the price of gold have been the subject of litigation and regulatory investigations which remain pending. Within the last two years, electronic auction methodologies have replaced the historical non-electronic auction methods of setting the price of gold. However, if there is a perception that the price setting mechanism for gold is susceptible to intentional disruption, or if the LBMA PM Gold Price is not received with confidence by the markets, the behavior of investors and traders in gold may reflect the lack of confidence and it may have an effect on the price of gold as reflected by the LBMA PM Gold Price (and, consequently, the value of the Metal Securities or their correlation with the price of gold).

The Fixing Price may prove unreliable

Whilst Metal Securities are created and redeemed by the Issuer at the Metal Entitlement, it is also possible to calculate what the cash value of the Metal Securities in US Dollars was on a particular day using the Fixing Price for that type of Bullion on that day. Due to the replacement of the fixing methodologies during 2014 and 2015, the Fixing Price for each type of Bullion has a limited operating history and Security Holders using the Fixing Price as a way of valuing their Metal Securities may find that the Fixing Price may among other things:

- not behave over time like the previous fix has historically;
- be based on procedures and subject to regulation and oversight significantly different from those applicable to the previous fix;
- not be as widely accepted as the previous fix; or
- otherwise prove unreliable.

If the Fixing Price proves unreliable, Security Holders using the Fixing Price to calculate the cash value of their Metal Securities may find that the cash value is negatively impacted.

Operational Risk Factors

Settlement of Platinum and Palladium

The Initial Custodian is not a clearing bank for platinum and palladium and will be reliant on its Zurich clearing bank (currently UBS AG) to credit its own account at that bank in order to effect creations and redemptions of Metal Securities involving platinum or palladium. Particularly in the case of redemptions, it may take longer than two or three Business Days for platinum or palladium to be credited to such account and if so the Settlement Date will be delayed which could lead to a loss to a Security Holder.

Settlement of Swiss Gold

The Swiss Gold Custodian is not a clearing bank for gold, loco Zurich, and will be reliant on its Zurich clearing bank (currently UBS AG) to credit its own account at that bank to effect creations and redemptions of Swiss Gold Metal Securities.

In respect of the Swiss Gold Metal Securities, where an Authorised Participant elects for redemption to be effected loco London, it may take longer than two or three Business Days for gold to be credited to the relevant account and if so the Settlement Date will be delayed which could lead to a loss to a Security Holder.

VAT

Platinum, palladium and silver are subject to 20 per cent. VAT 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 Initial Custodian is a member of both the LBMA and the LPPM and the Swiss Gold Custodian is a member of the LBMA and thus any VAT charged to the Custodian under the Programme is reclaimable. The processes designed by the Custodians for the benefit of the Issuer mean 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 which could lead to a tax charge to a Security Holder. However, even under the current rules, if upon redemption the Security 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.

Under the Custodian Agreements, all VAT is for the account of the Custodian.

Other Legal Risks

Only Authorised Participants May Apply for or Redeem Metal Securities

Only Authorised Participants may deal with the Issuer in applying for or redeeming Metal Securities, save in relation to redemptions where at any time there are no Authorised Participants or in certain other limited circumstances as announced by the Issuer. The Issuer 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 Issuer in applying for or redeeming Metal Securities.

Credit Exposure to Custodians on Bullion held in Secured Unallocated Accounts

Whilst Bullion attributable to the Metal Securities is generally held in allocated form, amounts of Bullion representing less than 1 bar or amounts required as part of the redemption process may be held in the Secured Unallocated Accounts. Bullion held in the Secured Unallocated Accounts does not give proprietary rights to specific bars of Bullion but instead gives an unsecured claim against the Custodian

for the amount of Bullion held in those accounts and is not segregated from the assets of the Custodians. As a result, in the event of the insolvency of the Custodian it may not be possible to recover any or the full amount of any Bullion held in the Secured Unallocated Accounts which may mean that the Issuer is unable to meet its Redemption Obligations in respect of the Metal Securities. In these circumstances a Security Holder may suffer a loss as they will not be able to realise the full value of their Metal Securities.

Early Redemption of Metal Securities

The Issuer may, at any time, upon not less than 30 days' notice by an announcement on a Regulatory Information Service (as defined for the purposes of the Listing Rules) ("**RIS Announcement**") to the Security Holders, redeem all Metal Securities of a particular type. The Trustee may, at any time, where an Issuer Insolvency Event has occurred and is continuing, upon not less than two Business Days' notice, give notice to the Issuer and by RIS announcement to the Security Holders that all the Metal Securities outstanding are to be redeemed.

The Issuer may, at any time by not less than seven nor more than fourteen days' written notice, redeem any Metal Securities held by Prohibited US Persons or Prohibited Benefit Plan Investors or other Security Holders who have not provided appropriate certifications as to their status in accordance with the Conditions or in certain other circumstances specified in the Conditions.

The Custodian Agreements with the Initial Custodian in respect of Initial Metal Securities may be terminated by the Initial Custodian upon 90 days' written notice. If the Initial Custodian terminates those agreements, then unless the Issuer is able to find a suitable replacement custodian, the Issuer will elect to redeem the outstanding Initial Metal Securities. In addition the Initial Metal Sale Counterparty Agreement will terminate automatically if the Initial Secured Unallocated Account Agreement is terminated. In the event that the Initial Metal Sale Counterparty Agreement is to be terminated and no replacement Initial Metal Sale Counterparty Agreement is entered into, the Issuer will elect to redeem the outstanding Initial Metal Securities.

The Custodian Agreements with the Swiss Gold Custodian in respect of Swiss Gold Metal Securities may be terminated by the Swiss Gold Custodian upon 90 days' written notice, or immediately in certain circumstances. If the Swiss Gold Custodian terminates those agreements, then unless the Issuer is able to find a suitable replacement custodian, the Issuer will elect to redeem the outstanding Swiss Gold Metal Securities. In addition the Swiss Gold Metal Sale Counterparty Agreement will terminate automatically if the Swiss Gold Secured Unallocated Account Agreement is terminated. In the event that the Swiss Gold Metal Sale Counterparty Agreement is to be terminated and no replacement Swiss Gold Metal Sale Counterparty Agreement is entered into, the Issuer will elect to redeem the outstanding Swiss Gold Metal Securities.

Consequently, an investment in Metal Securities may be redeemed earlier than desired by a Security Holder and if the value of the Metal Securities at such time is less than that at the time of purchase of those Metal Securities by a Security Holder this could lead to a loss for a Security Holder.

No Recourse Except to the Issuer and the Secured Property

The Issuer is a special purpose company established for the purpose of issuing exchange traded commodities (ETCs) as asset backed securities. Any claims made against the Issuer will be satisfied in order of the priority of payments further details of which are set out in Condition 12 (*Application of Moneys*) in Part 6 (*Trust Instrument and the Conditions*). If the net proceeds from the enforcement of the Secured Property in respect of a particular Pool, following enforcement of the Security Deed applicable to that Pool, are not sufficient to meet all obligations and make all payments then due in respect of the Individual Securities of that class (and the Basket Securities to the extent they comprise Individual Securities of that class), the obligations of the Issuer in respect of such Individual Securities of that class (and Basket Securities to the extent they comprise Individual Securities of that class) will be limited to the net proceeds of realisation of that Secured Property. In such circumstances the assets (if any) of the Issuer other than those attributable to the relevant Pool will not be available to meet any shortfall, the rights of the relevant Security Holders to receive any further amounts in respect of such obligations shall be extinguished and none of the Security Holders or the Trustee may take any further action to recover such amounts. In these circumstances a Security Holder will suffer a loss as they cannot realise the full value of their investment.

Limited Enforcement Rights

The Trustee may enforce the Security at its discretion but is only required to enforce the Security on behalf of a Security Holder if it is directed to do so:

- (a) by a Security Holder to whom a Defaulted Obligation is owed; or
- (b) if an Issuer Insolvency Event has occurred and is continuing, (i) in writing by Security Holders holding not less than 25 per cent. by Principal Amount (as at the date of the last signature) of the Metal Securities (as a whole) then outstanding, or (ii) by an Extraordinary Resolution,

in each case provided that the Trustee is indemnified and/or secured and/or funded to its satisfaction. In circumstances where the Trustee is not obliged to enforce the Security, a Security Holder will have no right to proceed directly against the Issuer and may therefore not be able to realise the value of their investment.

Administration and Winding-Up Proceedings in England and Jersey

Under Section 426 of the Insolvency Act 1986, the English Courts may, if requested by a Court in a "relevant country or territory" (including Jersey), make an administration or winding up order in respect of a foreign company, such as the Issuer.

Furthermore, under the European Insolvency Regulations (No.1346/2000) ("EIR") main insolvency proceedings (including administration and liquidation) can be opened if the centre of main interests of the Issuer is considered to be in England, or winding up proceedings (liquidation) may be opened if the Issuer has an establishment (as defined in the EIR) in England.

If the Issuer were placed in administration in England, the effect would be that during the period of administration, the affairs, business and property of the Issuer would be managed by a person known as an administrator and this could affect the ability of a Security Holder to redeem their Metal Securities at a time of their choosing, which could mean a delay in the return of the underlying assets to Security Holders and a loss if the value of the underlying asset has reduced in the intervening period.

During the period beginning with making an application for an administration order and ending with the making of such an order or the dismissal of the application, no steps could be taken to enforce the Security except with the leave of the Court and subject to such terms as the Court may impose.

In the case of administration, while the Issuer remained in administration no steps could be taken to enforce the Security, except with the consent of the administrator or the leave of the Court and subject to such terms as the Court might impose. It is also open to the administrator to apply to the Court to sell property subject to the Security free from the Security. The administrator must however account to the Trustee and the Security Holders for the proceeds of sale.

Under the Cross-Border Insolvency Regulations 2006 a foreign insolvency representative, in this case the insolvency representative of the Issuer in Jersey, may apply to the English Courts, inter alia, to commence insolvency proceedings under English law (which could include administration) or to have the English Courts recognise a foreign insolvency proceeding, or to have the English Courts grant a stay of any enforcement of any security. If any such application were made, it could affect the ability of the Trustee to enforce the Security.

If the Issuer were placed in liquidation in England, the Security could be enforced by the Trustee on behalf of the Security Holders.

Regulatory Risk

The Issuer may be required by the rules of an exchange (other than the London Stock Exchange) to which the Metal Securities are admitted to trading to have a minimum number of market makers. If a market maker ceases to act as market maker and a replacement cannot be found and as a result the Issuer cannot meet the minimum requirement, the relevant exchange may require the Metal Securities to cease trading which may make it harder for a Security Holder to sell their Metal Securities at a time of their choosing and which could lead to a loss to a Security Holder if, when they are subsequently able to sell their Metal Securities, the value of those Metal Securities has dropped below the value of the Metal Securities when the Security Holder initially sought to sell them.

Financial transaction tax

On 14 February 2013, the European Commission issued proposals, including a draft Directive (the “**Commission’s Proposal**”) for a financial transaction tax (“**FTT**”) to be adopted in certain participating EU member states (including Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**Participating Member States**”), although Estonia has since stated that it will not participate). In addition, certain countries (such as France and Italy) have unilaterally introduced or announced their own financial transactions tax and other may follow suit.

If the Commission’s Proposal is adopted in its current form, the FTT would be a tax primarily on “financial institutions” (which would include the Issuer) in relation to “financial transactions” (which would include the conclusion or modification of derivative contracts and the purchase and sale of financial instruments).

Under the Commission’s Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, “established” in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the financial transaction is issued in a Participating Member State.

There is a risk that the FTT may give rise to tax liabilities for the Issuer with respect to certain transactions in the Metal Securities if it is adopted based on the Commission’s Proposal. In addition, Security Holders which are financial institutions may be directly liable for the FTT in respect of those securities.

The FTT proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to implementation, the timing of which remains unclear. Additional EU member states may decide to participate. It may be that the FTT is not implemented. Prospective holders of the Metal Securities are advised to seek their own professional advice in relation to the FTT.

Undertakings for Collective Investment in Transferable Securities (UCITS)

Prospective investors which are UCITS, i.e. which comprise a scheme which is an undertaking for collective investment in transferable securities subject to the Council Directive of 20 December 1985 on the coordination of laws, regulations and administrative provisions relating to Undertakings for Collective Investment in Transferable Securities (No 85/611/EEC) (the “**UCITS Directive**”), as amended, need to satisfy themselves that an investment in the Metal Securities would comply with any regulations and/or guidelines applicable to them pursuant to the UCITS Directive and any laws, regulations or guidelines of their jurisdiction of incorporation and would be in line with their individual investment objectives. Failure to comply with such restrictions may cause a UCITS which is a Security Holder to be in breach of its compliance obligations under the UCITS Directive, laws of its jurisdiction of incorporation or investment objectives and policies, and therefore to be exposed to regulatory sanctions under its national regime.

Organisation for Economic Co-operation and Development (“OECD”) Common Reporting Standard

Drawing extensively on the intergovernmental approach to implementing the United States Foreign Account Tax Compliance Act, the OECD developed the Common Reporting Standard (“**CRS**”) to address the issue of offshore tax evasion on a global basis. Aimed at maximising efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with other participating tax authorities in which the investors of the reporting financial institutions are tax resident on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The first information exchanges are expected to begin in September 2017. Jersey has committed to implement the CRS. As a result, the Issuer will be required to comply with the CRS due diligence and reporting requirements, as adopted by Jersey. Broadly, these are that the due diligence requirements under the CRS framework as adopted by Jersey commenced on 1 January 2016, with information to be reported to the Jersey Taxes Office on or before 30 June 2017. Information exchange between the Jersey Taxes Office and partner jurisdictions is due to take place on or before 30 September 2017. Security Holders may be required to provide additional information to the Issuer to enable the Issuer to satisfy its obligations under the CRS. Failure to provide requested information may subject the Issuer to penalties and/or other sanctions under the implementing regulations in Jersey and/or an investor to liability for any resulting penalties or other charges and/or mandatory redemption of Metal Securities.

FREQUENTLY ASKED QUESTIONS

This section is intended to answer some of the questions which a prospective investor may have when considering an investment in Metal Securities. It is not intended to be a summary of or a complete description of the information contained in this Prospectus and an investment in Metal Securities should only be made after careful consideration of this Prospectus.

Capitalised terms have the meanings given to them in the section entitled “Definitions and Interpretation”.

What are Metal Securities?

ETFS Metal Securities are secured, undated, limited recourse debt securities issued by ETFS Metal Securities Limited a Jersey company established as a special purpose vehicle for the purpose of issuing the Metal Securities. The Metal Securities offer investors a means of investing in physical precious metals without the necessity of taking delivery of the physical precious metals, and to enable investors to buy and sell that interest through the trading of a security on a stock exchange.

How does the product give exposure to physical precious metal?

The Metal Securities are backed by physical precious metal held in secure vaults of custodians. Upon redemption of a Metal Security directly with the Issuer, an Authorised Participant will generally receive an amount of physical precious metal with a weight equivalent to the aggregate Metal Entitlement of the Metal Securities being redeemed.

What is a Basket Security?

A Basket Security is a Metal Security which provides an exposure to a number of different underlying physical precious metals. It is a single security which provides the exposure to the underlying physical precious metals by being comprised of a fixed number of Individual Securities of different classes. The number of Individual Securities of each class of which the Basket Security is comprised remains the same over time. At the date of this document only one category of Basket Security has been issued – ETFS Physical PM Basket – and this provides exposure to each of gold vaulted in London, silver, platinum and palladium. For further information on the Basket Securities and details on the composition of the ETFS Physical PM Basket Securities please see the section headed “Metal Entitlement – Basket Security” in Part 4 (*Description of Metal Securities*).

How is the product physically backed?

The Metal Securities are backed by physical precious metal held in secure vaults of the custodians. The physical precious metals are held in the name of the Trustee. To ensure its quality, the physical precious metal held to back the Metal Securities meets the “Good Delivery” standards set by the London Bullion Market Association (LBMA) in the case of gold and silver or the London Platinum and Palladium Market (LPPM) in the case of platinum and palladium.

How is the physical precious metal stored?

The physical precious metals that back the Metal Securities are held in vaults of the custodians in the name of the Trustee. Physical precious metals attributable to the Metal Securities are held in both allocated accounts and unallocated accounts. The majority of the physical precious metals are held in an allocated account at each custodian with amounts of less than one bar or required to process redemptions held in an unallocated account. Further explanation of what is meant by the terms allocated and unallocated accounts can be found under the heading “Storage” in Part 3 (*Precious Metals Market Overview*) and an explanation of how this applies to the Metal Securities can be found under the heading “Custody of Bullion” in Part 1 (*General*).

What does it mean to hold bullion in an allocated account?

An allocated account is held with a custodian. Held in the customer’s name, the account evidences that uniquely identifiable bars of bullion have been “allocated” to the customer and are segregated from other metal held in the custodian’s vault. The customer has full title to the bullion held in the allocated account. As a result, the allocated account does not entail any credit risk exposure to the custodian.

How does the custodian identify the bullion held in the allocated account?

Bullion may be identified by the custodian based on a combination of criteria: (i) the name of the refiner; (ii) the serial number; (iii) its year of manufacture; (iv) its weight and/or (v) its composition and purity (“**assay**”). It is important to recognise that any combination of these may be used to identify an individual bar of bullion. Two entirely different bars may be from the same refiner and have the same serial number but have a different weight and/or be from a different year.

Is it possible to know which bars of physical precious metal back the Metal Securities?

Yes. The Issuer publishes a list of the bars of physical precious metals (the “**Bar List**”) that are held in allocated accounts on its website at <http://www.etfsecurities.com/retail/uk/en-gb/documents.aspx>.

What does it mean to hold bullion in an unallocated account?

An unallocated account is also held with a custodian. However, unlike bullion held in an allocated account, bullion in an unallocated account does not entitle the customer to a particular bar of bullion and the customer’s holding is not segregated from that of other customers or the custodian. Instead, the books and records of the custodian record that the customer is entitled to a specific amount of bullion. As the bullion is not segregated, the customer has a credit risk exposure to the custodian. Bullion in unallocated form is easier to transfer as it simply requires an update of the custodian’s books and records rather than movements of physical bullion and for this reason transfers in connection with creation and redemption of Metal Securities are carried out in unallocated form. Once the level of bullion in an unallocated account reaches an amount equal to one bar, that bar can be transferred to an allocated account.

How is the bullion at the Custodians audited?

The bullion held at the custodians to back the Metal Securities is audited twice a year by an independent metal audit firm – Inspectorate International – who inspect the Bullion held at the Custodians to ensure that it matches in all respects the Bullion disclosed as held on the Bar List. The first audit takes place at the start of each year of the bullion held at the end of the previous year and then a second audit is carried out at random throughout the year. The results of these audits are published by the issuer at <http://www.etfsecurities.com/retail/uk/en-gb/documents.aspx>

What are the London Bullion Market Association (LBMA) and the London Platinum and Palladium Market (LPPM)?

The LBMA and LPPM are two trade associations that coordinate wholesale trading for gold and silver, and platinum and palladium, respectively. They maintain and publish ‘Good Delivery’ lists that establish a set of criteria that a refiner and its bullion must satisfy before being accepted for trading. For additional information, please see <http://www.lbma.org.uk> and <http://www.lppm.com>.

ETF Securities’ physically-backed precious metal ETCs are only backed by Good Delivery bars.

Is the physical precious metal insured?

Each custodian is required to maintain such insurance over the precious metal stored in its vaults as it believes is commercially reasonable.

Who are the custodians?

In respect of physical gold held in London, silver, platinum and palladium, the custodian is HSBC Bank plc. In respect of gold held in Zurich, the gold is held by a sub-custodian, JPMorgan Chase Bank N.A.

Who is an Authorised Participant?

Authorised Participants are financial institutions who meet certain eligibility requirements and who have entered into an Authorised Participant Agreement with the Issuer. Only Authorised Participants are allowed to buy and sell Metal Securities directly with the Issuer. Authorised Participants may, but do not have to, act as market makers for the Metal Securities by buying and selling Metal Securities to and from investors either on exchange or in over the counter transactions.

Who is the Trustee and what does it do?

The Trustee is The Law Debenture Trust Corporation plc. and is an independent entity whose role is to act as trustee on behalf of Security Holders in accordance with the Trust Instrument. Under security deeds and the agreements with the custodians, all the bullion which backs the Metal Securities is held at each custodian in the name of the Trustee and the Trustee must approve all removals of bullion from those accounts.

What is the Metal Entitlement?

The Metal Entitlement of a particular class of Metal Securities is the quantity (an amount in fine troy ounces in the case of gold or troy ounces in the case of silver, platinum and palladium) of the physical precious metal of the relevant type that each Metal Security represents. It is calculated in accordance with a set formula and examples of how it is calculated are set out in Part 2 (*How does a Security Holder determine the value of their investment?*). The Metal Entitlement reduces daily by the management fees payable by a Security Holder in respect of that class of Metal Security.

When will the Metal Entitlement of a Metal Security be calculated and published?

The Metal Entitlement will be calculated and published on the Issuer's Website on each Business Day.

What is the cash value of a Metal Security?

Each Metal Security has an effective entitlement to physical precious metal, and that Metal Entitlement reduces each day to reflect the accrual of the fees payable in respect of that Metal Security. Whilst Authorised Participants create and redeem Metal Securities directly with the Issuer in exchange for physical precious metal most Security Holders will buy and sell their Metal Securities on a stock exchange in return for cash. The cash value at which the Metal Securities will trade on exchange is expected to be close to the value of the Metal Entitlement of the Metal Securities multiplied by the spot price of the relevant physical precious metal. The "spot price" of a type of Bullion is a single price which is set up to twice a day and is based on an average of all the buy and sell offers in the market for that type of Bullion. The spot price is also known as the "fixing" and is published by the LBMA (for gold and silver) or the London Metal Exchange (LME) (for platinum and palladium) on their websites at <http://www.lbma.org.uk> and <http://www.lme.com>.

Can an investor deliver or take physical delivery of the underlying physical precious metals?

Generally only Authorised Participants can deliver or take delivery of the underlying physical precious metals.

How do I buy and sell Metal Securities?

Only Authorised Participants may create and redeem Metal Securities directly with the Issuer at the Metal Entitlement on the relevant date. Once an Authorised Participant creates Metal Securities with the Issuer it can then (i) choose to hold the Metal Securities itself; (ii) sell those securities on one of the stock exchanges on which the Metal Securities are admitted to trading; (iii) sell those Metal Securities in private off exchange transaction (OTC); or (iv) redeem the Metal Securities directly with the Issuer.

Investors other than Authorised Participants can buy and sell Metal Securities on any of the stock exchanges on which they are admitted to trading or in private transactions (OTC) in the same way as they buy and sell other listed securities.

Transactions in Metal Securities other than those directly with the Issuer can be done at any point during the trading day. Such purchases of Metal Securities will generally be done at a "bid price" and any sales of Metal Securities intraday will generally be done at an "offer price". The bid and offer prices of a Metal Security are expected to be close to the cash value of the Metal Entitlement of the relevant class of Metal Security on a particular day (calculated by reference to the spot price of that precious metal), however, they will not match exactly the cash value of the Metal Entitlement because bid and offer prices also take account of other market conditions such as market liquidity (supply and demand) at the time that the investor is looking to buy or sell their Metal Securities.

Can I lose all of my initial investment?

Yes, an investor may lose all of their initial investment by virtue of the movements in the price of the underlying physical precious metals.

Can I lose more than my initial investment?

An investor who buys and holds their Metal Securities cannot lose more than their initial investment.

What is the minimum investment?

The minimum investment is 1 Metal Security which has a value as described above under “What is the cash value of a Metal Security?”.

What are the costs of holding the product?

Investors are charged a management fee in respect of the Metal Securities. These are deducted each day by a reduction in the Metal Entitlement – further information on the fees is set out under the heading “Management Fee” in Part 4 (*Description of Metal Securities*).

Investors who buy and sell Metal Securities on exchange or in transactions other than with the Issuer may also be charged additional costs in respect of those transactions.

DEFINITIONS AND INTERPRETATION

The following definitions apply throughout this Prospectus (including the Conditions) unless the context otherwise requires:

“Administration Agreement”	means the Administration Agreement dated 31 December 2012 between R&H Fund Services (Jersey) Limited and the Issuer providing for certain administration, company secretarial and registrar services to be provided by R&H Fund Services (Jersey) Limited to the Issuer
“Affiliate”	means, in relation to any person, any entity controlled, directly or indirectly, by that person, any entity that controls, directly or indirectly, that person, or any entity directly or indirectly under common control with that person; and for this purpose, “control” of any entity or person means ownership of a majority of the voting power of the entity or person
“Applicant”	means an Authorised Participant who makes an Application for Metal Securities
“Application”	means an offer by an Authorised Participant to the Issuer to subscribe for Metal Securities, being an offer on terms referred to in an Application Form and this document and in accordance with the provisions of the relevant Authorised Participant Agreement
“Application Date”	means the Business Day on which a valid Application Form is lodged with (or deemed to be lodged with) the Issuer in accordance with the relevant Authorised Participant Agreement
“Application Fee”	means the fee payable by an Authorised Participant to the Issuer on Application for Metal Securities
“Application Form”	means an application form used in connection with the Programme and includes an Application made through the System and reference to a copy of an Application Form or of an Application in the context of an Application made through the System includes a copy of a report generated through the System containing the details of such Application
“Authorised Participant”	means a person which has entered into an Authorised Participant Agreement with the Issuer in relation to Metal Securities and which (a) is a securities house or other market professional approved by the Issuer (in its absolute discretion); (b) is an Authorised Person, an Exempt Person or an Overseas Person; and (c) is not a UCITS Fund
“Authorised Participant Agreement”	means a written agreement between the Issuer and another person under which such person is appointed to act as an “Authorised Participant”, distribution agent or in a substantially similar function in relation to Metal Securities and if such agreement is subject to conditions precedent, provided that such conditions have been satisfied
“Authorised Person”	means a person authorised for the purposes of FSMA
“Basket Securities”	means the Initial Basket Securities and any other category of Basket Securities that may be created and constituted from time to time
“Board”	means the board of directors of the Issuer
“Bullion”	means any and all of platinum, palladium, silver and gold
“Business Day”	means: (a) in relation to any or all of ETFs Physical Platinum Securities, ETFs Physical Palladium Securities and ETFs Physical PM Basket Securities (and any other Basket Security comprised, <i>inter alia</i> , of ETFs Physical Platinum Securities or ETFs

Physical Palladium Securities) and any Bullion forming part of the Secured Property in respect thereof, a day which is both a London Business Day and a Zurich Business Day;

- (b) in relation to ETFS Physical Silver Securities and ETFS Physical Gold Securities (and any Basket Security comprised only of ETFS Physical Silver Securities and ETFS Physical Gold Securities) and any Bullion forming part of the Secured Property in respect thereof, a London Business Day; and
- (c) in relation to ETFS Physical Swiss Gold Securities and any Bullion forming part of the Secured Property in respect thereof, a day which is both a London Business Day and a Zurich Business Day

“category”	means in relation to Basket Securities, the type of Basket Security determined by the mix of different classes of Individual Securities comprised in the Basket Security
“Certificated” or “Certificated Form”	means not in Uncertificated Form
“class”	means a class of Individual Securities under which the Issuer’s obligations to make payment and/or deliver Bullion are determined by reference to a particular metal
“CME”	means the CME Group
“comprised in” and “compromised of”	in relation to a Basket Security means the Individual Securities by reference to which the Metal Entitlement of that Basket Security is calculated and for which a Basket Security (when in Certificated Form) may be surrendered in accordance with the provisions of the Trust Instrument and “comprise” and “comprised” shall be construed accordingly
“Conditions”	means the terms and conditions on and subject to which Metal Securities are issued in the form set out in the Trust Instrument and as set out in Part 6 (<i>Trust Instrument and the Conditions</i>)
“Controller”	means, in relation to any company, a person who: <ul style="list-style-type: none">(a) holds 10 per cent. or more of the shares in such company;(b) is able to exercise significant influence over the management of such company by virtue of his shareholdings in such company;(c) holds 10 per cent. or more of the shares in a parent undertaking of such company;(d) is able to exercise significant influence over the management of the parent undertaking of such company;(e) is entitled to exercise, or control the exercise of, 10 per cent. or more of the voting power in such company;(f) is able to exercise significant influence over the management of such company by virtue of his voting power in such company;(g) is entitled to exercise, or control the exercise of, 10 per cent. or more of the voting power in the parent undertaking of such company; or(h) is able to exercise significant influence over the management of the parent undertaking of such company by virtue of his voting rights

“CREST”	means the system of paperless settlement trades and the holding of Uncertificated securities administered by Euroclear UK & Ireland Limited
“Custodian”	means each of the Initial Custodian and the Swiss Gold Custodian, and: <ul style="list-style-type: none"> (a) in relation to Initial Metal Securities and any Bullion forming part of the Secured Property in respect thereof, means the Initial Custodian; and (b) in relation to Swiss Gold Metal Securities and any Bullion forming part of the Secured Property in respect thereof, means the Swiss Gold Custodian
“Custodian Agreements”	means the Initial Custodian Agreements and the Swiss Gold Custodian Agreements, and: <ul style="list-style-type: none"> (a) in relation to Initial Metal Securities and any Bullion forming part of the Secured Property in respect thereof, means the Initial Custodian Agreements, and (b) in relation to Swiss Gold Metal Securities and any Bullion forming part of the Secured Property in respect thereof, means the Swiss Gold Custodian Agreements
“Defaulted Obligation”	means the failure of the Issuer to make or procure any payment of cash or delivery of Bullion in respect of the redemption of any Metal Securities when due, and such failure is not remedied within 48 hours of receipt of notice requiring remedy of the same
“Directors”	means the directors of the Issuer, being at the date of this document the persons whose names are listed as such under the heading “Directors, Secretary and Advisers” below
“Documents”	means the Trust Instrument, the Security Deeds, the Custodian Agreements, the Metal Sale Counterparty Agreements, all Authorised Participant Agreements, the Service Agreement, the Administration Agreement and the Registrar Agreement
“EEA State”	means a member of the European Economic Area
“ETFSL”	means ETF Securities Limited, a company incorporated and registered in Jersey, with registered number 88370
“EU”	means the European Union
“Euro” or “€”	means euro
“Exempt Person”	means a person who, in entering into and performing the terms of an Authorised Participant Agreement, is acting in the course of a business comprising a regulated activity in relation to which it is exempt from the need to be an Authorised Person as a result of a provision of FSMA or associated secondary legislation
“Extraordinary Resolution”	means in respect of a particular type or particular types taken together of Metal Securities either (a) a resolution passed at a duly convened meeting of the holders of Metal Securities of such type or types by a majority consisting of the holders of not less than 75 per cent. by Principal Amount of such type or types of Metal Securities voting on such resolution or (b) a resolution in writing of holders of such type or types of Metal Securities holding not less than 75 per cent. by Principal Amount of such type or types of Metal Securities, and in the cases of (a) and (b) where so provided for in the Trust Instrument or the Conditions, holders of Basket Securities may for these purposes be treated as holders of the relevant class or classes of Individual Securities

“FCA”	means the Financial Conduct Authority of the United Kingdom and any successor thereto
“FCA Glossary”	means the glossary giving the meaning of the defined expressions used in the FCA Handbook
“FCA Handbook”	means the FCA’s Handbook of Rules and Guidance (as amended)
“Final Terms”	means final terms in or substantially in the form annexed hereto
“Fixing”	means in relation to each type of Bullion on any day on which the Relevant Market is open for business, the price fixing process or processes conducted under or for the purposes of the rules and procedures of the Relevant Association to determine a price for that type of Bullion on that day at that Fixing or any successor price fixing process or processes established or authorised by or on behalf of the Relevant Association
“Fixing Price”	means, in relation to any Fixing for any type of Bullion, the price determined by the Fixing
“FSMA”	means the Financial Services and Markets Act 2000
“Good Delivery”	means the refining standard and weights of Bullion set by the Relevant Association
“HoldCo”	means ETFS Holdings (Jersey) Limited, a company incorporated and registered in Jersey, with registered number 106817
“IBA”	means ICE Benchmark Administration
“Individual Securities”	means Metal Securities of a class specified in the list in paragraph 4 of Part 11 (<i>Additional Information</i>) and any other class of Individual securities that may be created and constituted from time to time
“Initial Basket Securities”	means the PM category undated limited recourse secured debt securities of US\$9.40 in principal amount each of the Issuer, created pursuant to and constituted by the Trust Instrument and recorded on the relevant Register of Basket Securities, and “ETFS Physical PM Basket Securities” shall be construed accordingly
“Initial Custodian”	means HSBC Bank plc, a company registered in England and Wales the registered office of which is at 8 Canada Square, London E14 5HQ and a wholly-owned subsidiary of HSBC Holdings p.l.c. or such other person or persons (being a member of each Relevant Association) who provides custody and transfer facilities from time to time pursuant to the Initial Custodian Agreements
“Initial Custodian Agreements”	means the Initial Secured Allocated Account Agreement, the Initial Secured Unallocated Account Agreement and the Initial Subscription Unallocated Account Agreement
“Initial Individual Metal Account”	means ETFS Physical Platinum Securities, ETFS Physical Palladium Securities, ETFS Physical Silver Securities, and ETFS Physical Gold Securities
“Initial Metal Sale Counterparty”	means HSBC Bank plc or such other person as may from time to time be the counterparty under the Initial Metal Sale Counterparty Agreement
“Initial Metal Sale Counterparty Agreement”	means the agreement dated 18 April 2007 between the Issuer, the Trustee and the Metal Sale Counterparty providing for the sale of Bullion attributable to or forming part of the Secured Property in respect of Initial Metal Securities from time to time at the request of the Trustee

“Initial Metal Securities”	means the ETFS Physical Platinum Securities, ETFS Physical Palladium Securities, ETFS Physical Silver Securities, ETFS Physical Gold Securities and ETFS Physical PM Basket Securities
“Initial Secured Allocated Account”	means the allocated Bullion account number 19235 established in the name of the Trustee (as legal mortgagee pursuant to the Initial Security Deeds) with the Initial Custodian pursuant to the Initial Secured Allocated Account Agreement
“Initial Secured Allocated Account Agreement”	means the Secured Allocated Account Agreement dated 18 April 2007 between the Issuer, the Trustee (as legal mortgagee pursuant to the Initial Security Deeds) and the Initial Custodian pursuant to which the Initial Secured Allocated Account is established and operated
“Initial Secured Unallocated Account”	means the unallocated Bullion account number 19235 established in the name of the Trustee (as legal mortgagee pursuant to the Initial Security Deeds) with the Initial Custodian pursuant to the Initial Secured Unallocated Account Agreement
“Initial Secured Unallocated Account Agreement”	means the Secured Unallocated Account Agreement dated 18 April 2007 between the Issuer, the Trustee (as legal mortgagee pursuant to the Initial Security Deeds) and the Initial Custodian pursuant to which the Initial Secured Unallocated Account is established and operated
“Initial Security Deeds”	means the Security Deeds pertaining to the Pools to which the Initial Metal Securities are attributable
“Initial Subscription Unallocated Account”	means the unallocated Bullion account number 19236 established by the Issuer with the Initial Custodian in the name of the Issuer pursuant to the Initial Subscription Unallocated Account Agreement
“Initial Subscription Unallocated Account Agreement”	means the Subscription Unallocated Account Agreement dated 18 April 2007 between the Issuer and the Initial Custodian pursuant to which the Initial Subscription Unallocated Account is established and operated
“Initial Zurich Sub-Custodian”	means any firm selected by the Initial Custodian to hold platinum or palladium on behalf of the Initial Custodian in the firm’s Zurich vault premises on a segregated basis, appointed pursuant to the Initial Custodian Agreements and whose appointment has been approved by the Trustee and the Issuer, currently being Brink’s Global Services Inc. and ViaMat International
“Investment Company Act”	means the United States Investment Company Act of 1940
“Issuer”	means ETFS Metal Securities Limited, a company incorporated and registered in Jersey with registration number 95996
“Issuer Insolvency Event”	means the Issuer (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) has a declaration made against it declaring the assets of the Issuer <i>en désastre</i> pursuant to the Bankruptcy (Désastre) (Jersey) Law 1990 (5) institutes or has instituted against it any other proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained

in each case within 30 days of the institution or presentation thereof; (6) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (7) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (8) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (9) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (1) to (8) (inclusive) above; or (10) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts, **provided that** no action taken by the Trustee in respect of the Issuer pursuant to the Trust Instrument or a Security Deed shall constitute an Issuer Insolvency Event

“Issuer’s Website”

means the website having the following internet address:

<http://www.etfsecurities.com>

or such other internet address as may be notified to Security Holders and the Trustee by RIS announcement

“Jersey”

means the Island of Jersey, Channel Islands

“LBMA”

means The London Bullion Market Association and where the context requires includes London Gold Market Fixing Ltd. and London Silver Market Fixing Ltd.

“Liability”

means any loss, damage, cost, charge, claim, demand, expense, judgement, action, proceeding, or other liability whatsoever (including, without limitation, in respect of tax) and including any VAT or similar tax charged or chargeable in respect thereof and legal and professional fees and expenses on a full indemnity basis, and **“Liabilities”** shall be construed accordingly

“Listing”

means admission of the Metal Securities to the Official List in accordance with the Listing Rules and admission of the Metal Securities to trading on the London Stock Exchange’s market for listed securities (or any of such markets if the London Stock Exchange has at any time more than one such market) becoming effective

“Listing Rules”

means the Listing Rules of the UK Listing Authority from time to time made under section 73A of FSMA

“LME”

means the London Metal Exchange

“London AM Fix”

means in relation to platinum, palladium and gold on any day on which the Relevant Market is open for business, the morning Fixing for that type of Bullion or, if there is only one daily Fixing for that type of Bullion, that daily Fixing and in relation to silver on any day on which the London Bullion market is open for business, the 12.00 noon silver Fixing

“London Bullion market”

means the over-the-counter market in gold and silver co-ordinated by the LBMA

“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

“London Stock Exchange”	means London Stock Exchange plc or its market for listed securities (or any of such markets if the London Stock Exchange has at any time more than one such market), as the context may require
“LPPM”	means The London Platinum and Palladium Market and where the context requires includes The London Platinum and Palladium Fixing Company Limited
“Main Market”	means the Main Market of the London Stock Exchange, which is part of its Regulated Market for listed securities (being securities admitted to the Official List)
“Management Fee”	means the management fee payable by the Issuer to ManJer in consideration for the provision by ManJer or an Affiliate or successor of ManJer of all management and administration services in relation to the Programme, as set out in Part 1 (<i>General</i>) under the heading “Management Fee”, as that amount may be adjusted from time to time
“ManJer”	means ETFS Management Company (Jersey) Limited, a company incorporated and registered in Jersey, with registered number 106921
“Metal Entitlement”	means as at any date and in relation to any Metal Security the amount(s) of Bullion to which the Security Holder is entitled on Redemption of a Metal Security of that class on that date in accordance with Condition 5 (<i>Metal Entitlement</i>)
“Metal Sale”	means in relation to the Redemption of any Metal Securities, settlement of the Issuer’s Redemption Obligations in respect thereof by sale of Bullion to a Metal Sale Counterparty pursuant to the Metal Sale Counterparty Agreement and payment of the proceeds of sale to the relevant Security Holder in accordance with the Conditions
“Metal Sale Counterparty”	means each of the Initial Metal Sale Counterparty and the Swiss Gold Metal Sale Counterparty, and: <ul style="list-style-type: none"> (a) in relation to Initial Metal Securities, any other Basket Securities to the extent comprised of any Initial Individual Metal Securities and any Bullion forming part of the Secured Property in respect thereof, means the Initial Metal Sale Counterparty; and (b) in relation to Swiss Gold Metal Securities and any Bullion forming part of the Secured Property in respect thereof, means the Swiss Gold Metal Sale Counterparty
“Metal Sale Counterparty Agreement”	means each of the Initial Metal Sale Counterparty Agreement and the Swiss Gold Metal Sale Counterparty Agreement, and: <ul style="list-style-type: none"> (a) in relation to Initial Metal Securities, any other Basket Securities to the extent comprised of any Initial Individual Metal Securities and any Bullion forming part of the Secured Property in respect thereof, means the Initial Metal Sale Counterparty Agreement; and (b) in relation to the Swiss Gold Metal Securities and any Bullion forming part of the Secured Property in respect thereof, means the Swiss Gold Metal Sale Counterparty Agreement
“Metal Securities”	means Individual Securities and Basket Securities
“MiFID”	means EU Directive 2004/39/EC (the Markets in Financial Instruments Directive)
“Official List”	means the Official List maintained by the UK Listing Authority for the purpose of Part VI of FSMA
“OTC”	means the global over-the-counter market for the trading of Bullion

“ounces” or “oz”	means troy ounces. One troy ounce equals 31.1034768 grammes. A troy ounce is slightly heavier than the more common ounces used in the UK and the United States, being approximately 1.097 times the weight of the latter
“outstanding”	<p>means in relation to each type of Metal Securities, all the Metal Securities of that type issued and in respect of which there is for the time being an entry in the Register other than:</p> <p>(a) Metal Securities which have been redeemed and cancelled pursuant to the Trust Instrument; and</p> <p>(b) Metal Securities which have been purchased and cancelled pursuant to the Trust Instrument,</p> <p>provided that for the purpose of the right to attend and vote at any meeting of the Security Holders or any of them and certain other purposes of the Trust Instrument, Metal Securities (if any) which are for the time being held by, for the benefit of, or on behalf of, (A) the Issuer, (B) ETFSL, (C) any Subsidiary of the Issuer, (D) any individual Controller of the Issuer or (E) any person controlled by any such persons listed in (A) to (D) above shall (unless and until ceasing to be so held) be deemed not to remain outstanding and accordingly the holders of such Metal Securities shall be deemed not to be Security Holders</p>
“Overseas Person”	means a person whose activities are not subject to the prohibition in section 19 of FSMA by virtue of its not carrying on such activities in the United Kingdom and whose head office is situated outside the United Kingdom
“Pool”	means a separate fund or pool to which Individual Securities of a particular class (and Basket Securities to the extent that they are comprised of that class of Individual Securities) are attributable
“PRA”	means the Prudential Regulation Authority of the United Kingdom
“Principal Amount”	means in respect of each Metal Security the amount specified in clause 2 of the Trust Instrument and as set out in paragraph 4 of Part 11 (<i>Additional Information</i>)
“Programme”	means the programme for the issue of Metal Securities
“Prohibited Benefit Plan Investor”	means any “employee benefit plan” within the meaning of section 3(3) of the United States Employee Retirement Income Security Act of 1974 (“ ERISA ”), subject to Part 4. Subtitle B of Title I of ERISA, any “plan” to which section 4975 of the United States Internal Revenue Code of 1986, (the “ Code ”) applies (collectively, “ Plans ”), any entity whose underlying assets include “plan assets” of any of the foregoing Plans within the meaning of 29 C.F.R. Section 2510.3-101 or section 3(42) of ERISA, as they may be modified, by reason of a Plan’s investment in such entity, any governmental or church plan that is subject to any United States federal, state or local law that is similar to the prohibited transaction provisions of ERISA or Section 4975 of the Code, or any person who holds Metal Securities on behalf of, for the benefit of or with any assets of any such Plan or entity
“Prohibited US Person”	means a US Person who is not a Qualified Purchaser, or any person who holds Metal Securities for the benefit of a US Person who is not a Qualified Purchaser
“Prospectus”	means this base prospectus of the Issuer
“Prospectus Directive”	means Council Directive 2003/71/EC of the EU

"Prospectus Rules"	means the prospectus rules of the UK Listing Authority from time to time made under sections 73A and 84 of FSMA
"Qualified Purchaser"	means a "qualified purchaser" as defined under the Investment Company Act
"Redemption"	means the redemption of Metal Securities by the Issuer in accordance with the Conditions (and " Redeem " shall be construed accordingly)
"Redemption Fee"	means the fee payable by a Security Holder on the Redemption of Metal Securities pursuant to Condition 9 (<i>Redemption Fee</i>)
"Redemption Form"	means a notice in the form prescribed from time to time by the Issuer requesting Redemption of Metal Securities
"Redemption Obligations"	means the obligation of the Issuer on Redemption of a Metal Security to make payment or deliver Bullion to the relevant Security Holder in accordance with the Conditions
"Registers"	means the registers of Security Holders of each type kept and maintained by the Registrar and " Register " shall be construed accordingly. At the date of this Prospectus, there are six Registers, one for each of the six different types of Metal Securities currently created pursuant to the Trust Instrument
"Registrar"	means Computershare Investor Services (Jersey) Limited, or such other person as may be appointed by the Issuer from time to time to maintain the Registers
"Registrar Agreement"	means the registrar agreement dated 31 December 2012 between the Registrar, the Issuer and the Trustee
"Regulated Market"	means a regulated market for the purposes of MiFID
"Relevant Association"	means in respect of Good Delivery: <ul style="list-style-type: none"> (a) in respect of platinum and palladium, the LPPM or its successors; and (b) in respect of silver and gold, the LBMA or its successors means in respect of Fixing: <ul style="list-style-type: none"> (a) in respect of platinum and palladium, the LME or its successors; (b) in respect of gold IBA or its successors; and (c) in respect of silver CME or its successors and Thomson Reuters or its successors
"Relevant Market"	means: <ul style="list-style-type: none"> (a) in respect of platinum and palladium, the Zurich Bullion market; and (b) in respect of silver and gold, the London Bullion market
"RIS"	means a Regulatory Information Service (as defined for the purposes of the Listing Rules) from time to time chosen by the Issuer
"Secured Allocated Account"	means the Initial Secured Allocated Account and the Swiss Gold Secured Allocated Account, and <ul style="list-style-type: none"> (a) in relation to Initial Metal Securities, any Basket Securities to the extent comprised of any Initial Individual Metal Securities and any Bullion forming part of the Secured Property thereof, means the Initial Secured Allocated Account; and (b) in relation to Swiss Gold Metal Securities and any Bullion forming part of the Secured Property thereof, means the Swiss Gold Secured Allocated Account

“Secured Metal Accounts”	means the Initial Secured Allocated Account, the Initial Secured Unallocated Account, the Swiss Gold Secured Allocated Account and the Swiss Gold Secured Unallocated Account, and: <ul style="list-style-type: none"> (a) in relation to any Initial Metal Securities or other Basket Securities to the extent comprised of any Initial Individual Metal Securities and any Bullion forming part of the Secured Property in respect thereof, means the Initial Secured Allocated Account and the Initial Secured Unallocated Account; and (b) in relation to Swiss Gold Metal Securities and any Bullion forming part of the Secured Property in respect thereof, means the Swiss Gold Secured Allocated Account and the Swiss Gold Secured Unallocated Accounts
“Secured Property”	means in relation to each class of Individual Security (and each category of Basket Security to the extent it comprises Individual Securities of that class): <ul style="list-style-type: none"> (a) all Bullion credited to the Secured Metal Accounts; and (b) the rights of the Issuer in respect of the Secured Metal Accounts including all rights of the Issuer in the Custodian Agreements, or any part or parts thereof
“Secured Unallocated Accounts”	means the Initial Secured Unallocated Account and the Swiss Gold Secured Unallocated Accounts, and <ul style="list-style-type: none"> (a) in relation to Initial Metal Securities, or other Basket Securities to the extent comprised of any Initial Individual Metal Securities and any Bullion forming part of the Secured Property thereof, means the Initial Secured Unallocated Account; and (b) in relation to Swiss Gold Metal Securities and any Bullion forming part of the Secured Property thereof, means the Swiss Gold Secured Unallocated Account
“Securities Act”	means the United States Securities Act of 1933
“Security”	means in respect of each Pool the security constituted by the applicable Security Deed
“Security Deeds”	means in respect of each Pool, the security deed pertaining to that Pool dated (in the cases of the Pools to which the ETFS Physical Platinum Securities, ETFS Physical Palladium Securities, ETFS Physical Silver Securities and ETFS Physical Gold Securities are attributable) 18 April 2007 or (in the case of the Pool to which the ETFS Physical Swiss Gold Securities are attributable) 11 December 2009, in each case entered into between the Issuer and the Trustee (and “Security Deed” shall be construed accordingly)
“Security Holder”	means a registered holder of Metal Securities
“Security Holder Account”	means: <ul style="list-style-type: none"> (a) in relation to any Initial Metal Securities or other Basket Securities to the extent comprised of any Initial Individual Metal Securities to be Redeemed by delivery of Bullion, an unallocated account with a member of the Relevant Association (or, in the case of a Basket Security, one or more unallocated accounts with one or more members of the Relevant Associations) specified by a Security Holder into which Bullion of the appropriate type may be deposited; and (b) in relation to any Swiss Gold Metal Securities to be Redeemed by Metal Delivery, either an unallocated loco Zurich account with the Custodian, the Swiss Gold Zurich Sub-Custodian or

any other gold bullion clearing bank in Zurich or an unallocated loco London or loco Zurich account with the Swiss Gold Custodian or any other member of the Relevant Association, in each case specified by a Security Holder into which gold may be deposited

“Service Agreement”

means the Service Agreement dated 18 April 2007 (as amended and novated), between ManJer or an Affiliate or successor of ManJer and the Issuer providing for certain services to be provided by ManJer or an Affiliate or successor of ManJer to the Issuer in relation to the Metal Securities

“Settlement Date”

means:

- (a) in relation to an Application the date two Business Days after the Application Date; and
- (b) in relation to any Redemption pursuant to Condition 6.2 (*Redemption by Authorised Participants*) or Condition 6.3 (*Redemption by Other Security Holders*), the date determined in accordance with Condition 6.12 (*Settlement Date*)

“Silver Sub-Custodian”

means any firm selected by the Initial Custodian to hold silver on behalf of the Initial Custodian in the firm’s London vault premises on a segregated basis, appointed pursuant to the Initial Custodian Agreements and whose appointment has been approved by the Trustee and the Issuer, currently being Malca-Amit Commodities Ltd

“Sterling” or “£”

means pounds sterling

“Sub-Custodians”

means sub-custodians, agents or depositories appointed by the Initial Custodian or the Swiss Gold Custodian pursuant to the Initial Custodian Agreements or the Swiss Gold Custodian Agreements (respectively) to perform any of its duties under the applicable Custodian Agreements including the custody and safe-keeping of Bullion but excluding any Silver Sub-Custodian or any Zurich Sub-Custodian in its role as such, currently being:

- (a) in the case of the Initial Custodian, the Bank of England (with respect to gold only), The Bank of Nova Scotia (ScotiaMocatta), JPMorgan Chase Bank, N.A., UBS AG, Johnson Matthey plc (with respect to silver only), Brink’s Global Services Inc., Loomis International, ICBC Standard Bank London and Malca-Amit Commodities Ltd; and
- (b) in the case of the Swiss Gold Custodian, Brink’s Global Services Inc., Loomis International and Group 4 Security Limited.

“Subsidiary”

has the meaning given to that term in section 1159 of the Companies Act 2006

“Subscription Unallocated Accounts”

means the Initial Subscription Unallocated Account and the Swiss Gold Subscription Unallocated Accounts, and:

- (a) in relation to Initial Metal Securities, or other Basket Securities to the extent comprised of any Initial Individual Metal Securities means the Initial Subscription Unallocated Account; and
- (b) in relation to Swiss Gold Metal Securities means the Swiss Gold Subscription Unallocated Accounts

“Swiss Gold Custodian”	means JPMorgan Chase Bank, N.A., a national banking association organised under the laws of the United States of America, whose principal place of business in England is at 25 Bank Street, Canary Wharf, London E14 5PJ or such other person or persons (being a member of each Relevant Association) who provides custody and transfer facilities from time to time pursuant to the Swiss Gold Custodian Agreements
“Swiss Gold Custodian Agreements”	means the Swiss Gold Secured Allocated Account Agreement, the Swiss Gold Secured Unallocated Account Agreement and the Swiss Gold Subscription Unallocated Account Agreement
“Swiss Gold Metal Sale Counterparty”	means JPMorgan Chase Bank, N.A. or such other person as may from time to time be the counterparty under the Swiss Gold Metal Sale Counterparty Agreement
“Swiss Gold Metal Sale Counterparty Agreement”	means the agreement dated 11 December 2009 between the Issuer, the Trustee and JPMorgan Chase Bank, N.A. providing for the sale of Bullion attributable to or forming part of the Secured Property in respect of Swiss Gold Metal Securities from time to time at the request of the Trustee
“Swiss Gold Metal Securities”	means ETFs Physical Swiss Gold Securities
“Swiss Gold Secured Allocated Account”	means the allocated loco Zurich Bullion account number 40738 established in the name of the Trustee (as legal mortgagee pursuant to the Swiss Gold Security Deed) with the Swiss Gold Custodian pursuant to the Swiss Gold Secured Allocated Account Agreement
“Swiss Gold Secured Allocated Account Agreement”	means the Secured Allocated Account Agreement dated 11 December 2009 between the Issuer, the Trustee (as legal mortgagee pursuant to the Swiss Gold Security Deed) and the Swiss Gold Custodian pursuant to which the Swiss Gold Secured Allocated Account is established and operated
“Swiss Gold Secured Unallocated Accounts”	means the unallocated loco London Bullion account number 01312 and the unallocated loco Zurich Bullion account number 01310, each established in the name of the Trustee (as legal mortgagee pursuant to the Swiss Gold Security Deed) with the Swiss Gold Custodian pursuant to the Swiss Gold Secured Unallocated Account Agreement
“Swiss Gold Secured Unallocated Account Agreement”	means the Secured Unallocated Account Agreement dated 11 December 2009 between the Issuer, the Trustee (as legal mortgagee pursuant to the Swiss Gold Security Deed) and the Swiss Gold Custodian pursuant to which the Swiss Gold Secured Unallocated Accounts are established and operated
“Swiss Gold Security Deed”	means the Security Deed pertaining to the Pool to which the Swiss Gold Metal Securities are attributable
“Swiss Gold Subscription Unallocated Accounts”	means the unallocated loco London Bullion account number 01314 and the unallocated loco Zurich Bullion account number 01313, each established by the Issuer with the Swiss Gold Custodian in the name of the Issuer pursuant to the Swiss Gold Subscription Unallocated Account Agreement
“Swiss Gold Subscription Unallocated Account Agreement”	means the Subscription Unallocated Account Agreement dated 11 December 2009 between the Issuer and the Swiss Gold Custodian pursuant to which the Swiss Gold Subscription Unallocated Accounts are established and operated
“Swiss Gold Zurich Sub-Custodian”	means currently UBS AG, and any other firm selected by the Swiss Gold Custodian to hold gold on behalf of the Swiss Gold Custodian in the firm’s Zurich vault premises on a segregated basis, appointed pursuant to the Swiss Gold Custodian Agreements and whose appointment has been approved by the Trustee and the Issuer

“System”	means the system for requesting the issue and redemption of Metal Securities via the secure website intended to be maintained by the Issuer for such purpose as described under the heading “The System” in Part 4 (<i>Description of Metal Securities</i>)
“Transparency Directive”	means Directive 2004/109/EC of the European Parliament and the European Council
“Transparency Rules”	means the disclosure rules and transparency rules of the UK Listing Authority from time to time, made under section 73A of the FSMA
“Trustee”	means The Law Debenture Trust Corporation p.l.c. appointed as such under the Trust Instrument and includes any replacement trustee under the Trust Instrument
“Trust Instrument”	means the trust instrument dated 18 April 2007 between the Issuer and the Trustee constituting the Metal Securities
“type”	means, in relation to Individual Securities, a class thereof and, in relation to Basket Securities, the category thereof
“UCITS Fund”	means a collective investment scheme which in accordance with the UCITS directive (Council Directive No. 85/611/EEC) is an undertaking for collective investment in transferable securities subject to that directive and includes a UCITS Scheme
“UCITS Scheme”	means a scheme that falls within the definition of a “UCITS Scheme” contained in the FCA Glossary
“UK Listing Authority”	means the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA or any successor enactment
“Uncertificated” or “Uncertificated Form”	means recorded on the Register as being held in uncertificated form, title to which, by virtue of the Jersey Companies (Uncertificated Securities) (Jersey) Order 1999, is to be transferred by means of CREST
“United Kingdom” or “UK”	means United Kingdom of Great Britain and Northern Ireland
“United States”	means the United States of America
“US Person”	means a “US person” as defined in Regulation S under the Securities Act
“US dollars” or “US\$”	means United States dollars
“VAT”	means value added tax
“Zurich Bullion market”	means the over-the-counter market in platinum and palladium co-ordinated by the LPPM
“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 the transaction of business in Zurich
“Zurich Sub-Custodian”	means the Initial Zurich Sub-Custodian and the Swiss Gold Zurich Sub-Custodian, and: <ul style="list-style-type: none"> (a) in relation to Initial Metal Securities, any Basket Securities to the extent comprised of any Initial Individual Metal Securities and any Bullion forming part of the Secured Property in respect thereof, means the Initial Zurich Sub-Custodian; and (b) in relation to Swiss Gold Metal Securities and any Bullion forming part of the Secured Property in respect thereof, means the Swiss Gold Zurich Sub-Custodian

References in this document to a particular time are, unless otherwise stated, references to the time applicable in London, United Kingdom.

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.

DIRECTORS, SECRETARY AND ADVISERS

Directors of the Issuer	Graham Tuckwell, Chairman Christopher Foulds Steven Ross Joseph Roxburgh
Secretary of the Issuer	Joseph Roxburgh All the Directors are non-executive
Administrator of the Issuer	R&H Fund Services (Jersey) Limited
Registered office of the Issuer and address of directors and secretary of the Issuer	The address of all the Directors and the Secretary of the Issuer is the registered office of the Issuer, which is: Ordnance House 31 Pier Road St. Helier Jersey JE4 8PW Channel Islands Tel: +44 1534 825230
Administrator	ETFS Management Company (Jersey) Limited Ordnance House 31 Pier Road St. Helier Jersey JE4 8PW Channel Islands
Initial Custodian	HSBC Bank plc 8 Canada Square London E14 5HQ United Kingdom
Swiss Gold Custodian	JPMorgan Chase Bank, National Association, London Branch 25 Bank Street Canary Wharf London E14 5PJ United Kingdom
Trustee	The Law Debenture Trust Corporation p.l.c. Fifth Floor 100 Wood Street London EC2V 7EX United Kingdom
English Legal Advisers to the Issuer	Dechert LLP 160 Queen Victoria Street London EC4V 4QQ United Kingdom
Jersey Legal Advisers to the Issuer	Mourant Ozannes 22 Grenville Street St. Helier Jersey JE4 8PX Channel Islands
Austrian Legal Advisers to the Issuer	Dorda Brugger Jordis Rechtsanwälte GmbH Dr-Karl-Lueger-Ring 10 1010 Vienna Austria

Belgian Legal Advisers to the Issuer	Dechert LLP 480 Avenue Louise, Box 13A 1050 Brussels Belgium
Danish Legal Advisers to the Issuer	NJORD Advokatpartnerselskab Pilestræde 58 DK-1112 Copenhagen Denmark
Dutch Legal Advisers to the Issuer	Stibbe Strawinskylaan 2001 1077 ZZ Amsterdam The Netherlands
Dutch Listing and Paying Agent	Fortis Bank (Nederland) N.V. Rokin 55 1012 KK. Amsterdam The Netherlands
Finnish Legal Advisers to the Issuer	Dittmar & Indrenius Pohjoisesplanadi 25 A FI-00100 Helsinki Finland
French Legal Advisers to the Issuer	Dechert LLP 32 Rue de Monceau 75008 Paris France
French Listing and Paying Agent	HSBC France 103 Avenue des Champs-Élysées 75008 Paris France
German Legal Adviser to the Issuer	Dechert LLP Skygarden Erika-Mann Straße, 5 80636 Munich Germany
German Listing and Paying Agent	HSBC Trinkaus & Burkhardt AG Königsallee 21/23 40212 Düsseldorf Germany
Irish Listing and Paying Agent	A&L Goodbody IFSC North Wall Quay Dublin 1 Ireland
Italian Legal Advisers to the Issuer	Studio Legale Crocenzi e Associati Lungotevere degli Altoviti, 1 00186 Roma Italy

Norwegian Legal Advisers to the Issuer	Advokatfirmaet Wiersholm AS Ruseløkkveien 26 PO Box 1400 Vika N-0115 Oslo Norway
Spanish Legal Advisers to the Issuer	Cuatrecasas, Gonçalves Pereira C/Almagro, 9-28010 Madrid Spain
Swedish Legal Advisers to the Issuer	Denovo Advokatbyrå AB Hamngatan 15 Box 7225 103 89 Stockholm Sweden
English Legal Advisers to the Trustee	Simmons & Simmons LLP CityPoint 1 Ropemaker Street London EC2Y 9SS United Kingdom
Jersey Legal Advisers to the Trustee	Ogier Ogier House The Esplanade St Helier Jersey JE4 9WG Channel Islands
Auditors of the Issuer	KPMG Channel Islands Limited 37 Esplanade St Helier Jersey Channel Islands JE4 8WQ
	KPMG Channel Islands Limited is authorised by the Jersey Financial Services Commission to be appointed as an auditor of a Jersey incorporated company under the Companies (Jersey) Law 1991 with Registration Number RA011
Registrar	Computershare Investor Services (Jersey) Limited Queensway House Hilgrove Street St. Helier Jersey JE1 1ES Channel Islands

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated in this document by reference and are available in electronic form at the Issuer's website at <http://www.etfsecurities.com/retail/uk/en-gb/documents.aspx> and at the registered office of the Issuer as set out in paragraph 7 of Part 11 (*Additional Information*):

1. the published audited reports and accounts of the Issuer for the year ended 31 December 2015, as published by the Issuer through the Regulatory News Service of the London Stock Exchange on 1 April 2016; and
2. the published audited reports and accounts of the Issuer for the year ended 31 December 2016, as published by the Issuer through the Regulatory News Service of the London Stock Exchange on 16 March 2017.

No documents referred to in the above documents are themselves incorporated into this Prospectus and other than the documents specifically identified above, no other documents, including the contents of any websites or web pages referred to in this Prospectus, form part of this Prospectus for purposes of the Prospectus Directive or the Prospectus Rules.

PART 1 GENERAL

Introduction

The Issuer has created and issued six different types of securities, all collectively called ETFS Metal Securities or Metal Securities.

Metal Securities are intended to offer investors means of investing in the precious metals market without the necessity of taking physical delivery of or storing Bullion. Investors can buy and sell Metal Securities through the trading of securities listed on the London Stock Exchange (and on any other exchange to which they may be admitted to trading from time to time).

Metal Securities have an effective notional entitlement to a type of Bullion, the Metal Entitlement, (expressed as a quantity of the relevant precious metal) which aims (before management fees) to provide an investor with the same return that they would gain from investing directly in precious metal. The physical nature of the product arises because applications for and redemptions of Metal Securities are, in general, satisfied in precious metal of the relevant type, which is stored in safe custody with the relevant Custodian. Only Bullion that confirms to the rules of Good Delivery of, in the case of gold and silver, the London Bullion Market Association (LMBA) or, in the case of platinum and palladium, the London Platinum and Palladium Market (LPPM). Each physical bar of metal is segregated, individually identified and allocated.

As a result of the Application and Redemption processes the Metal Securities are physically backed and maintain a direct relationship to the value of the underlying precious metal.

The precise rights attached to the Metal Securities, including deductions in respect of management fees and how they are applied, are set out in the Conditions which are reproduced in Part 6 (*Trust Instrument and the Conditions*) and described in more detail below and in Part 4 (*Description of Metal Securities*), and an illustration of the effect of these rights, including worked examples, is set out in Part 2 (*How does a Security Holder Determine the Value of their Investment?*).

General Description of Metal Securities

A Metal Security is an undated secured limited recourse debt obligation of the Issuer, which entitles a Security Holder (provided it is an Authorised Participant) to require redemption of the Metal Security and on the Settlement Date receive an amount of bullion equal to the Metal Entitlement on that date. A Security Holder who is not an Authorised Participant may only require redemption of a Metal Security if on any given Business Day there is no Authorised Participant or in certain circumstances announced by the Issuer, in which case the Security Holder will be paid the proceeds of sale of the Metal Entitlement in US dollars rather than in Bullion, unless the Security Holder has elected to the contrary and certain conditions are met.

The Metal Securities are backed by physical Bullion in a vault (i.e. each Metal Security is secured by “allocated” Bullion which complies with the “Good Delivery” standards set by the Relevant Association, other than amounts of less than one bar or held on a temporary basis in unallocated form for settlement purposes).

Metal Entitlement

There will be a separate Metal Entitlement for each class of Individual Security denominated in fine troy ounces of gold or troy ounces of palladium, platinum or silver. The Metal Entitlement of each class of Individual Security is adjusted on each day by the Management Fee.

The Metal Entitlement of the Basket Securities is the aggregate of the Metal Entitlements of the Individual Securities of which they are comprised.

Whenever new Metal Securities of any type are issued or existing such securities redeemed, this will be done at the then prevailing Metal Entitlement, thereby ensuring that all securities of the same type have the same Metal Entitlement, are fully fungible and are backed by the same assets. Whenever new Metal Securities of a class contemplated by this Prospectus are issued, details will be set out in Final Terms prepared by the Issuer.

Further details of the determination of the Metal Entitlement and the Management Fees are set out under the heading “Metal Entitlement” in Part 4 (*Description of Metal Securities*) and worked examples are provided in Part 2 (*How does a Security Holder determine the value of their investment?*).

Listing and Trading

All Metal Securities are fully transferable. The Issuer has applied to the UK Listing Authority for all of the Metal Securities to be issued within 12 months from the date of this Prospectus to be admitted to the Official List and to the London Stock Exchange for all of such Metal Securities to be admitted to trading on the Main Market.

Certain of the Metal Securities have also been admitted to listing on Euronext Amsterdam, on the Regulated Market (General Standard) (*Regulierter Markt [General Standard]*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), on NYSE Euronext Paris SA and on the ETFplus market of Borsa Italiana S.p.A.

In order to provide liquidity to investors and minimise tracking error, the Issuer has appointed multiple Authorised Participants, making a market on the London Stock Exchange in some or all of the Metal Securities (or on the other exchange on which the Metal Securities are admitted to trading). Authorised Participants have the right to effect applications or redemptions – see below under “Applications and Redemptions” and Part 4 (*Description of Metal Securities*) under the heading “Applications and Redemptions” for further details.

The standard settlement cycle for settlement of trades on the London Stock Exchange is two business days (T+2).

Any announcements made by the Issuer by RIS will be available, free of charge, on the website of the London Stock Exchange, <http://www.londonstockexchange.com>.

Custody of Bullion

Platinum and palladium on which Metal Securities will be secured will be held by the Initial Custodian at its London vault premises or by one or more Initial Zurich Sub-Custodians at their Zurich vault premises. Silver and gold (other than gold attributable to ETFS Physical Swiss Gold Securities) will be held by the Initial Custodian at its London vault premises or, in the case of silver, by up to two Silver Sub-Custodians at their vault premises. Gold attributable to the ETFS Physical Swiss Gold Securities will be held in Switzerland by the Swiss Gold Custodian or by the Swiss Gold Zurich Sub-Custodian at its Zurich vault premises.

Such Bullion may be held elsewhere by the relevant Custodian or a Sub-Custodian appointed by the relevant Custodian or by a delegate of a Sub-Custodian but only on a temporary basis prior to Bullion being transported to such vault premises or as part of a creation or redemption process. All such Bullion will be held in the Secured Metal Accounts where it will be held in “allocated” form (that is, as uniquely identifiable Good Delivery bars). A small portion may be held in unallocated form on a short term basis when Bullion is in the process of being allocated or de-allocated for a creation or redemption, or for a small portion that cannot be held in whole bars.

HSBC Bank plc, which is a subsidiary of HSBC Holdings plc, is the Custodian of the Bullion held in the Secured Metal Accounts in relation to the Metal Securities other than the Swiss Gold Metal Securities. HSBC Bank plc is authorised by the PRA and regulated by the PRA and the FCA.

JPMorgan Chase Bank, N.A., the London branch of which is regulated by the FCA and which is a subsidiary of JPMorgan Chase & Co., is the Custodian of the Bullion held in the Secured Metal Accounts in relation to the Swiss Gold Metal Securities.

All Bullion held in the Secured Metal Accounts will be the subject of a fixed charge or legal mortgage in favour of the Trustee under the Security Deeds to secure the obligations owed by the Issuer to the Trustee and the Security Holders in respect of Individual Securities of the relevant class (and Basket Securities to the extent comprised of Individual Securities of that class).

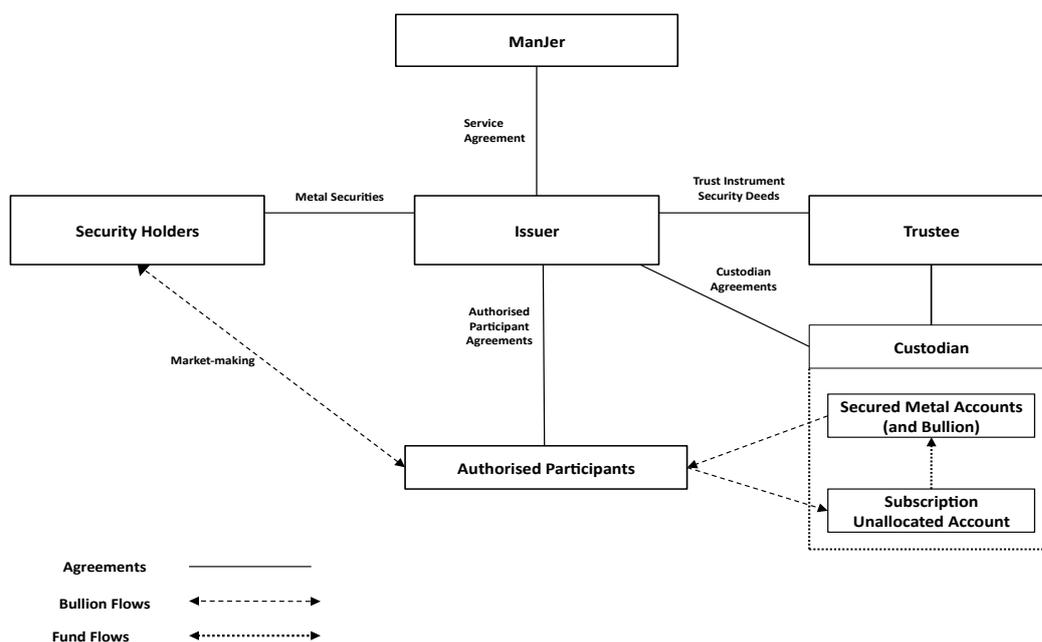
Further details of the Custodians and the arrangements for the storage of Bullion are set out under the heading “Storage and Insurance of Bullion” in Part 8 (*Custody and the Custodian Agreements*) and a summary of the terms of the Secured Metal Accounts agreements is set out under the heading “The Secured Metal Accounts Agreements” in Part 8 (*Custody and the Custodian Agreements*).

Contract Structure and Flow of Funds for Metal Securities

Metal Securities are constituted by the Trust Instrument. Under the terms of the Trust Instrument, the Trustee acts as trustee for the Security Holders of each type of Metal Security. The Bullion is the subject of fixed charges under the Security Deeds in favour of the Trustee to secure the obligations owed by the Issuer to the Trustee and the Security Holders in respect of the Metal Securities. Under the Custodian Agreements the relevant Custodian acknowledges the Security created in favour of the Trustee and agrees that once Bullion is deposited in the Secured Metal Accounts, it may only be removed after approval from the Trustee.

The obligations of the Issuer in respect of each class of Individual Security (and each category of Basket Security to the extent it comprises Individual Securities of that class) will be secured by a charge over the equivalent class of Bullion in the Secured Metal Accounts held by the Issuer and over the rights of the Issuer in respect of those Secured Metal Accounts under the relevant Custodian Agreements.

A diagrammatic representation of the principal aspects of the structure as currently in place appears below:



The following is a summary of the flow of funds and assets attributable to the Metal Securities as represented by the above diagram:

Metal Securities can be bought and sold for cash on the London Stock Exchange, and certain of the Metal Securities can also be bought or sold for cash on Borsa Italiana, NYSE Euronext Paris SA, Euronext Amsterdam and/or the Frankfurt Stock Exchange (being the other stock exchanges on which the Metal Securities are admitted to trading) rather than directly from the Issuer. The cash used to settle these transactions is never delivered to the Issuer. Market makers work to ensure that there is sufficient liquidity on those stock exchanges. To aid this process, the Issuer has entered into agreements (known as Authorised Participant Agreements) with certain financial institutions – Authorised Participants – whereby it has agreed to issue and redeem Metal Securities to those Authorised Participants on an ongoing basis. Further details about the terms of the Authorised Participant Agreements are set out under the heading “Authorised Participant Agreements” in Part 11 (*Additional Information*).

Upon creation of Metal Securities, an Authorised Participant must deliver Bullion with an aggregate weight equal to the Metal Entitlement of the Metal Securities into the Secured Metal Accounts. Only once the Bullion has been received will the Issuer create the Metal Securities and deliver them to the Authorised Participant via CREST. Further details about settlement of the Metal Securities in CREST can be found under the heading “Settlement” in Part 5 (*The Programme*).

The Authorised Participant may then sell the Metal Securities on a stock exchange, sell the Metal Securities in off exchange transactions (known as “OTC” or “Over-the-Counter” transactions) or keep

the Metal Securities to hold themselves. The creation process is described in more detail under the heading “Applications and Redemptions” below.

Once the Metal Securities are created the Bullion will be held with all other Bullion attributable to the Metal Securities in the Secured Metal Accounts at the relevant Custodian in the name of the Trustee.

If an Authorised Participant requests Redemption of Metal Securities, they must return those Metal Securities into CREST and in return will receive Bullion equivalent to the aggregate Metal Entitlement of the Metal Securities which are being redeemed through a transfer from the Secured Metal Accounts. The Redemption process is described in more detail under the heading “Applications and Redemptions” below.

If holders who are not Authorised Participants wish to give up their holding of Metal Securities, they must generally sell them either on one of the stock exchanges on which the Metal Securities are admitted to trading or in a private transaction. Such sale would typically be for cash rather than Bullion. Generally, Metal Securities will only be issued to Authorised Participants and only Authorised Participants will be able to require redemption of them. In circumstances where there are no Authorised Participants or as the Issuer may in its sole discretion determine, Security Holders who are not Authorised Participants may require redemption of their securities directly with the Issuer. In this case, the Security Holder will be paid the proceeds of sale of the Metal Entitlement in US dollars rather than in Bullion, unless the Security Holder has elected to the contrary and certain conditions are met.

Applications and Redemptions

Metal Securities can be issued or redeemed at any time by Authorised Participants, subject to conditions. The issue and redemption mechanism is intended to ensure that Metal Securities have sufficient liquidity and that the price at which they trade on the London Stock Exchange tracks the relevant Bullion price (before fees). Only an Authorised Participant may apply for or (unless there are at any given time no Authorised Participants or as otherwise announced) redeem Metal Securities — all other persons must buy and sell Metal Securities through trading on the London Stock Exchange (or any other exchange to which they may from time to time be admitted to trading).

Metal Securities will only be issued on receipt of a valid Application Form and when Bullion (deposited by the Authorised Participant into the applicable Subscription Unallocated Account) in an amount equal to the required Metal Entitlement is transferred to the applicable Secured Unallocated Account (and thereafter to the applicable Secured Allocated Account).

Metal Securities will only be cancelled upon receipt of a valid Redemption Form and the delivery of the relevant Metal Securities to the Issuer on the Settlement Date, whereupon the relevant amount of Bullion will be processed out of the relevant Secured Unallocated Accounts.

Further details in relation to the Application and Redemption processes are set out in Part 4 (*Description of Metal Securities*). Further details of the Redemption processes are set out in the Conditions, which are set out in Part 6 (*Trust Instrument and the Conditions*).

Security Structure

A security structure has been established to provide security for the Redemption Obligations of the Issuer to Security Holders upon redemption of Metal Securities.

The Issuer has been established as an “umbrella” or “multi-class” company with separate Pools of assets so that the Issuer can issue separate types of securities, based on different types of Bullion or combinations of types of Bullion or having some other different characteristics, but on terms that each such separate class of securities would have recourse only to the Pool attributable to that class and not to the assets attributable to any other class. The assets and liabilities attributable to each class of Individual Security (and the Basket Securities to the extent they comprise such Individual Securities) will represent the Pool for that class.

Thus there are five separate Pools applicable to Metal Securities. A single Pool secures all Individual Securities of a single class and all Basket Securities to the extent they comprise such Individual Securities.

Metal Securities are constituted under the Trust Instrument entered into between the Trustee and the Law Debenture Trust Corporation p.l.c. as trustee for Securities Holders of each type. The Trustee holds all rights and entitlements under the Trust Instrument on trust for the Security Holders.

In addition, the Issuer and the Trustee have entered into a separate Security Deed in respect of each Pool. The rights and entitlements held by the Trustee under each Security Deed are held by the Trustee on trust for the Security Holders of that particular class of Metal Security.

Further details of the Trust Instrument are set out under the heading in Part 6 (*Trust Instrument and the Conditions*). Further details of the Security Deeds are set out in Part 7 (*Particulars of Security Deeds*).

The Issuer and ManJer

The Issuer is a public company incorporated in Jersey for the purpose of issuing Metal Securities and entering into the Documents and to issue other types of securities (and enter into agreements relating thereto) relating to Bullion or other types of metals, whether precious metals or base metals.

The shares in the Issuer are all held by HoldCo, a company incorporated in Jersey to act as the holding company of the Issuer. The Issuer is neither directly or indirectly owned or controlled by any other party to the Programme. The Issuer is dependent upon ManJer to provide management and administration services to it, as further described below under the heading “Administration and Registrar Services”.

ManJer intends to promote and to provide management and other services to the Issuer and currently also provides such services to ETFS Metal Securities Australia Limited, Gold Bullion Securities Limited, ETFS Commodity Securities Limited, ETFS Oil 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.

ETFSL

ETFSL is a Jersey company which was incorporated under the Companies (Jersey) law 1991 on 20 August 2004. Its registered office is Ordnance House, 31 Pier Road, St Helier, Jersey, JE4 8PW, Channel Islands. ETFSL is the ultimate holding company of a group of companies which include the Issuer and HoldCo. It is not engaged in business activities other than as are related to the establishment of schemes similar to that of the Issuer.

Administration and Registrar Services

Pursuant to the Service Agreement, ManJer supplies certain management and administration services to the Issuer and pays all the management and administration costs of the Issuer, including the fees of R&H (as defined below), the Registrar, the Trustee and the Custodians.

ManJer may engage third parties to provide some or all of these services. The Services Agreement may be terminated by ManJer at any time on three months’ notice or earlier in the event of certain breaches or the insolvency of either party.

ManJer is a company incorporated in Jersey under the Companies (Jersey) Law 1991. It was incorporated on 16 November 2010 and its registered office is Ordnance House, 31 Pier Road, St. Helier, Jersey, JE4 8PW, Channel Islands and it is a wholly owned subsidiary of ETFSL.

The Issuer has entered into a corporate administration agreement with R&H Fund Services (Jersey) Limited (the “**Administrator**” or “**R&H**”) whereby R&H will perform certain administration duties for the Issuer (including acting as receiving agent). R&H is a Jersey company which was incorporated under the Companies (Jersey) Law 1991 on 29 November 1988.

The Issuer, the Trustee and the Registrar have entered into an agreement pursuant to which the Registrar is to provide registry and associated services. The Registrar will maintain the Registers in Jersey. The Registrar is a Jersey company which was incorporated under the Companies (Jersey) Law 1991 on 2 September 1999.

Further certain directors of ManJer have been involved in establishing and operating exchange traded fund companies and related service companies, in particular GO UCITS ETF Solutions PLC and its manager GO ETF Management Company Limited in Ireland, ETFS Trust and its investment adviser ETF Securities Advisors LLC in the United States.

Management Fee

In return for ManJer supplying to the Issuer all management and administration services, the Issuer is liable under the Service Agreement to transfer to ManJer by way of a fee amounts of Bullion equal to the Management Fee as described in more detail under the heading “Management Fee” in Part 4 (*Description of Metal Securities*).

Directors, Secretary and Administrator of the Issuer

The Directors, Secretary and Administrator of the Issuer at the date of this document are:

Graham Tuckwell – Chairman

Mr Tuckwell is the founder and chairman of ETF Securities Limited, ManJer, HoldCo and the Issuer and of nine other companies issuing exchange-traded commodities or other exchange-traded products: Gold Bullion Securities Limited, ETFS Metal Securities Australia Limited (formerly known as Gold Bullion Securities Limited) (which two companies obtained the world's first listings of an exchange traded commodity on a stock exchange), 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 is also a director of GO UCITS ETF Solutions PLC and of its manager GO ETF Management Limited in Ireland, a trustee of ETFS Trust in the US, as well as the President and Chief Executive Officer of ETF Securities USA LLC. Assets under management in those companies are in excess of US\$21 billion. He is also a director of ANZ ETFS Management (AUS) Limited in Australia. 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.

Christopher Foulds — Non-Executive Director

Mr Foulds is responsible for Financial Reporting at ETF Securities Limited and is the Compliance Officer of the Issuer and ETFS Management Company (Jersey) Limited. He is also a non-executive director and the Compliance Officer of the Issuer, Gold Bullion Securities Limited, ETFS Oil Securities Limited, ETFS Commodity Securities Limited, ETFS Hedged Commodity Securities Limited, ETFS Foreign Exchange Limited, ETFS Hedged Metal Securities Limited, Swiss Commodity Securities Limited and ETFS Equity Securities Limited. He is the Vice President, Chief Financial Officer, Treasurer and Secretary of ETF Securities USA LLC and the Chief Financial Officer of ETF Securities Advisors LLC. Mr. Foulds was previously a director of Active Services (Jersey) Limited, providing start-up management and support services to the funds sector and also held various roles with Deloitte between 2001 and 2008. Mr Foulds is a Chartered Accountant (FCA) and holds a BSc in Mathematics with Financial Management from the University of Portsmouth.

Steven Ross — Non-Executive Director

Mr Ross is a non-executive director of the Issuer, ETFS Commodity Securities Limited, Gold Bullion Securities Limited, ETFS Hedged Commodity Securities Limited, ETFS Hedged Metal Securities Limited, ETFS Oil Securities Limited, ETFS Foreign Exchange Limited, ETFS Equity Securities Limited and Swiss Commodity Securities Limited. Mr Ross graduated from the University of Stirling with an honours degree in Accountancy before embarking on a career with PricewaterhouseCoopers CI LLP in Jersey from 2001 to 2006. Whilst with PricewaterhouseCoopers he qualified as a chartered accountant with the Institute of Chartered Accountants of England and Wales and was responsible for assisting and managing a number of assurance and business advisory engagements for high profile offshore financial services and commercial clients. Prior to joining R&H Fund Services (Jersey) Limited he held the position of Head of Operations for Capita Financial Administrators (Jersey) Limited, an offshore fund administration business and was responsible for the provision of fund administration services to a portfolio of listed and private investment funds. In March 2012, he joined R&H Fund Services (Jersey) Limited and became a partner of Rawlinson & Hunter Jersey in January 2017.

Joseph Roxburgh — Non-Executive Director and Secretary

Mr Roxburgh is the Chief Financial Officer of ETFSL and the Secretary of the Issuer and is also a non-executive director of HoldCo, the Issuer, Gold Bullion Securities Limited, ETFS Commodity Securities Limited, ETFS Metal Securities Limited, ETFS Oil Securities Limited, ETFS Foreign Exchange Limited, Swiss Commodity Securities Limited, ETFS Hedged Metal Securities Limited and ETFS Equity Securities Limited. He is also a director of GO UCITS ETF Solutions PLC and of its manager GO ETF Management Limited in Ireland and Chief Financial Officer of ETFS Trust in the US. From 2006 to 2012, he was Group Finance Director for a Jersey-based individual managing a global portfolio of commercial and financial

investments. From 2004 to 2006, he was Group Finance Director and Company Secretary for Brand Advantage Group and held various roles at KPMG between 1993 and 2004. Mr Roxburgh is a Chartered Accountant (FCA) and a member of the Association of Corporate Treasurers (AMCT). He holds an Executive MBA from University of Bristol/Ecole Nationale des Ponts et Chaussées and a BSc in Physics from the University of Manchester.

R&H Fund Services (Jersey) Limited — Administrator

R&H Fund Services (Jersey) Limited is a company incorporated in Jersey on 29 November 1988 with limited liability whose issued and paid up share capital is £1,625,000. It is not involved in any other business activities other than that of acting as manager and administrator of collective investment schemes and is a wholly owned subsidiary of Rawlinson & Hunter in Jersey. The directors of R&H Fund Services (Jersey) Limited are:

Craig Andrew Stewart
Hilary Patricia Jones
Steven George Ross
John-Paul Joseph Meagher

Directors and Secretary of ManJer

The directors of ManJer at the date of this Prospectus are Graham Tuckwell, Joseph Roxburgh, Craig Stewart and Hilary Jones. The secretary of ManJer at the date of this document is Joseph Roxburgh. The biographies of Mr Tuckwell and Mr Roxburgh are set out under the heading “Directors, Secretary and Administrator of the Issuer” above. The biographies of the other directors of ManJer are as follows:

Craig Stewart

Mr Stewart has been a member of the board of directors of ManJer since July 2013. Mr Stewart graduated from Edinburgh University in 1987 with a degree in Politics and worked in commercial roles for two blue chip companies headquartered in London. In 1993, he joined Arthur Andersen’s Audit and Business Advisory practice in Jersey and qualified as a chartered accountant in 1997. He has specialised in the investment fund sector and been particularly involved with retail, institutional and private equity funds. In 1997, he was promoted to manager with sole responsibility for Andersen’s asset management clients in European offshore jurisdictions. He was also the manager on a significant number of consulting assignments including controls reviews, operational reviews, due diligence projects, benchmarking studies and forensic investigations. In April 2000, he joined Rawlinson & Hunter’s fund administration division and in January 2001 he was promoted to Director of R&H Fund Services (Jersey) Limited. He was admitted to the partnership of Rawlinson & Hunter, Jersey in 2003. Mr Stewart has worked in the offshore fund management industry for 24 years and also served as a committee member of the Jersey Fund Managers Association. He is also a non-executive director of HoldCo.

Hilary Jones

Ms Jones worked for the Northern Bank in her native Northern Ireland for 15 years before moving to Jersey in 1993. She joined R&H Fund Services (Jersey) Limited in 1999 and was promoted to director in 2009. Between 1993 and 1999 Ms Jones worked at Lloyds Private Bank and Trust Company in the Securities team and at Barclays Private Bank and Trust Company as a relationship manager. Ms Jones has over 30 years’ experience in the finance sector and has extensive experience of real estate, private equity and special purpose vehicles for corporate clients. She acts as director for a number of companies with a private equity or real estate focus, including a London listed UK REIT. Ms Jones is responsible for R&H Fund Services (Jersey) Limited’s company secretarial, compliance and corporate governance and has served on the legal and technical sub-committee of the Jersey Funds Association.

Conflicts of Interest

Mr Tuckwell and Mr Roxburgh are each also directors of ManJer, a provider of services to the Issuer and are also directors of HoldCo, the sole shareholder of the Issuer. Mr Roxburgh is also the Secretary of the Issuer. Mr Ross is also a director of R&H, the corporate administrator of the Issuer. Mr Tuckwell is also a director of and a shareholder in ETFSL and Mr Roxburgh is the Chief Financial Officer of ETFSL. Mr Foulds is also the Compliance Officer of the Issuer and ManJer. While these roles could potentially lead to conflicts of interest the Directors do not believe there are any actual or potential conflicts of interest between the duties which the Directors and/or members of the administrative, management and supervisory bodies of the Issuer owe to the Issuer, and the private interests and/or other duties which they have.

Save as specifically stated herein, none of the principal activities performed by the Directors outside the Issuer are significant with respect to the Issuer and they have no interests that are material to the Programme.

Further information

Information regarding United Kingdom, Jersey, Austrian, Belgian, Danish, Dutch, Finnish, French, German, Irish, Italian, Norwegian, Spanish and Swedish taxation in respect of the Programme and the Metal Securities is set out in Part 10 (*Taxation*). If an investor is in any doubt about the tax position, it should consult a professional adviser.

Your attention is drawn to the remainder of this document which contains further information relating to the Programme and the Metal Securities.

PART 2

HOW DOES A SECURITY HOLDER DETERMINE THE VALUE OF THEIR INVESTMENT?

Entitlement on Redemption

Each Metal Security carries a right upon Redemption to receipt of the higher of the Principal Amount and the Metal Entitlement ($ME_{(i,t)}$). In normal circumstances, only Authorised Participants are able to redeem their Metal Securities directly with the Issuer. The value of a Security Holder's investment is therefore equivalent to the amount in troy ounces (or fine troy ounces in the case of gold) of Bullion that they would receive upon a redemption – generally the applicable Metal Entitlement. The Principal Amounts of the Metal Securities are set out in paragraph 4 (ISINs and Principal Amounts of the Metal Securities) of Part 11 (*Additional Information*).

Calculation of the Metal Entitlement

On the first day of issue, the Metal Entitlement of each Individual Security of a particular class was as set out in Part 4 (*Description of Metal Securities*) under the heading "Metal Entitlement – Individual Securities".

Individual Securities

In the case of the Individual Securities, their Metal Entitlement has reduced each day since issue by the deduction of the Management Fee applicable to that class of Metal Security for that day represented in the formula by the Management Fee ($MF_{(i,t)}$). This takes into account the fees paid to ManJer in return for the services it provides to the Issuer.

On each day the Management Fee is deducted from the previous day's Metal Entitlement ($ME_{(i,t-1)}$) to determine the new Metal Entitlement for a class of Individual Securities on a particular day in accordance with the following formula:

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

The Management Fee is then divided by the number of days in the year in which the figure is being calculated to create a daily fee rate. This is represented by the $1/N$ in the formula.

Basket Securities

The Metal Entitlement of a Basket Security is the sum of the Metal Entitlement of the Individual Securities of which it is comprised.

Management Fee

The Management Fee for each class of Individual Security is an annual rate as follows:

Class of Security	Management Fee
ETFS Physical Gold	0.39 per cent. per annum
ETFS Physical Silver	0.49 per cent. per annum
ETFS Physical Platinum	0.49 per cent. per annum
ETFS Physical Palladium	0.49 per cent. per annum
ETFS Physical Swiss Gold	0.29 per cent. per annum

Application of the Management Fee to the Metal Entitlement

The Management Fee is based on an annual figure. The total amount of the fees is then converted into a daily fee rate by application of the $1/N$ element of the formula.

Worked Examples

Taking ETFS Physical Gold with a Management Fee of 0.39 per cent. per annum as an example, assuming that the Metal Entitlement for this class on the last day on which it was calculated was 0.01 and there were 365 days in the year, applying the figures set out above to the formula for the calculation of Metal Entitlement the Metal Entitlement of an ETFS Physical Gold Security could be calculated as follows:

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

Where:

$$ME_{(i,t-1)} = 0.01$$

$$MF_{(i,t)} = 0.0039$$

N = 365 days in the year

So:

$$ME_{(i,t)} = 0.01 \times (1 - 0.0039)^{(1/365)}$$

$$ME_{(i,t)} = 0.999989294$$

The above worked example applies equally to the other classes of Individual Security.

Basket Securities

The Metal Entitlement of a Basket Security is the total of the Metal Entitlements of the Individual Securities of which it is made up. The Metal Entitlement of the Individual Securities would be calculated as described above and then added together to give the Metal Entitlement of the Basket Securities.

To calculate the Metal Entitlement of the Basket Securities, the Metal Entitlements for each of the Individual Securities that comprise the basket need to be calculated (in accordance with the procedure set out above) and added together.

The ETFS Physical PM Basket Securities comprise the following number of each class of Individual Securities:

Class of Metal Security	Number in a Basket Security
ETFS Physical Platinum Security	0.1
ETFS Physical Palladium Security	0.2
ETFS Physical Silver Security	1.2
ETFS Physical Gold Security	0.4

Assuming that the Metal Entitlement of each of the above classes on a particular day (t) was 0.01 troy ounces (or fine troy ounces in the case of gold), then the calculation of the Metal Entitlement of the ETFS Physical PM Basket Securities on that day (ME_(i,t)) would be as follows:

$$ME_{(i,t)} = (ME_{(platinum,t)} \times 0.1) + (ME_{(palladium,t)} \times 0.2) + (ME_{(silver,t)} \times 1.2) + (ME_{(gold,t)} \times 0.4)$$

$$ME_{(i,t)} = (0.01 \times 0.1) + (0.01 \times 0.2) + (0.01 \times 1.2) + (0.01 \times 0.4)$$

$$ME_{(i,t)} = 0.001 + 0.002 + 0.012 + 0.004$$

$$ME_{(i,t)} = 0.019 \text{ ounces}$$

Converting Metal Entitlement into a price

Whilst Metal Securities are created and redeemed by the Issuer at the Metal Entitlement, it is also possible to calculate what the cash value of the Metal Securities in US dollars was on a particular day. This is done by using the spot price for that type of Bullion on that day.

The spot price and Metal Entitlement are then used in the following formula to convert the Metal Entitlement into a price:

$$P_{(i,t)} = S_{(i,t)} \times ME_{(i,t)}$$

To calculate the price on a particular day (represented in the formula above by P_(i,t)), the spot price on that day (represented in the formula by S_(i,t)) is multiplied by the Metal Entitlement that day to create a

figure in US dollars. For example, if the spot price of gold on that day was \$1,200 and the Metal Entitlement was 0.01, then applying these figures to the calculation above would create a price of \$12 as follows:

$$12 = 1,200 \times 0.01$$

How the value of an Individual Security is affected by changes in the value of the underlying Bullion

The 3 hypothetical scenarios in this section show some possible outcomes of an investment in the Individual Securities under normal market conditions. These scenarios are not indicators of the actual future performance of the Metal Securities and are for illustration purposes only. The following assumptions have been made:

- An investor invests in the Individual Securities for one full calendar year.
- 1 Individual Security is bought from a broker at a price of \$12.
- The spot price of the physical gold when the Metal Security is bought is US\$1,200.
- The Metal Entitlement when the Metal Security is bought is 0.01.
- The annual level of fees are 0.39 per cent.
- There are no changes in the level of fees charged on the Metal Securities during the investment period.
- All transaction fees (including any commission) of the investor’s broker and investment adviser for the sale and purchase of the Securities and the custody fees of the investors bank are excluded.

Scenario 1: The price of the physical gold decreases

- 1 Individual Security is bought from a broker at a price of \$12.
- The price of the physical gold decreases by 10% to US\$1,080 one year later.
- The sum of the fees charged during this time would be \$.05 per Metal Security.
- The price of the Metal Security has decreased to \$ 10.75.
- The investor sells the Metal Security and has lost \$1.25 from his/her initial investment of \$12 a year ago.

Scenario 2: The price of the physical gold increases

- 1 Individual Security is bought from a broker at a price of \$12.
- The price of the physical gold increases by 10% to US\$1,320 one year later.
- The sum of the fees charged during this time would be \$.05 per Metal Security.
- The price of the Metal Security has increased to \$13.15.
- The investor sells the Metal Security and has gained \$1.15 from his/her initial investment of \$12 a year ago.

Scenario 3: The price of the physical gold remains the same

- 1 Individual Security is bought from a broker at a price of \$12.
- The price of the physical gold remains the same one year later.
- The sum of the fees charged during this time would be \$.05 per Metal Security.
- The price of the Metal Security has decreased to \$11.95.
- The investor sells the Metal Security and has lost \$.05 from his/her initial investment of \$12 a year ago.

How the value of a Basket Security is affected by changes in the value of the amount of underlying Bullion

The 3 hypothetical scenarios in this section show some possible outcomes of an investment in the Basket Securities under normal market conditions. These scenarios are not indicators of the actual future

performance of the Metal Securities and are for illustration purposes only. The following assumptions have been made:

- An investor invests in the Basket Securities for one full calendar year.
- 1 Basket Security is bought from a broker at a price of \$100.
- The annual weighted level of fees are 0.49 per cent.
- There are no changes in the level of fees charged on the Metal Securities during the investment period.
- All transaction fees (including any commission) of the investor's broker and investment adviser for the sale and purchase of the Basket Securities and the custody fees of the investors bank are excluded.

Scenario 1: The spot prices of the precious metals of which the Basket Security is comprised decreases

- 1 Basket Security is bought from a broker at a price of \$100.
- The spot price of the precious metals of which the Basket Security is comprised decreases by 10%.
- The sum of the fees charged during this time would be \$.49 per Basket Security.
- The price of the Basket Security has decreased to \$89.51.
- The investor sells the Metal Security and has lost \$10.49 from his/her initial investment of \$100 a year ago.

Scenario 2: The total price of the spot prices of the precious metals of which the Basket Security is comprised increases

- 1 Basket Security is bought from a broker at a price of \$100.
- The spot price of the precious metals of which the Basket Security is comprised increases by 10%.
- The sum of the fees charged during this time would be \$.49 per Basket Security.
- The price of the Basket Security has increased to \$109.51.
- The investor sells the Basket Security and has gained \$9.51 from his/her initial investment of \$100 a year ago.

Scenario 3: The total price of the spot prices of the precious metals of which the Basket Security is comprised remains the same

- 1 Basket Security is bought from a broker at a price of \$100.
- The spot price of the precious metals of which the Basket Security is comprised remains the same one year later.
- The sum of the fees charged during this time would be \$.49 per Basket Security.
- The price of the Basket Security has decreased to \$99.51.
- The investor sells the Basket Security and has lost \$.49 from his/her initial investment of \$100 a year ago.

PART 3

PRECIOUS METALS MARKET 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.

Market Overview

The Issuer 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 per cent. of total platinum and palladium supply at the end of 2015.

Platinum

The main supplier of platinum is South Africa, providing over 70 per cent. of total mine supply over the past five years. Russia is the second largest supplier of platinum. Its share of world mine production has remained steady at around 14 per cent. of total mine supply over the past ten years. Recovery of platinum from autocatalysts is the other main source of supply and provided around 14 per cent. of total supply in 2015. This source of supply increases along with autocatalyst production.

Over the past decade, jewellery demand for platinum peaked at 41 per cent. of total demand in 2009. Jewellery demand has since declined to 35 per cent. total demand in 2014. Autocatalyst demand for platinum accounted for around 40 per cent. of total demand at the end of 2014, at around its 5-year average. Investment demand accounted for 5 per cent. of the total in 2015 up from 3 per cent. in the previous year, but down from 10 per cent. in 2013.

Platinum Supply and Demand

'000 oz	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Supply										
South Africa	5295	5070	4515	4635	4635	4860	4110	4208	3547	4571
Russia	920	915	805	785	825	835	801	736	700	670
North America	345	325	325	260	200	350	306	318	339	318
Zimbabwe	165	170	180	230	280	340	337	410	401	401
Others	105	120	115	115	110	100	126	163	156	149
Total Supply	6830	6600	5940	6025	6050	6485	5680	5835	5143	6109
Demand by Application										
Autocatalyst	3905	4145	3655	2185	3075	3185	3158	3020	3120	3267
Chemical	395	420	400	290	440	470	452	528	523	567
Electrical	360	255	230	190	230	230	176	218	225	229
Glass	405	470	315	10	385	515	153	90	212	160
Investment	-40	170	555	660	655	460	450	871	277	451
Jewellery	2195	2110	2060	2810	2420	2475	2783	3028	2897	2829
Medical & Biomedical	250	230	245	250	230	230	223	214	213	215
Petroleum	180	205	240	210	170	210	112	159	165	139
Other	240	265	290	190	300	320	395	433	438	439
Total Gross Demand	7890	8270	7990	6795	7905	8095	7902	8561	8070	8296

'000 oz	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Recycling										
Autocatalyst	-860	-935	-1130	-830	-1085	-1240	-1120	-1206	-1282	-1127
Electrical	0	0	-5	-10	-10	-10	-22	-24	-27	-29
Jewellery	-555	-655	-695	-565	-735	-810	-895	-790	-762	-574
Total Recycling	-1415	-1590	-1830	-1405	-1830	-2060	-2037	-2020	-2071	-1730
Total Net Demand	6475	6680	6160	5390	6075	6035	5865	6541	5999	6566
Movements in Stocks	355	-80	-220	635	-25	450	-185	-706	-856	-457

Source: Johnson Matthey PGM Market Report 2016

Palladium

In 2015, South Africa overtook Russia as the main mine supplier of palladium. South Africa produced 42 per cent. of world mine supply in 2015 while Russia produced 38 per cent.. Over the past 10 years South Africa has produced 35 per cent. of mine supply compared to 47 per cent. from Russia. North America contributes approximately 13 per cent. to mine supply. Recovery of palladium has increased more than doubled over the past ten years to account for over 20 per cent. of overall supply at the end of 2015.

Autocatalysts are the largest component of palladium demand, representing over 80 per cent. of total demand in 2015. Jewellery demand for palladium contributed 2 per cent. of total demand in 2015, down from 15 per cent. in 2006. Other industrial demand (electronics, dentistry, and chemical) has fallen from 33 per cent. of total demand in 2006 to 21 per cent. of total demand in 2015. Net selling by investors contributed to supply rather demand in 2015.

Palladium Supply and Demand

'000 oz	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Supply										
South Africa	2775	2765	2430	2370	2640	2560	2359	2465	2125	2684
Russia										
Primary	3220	3050	2700	2675	2720	2705	2627	2628	2589	2434
Stock Sales	700	1490	960	960	1000	775	260	100	0	0
North America	985	990	910	755	590	900	811	831	912	864
Zimbabwe	135	135	140	180	220	265	266	322	327	320
Others	135	150	170	160	185	155	162	152	150	142
Total Supply	7950	8580	7310	7100	7355	7360	6485	6498	6103	6444
Demand by Application										
Autocatalyst	4015	4545	4465	4050	5580	6155	6673	7051	7500	7655
Chemical	439.9	375	350	325	370	440	524	490	408	481
Dental	620	630	625	635	595	540	510	457	468	475
Electrical	1495	1550	1370	1370	1410	1375	1190	1070	1014	950
Investment	50	260	420	625	1095	-565	467	-8	943	-659
Jewellery	1140	950	985	775	595	505	442	354	272	225
Other	85	85	75	70	90	110	104	109	111	133
Total Gross Demand	7844.9	8395	8290	7850	9735	8560	9910	9523	10716	9260
Recycling										
Autocatalyst	-805	-1015	-1140	-965	-1310	-1695	-1675	-1905	-2189	-1939
Electrical	-290	-315	-345	-395	-440	-480	-443	-463	-474	-475
Jewellery	-135	-235	-130	-70	-100	-210	-194	-157	-89	-46
Total Recycling	-1230	-1565	-1615	-1430	-1850	-2385	-2312	-2525	-2752	-2460
Total Net Demand	6614.9	6830	6675	6420	7885	6175	7598	6998	7964	6800
Movements in stocks	1335.1	1750	635	680	-530	1185	-1113	-500	-1861	-356

Source: Johnson Matthey PGM Market Report 2016

Silver

Like gold, silver has also been used as a currency in the past. However, the main differences between gold and silver is that 53 per cent. of gold is used for jewellery and 51 per cent. silver fabrication demand is industrial uses.

New mine production accounts for approximately 85 per cent. of total silver supply. Recycled silver accounted for around 14 per cent. of total supply in 2015, down from 25 per cent. in 2012 as declining prices discouraged scrap selling. Government sales have not contributed to supply in the past two years and net hedging made less than 1 per cent. contribution to total supply in 2015.

Industrial applications and jewellery demand accounted for over 70 per cent. of total demand in 2015. Photography has been taking a lower share of overall silver demand falling from 13 per cent. in 2006 to 4 per cent. in 2015, while all other industrial applications have remained in the range of 47 per cent. to 56 per cent. over the past 10 years. Jewellery and silverware have remained relatively constant at 220 to 290 million ounces per annum. Investment in coins and bars have grown four-fold in the past 10 years rising from 51 million ounces in 2006 to 292 million ounces in 2015.

World Silver Supply and Demand

(in millions of ounces)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Supply										
Mine Production	643.4	667.7	684.7	717.3	723.0	757.6	790.8	823.7	868.3	886.7
Net Government Sales	78.5	42.5	30.5	15.6	44.2	12.0	7.4	7.9	–	–
Scrap	207.1	204.2	202.0	201.2	227.5	261.5	255.5	192.1	168.3	146.1
Net Hedging Supply	-11.6	-24.1	-8.7	-17.4	50.4	12.2	-47.1	-34.8	16.8	7.8
Total Supply	917.4	890.3	908.5	916.7	1045.1	1043.3	1006.6	988.9	1053.4	1040.6
Demand										
Jewellery	174.5	182.3	177.6	176.9	190.0	187.9	185.4	217.8	224.0	226.5
Coins & Bars	50.7	56.1	192.3	91.6	144.4	201.4	160.5	242.1	236.1	292.3
Silverware	62.1	60.2	58.4	53.2	51.6	47.2	43.7	58.8	60.7	62.9
Industrial Fabrication	648.9	661.0	656.8	542.6	650.3	676.3	615.0	619.1	611.2	588.7
of which Electrical & Electronics	242.3	262.5	271.7	227.4	301.2	290.8	266.7	266.0	263.4	246.7
of which Brazing Alloys & Solders	54.7	58.3	61.6	53.6	60.9	62.7	60.6	63.2	66.1	61.1
of which Photography	142.2	117.0	98.2	76.4	67.5	61.2	54.2	50.5	48.5	46.7
of which Photovoltaic						75.8	62.9	62.5	63.2	77.6
of which Ethylene Oxide	6.6	7.9	7.4	4.8	8.7	6.2	4.7	7.7	5.0	10.2
of which Other Industrial	203.1	215.3	217.9	180.4	212.1	179.4	165.8	169.3	165.1	146.4
ETP Inventory Build	126.8	54.8	101.3	156.9	129.5	-24.0	55.3	2.5	1.5	-17.7
Exchange Inventory Build	-9.0	21.5	-7.1	-15.3	-7.4	12.2	62.2	8.8	-8.8	0.3
Total Demand	1054.0	1035.9	1179.3	1005.9	1158.4	1101.0	1122.1	1149.1	1124.7	1153.0
Net Balance	-136.6	-145.6	-270.8	-89.2	-113.3	-57.7	-115.5	-160.2	-71.3	-112.4

Source: World Silver Survey 2016

Gold

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 2.4 per cent. per annum. Of the three sources of supply, mine production accounts for nearly 72 per cent. of total supply in 2016. Recycled gold volumes have ranged from 1,029 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 84 per cent. in 2007 to 53 per cent. of demand in 2016. Industrial demand has been relatively constant, contributing between 8 per cent. to 17 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. 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.

(tonnes)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Supply											
Mine production	2,497	2,538	2,467	2,651	2,775	2,868	2,883	3077	3,172	3,209	3,222
Scrap	1,189	1,029	1,388	1,765	1,743	1,704	1,700	1303	1,158	1,172	1,268
Net Hedging Supply	-434	-432	-357	-234	-106	18	-40	-39	108	21	21
Total Supply	3,252	3,134	3,497	4,182	4,411	4,590	4,544	4,341	4,438	4,401	4,511
Demand											
Jewellery Fabrication	2,334	2,474	2,355	1,866	2,083	2,091	2,061	2,610	2,469	2,395	1,891
Industrial Fabrication	482	492	479	426	480	471	429	421	403	365	354
of which Electronics	334	345	334	295	346	343	307	300	290	258	254
of which Dental											
& Medical	61	58	56	53	48	43	39	36	34	32	30
of which Other											
Industrial	87	89	89	79	86	85	83	85	79	76	70
Net Official Sector	-365	-484	-235	-34	77	457	544	409	466	436	257
Retail Investment	429	448	937	866	1,263	1,616	1,407	1,873	1,163	1,162	1,057
of which Bars	237	238	667	562	946	1,247	1,056	1,444	886	876	787
of which Coins	192	211	270	304	317	369	351	429	278	286	271
Physical Demand	2,880	2,930	3,536	3,125	3,903	4,635	4,441	5,314	4,501	4,357	3,559
Physical Surplus/ Deficit	372	204	-38	1,057	508	-45	102	-973	-62	44	952
ETF Inventory Build	260	253	321	623	382	185	279	-880	-155	-125	524
Exchange Inventory Build	32	-10	34	39	54	-6	-10	-98	1	-48	86
Net Balance	80	-39	-394	394	73	-224	-167	5	92	217	342

Source: GFMS

The Precious Metals Market

Metals trading on the global market consists of transactions in spot contracts, forward contracts and options and other derivatives on the over-the-counter (OTC) market, together with exchange-traded futures and options. The OTC market trades for the majority of a 24-hour day and accounts for most global metal trading.

Market makers, as well as others in the OTC market, trade with each other and with their clients on a principal-to-principal basis. All risks and issues of credit are between the parties directly involved in the transaction. The OTC market provides a relatively flexible market in terms of quotes, price, size, destinations for delivery and other factors. Precious metal dealers customise transactions to meet clients' requirements. The OTC market has no formal structure and no open-outcry meeting takes place.

The main centres of the OTC market are London, Zurich, New York and Hong Kong. Central banks, producers and consumers of precious metals, together with investors and speculators, tend to transact their business through one of these market centres. Centres, such as Dubai, and several cities in the Far East also transact substantial OTC market business, typically involving jewellery and small bars (1 kilogram or less) and will hedge their exposure into one of the main centres. Precious metal dealers have offices around the world and most of the world's major bullion dealers are either members or associate members of the LBMA and/or LPPM (see below).

The most significant futures exchanges are the COMEX, a division of the New York Mercantile Exchange (NYMEX), the Chicago Board of Trade (CBOT, a Chicago based E-Platform, now merged with the Chicago Mercantile Exchange) and the Tokyo Commodity Exchange (TOCOM). Trading on these exchanges is based on fixed delivery dates and transaction sizes for the futures and options contracts traded. Trading costs are negotiable.

Liquidity in the OTC market can vary from time to time during the course of the 24-hour trading day. The period of greatest liquidity in the gold market is typically that time of the day when trading in the European time zones overlaps with trading in the United States, that is when OTC market trading in London, New York and other centres coincides with futures and options trading on the COMEX. This period lasts for approximately four hours each business day afternoon.

The LPPM and LBMA

Clearing in the physical precious metals market is primarily centred in Zurich and London for platinum and palladium and in London for silver and gold. There are two trade associations which act as the coordinator for activities conducted in these markets — the London Platinum and Palladium Market (LPPM) and the London Bullion Market Association (LBMA). 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.

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 platinum and palladium ingots to be included in the “London/Zurich Good Delivery List” are set out on the LPPM website. 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. A summary of these appear in the table below:

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

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 Issuer will only issue securities which are backed by Good Delivery bars.

The Gold Bullion Market in Zurich

After London, the second principal centre for spot or physical gold trading is Zurich. For eight hours a day, trading occurs simultaneously in London and Zurich—with Zurich normally opening and closing an hour earlier than London. During these hours, Zurich closely rivals London in its influence over the spot price because of the importance of the two major Swiss banks—Credit Suisse and Union Bank of Switzerland (UBS)—in the physical gold market. Each of these banks has long maintained its own refinery, often taking physical delivery of gold and processing it for other regional markets. The loco Zurich bullion specification is the same as for the London bullion market, which allows for gold physically located in Zurich to be quoted loco London and vice versa.

Trading Unit

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

Storage

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 full title to this metal with the dealer holding it as custodian.

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).

Location

Platinum and palladium traded in the Zurich/London market is generally on a loco Zurich basis (meaning the metal is physically held in vaults in Zurich) or on a loco London basis (meaning the metal is physically held in vaults in London) or is transferred into accounts established in Zurich or London. The basis for settlement and delivery of a loco Zurich/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 silver and gold in the London market is similar to that of platinum and palladium except that the metal is usually traded on a loco London basis only. Quotations are usually in US dollars but can also be quoted in other convertible currencies.

The Fixing Price

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.

Gold

On 20 March 2015, ICE Benchmark Administration ("**IBA**") began administering the operation of an electronic, tradable and auditable, over-the-counter auction market with the ability to settle trades in US Dollars, Euros or Sterling for LBMA-authorized participating gold bullion banks or market makers ("**Gold Participants**"). This auction establishes a reference gold price for that day's trading. This auction is the gold valuation replacement selected by the LBMA for the "London Gold Fix" previously determined by the London Gold Market Fixing Ltd. that was discontinued on 19 March 2015. The new auction process, like the previous gold fixing process, establishes and publishes fixed prices for fine troy ounces of gold twice each London trading day during fixing sessions beginning at 10:30 a.m. (the "**LBMA AM Gold Price**") and 3:00 p.m. (the "**LBMA PM Gold Price**").

Silver

On 14 May 2014, the LBMA announced that the telephonic Silver fixing process conducted by the silver fixing members would cease to operate after 14 August 2014. On 11 July 2014, the LBMA announced that a solution offered by CME Group Europe Limited ("**CME**") and Thomson Reuters Benchmark Services Limited ("**Thomson Reuters**") had been selected by its members as the replacement for the silver London AM Fix. Since 15 August 2014, CME conducts an "equilibrium auction" once daily during London trading hours among LBMA-authorized participating silver bullion banks or market makers ("**Silver Participants**") that establishes a reference silver price for that day's trading, often referred to as the "London Silver Price".

Platinum and Palladium

On 1 December 2014, the London Metal Exchange ("**LME**") began administering the operation of electronic platinum bullion price fixing systems ("**LMEbullion**") that replicates electronically the manual London platinum and palladium fix processes previously employed by the London Platinum and Palladium Fixing Company Limited ("**LPPFCL**") as well as providing electronic market clearing processes for platinum

and palladium bullion transactions at the fixed prices established by the LME pricing mechanism. The LME’s electronic price fixing processes, like the previous London platinum and palladium fix processes, establishes and publishes fixed prices for troy ounces of platinum and palladium twice each London trading day during fixing sessions beginning at 9:45 a.m. (the “**LME AM Fix**” for platinum and palladium) and 2:00 p.m. (the “**LME PM Fix**” for platinum and palladium).

	Platinum	Palladium	Silver	Gold
Fixing times (approximate)	09.45	09.45	12.00	10.30
	14.00	14.00		15.00

Vaulting and Clearing

Certain members of the Relevant Association 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 Custodians are members of both associations. The Issuer believes that presently the Custodians and their affiliated entities are two of 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.

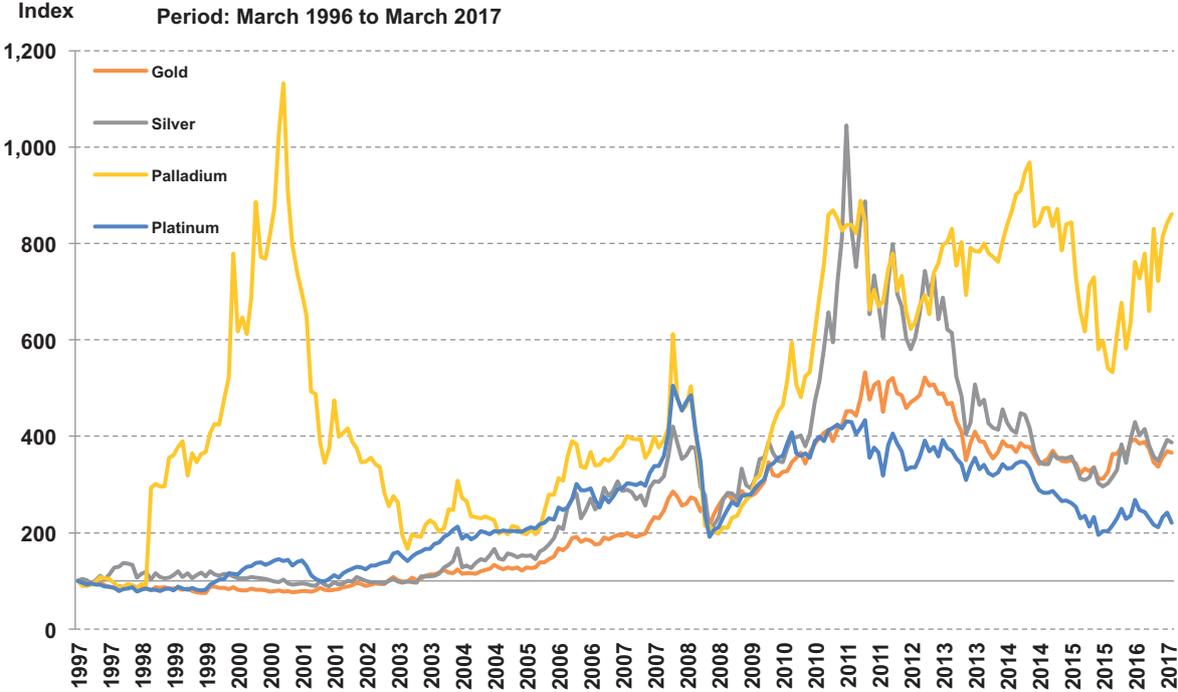
Documentation

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 Issuer, to the extent possible, will use the standard clearing documentation, amended as required by the Trustee.

Historic Precious Metal Prices

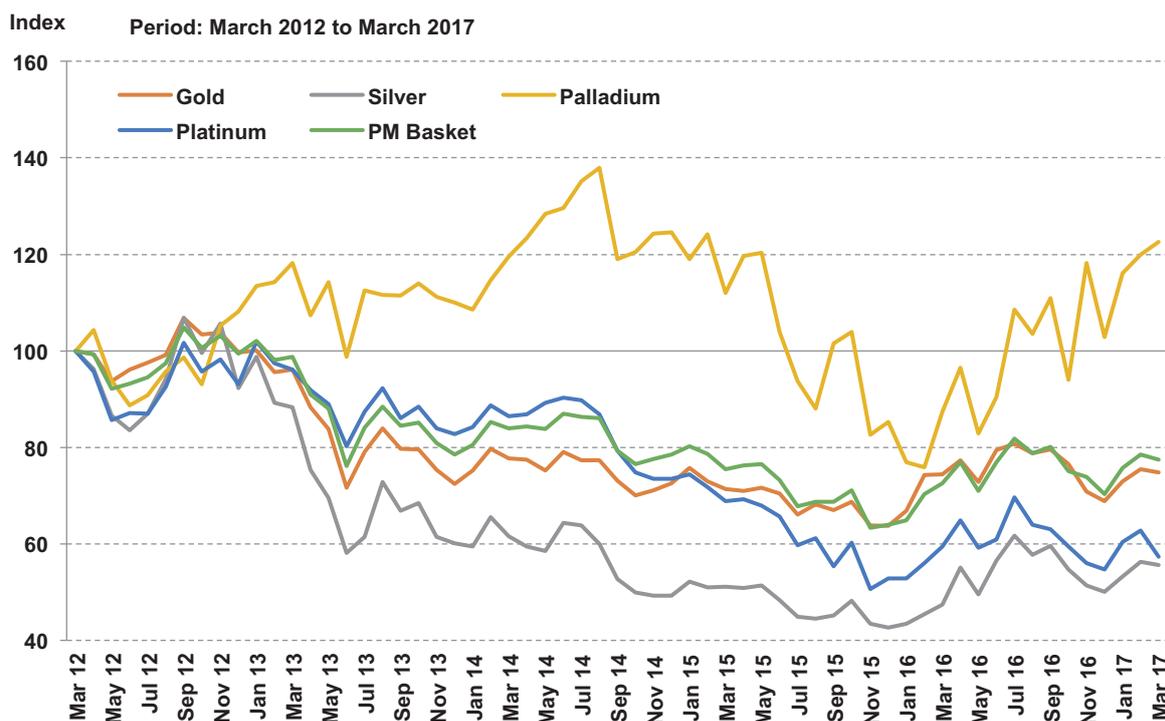
The charts below show the relative historical price performance (in US dollars) of the five Individual Securities and the Basket Security (before fees). The historical performance has been broken down into two time periods (i) Chart 1 shows the past 20 years for which historical data is available for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

Cumulative Return for Platinum, Palladium, Silver, Gold and PM Basket



Source: Bloomberg, ETF Securities

Cumulative Return for Platinum, Palladium, Silver, Gold and PM Basket



Source: Bloomberg, ETF Securities

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.

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 also 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: March 2012 to March 2017

	PM Basket ¹	Gold	Silver	Palladium	Platinum	Equity ²	Bond ³
PM Basket	1.00	0.95	0.87	0.70	0.88	0.25	0.12
Gold		1.00	0.85	0.48	0.79	0.12	0.17
Silver			1.00	0.49	0.79	0.14	0.03
Palladium				1.00	0.53	0.37	0.11
Platinum					1.00	0.33	-0.08
Equity						1.00	-0.19
Bond							1.00

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

² S&P Total Return

³ US Tracker 1 – 10 Yrs Bond Index

Source: Bloomberg

PART 4

DESCRIPTION OF METAL SECURITIES

The following is a description of the rights attaching to the Metal Securities. The legally binding Conditions of the Metal Securities are set out in the Trust Instrument and reproduced in Part 6 (Trust Instrument and the Conditions) of this Prospectus. Copies of the Trust Instrument, by which the Metal Securities will be constituted, are available for inspection as set out in paragraph 7 (Documents Available for Inspection) of Part 11 (Additional Information).

A Metal Security is an undated secured limited recourse debt obligation of the Issuer, which entitles a Security Holder (provided it is an Authorised Participant) to require the redemption of the security and on the Settlement Date receive an amount of Bullion equal to the Metal Entitlement. A Security Holder who is not an Authorised Participant may only require the redemption of a Metal Security if on any given Business Day there is no Authorised Participant or the Issuer has announced that redemptions by Security Holders who are not Authorised Participants will be permitted, in which case the Security Holder will receive an amount in cash representing the proceeds of sale of the amount of its Metal Entitlement rather than its Metal Entitlement in Bullion unless the Security Holder has elected to the contrary and certain conditions are met.

Six types of Metal Security will be issued under this Programme – ETFS Physical Platinum Securities, ETFS Physical Palladium Securities, ETFS Physical Silver Securities, ETFS Physical Gold Securities, ETFS Physical Swiss Gold Securities and ETFS Physical PM Basket Securities and each is backed by physical Bullion in a vault, i.e. each Metal Security is secured by “allocated” Bullion which complies with the “Good Delivery” standard set by the Relevant Association.

Metal Entitlement

Individual Securities

There is a separate Metal Entitlement for each class of Individual Security. As at 24 April 2007 (being the day dealings in the Initial Metal Securities first commenced on the London Stock Exchange), the Metal Entitlement for each class of Initial Metal Security was fixed at 0.10 troy oz platinum, 0.10 troy oz palladium, 1.00 troy oz silver and 0.10 fine troy oz gold and as at 16 December 2009 (being the day dealings in the ETFS Physical Swiss Gold Securities first commenced on the London Stock Exchange) the Metal Entitlement for the ETFS Physical Swiss Gold Securities was fixed at 0.10 fine troy oz gold. As at 1 May 2017, the Metal Entitlement for each class of Individual Security was as follows:

Class of Security	Metal Entitlement
ETFS Physical Gold	0.096158475
ETFS Physical Silver	0.951951144
ETFS Physical Platinum	0.095195124
ETFS Physical Palladium	0.095195124
ETFS Physical Swiss Gold	0.097177071

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 Metal Entitlement is reduced daily by the Management Fee as follows:

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

where:

i	refers to the relevant class of Individual 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;
$ME_{(i,t-1)}$	is the Metal Entitlement for Metal Securities of class i on the previous day;
$MF_{(i,t)}$	is the per annum Management Fee applicable to Metal Securities of class I on day t, expressed as a decimal (so that 49 basis points

per annum is expressed as 0.0049, 39 basis points per annum is expressed as 0.0039 and 29 basis points per annum is expressed as 0.0029);

N is 365 (or 366 in a leap year).

The Metal Entitlement is calculated each day to nine decimal places with 0.0000000005 troy ounces (or fine troy ounces in the case of gold) rounded upwards.

The Management Fee will be paid monthly in arrear by transfer of Bullion from the Secured Metal Accounts but only with the consent of the Trustee.

Basket Security

An ETFS Physical PM Basket Security is a single security comprised of the fixed number of the Individual Securities set out in the following tables:

Class of Individual Security	Number in a Basket Security
ETFS Physical Platinum Security	0.1
ETFS Physical Palladium Security	0.2
ETFS Physical Silver Security	1.2
ETFS Physical Gold Security	0.4

As at 1 May 2017, each ETFS Physical PM Basket Security therefore had a combined Metal Entitlement comprising each of the four metals as follows:

Type of Bullion	Metal Entitlement
Platinum	0.009519512 troy oz
Palladium	0.019039025 troy oz
Silver	1.142341373 troy oz
Gold	0.038463390 fine troy oz

The Metal Entitlement of the Basket Securities is reduced daily by the Management Fee applicable to the Individual Securities of which they are comprised.

Publication of Metal Entitlement

The Issuer will arrange for publication on the Issuer's Website at <http://www.etfsecurities.com/retail/uk/en-gb/documents.aspx> of the current Metal Entitlement for each type of Metal Security in issue.

Management Fee

The Management Fee for each class of Individual Security is determined by applying the applicable rate to the aggregate Metal Entitlement of the relevant class.

The rate of the Management Fee for each class of Individual Security is as follows:

Class of Metal Security	Management Fee rate (per cent. per annum)
ETFS Physical Gold Security	0.39
ETFS Physical Silver Security	0.49
ETFS Physical Platinum Security	0.49
ETFS Physical Palladium Security	0.49
ETFS Physical Swiss Gold Security	0.29

The Management Fee for Basket Securities will be the aggregate of the Management Fee for the Individual Security of which they are comprised.

The rate of the Management Fee in respect of any class or classes of Individual Security may be varied by the Issuer from time to time. If the Management Fee is amended, such amendment will be notified through a RIS, and in the case of an increase will not take effect for at least 30 days following the publication of such notification.

The Management Fee for each class of Metal Security is aggregated and payable in Bullion to ManJer on a monthly basis.

Authorised Participants

Only Authorised Participants may deal with the Issuer in applying for or redeeming Metal Securities, save where, on the Business Day on which a Redemption Form is lodged, there are no Authorised Participants or the Issuer has announced that redemptions by Security Holders who are not Authorised Participants will be permitted and the Security Holder submits a notice of redemption in the form prescribed for such circumstances by the Issuer. A person can only be an Authorised Participant if: (a) it is a securities house or other market professional approved by the Issuer (in its absolute discretion); (b) it is an Authorised Person, an Exempt Person or an Overseas Person; and (c) it is not a UCITS Fund. An Authorised Participant must also have entered into an Authorised Participant Agreement with the Issuer dealing with, amongst other things, the rights and obligations of the Authorised Participant in relation to applying for and redeeming Metal Securities. The terms of the Authorised Participant Agreements are summarised in paragraph 3 of Part 11 (*Additional Information*). The names of all Authorised Participants at any time will be published by the Issuer on its website. The names of the Authorised Participants as at the date of this document are set out in paragraph 3.1 of Part 11 (*Additional Information*).

The Issuer has agreed to use reasonable endeavours to ensure that at all times there are at least two Authorised Participants.

Applications and Redemptions

Business Days

ETFS Physical Platinum Securities and ETFS Physical Palladium Securities (and Basket Securities comprising ETFS Physical Platinum Securities and/or ETFS Physical Palladium Securities) and ETFS Physical Swiss Gold Securities are created and redeemed based on a day count (i.e. day T, T+1 etc.) using days which are both London Business Days and Zurich Business Days. Other Metal Securities are created and Redeemed based on a day count using days which are London Business Days.

Application Processes

Metal Securities may be created at any time during the period of 12 months from the date of this document. 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 Metal Securities must be made by the Authorised Participant depositing an amount of Bullion equal to the aggregate Metal Entitlement of the Metal Securities applied for calculated at the Settlement Date (rounded up to the nearest 0.001 troy ounce, or fine troy ounce in the case of gold), in the Subscription Unallocated Account by the earlier of (i) the clearing cut-off time set by the LPPM for platinum and palladium, currently 12 noon Zurich time (11.00 a.m. London time); and (ii) the clearing cut-off time set by the LBMA for silver and gold, currently 4.00 p.m. London time on the Settlement Date for ETFS Physical Platinum, ETFS Physical Palladium, and by 12 noon Zurich time (11.00 a.m. London time) on the Settlement Date for ETFS Physical Gold or ETFS Physical Silver and by 12 noon Zurich time (11.00 a.m. London time) on the Settlement Date for ETFS Physical Swiss Gold.

The Settlement Date is the second Business Day after the Application Date (T+2).

An application received by the Issuer by 4.30 p.m. London time (day T) on a Business Day with receipt of the Bullion in the applicable Subscription Unallocated Account within two Business Days (T+2) will generally enable the Applicant to receive the new Metal Securities in their CREST account within two Business Days (T+2). Deposits should be made as unallocated Bullion as follows:

(a) *The Initial Metal Securities (and any Basket Securities to the extent comprised of any Initial Individual Metal Securities)*

- (i) For ETFS Physical Platinum and ETFS Physical Palladium, loco Zurich or loco London; and
- (ii) For ETFS Physical Silver and ETFS Physical Gold, loco London;

(b) *The Swiss Gold Metal Securities*

For ETFS Physical Swiss Gold, loco Zurich or subject to loco swap arrangements being agreed with the Swiss Gold Custodian, loco London.

Applications to create ETFs Physical Swiss Gold Securities by deposit of unallocated Bullion loco London will only be accepted if the Authorised Participant has first agreed with the Swiss Gold Custodian the cost of any loco swap that the Swiss Gold Custodian will use to effect gold transfers between the loco London Swiss Gold Secured Unallocated Account and the loco Zurich Swiss Gold Secured Unallocated Account and has undertaken to reimburse the Swiss Gold Custodian for any amount owed under such swap. Such gold loco swap prices will be determined at then prevailing market rates, prices and spreads, which are expected to fluctuate depending on the local London and Zurich gold market supply and demand conditions.

New Metal Securities will only be issued after the Bullion deposited in a Subscription Unallocated Account has been transferred into the relevant Secured Unallocated Account. Such newly issued Metal Securities will be fungible with all existing Metal Securities of the same class and will be backed by the same assets.

Bullion held in the Subscription Unallocated Accounts in respect of valid Applications will not be subject to the security created by the relevant Security Deed but will be held on trust from the Applicant pending the transfer of such Bullion to the Secured Metal Accounts. If the relevant application is rejected or if the relevant Applicant has delivered excess Bullion, such Bullion (or the excess amount thereof as the case may be) will be held for the benefit of the Applicant and will be returned to such Applicant as soon as possible at the risk of the Applicant.

Once in the relevant Secured Unallocated Account, the Custodian will then allocate all the Bullion (other than an amount less than one Good Delivery bar) by transferring such Bullion to the relevant Secured Allocated Account; allocation is generally expected to be completed the same day (although in exceptional circumstances platinum and palladium may take a business day or two longer to allocate and if loco London gold is received for the issue of Swiss Gold Metal Securities, allocation may also be subject to delays of in general one to two Business Days).

Redemptions

A Security Holder who is an Authorised Participant may, at any time, by lodging a valid Redemption Form with the Issuer, require the redemption of all or any of its Metal Securities.

Payment for redemptions shall be made by the Custodian, on approval of the Trustee, by withdrawing Bullion from the applicable Secured 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 Authorised Participant. Bullion will be de-allocated from the Secured Allocated Account to the Secured Unallocated Account before being transferred to the Authorised Participant's account on the Settlement Date.

Platinum and palladium

For platinum and palladium, the Custodian will only be able to affect 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.

Swiss Gold

In the case of the Swiss Gold Metal Securities, an Authorised Participant may elect to receive delivery of Bullion either loco London or loco Zurich. A Redemption Form specifying loco London delivery of Bullion will cause the Swiss Gold Custodian to de-allocate gold from the Swiss Gold Secured Allocated Account to the loco Zurich Swiss Gold Secured Unallocated Account and then to the Authorised Participant's Security Holder Account maintained in London. Such transfer between the Issuer's and Authorised Participant's Zurich and London unallocated accounts will occur pursuant to loco swap arrangements and will not expose the Authorised Participant or the Issuer to any risk of loss of the gold being transferred. All risks of loss for any additional transfers caused by a loco London delivery election will be assumed by the Swiss Gold Custodian.

A Redemption Form specifying loco London delivery of Bullion will not be valid unless the Authorised Participant has first confirmed that it has agreed with the Swiss Gold Custodian the cost of any loco swap that the Swiss Gold Custodian will use to effect gold transfers between the loco Zurich Swiss Gold Secured Unallocated Account and the Authorised Participant's loco London Security Holder Account and has undertaken to reimburse the Swiss Gold Custodian for any amount owed under such swap. Such gold loco swap prices will be determined at then prevailing market rates, prices and spreads, which are expected to fluctuate depending on the local London and Zurich gold market supply and demand conditions. Where an Authorised Participant elects to receive delivery of Bullion loco London, de-allocation may take a Business Day or two longer than in the case of delivery loco Zurich, with consequent delay to the settlement date for the Redemption.

The System

The Issuer intends to implement a system (the "**System**") for enabling Authorised Participants to make applications and request redemptions of Metal Securities by means of a secure website in substitution for the lodging of the forms required by the Authorised Participant Agreements, the Conditions or any of them for the purpose of such applications and redemptions subject to the relevant parties agreeing any necessary amendments to those documents to accommodate such System. Once this System has become effective it is expected that all applications for Metal Securities will be made and all redemptions of Metal Securities will be requested using this system. In the event of a failure in the System, applications may be made and redemptions may be requested using the forms and notices described under the headings "Applications and Redemptions — Application Processes" and "Applications and Redemptions — Redemptions" above.

General

A Security Holder must deposit the Metal Securities being Redeemed with the Issuer by not later than 8.00 a.m. 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 Forms lodged with the Issuer by 4.30 p.m. on a Business Day (day T) with the Metal Securities deposited by 8.00 a.m. two Business Days later (that is, by T+2) will generally enable an Authorised Participant to receive their Bullion the same day (T+2). Redemption Forms lodged after 4.30 p.m. (London time) on a Business Day will be treated as having been lodged on the next Business Day.

A Security Holder who is not an Authorised Participant may only require the redemption of any or all of its Metal Securities if either on the date on which a Redemption Form is lodged there are no Authorised Participants or the Issuer has announced that redemptions by Security Holders who are not Authorised Participants will be permitted and in either case the Security Holder lodges a valid Redemption Form on that day and delivers the Metal Securities being Redeemed to the Issuer by either depositing them into an appropriate CREST account in the name of the Issuer or the Registrar and giving correct delivery free of payment instructions in CREST or delivering the certificates in respect of them to the Issuer (or otherwise delivers such Metal Securities to the Issuer by agreement with the Issuer). Redemption Forms will not be treated as having been lodged until the Metal Securities being Redeemed have been so delivered to the Issuer. Payment for such redemptions will be in US dollars rather than in Bullion. To give effect to such redemptions, 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 at the price determined in the London AM Fix for the type of Bullion concerned on the first Business Day after the Redemption Form is lodged (or treated as lodged). Once the proceeds are received, they will be paid, generally through CREST, less any Redemption Fee, two Business Days following the date upon which the Redemption Form is lodged with the Issuer, that is, on a T+2 basis. If the Settlement Date would be a day which is not a "value date" in the Relevant Market, the Conditions provide for the Settlement Date to be postponed to the next day which is such a "value date". In such circumstances the Management Fee (out of which ManJer pays all the Issuer's expenses including the Custodians fees) will continue to accrue.

Neither the Trustee nor the Issuer shall be responsible or liable for any failure by the Custodians (or the Metal Sale Counterparties) to effect a payment of Bullion (or US dollars) in accordance with the instructions of the Trustee and/or the Issuer. However, in the event of such failure, the Issuer shall to the extent practicable assign to the redeeming Security Holder its claims in relation to such Bullion (or US dollars) in satisfaction of all claims of such Security Holder in respect of the Metal Securities to be

redeemed and the Security Holder shall have no further claims against the Issuer or the Secured Property.

Further details of the Redemption processes are set out in the Conditions, which are set out in Part 6 (*Trust Instrument and the Conditions*).

Application Fees 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 London Stock Exchange.

The Issuer will charge Authorised Participants a fee of £500 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 Security Holder lodges a Redemption Form when there are no Authorised Participants, the Issuer will reduce the Redemption Fee to an amount equal to the Issuer's cost in satisfying such Redemption Form, including costs of enquiries under Condition 10 (*Enquiries as to status of Security Holders*) and of giving the redemption notice (but not exceeding £500), and that amount will be charged by the Issuer by way of a deduction from the redemption proceeds due to such Security Holder.

No additional amounts will be charged by the Issuer to an Applicant or a Security Holder in respect of VAT payable in connection with Application Fees or Redemption Fees.

The Issuer may vary the Application Fees and Redemption Fees at any time after giving 30 days' written notice to Authorised Participants and through an RIS.

Security Structure and Separate Pools

Separate Pools

The Issuer has been established as an "umbrella" or "multi-class" company with separate Pools of assets so that the Issuer can issue separate types of securities, based on different types of Bullion or combinations of types of Bullion or having some other characteristics.

Individual Securities will have recourse only to the Pool attributable to that class and not to the assets attributable to any other class. A single Pool secures all Metal Securities of a single class. The principal assets to be included in each Pool are Bullion held in the Secured Metal Accounts attributable to that class and the Custodian Agreements to the extent attributable to that class. On issue of any Metal Securities, the Bullion representing the Metal Entitlement thereof will be allocated to the Pool in respect of such class of Individual Securities or (in the case of Basket Securities) the Pools in respect of the classes of Individual Securities of which the Basket Securities are comprised. On a Redemption of such Metal Securities, the Bullion to settle the Issuer's Redemption Obligations will be transferred from the Secured Metal Accounts attributable to that Pool.

Security

Metal Securities are constituted under the Trust Instrument. The Trustee holds all rights and entitlements under the Trust Instrument on trust for Security Holders.

In addition, the Issuer and the Trustee have entered into a separate Security Deed in respect of each Pool. The rights and entitlements held by the Trustee under each Security Deed are held by the Trustee on trust for the Security Holders of that particular class of Security.

Under the terms of each Security Deed, the Issuer has charged to the Trustee for the benefit of the Trustee and the relevant Security Holders by way of first fixed charge the Bullion held in the Secured Metal Accounts attributable to the relevant class of Individual Security (and Basket Securities to the extent they comprise Individual Securities of that class) and all rights of the Issuer in respect of the Secured Metal Accounts. This means that the Bullion is held in the Secured Metal Accounts in the name of the Trustee and that the Trustee must consent to all movements of Bullion out of those Accounts. The Issuer has also, under the terms of each Security Deed, assigned to the Trustee by way of security the contractual rights of the Issuer relating to such class under the Custodian Agreements and has granted a first-ranking floating charge in favour of the Trustee over all of the Issuer's rights in relation to the Secured Property attributable to the applicable Pool, including but not limited to its rights under the Custodian Agreements and the Secured Metal Accounts attributable to that Pool. This means that whilst any such rights are

those of the Issuer, the Trustee has certain rights in respect of the Secured Property and has limited the Issuer's ability to deal in the Secured Property and to take certain prescribed actions.

If the amounts received from the relevant Secured Metal Accounts are insufficient to meet all obligations and make all payments due in respect of the relevant Pool, no other assets of the Issuer shall be available to meet that shortfall and all further claims of the holders in respect of such class of Individual Securities (and the Basket Securities to the extent they comprise such Individual Securities) will be extinguished.

Under the terms of the Trust Instrument, it is agreed that the Security Holders, or the Trustee on their behalf, will not, in relation to Metal Securities, institute against, or join any person in instituting against, the Issuer any bankruptcy, suspension of payments, moratorium of any indebtedness, winding-up, reorganisation, arrangement, insolvency or liquidation proceeding or other proceeding under any similar law (except for the appointment of a receiver and manager pursuant to the relevant Security Deed) for two years (or, if later, the longest suspense period, preference period or similar period (howsoever described) ending with the onset of insolvency in respect of which transactions entered into by the Issuer within such period may be subject to challenge under applicable insolvency or other proceeding) plus one day after the date on which all amounts payable for all outstanding Metal Securities issued by the Issuer are repaid.

Further details of the Trust Instrument are set out in Part 6 (*Trust Instrument and the Conditions*). Further details of the Security Deeds are set out in Part 7 (*Particulars of Security Deeds*).

PART 5

THE PROGRAMME

Overview of the Programme

Metal Securities are being made available by the Issuer for subscription only to Authorised Participants. Applications for Metal Securities will not be accepted unless the Issuer in its discretion determines to do so. Only Authorised Participants may apply for and/or redeem Metal Securities (except that a Security Holder who is not an Authorised Participant may request redemption of Metal Securities which it holds in the event that on any given Business Day there are no Authorised Participants or as may be announced by the Issuer from time to time in accordance with the Conditions, and such Security Holder submits a valid Redemption Form).

Metal Securities are available to be issued in Certificated Form or in Uncertificated Form in the CREST System. See “CREST” below.

Passporting

The purpose of passporting is to allow for the Metal Securities to be offered publicly in accordance with local law in the European countries listed below.

The Issuer has requested the FCA to provide the *Bundesanstalt für Finanzdienstleistungsaufsicht* (the German Federal Financial Supervisory Authority), the *Autorité des Marchés Financiers* (French Authority for the Financial Markets), the *Autorité des Services et Marchés Financiers* (the Belgian Financial Services and Markets Authority), the *Autoriteit Financiële Markten* (Netherlands Authority for the Financial Markets), the *Commissione Nazionale per le Società e la Borsa* (the Italian CONSOB), the *Finansinspektionen* (Swedish Financial Supervisory Authority), the *Comisión Nacional del Mercado de Valores* (Spanish Securities Market Commission), the *Finanstilsynet* (Danish Financial Supervisory Authority), the *Finanssivalvonta* (Finnish Financial Supervisory Authority), the *Österreichische Finanzmarktaufsicht* (Austrian Financial Market Authority), the Central Bank of Ireland and the *Kredittilsynet* (Norwegian Financial Supervisory Authority) with a certificate of approval attesting that this Prospectus has been drawn up in accordance with Directive 2003/71/EC. The Issuer may request the FCA to provide competent authorities in other EEA States with such certificates, whether for the purpose of making a public offer in such member states or for admission to trading of all or any Metal Securities on a regulated market therein or both.

The Initial Metal Securities have been admitted to listing on the Regulated Market (General Standard) (*Regulierter Markt [General Standard]*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) since 8 May 2007, NYSE Euronext Paris since 9 May 2007, Euronext Amsterdam since 9 May 2007 and the ETFplus market of the Borsa Italiana S.p.A. since 20 June 2007, and the Tokyo Stock Exchange since 24 August 2009.

The Swiss Gold Metal Securities have been listed on the Regulated Market (General Standard) (*Regulierter Markt [General Standard]*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) since January 2010 and on the ETFplus market of the Borsa Italiana S.p.A. since 14 May 2012.

Transparency Directive

The Issuer announced on 26 February 2016 by RIS announcement that it had elected the United Kingdom as its Home Member State for the purposes of the Transparency Directive.

Procedure for Application

Only Authorised Participants may make an Application. An Authorised Participant who wishes to apply for Metal Securities should complete the Application Form in accordance with the instructions thereon and the applicable Authorised Participant Agreement and lodge it with the Issuer.

As described under the heading “Applications and Redemptions — The System” in Part 4 (*Description of Metal Securities*), the Issuer intends to implement the System for enabling Authorised Participants to make applications and request redemptions by means of a secure website in substitution for the lodging of the forms otherwise required by the Authorised Participant Agreements and the Conditions for the purposes of such applications and redemptions. Once this System has become effective it is expected that all applications will be made and all redemptions will be requested using this System.

For those Applicants who wish to hold their Metal Securities in Certificated Form, certificates in respect of the Metal Securities will be dispatched within 10 London Business Days of the Metal Securities being issued. For those Applicants who desire to hold their Metal Securities in Uncertificated Form, the relevant CREST account will be credited on the day on which the Metal Securities are issued against payment. The Issuer considers it preferable that Metal Securities be held in Uncertificated Form. Notwithstanding any other provision in this document, the Issuer reserves the right to issue any Metal Securities in Certificated Form. In normal circumstances this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST), or on the part of the facilities and/or systems operated by the Registrar in connection with CREST. This right may also be exercised if the correct details (such as participant ID and member account details) are not provided as requested on the Application Form. No temporary documents of title will be issued and, pending despatch of security certificates, transfers will be certified against the register.

By completing and lodging an Application Form or lodging an Application order through the system, the Applicant confirms and agrees that:

- (a) it is not relying on any information or representation other than such as may be contained in this document;
- (b) no person responsible solely or jointly for this document or any part of it shall have any liability for any information or representation not contained in this document;
- (c) it is an Authorised Person, an Exempt Person or an Overseas Person;
- (d) it is not a UCITS Fund; and
- (e) it understands that Metal Securities are direct, limited recourse obligations of the Issuer alone.

Further details on the procedure for applications are set out under the heading "Applications and Redemptions" in Part 4 (*Description of Metal Securities*).

Subscription for Metal Securities

All Bullion being used to apply for Initial Metal Securities and any other Basket Securities to the extent comprised of any Initial Individual Metal Securities must be deposited into the Initial Subscription Unallocated Account.

All Bullion being used to apply for the Swiss Gold Metal Securities must be deposited into the loco Zurich Swiss Gold Subscription Unallocated Account or the loco London Swiss Gold Subscription Unallocated Account. An Application to create ETFs Physical Swiss Gold Securities by deposit of unallocated Bullion loco London will only be accepted if the Authorised Participant has first agreed with the Swiss Gold Custodian the cost of any loco swap that the Swiss Gold Custodian will use to effect gold transfers between the loco London Swiss Gold Secured Unallocated Account and the loco Zurich Swiss Gold Secured Unallocated Account and has undertaken to reimburse the Swiss Gold Custodian for any amount owed under such swap.

Bullion held in a Subscription Unallocated Account in respect of valid Applications will not be subject to the security created by the Security Deeds but will be held on trust for the Applicant pending the transfer of such Bullion to the Secured Metal Accounts. If the relevant Application is rejected or if the relevant Applicant has deposited excess Bullion, such Bullion (or the excess amount thereof as the case may be) will be held for the benefit of the Applicant and will be returned to such Applicant as soon as practicable at the risk of the Applicant. To the extent that an Applicant deposits Bullion into the applicable Subscription Unallocated Account in excess of the amount required for the number of Metal Securities applied for, such excess Bullion shall be returned to the relevant Applicant as soon as practicable.

The Metal Securities in respect of which the deposit has been made will not be issued until the Custodian has confirmed to the Issuer that it has completed the transfer to the relevant Secured Unallocated Account.

Settlement

CREST, Euroclear and ESES

The Issuer is a participating issuer in, and the Metal Securities are participating securities in, CREST, a paperless multi currency electronic settlement procedure enabling securities (including debt securities) to be evidenced otherwise than by written instrument, and transferring such securities electronically with effective delivery versus payment. Accordingly, to the extent that Metal Securities are issued in

Uncertificated Form, settlement of transactions in the Metal Securities will take place within the CREST system.

ESES is an integrated settlement platform, managed by Euroclear, enabling market participants in the Euronext markets of Belgium, France and the Netherlands to process all fixed-income, equity and other domestic securities transactions with the same platform. With ESES, cross-border transactions between counterparties in Belgium, France and the Netherlands are processed as domestic transactions. As a result, Euroclear is eliminating in those ESES markets the complexities, risks and excess costs of specific cross-border transactions.

Settlement and Delivery on NYSE Euronext

NYSE Euronext Paris is the market of reference for all Metal Securities traded on Euronext markets of Belgium, France and the Netherlands. Thus, pursuant to ESES procedure, all trades of Metal Securities listed on Euronext Amsterdam will be executed on the single order book held at NYSE Euronext Paris and settled and cleared in the manner as described below.

All Metal Securities traded on Euronext Amsterdam will be recorded in the Register in the name of Euroclear France and held beneficially for persons who have bought through NYSE Euronext Paris, NYSE Euronext Amsterdam or NYSE Euronext Brussels. For those persons Euroclear will maintain its own record of holders (“French sub-register”). All Metal Securities traded on NYSE Euronext Amsterdam benefit from the ESES procedure and will be settled and cleared through the normal Euroclear systems. Market-makers and other account holders at Euroclear will be permitted to transfer securities between the Register and the French sub-register and any other sub-registers applicable to other markets which Metal Securities may be admitted to trading and thereby be able to move securities between the London Stock Exchange, such other markets and NYSE Euronext.

For the purposes of discharging any obligations under the Metal Securities held through Euroclear France, the Issuer will treat Euroclear France (or such other Euroclear company) as the single security holder of such Metal Securities and the holders recorded in the French sub register must look to Euroclear France to receive any and all entitlements under such Metal Securities.

Settlement and Delivery on the Frankfurt Stock Exchange

For the purpose of good delivery of the Metal Securities on the Frankfurt Stock Exchange, Clearstream Banking Aktiengesellschaft (“**Clearstream**”) will issue, for each type and the relevant number of Metal Securities, a Global Bearer Certificate (the “**Global Bearer Certificate**”) in the German language created under German law (“**Collective Safe Custody**”). The Global Bearer Certificates will have the following German ISIN Codes:

Type of Global Bearer Certificate:	ISIN Code:
ETFS Physical Platinum	DE000A0N62D7
ETFS Physical Palladium	DE000A0N62E5
ETFS Physical Silver	DE000A0N62F2
ETFS Physical Gold	DE000A0N62G0
ETFS Physical PM Basket	DE000A0N62H8
ETFS Physical Swiss Gold	DE000A1DCTL3

A non-binding English language translation of the conditions of the Global Bearer Certificate is set out in Part 9 (*Global Bearer Certificates (Germany)*) of this Prospectus and the definitive German language text is annexed hereto in Annexes 1 and 2.

For each Global Bearer Certificate, the relevant number and type of Metal Securities will be registered in the name of Vidacos Nominees Limited, London, England (the “**Nominee**”) in the relevant Register of Security Holders and credited to a separate safe custody account of Clearstream with Citibank N.A., London, England (the “**Custodian**”). The safe custody account assigned to the Metal Securities (the “**Safe Custody Account**”) will be designated “Clearstream Banking Aktiengesellschaft (Clearstream) — Special Safe Custody Account for Metal Securities Global Bearer Certificate” — followed by the name of the type of Metal Security concerned as set out in Annex 2.

In accordance with the conditions governing the Global Bearer Certificate:

- each co-owner thereof will be entitled, at his expense, to demand at any time that Clearstream arrange for the registration of the co-owner or a third party designated by him, in the relevant

Register of Security Holders of the number of Metal Securities corresponding to his co ownership share or any portion thereof in the Global Bearer Certificate; and

- any registered holder of Metal Securities will be entitled, at his expense, to have his Metal Securities delivered to the Custodian for crediting to the Safe Custody Account against a corresponding co-ownership share in the Global Bearer Certificate.

Whenever the number of Metal Securities represented by the Global Bearer Certificate changes (as a result, for example, of deliveries to the Safe Custody Account, withdrawals from the Safe Custody Account or issues or redemptions of Metal Securities), Clearstream will amend the Global Bearer Certificate accordingly.

Unless otherwise agreed, the Issuer will treat the Nominee as one single security holder so far as fractional rights and entitlements are concerned.

Cash Payments and Exercise of Subscription Rights and Other Rights

Cash payments are credited to Clearstream's cash account with the Custodian and paid by Clearstream to the respective co-owners. Any subscription rights or other rights and any fractional rights relating to the Metal Securities in the Safe Custody Account will be held by Clearstream at the disposal of HSBC Trinkaus & Burkhardt AG (the "**Bank**"). Upon the request of the Bank, Clearstream will give instructions to the Custodian for the exercise, purchase or sale of such subscription rights, other rights or fractional rights. In case of any flow of cash amounts resulting out of such transactions, Clearstream will without delay inform the Bank by fax of the net proceeds or the net costs, respectively, and the related value date. The net proceeds or the net costs, respectively, must be credited or debited to the Bank's cash account with Clearstream or as otherwise agreed between Clearstream and the Bank.

Clearstream Banking AG

Clearstream is a company that was incorporated on 12 July 1949 in Frankfurt under the laws of the Federal Republic of Germany.

Clearstream is a regulated credit institution under the German Banking Act and licensed as the German Central Securities Depository pursuant to the German Securities Deposit Act, i.e. a professional depository that holds securities for its customers and facilitates the clearance and settlement of securities transactions among them through electronic book-entry transfers between their accounts, thereby eliminating the need for physical movement of the securities. Clearstream also provides other services to its customers, including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream's customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations.

Clearstream conducts its business in the legal form of a German stock corporation (Aktiengesellschaft), registered in the commercial register at the local court in Frankfurt under number HRB 7500, and with registered office at Neue Börsenstraße 1, D-60487 Frankfurt am Main, Federal Republic of Germany.

Supply and Inspection of Documents in Germany

For the duration of the Programme or so long as any Metal Securities remain outstanding, copies of this Prospectus (or any replacement prospectus), the German translation of the summary thereto and all financial information as well as the contracts required to be disclosed by the Issuer pursuant to the applicable rules will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Bank, and a copy of the documents referred above may be requested by contacting the Bank.

Settlement and Delivery on the ETFplus market of the Borsa Italiana S.p.A.

All Metal Securities traded on the Borsa Italiana S.p.A. will be recorded in the Register in the name of Monte Titoli S.p.A. and held beneficially for persons who have bought through the Borsa Italiana S.p.A. For those persons Monte Titoli S.p.A. will maintain its own record of holders ("**Italian sub-register**"). All Metal Securities traded on the Borsa Italiana S.p.A. are eligible for settlement through the normal Monte Titoli S.p.A. settlement systems on the deposit accounts opened with Monte Titoli S.p.A. Market makers and other account holders at Monte Titoli S.p.A. will be permitted to transfer securities between the Register and the Italian sub-register and any other sub-registers applicable to other markets to which the Metal Securities may be admitted to trading, and thereby be able to move securities between the London Stock Exchange, such other markets and Monte Titoli S.p.A.

For the purposes of discharging any obligations under the Metal Securities held through Monte Titoli S.p.A., the Issuer will treat Monte Titoli S.p.A. (or such nominee) as the single security holder of such Metal Securities and the holders recorded in the Italian sub-register must look to Monte Titoli S.p.A. to receive any and all entitlements under such Metal Securities.

Registers

The Registrar will maintain the Registers in Jersey.

UCITS and CIS

United Kingdom

The Issuer has received legal advice that:

- (a) the Metal Securities do not constitute units in a collective investment scheme;
- (b) the Metal Securities are capable of constituting transferable securities and do not give rise to an investment in precious metals or constitute certificates representing precious metals and are therefore capable of being eligible investments for a UCITS Scheme; and
- (c) for the purposes of COLL 5.2.29(R)(2) of the FCA Handbook, all outstanding Metal Securities will constitute "debt securities".

With respect to (c), the Issuer believes that in calculating the amount of debt securities of the Issuer in issue at any time the principal amount of such securities should be used.

Prospective investing UCITS Schemes would need to satisfy themselves that an investment in the Metal Securities in their own circumstances would be in line with their investment objectives and comply with the relevant parts of the FCA Handbook.

Money Laundering Regulations

The verification of identity requirements of Jersey's anti-money laundering laws and regulations and/or any subsequent equivalent legislation will apply to the Programme and verification of the identity of the Authorised Participants for Metal Securities may be required. The anti-money laundering laws and regulations of other jurisdictions may also apply to the Programme and verification of the identity of the Authorised Participants.

By lodging an Application Form or lodging an Application through the System, each Authorised Participant confirms that it is subject to the Money Laundering (Jersey) Order 2008 (as amended from time to time) (in relation to Jersey), the Money Laundering Regulations 2007 (in relation to the UK) and/or any other applicable anti-money laundering laws and regulations and/or undertakes to provide such other evidence of identity as is required by the Issuer at the time of lodging the Application Form, or, at the absolute discretion of the Issuer, at such specified time thereafter as may be requested to ensure compliance with the Money Laundering (Jersey) Order 2008, the Money Laundering Regulations 2007 and/or any other applicable legislation.

The secretary is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any Authorised Participant and whether such requirements have been satisfied. Neither the Issuer nor the secretary shall be responsible or liable to any person for any loss or damage suffered as a result of the exercise of their discretion hereunder.

No Application will be accepted by the Issuer unless evidence of such Authorised Participant's identity satisfactory to the Issuer and its agents is provided.

PART 6

TRUST INSTRUMENT AND THE CONDITIONS

The issue of up to 1,000,000,000 Metal Securities of each type in the form of Individual Securities and Basket Securities of the Issuer (each having the Principal Amount stated in paragraph 4 of Part 11 (*Additional Information*)), of any of the classes and categories described in this Prospectus, was authorised pursuant to resolutions of the Board passed on 4 April 2007 and 9 December 2009.

Metal Securities will be constituted by the Trust Instrument, which is governed by Jersey law and secured by the Security Deeds which are governed by English law. Under the terms of the Trust Instrument the Trustee may (subject to certain conditions) delegate all or any of its trusts, rights, powers, authorities, duties and discretions in respect of Metal Securities upon such terms and subject to such conditions and regulations as the Trustee may in the interests of the Security Holders think fit.

The Trustee, The Law Debenture Trust Corporation p.l.c., is a public limited company registered in England with number 1675231 whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX and which was incorporated on 2 November 1982.

Save in the case of fraud, wilful misconduct or gross negligence, the Trustee has no liability under the Trust Instrument for a breach of trust and save in such circumstances, the Trustee is not liable for any loss arising by reason of any mistake or omission by it or by reason of any other matter or thing including fraud, wilful misconduct, gross negligence or default of another director, officer or employee or Trustee.

The Trustee is not liable for any Liability which may result from the exercise or non-exercise of its trusts, rights, powers, authorities, duties and discretions under the Documents.

The extract from the Trust Instrument below is drafted in legal language, however, information on how the terms and conditions apply to Security Holders is contained throughout this Prospectus including Part 1 (*General*) and Part 4 (*Description of Metal Securities*). The conditions of issue of each type of Metal Securities are set out in the Trust Instrument.

The following are the conditions applicable to the Metal Securities:

Conditions

"The Metal Securities are undated, limited recourse, secured debt securities of ETFS Metal Securities Limited (the "**Issuer**") and are constituted by, are issued subject to and have the benefit of, a trust instrument dated 18 April 2007 between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee for the holders of Metal Securities, as amended by a supplemental trust instrument dated 15 April 2008, a second supplemental trust instrument dated 11 December 2009 (the "**Second Supplemental Trust Instrument**"), a third supplemental trust instrument dated 20 August 2013, a fourth supplemental trust instrument dated 13 August 2014 and a fifth supplemental trust instrument dated 12 October 2016, and are governed by Jersey law.

The Security Holders are entitled to the benefit of, are bound by and are deemed to have notice of, all the provisions of the Trust Instrument and the Security Deeds (as defined below) and the Conditions set out below.

1. DEFINED TERMS AND INTERPRETATION

1.1 In these Conditions, the following words and expressions have the following meanings:

"**Affiliate**" means, in relation to any person, any entity controlled, directly or indirectly, by that person, any entity that controls, directly or indirectly, that person, or any entity directly or indirectly under common control with that person; and for this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person

"**Authorised Participant**" means a person which has entered into an Authorised Participant Agreement with the Issuer in relation to Metal Securities and which (a) is a securities house or other market professional approved by the Issuer (in its absolute discretion); (b) is an Authorised Person, an Exempt Person or an Overseas Person; and (c) is not a UCITS Fund

"**Authorised Participant Agreement**" means a written agreement between the Issuer and another person under which such person is appointed to act as an "Authorised Participant", distribution agent or in a substantially similar function in relation to Metal Securities and if such agreement is subject to conditions precedent, provided that such conditions have been satisfied

“Authorised Person” means a person authorised for the purposes of FSMA

“Basket Securities” means Metal Securities of a category specified in the relevant list in the Sixth Schedule (*Classes of Metal Securities*) of the Trust Instrument and any other category of Basket Securities that may be constituted from time to time

“Bullion” means any and all of platinum, palladium, silver and gold

“Business Day” means:

- (a) in relation to any or all of ETFS Physical Platinum Securities, ETFS Physical Palladium Securities and ETFS Physical PM Basket Securities (and any other Basket Security comprised *inter alia*, of ETFS Physical Platinum Securities or ETFS Physical Palladium Securities) and any Bullion forming part of the Secured Property in respect thereof, a day which is both a London Business Day and a Zurich Business Day;
- (b) in relation to ETFS Physical Silver Securities and ETFS Physical Gold Securities (and any Basket Security comprised only of ETFS Physical Silver Securities and ETFS Physical Gold Securities) and any Bullion forming part of the Secured Property in respect thereof, a London Business Day; and
- (c) in relation to ETFS Physical Swiss Gold Securities and any Bullion forming part of the Secured Property in respect thereof, a day which is both a London Business Day and a Zurich Business Day

“category” means in relation to Basket Securities, the type of Basket Security determined by the mix of different classes and proportions of Individual Securities comprised in the Basket Security

“Certificated” or **“Certificated Form”** means not in Uncertificated Form

“class” means a class of Individual Securities under which the Issuer’s obligations to make payment and/or deliver Bullion are determined by reference to a particular metal

“comprised in” and **“comprised of”** in relation to a Basket Security means the Individual Securities by reference to which the Metal Entitlement of that Basket Security is calculated and for which a Basket Security (when in Certificated Form) may be surrendered in accordance with the provisions of the Trust Instrument and “comprise” and “comprised” shall be construed accordingly

“Compulsory Metal Sale Date” in relation to any Metal Securities means the second Business Day following a Final Redemption Notice Date in respect of such type of Metal Securities, provided that if the relevant Metal Sale Counterparty notifies the Trustee that sale of Bullion of that type (or of each relevant type where more than one type of Metal Security is being Redeemed) cannot be effected on the Relevant Market on that day, the Compulsory Metal Sale Date shall be postponed to the immediately following Business Day

“Compulsory Redemption Notice Date” means in relation to any Redemption pursuant to Condition 7.2 (*Compulsory Redemption on Issuer Insolvency Event*) the date specified by the Trustee as such in accordance with that Condition and in relation to any Redemption pursuant to Condition 7.3 (*Compulsory Redemption for Cause*) the date specified by the Issuer as such in accordance with that Condition

“Compulsory Settlement Date” means in relation to any Redemption pursuant to Condition 7 (*Compulsory Redemption by the Issuer or Trustee*), the date determined in accordance with Condition 7.7.2

“Conditions” means these terms and conditions on and subject to which Metal Securities are issued in the form or substantially in the form set out in the Second Schedule to the Second Supplemental Trust Instrument as the same may from time to time be modified in accordance with the Trust Instrument and any reference herein to a particular specified Condition or paragraph or sub-paragraph of such a Condition shall be construed accordingly

“Controller” means, in relation to any company, a person who:

- (a) holds 10 per cent. or more of the shares in such company;
- (b) is able to exercise significant influence over the management of such company by virtue of his shareholdings in such company;

- (c) holds 10 per cent. or more of the shares in a parent undertaking of such company;
- (d) is able to exercise significant influence over the management of the parent undertaking of such company;
- (e) is entitled to exercise, or control the exercise of, 10 per cent. or more of the voting power in such company;
- (f) is able to exercise significant influence over the management of such company by virtue of his voting power in such company;
- (g) is entitled to exercise, or control the exercise of, 10 per cent. or more of the voting power in the parent undertaking of such company; or
- (h) is able to exercise significant influence over the management of the parent undertaking of such company by virtue of his voting rights

“CREST” means the system of paperless settlement of transfers and the holding of securities in Uncertificated form administered by Euroclear UK & Ireland Limited

“Custodian” means each of the Initial Custodian and the Swiss Gold Custodian, and:

- (a) in relation to Initial Metal Securities, any other Basket Securities to the extent comprised of any Initial Individual Metal Securities and any Bullion forming part of the Secured Property in respect thereof, means the Initial Custodian; and
- (b) in relation to Swiss Gold Metal Securities and any Bullion forming part of the Secured Property in respect thereof, means the Swiss Gold Custodian

“Custodian Agreements” means the Initial Custodian Agreements and the Swiss Gold Custodian Agreements, and:

- (a) in relation to Initial Metal Securities, any other Basket Securities to the extent comprised of any Initial Individual Metal Securities and any Bullion forming part of the Secured Property in respect thereof, means the Initial Custodian Agreements; and
- (b) in relation to Swiss Gold Metal Securities and any Bullion forming part of the Secured Property in respect thereof, means the Swiss Gold Custodian Agreements

“Defaulted Obligation” means the failure of the Issuer to make or procure any payment of cash or delivery of Bullion in respect of the redemption of any Metal Securities when due, and such failure is not remedied within 48 hours of receipt of notice requiring remedy of the same

“Documents” means the Trust Instrument, the Security Deeds, the Custodian Agreements, the Metal Sale Counterparty Agreements, all Authorised Participant Agreements, the Service Agreement and the Registrar Agreement

“Domestic Market” means the main market of the London Stock Exchange

“ETFSL” means ETF Securities Limited, a company incorporated and registered in Jersey with registered number 88370

“Exempt Person” means a person who, in entering into and performing the terms of an Authorised Participant Agreement, is acting in the course of a business comprising a regulated activity in relation to which it is exempt from the need to be an Authorised Person as a result of a provision of the FSMA or associated secondary legislation

“Extraordinary Resolution” means in respect of a particular type or particular types taken together of Metal Securities either (a) a resolution passed at a duly convened meeting of the holders of Metal Securities of such type or types by a majority consisting of the holders of not less than 75 per cent. by Principal Amount of such type or types of Metal Securities voting on such resolution or (b) a resolution in writing of holders of such type or types of Metal Securities holding not less than 75 per cent. by Principal Amount of such type or types of Metal Securities, and in the cases of (a) and (b) where so provided for in the Trust Instrument or these Conditions, holders of Basket Securities may for these purposes be treated as holders of the relevant class or classes of Individual Securities

“FCA” means the Financial Conduct Authority of the United Kingdom

“FCA Glossary” means the glossary giving the meaning of the defined expressions used in the FCA Handbook

“FCA Handbook” means the FCA’s Handbook of Rules and Guidance (as amended)

“Final Redemption Notice Date” means the tenth Business Day following the Final Trading Date

“Final Trading Date” means the date specified by the Issuer in relation to any type of Metal Securities pursuant to Condition 7.1 (*Compulsory Redemption on Termination*) (with effect from which date, subject to compliance with any applicable legal or regulatory requirements, the Issuer will apply for trading on the Domestic Market (and any other stock exchange or market on which they are then admitted to trading) in such type of Metal Securities to be suspended or cancelled)

“FSMA” means the Financial Services and Markets Act 2000 (as amended)

“Further Securities” means securities issued by the Issuer in accordance with Condition 14 (*Further Securities; Other Pools; Consolidation and Division*)

“Individual Securities” means Metal Securities of a class specified in the relevant list in the Sixth Schedule (*Class of Metal Securities*) of the Trust Instrument and any other category of Individual Securities that may be constituted from time to time

“Initial Basket Security” means the PM category undated limited recourse secured debt securities of US\$9.40 in principal amount each of the Issuer, created pursuant to and constituted by the Trust Instrument and recorded on the relevant Register of Basket Securities, and **“ETFS Physical PM Basket Securities”** shall be construed accordingly

“Initial Custodian” means HSBC Bank USA, National Association, a national association incorporated in the State of Delaware, United States of America, whose principal place of business in England is at 8 Canada Square, London, E14 5HQ and an indirectly wholly-owned subsidiary of HSBC Holdings p.l.c. or such other person or persons (being a member of each Relevant Association) who provides custody and transfer facilities from time to time pursuant to the Initial Custodian Agreements

“Initial Custodian Agreements” means the Initial Secured Allocated Account Agreement, the Initial Secured Unallocated Account Agreement and the Initial Subscription Unallocated Account Agreement

“Initial Individual Metal Securities” means ETFS Physical Platinum Securities, ETFS Physical Palladium Securities, ETFS Physical Silver Securities, and ETFS Physical Gold Securities

“Initial Metal Sale Counterparty” means HSBC Bank USA, National Association or such other person as may from time to time be the counterparty under the Initial Metal Sale Counterparty Agreement

“Initial Metal Sale Counterparty Account” means such unallocated Bullion account of the Initial Metal Sale Counterparty as may be specified in or pursuant to the Initial Metal Sale Counterparty Agreement

“Initial Metal Sale Counterparty Agreement” means the agreement dated 18 April 2007 between the Issuer, the Trustee and HSBC Bank USA, National Association as amended from time to time or any successor agreement to which the Issuer and Trustee are party providing for the sale of Bullion attributable to or forming part of the Secured Property in respect of Initial Metal Securities from time to time at the request of the Trustee

“Initial Metal Securities” means the ETFS Physical Platinum Securities, ETFS Physical Palladium Securities, ETFS Physical Silver Securities and ETFS Physical Gold Securities and ETFS Physical PM Basket

“Initial Secured Allocated Account” means the allocated Bullion account number 19235 established in the name of the Trustee (as legal mortgagee pursuant to the Initial Security Deeds) with the Initial Custodian pursuant to the Initial Secured Allocated Account Agreement

“Initial Secured Allocated Account Agreement” means the Secured Allocated Account Agreement dated 18 April 2007 between the Issuer, the Trustee (as legal mortgagee pursuant to the Initial Security Deeds) and the Initial Custodian pursuant to which the Initial Secured Allocated Account is established and operated

“Initial Secured Unallocated Account” means the unallocated Bullion account number 19235 established in the name of the Trustee (as legal mortgagee pursuant to the Initial Security Deeds) with the Initial Custodian pursuant to the Initial Secured Unallocated Account Agreement

“Initial Secured Unallocated Account Agreement” means the Secured Unallocated Account Agreement dated 18 April 2007 between the Issuer, the Trustee (as legal mortgagee pursuant to the Initial Security Deeds) and the Initial Custodian pursuant to which the Initial Secured Unallocated Account is established and operated

“Initial Security Deeds” means the Security Deeds pertaining to the Pools to which the Initial Metal Securities are attributable

“Initial Subscription Unallocated Account” means the unallocated Bullion account number 19236 established by the Issuer with the Initial Custodian in the name of the Issuer pursuant to the Initial Subscription Unallocated Account Agreement

“Initial Subscription Unallocated Account Agreement” means the Subscription Unallocated Account Agreement dated 18 April 2007 between the Issuer and the Initial Custodian pursuant to which the Initial Subscription Unallocated Account is established and operated

“Issuer Insolvency Event” means the Issuer (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) has a declaration made against it declaring the assets of the Issuer *en désastre* pursuant to the Bankruptcy (*Désastre*) (Jersey) Law 1990, as amended; (5) institutes or has instituted against it any other proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (6) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (7) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (8) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (9) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (8) (inclusive); or (10) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts, **provided that** no action taken by the Trustee in respect of the Issuer pursuant to the Trust Instrument or a Security Deed shall constitute an Issuer Insolvency Event

“Issuer’s Website” means the website having the following internet address: <http://www.etfsecurities.com> or such other internet address as may be notified to Security Holders and the Trustee by RIS announcement

“Investment Company Act” means the United States Investment Company Act of 1940

“Jersey” means the Island of Jersey, Channel Islands

“LBMA” means The London Bullion Market Association and where the context requires includes the London Gold Market Fixing Ltd. and the London Silver Market Fixing Ltd.

“LBMA Value Date” means in relation to the Redemption of any Metal Securities the second Business Day following the applicable Metal Sale Date, Compulsory Metal Sale Date or Compulsory Redemption Notice Date (as the case may be, and each case in this definition the **“Contract Date”**), provided that if the LBMA determines that the “value date” for a “contract date” on the Contract Date should be later than two Business Days after a “contract date”, then the LBMA Value Date shall be such day as specified by the LBMA as the relevant “value date”

“Listing” means admission of the Metal Securities to the Official List in accordance with the Listing Rules and admission of the Metal Securities to trading on the London Stock Exchange’s market for listed securities (or any of such markets if the London Stock Exchange has at any time more than one such market) becoming effective

“Listing Rules” means the Listing Rules of the UK Listing Authority from time to time made under Section 73A of FSMA

“London Bullion market” means the over-the-counter market in gold and silver co-ordinated by the LBMA

“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

“London Stock Exchange” means London Stock Exchange plc or its market for listed securities (or any of such markets if the London Stock Exchange has at any time more than one such market), as the context may require

“LPPM” means The London Platinum and Palladium Market

“LPPM Value Date” means in relation to the Redemption of any Metal Securities the second Business Day following the applicable Metal Sale Date, Compulsory Metal Sale Date or Compulsory Redemption Notice Date (as the case may be, and each case in this definition the **“Contract Date”**), provided that if the LPPM determines that a “value date” for a “trade date” on the Contract Date should be later than two Business Days after a “trade date”, then the LPPM Value Date shall be such day as specified by the LPPM as the relevant “value date”

“Management Fee” means the management fee payable by the Issuer to ManJer or any Affiliate or successor of ManJer in consideration for the provision by ManJer or any Affiliate of ManJer of all management and administration services in relation to the Programme, as set out in the Prospectus, as that amount may be adjusted from time to time

“ManJer” means ETFS Management Company (Jersey) Limited, a company incorporated and registered in Jersey, with registered number 106921

“Metal Delivery” means in relation to the Redemption of any Metal Securities, settlement of the Issuer’s Redemption Obligations in respect thereof by delivery of Bullion in accordance with the Conditions

“Metal Entitlement” means as at any date and in relation to any Metal Security the amount(s) of Bullion to which the Security Holder is entitled on Redemption of that Metal Security on that date in accordance with Condition 5 (*Metal Entitlement*)

“Metal Sale” means in relation to the Redemption of any Metal Securities, settlement of the Issuer’s Redemption Obligations in respect thereof by sale of Bullion to the Metal Sale Counterparty pursuant to the Metal Sale Counterparty Agreement and payment of the proceeds of sale to the relevant Security Holder in accordance with the Conditions

“Metal Sale Counterparty” means each of the Initial Metal Sale Counterparty and the Swiss Gold Metal Sale Counterparty, and:

- (a) in relation to Initial Metal Securities, any Basket Securities to the extent comprised of any Initial Individual Metal Securities and any Bullion forming part of the Secured Property in respect thereof, means the Initial Metal Sale Counterparty; and
- (b) in relation to Swiss Gold Metal Securities and any Bullion forming part of the Secured Property in respect thereof, means the Swiss Gold Metal Sale Counterparty

“Metal Sale Counterparty Account” means each of the Initial Metal Sale Counterparty Account and the Swiss Gold Metal Sale Counterparty Account, and:

- (a) in relation to the Initial Metal Sale Counterparty, means the Initial Metal Sale Counterparty Account; and
- (b) in relation to the Swiss Gold Metal Sale Counterparty, means the Swiss Gold Metal Sale Counterparty Account

“Metal Sale Counterparty Agreement” means each of the Initial Metal Sale Counterparty Agreement and the Swiss Gold Metal Sale Counterparty Agreement, and:

- (a) in relation to Initial Metal Securities, any other Basket Securities to the extent comprised of any Initial Individual Metal Securities and any Bullion forming part of the Secured Property in respect thereof, means the Initial Metal Sale Counterparty Agreement; and
- (b) in relation to the Swiss Gold Metal Securities and any Bullion forming part of the Secured Property in respect thereof, means the Swiss Gold Metal Sale Counterparty Agreement

“Metal Sale Date” means, with respect to a Redemption pursuant to Condition 6 (*Redemption of Metal Securities*) of any Metal Securities to be effected by Metal Sale, the first Business Day following the Redemption Notice Date for that Redemption, provided that if the Metal Sale Counterparty notifies the Trustee that sale of Bullion of the applicable type cannot be effected on the Relevant Market on that day, the Metal Sale Date shall be postponed to the immediately following Business Day

“Metal Securities” means Individual Securities and Basket Securities

“Official List” means the Official List maintained by the UK Listing Authority for the purpose of Part VI of FSMA

“ounces” or **“oz”** means troy ounces. One troy ounce equals 31.1034768 grammes

“outstanding” means in relation to each type of Metal Securities, all the Metal Securities of that type issued and in respect of which there is for the time being an entry in the Register other than:

- (a) Metal Securities which have been redeemed and cancelled pursuant to the Trust Instrument; and
- (b) Metal Securities which have been purchased and cancelled pursuant to the Trust Instrument,

PROVIDED THAT for the purpose of the right to attend and vote at any meeting of the Security Holders or any of them and certain other purposes of this Trust Instrument, Metal Securities (if any) which are for the time being held by, for the benefit of, or on behalf of, (A) the Issuer, (B) ETFSL, (C) any Subsidiary of the Issuer, (D) any individual Controller of the Issuer or (E) any person controlled by any such persons listed in (A) to (D) above shall (unless and until ceasing to be so held) be deemed not to remain outstanding and accordingly the holders of such Metal Securities shall be deemed not to be Security Holders

“Overseas Person” means a person whose activities are not subject to the prohibition in section 19 of the FSMA by virtue of its not carrying on such activities in the United Kingdom and whose head office is situated outside the United Kingdom

“Pool” means a separate fund or pool to which Individual Securities of a particular class (and Basket Securities to the extent that they are comprised of that class of Individual Securities) are attributable

“Principal Amount” means in respect of each Metal Security the amount specified in the relevant list in the Sixth Schedule (*Classes of Metal Securities*) of the Trust Instrument

“Programme” means the programme for the issue of Metal Securities

“Prohibited Benefit Plan Investor” means any “employee benefit plan” within the meaning of section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), subject to Part 4. Subtitle B of Title I of ERISA, any “plan” to which section 4975 of the United States Internal Revenue Code of 1986, (the “**Code**”) applies (collectively, “**Plans**”), any entity whose underlying assets include “plan assets” of any of the foregoing Plans within the meaning of 29 C.F.R. Section 2510.3 101 or section 3(42) of ERISA, as they may be modified, by reason of a Plan’s investment in such entity, any governmental or church plan that is subject to any U.S. Federal, state or local law that is similar to the prohibited transaction provisions of ERISA or Section 4975 of the Code, or any person who holds Metal Securities on behalf of, for the benefit of or with any assets of any such Plan or entity

“Prohibited US Person” means a US Person who is not a Qualified Purchaser, or any person who holds Metal Securities for the benefit of a US Person who is not a Qualified Purchaser

“Prospectus” means the base prospectus of the Issuer in relation to the Metal Securities, as the same may be modified, supplemented or amended from time to time

“Qualified Purchaser” means a “qualified purchaser” as defined under the Investment Company Act

“Redemption” means the redemption of Metal Securities by the Issuer in accordance with the Conditions (and **“Redeem”** shall be construed accordingly)

“Redemption Fee” means the fee payable by a Security Holder on the redemption of Metal Securities pursuant to Condition 9 (*Redemption Fee*)

“Redemption Form” means a notice in the form prescribed from time to time by the Issuer for requesting Redemption of Metal Securities and includes a Redemption Order and reference to a copy of a Redemption Form in the context of a Redemption Order includes a copy of a report generated through the System containing the details of such Redemption Order

“Redemption Notice Date” means a Business Day on which a valid Redemption Form is received provided that a Redemption Form received after 4.30 p.m. (London time) on a London Business Day will be treated as having been received on the next Business Day

“Redemption Obligations” means the obligation of the Issuer on Redemption of a Metal Security to make payment or deliver Bullion to the relevant Security Holder in accordance with the Conditions

“Redemption Order” means a request to Redeem Metal Securities given through the System

“Registers” means the registers of Security Holders of each type kept and maintained by the Registrar and “Register” shall be construed accordingly. At the date of issue of the first ETFS Physical Swiss Gold Securities there are six Registers, one for each of the six different types of Metal Securities then created pursuant to the Trust Instrument

“Registrar” means Computershare Investor Services (Jersey) Limited or such other person as may be appointed by the Issuer from time to time to maintain the Registers

“Registrar Agreement” means the registrar agreement dated 31 December 2012 between the Registrar, the Issuer and the Trustee

“Regulations” means the Companies (Uncertificated Securities) (Jersey) Order 1999 including any modifications thereto or any regulations in substitution therefor made and for the time being in force which, inter alia, enable title to Metal Securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument

“Relevant Association” means:

- (a) in respect of platinum and palladium, the LPPM or its successors; and
- (b) in respect of silver and gold, the LBMA or its successors

“Relevant Market” means:

- (a) in respect of platinum and palladium, the Zurich Bullion market; and
- (b) in respect of silver and gold, the London Bullion market

“repay”, “redeem” and “pay” shall each include both the others and cognate expressions shall be construed accordingly

“RIS” means a Regulatory Information Service (as defined for the purposes of the Listing Rules) from time to time chosen by the Issuer

“Secured Metal Accounts” means the Initial Secured Allocated Account, the Initial Secured Unallocated Account, the Swiss Gold Secured Allocated Account and the Swiss Gold Secured Unallocated Accounts, and:

- (a) in relation to Initial Metal Securities, any other Basket Securities to the extent comprised of any Initial Individual Metal Securities and any Bullion forming part of the Secured Property in respect thereof, means the Initial Secured Allocated Account and the Initial Secured Unallocated Accounts; and

- (b) in relation to Swiss Gold Metal Securities and any Bullion forming part of the Secured Property in respect thereof, means the Swiss Gold Secured Allocated Account and the Swiss Gold Secured Unallocated Accounts

“Secured Property” means in relation to each class of Individual Security (and each category of Basket Security to the extent it comprises Individual Securities of that class):

- (a) all Bullion of the applicable type credited to the Secured Metal Accounts attributable to such class; and
- (b) the rights of the Issuer in respect of the Secured Metal Accounts attributable to such class including all rights of the Issuer in the Custodian Agreements,

or any part or parts thereof

“Securities Act” means the United States Securities Act of 1933, as amended

“Security” means in respect of each Pool the security constituted by the applicable Security Deed

“Security Deeds” means in respect of each Pool, the security deed pertaining to that Pool dated (in the cases of the Pools to which the ETFS Physical Platinum Securities, ETFS Physical Palladium Securities, ETFS Physical Silver Securities and ETFS Physical Gold Securities are attributable) 18 April 2007 or (in the case of the Pool to which the ETFS Physical Swiss Gold Securities are attributable) 11 December 2009, in each case entered into between the Issuer and the Trustee

“Security Holder” means a registered holder of Metal Securities

“Security Holder Account” means:

- (a) in relation to any Initial Metal Securities, any other Basket Securities to the extent comprised of any Initial Individual Metal Securities to be Redeemed by Metal Delivery, an unallocated account with a member of the Relevant Association (or, in the case of a Basket Security, one or more unallocated accounts with one or more members of the Relevant Associations) specified by a Security Holder into which Bullion of the appropriate type may be deposited; and
- (b) in relation to any Swiss Gold Metal Securities to be Redeemed by Metal Delivery, either an unallocated loco Zurich account with the Swiss Gold Zurich Sub-Custodian or any other gold bullion clearing bank in Zurich or an unallocated loco London or loco Zurich account with the Swiss Gold Custodian or any other member of the Relevant Association, in each case specified by a Security Holder into which Bullion of the appropriate type may be deposited

“Service Agreement” means the service agreement dated 18 April 2007 between ManJer (following the novation of such agreement) and the Issuer providing for certain services to be provided by ManJer or any Affiliate or successor of ManJer to the Issuer in relation to the Metal Securities

“Settlement Date” means in relation to any Redemption pursuant to Condition 6.2 (*Redemption by Authorised Participants*) or Condition 6.3 (*Redemption by Other Security Holders*), the date determined in accordance with Condition 6.12 (*Settlement Date*)

“Sterling” or **“£”** means pounds sterling

“Subsidiary” has the meaning given to that term in section 1159 of the Companies Act 2006

“Swiss Gold Custodian” means JPMorgan Chase Bank, National Association, a national banking association organised under the laws of the United States of America, whose principal place of business in England is at 125 London Wall, London EC2Y 5AJ or such other person or persons (being a member of each Relevant Association) who provides custody and transfer facilities from time to time pursuant to the Swiss Gold Custodian Agreements

“Swiss Gold Custodian Agreements” means the Swiss Gold Secured Allocated Account Agreement, the Swiss Gold Secured Unallocated Account Agreement and the Swiss Gold Subscription Unallocated Account Agreement

“Swiss Gold Metal Sale Counterparty” means JPMorgan Chase Bank, National Association or such other person as may from time to time be the counterparty under the Swiss Gold Metal Sale Counterparty Agreement

“Swiss Gold Metal Sale Counterparty Account” means such unallocated Bullion account of the Swiss Gold Metal Sale Counterparty as may be specified in or pursuant to the Swiss Gold Metal Sale Counterparty Agreement

“Swiss Gold Metal Sale Counterparty Agreement” means the agreement dated 11 December 2009 between the Issuer, the Trustee and JPMorgan Chase Bank, National Association or any successor agreement to which the Issuer and Trustee are party providing for the sale of Bullion attributable to or forming part of the Secured Property in respect of Swiss Gold Metal Securities from time to time at the request of the Trustee

“Swiss Gold Metal Securities” means ETFS Physical Swiss Gold Securities

“Swiss Gold Secured Allocated Account” means the allocated Bullion account number 01311 established in the name of the Trustee (as legal mortgagee pursuant to the Swiss Gold Security Deed) with the Swiss Gold Custodian pursuant to the Swiss Gold Secured Allocated Account Agreement

“Swiss Gold Secured Allocated Account Agreement” means the Secured Allocated Account Agreement dated 11 December 2009 between the Issuer, the Trustee (as legal mortgagee pursuant to the Swiss Gold Security Deed) and the Swiss Gold Custodian pursuant to which the Swiss Gold Secured Allocated Account is established and operated

“Swiss Gold Secured Unallocated Accounts” means the unallocated loco London Bullion account number 01312 and the unallocated loco Zurich Bullion account number 01310, each established in the name of the Trustee (as legal mortgagee pursuant to the Swiss Gold Security Deed) with the Swiss Gold Custodian pursuant to the Swiss Gold Secured Unallocated Account Agreement

“Swiss Gold Secured Unallocated Account Agreement” means the Secured Unallocated Account Agreement dated 11 December 2009 between the Issuer, the Trustee (as legal mortgagee pursuant to the Swiss Gold Security Deed) and the Swiss Gold Custodian pursuant to which the Swiss Gold Secured Unallocated Account is established and operated

“Swiss Gold Security Deed” means the Security Deed pertaining to the Pool to which the Swiss Gold Metal Securities are attributable

“Swiss Gold Subscription Unallocated Accounts” means the unallocated loco London Bullion account number 01314 and the unallocated loco Zurich Bullion account number 01313, each established by the Issuer with the Swiss Gold Custodian in the name of the Issuer pursuant to the Swiss Gold Subscription Unallocated Account Agreement

“Swiss Gold Subscription Unallocated Account Agreement” means the Subscription Unallocated Account Agreement dated 11 December 2009 between the Issuer and the Swiss Gold Custodian pursuant to which the Swiss Gold Subscription Unallocated Accounts are established and operated

“Swiss Gold Zurich Sub-Custodian” means any firm selected by the Swiss Gold Custodian to hold gold on behalf of the Swiss Gold Custodian in the firm’s Zurich vault premises on a segregated basis, appointed pursuant to the Swiss Gold Custodian Agreements and whose appointment has been approved by the Trustee and the Issuer

“System” means the system enabling Authorised Participants to request the issue and Redemption of Metal Securities via a website operated by or on behalf of the Issuer

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

“Trust Instrument” means the trust instrument dated 18 April 2007 between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee for the Security Holders including the Schedules thereto and any trust instrument supplemental thereto and the schedules (if any) thereto

“Trustee” means The Law Debenture Trust Corporation p.l.c. appointed as such under the Trust Instrument and includes any replacement trustee under the Trust Instrument

“type” means, in relation to Individual Securities, a class thereof and, in relation to Basket Securities, the category thereof

“UCITS Fund” means a collective investment scheme which in accordance with the UCITS directive (Council Directive No. 85/611/EEC) as amended is an undertaking for collective investment in transferable securities subject to that directive and includes a UCITS Scheme

“UCITS Scheme” means a scheme that falls within the definition of a “UCITS Scheme” contained in the FCA Glossary

“UK Listing Authority” means the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA or any successor enactment

“Uncertificated” or **“Uncertificated Form”** means recorded on the Register as being held in uncertificated form, title to which, by virtue of the Jersey Companies (Uncertificated Securities) (Jersey) Order 1999, is to be transferred by means of CREST

“United Kingdom” or **“UK”** means United Kingdom of Great Britain and Northern Ireland

“US Person” means a “US person” as defined in Regulation S under the Securities Act

“US dollars” or **“US\$”** means United States dollars

“VAT” means value added tax

“Zurich Bullion market” means the over-the-counter market in platinum and palladium coordinated by the LPPM

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

1.2 The following rules shall apply to the interpretation of these Conditions unless the context otherwise requires:

1.2.1 Headings to Conditions, paragraphs, and other provisions of these Conditions are inserted for ease of reference only and shall not affect the interpretation of these Conditions.

1.2.2 Any reference to a person or persons includes reference to any individual, corporation, partnership, joint venture, association, public body, governmental authority or other entity.

1.2.3 Words in the singular shall also include the plural and vice versa.

1.2.4 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.

1.2.5 Any reference to any statute or statutory provision shall, unless the context otherwise requires, be construed as a reference to such statute or statutory provision as the same may have been or may from time to time be amended, modified, extended consolidated, re-enacted or replaced and includes any subordinate legislation made thereunder.

1.2.6 Unless otherwise indicated, any reference in these Conditions to a time is a reference to local time in London, England.

2. STATUS OF PHYSICAL METAL SECURITIES

2.1 Metal Securities constitute undated limited recourse secured debt obligations of the Issuer secured as set out in Condition 3 (*Security and Limited Recourse*). The Metal Securities of each type rank pari passu among themselves. Each Metal Security has a Principal Amount as set out below and without prejudice to the provisions of Condition 6 (*Redemption of Metal Securities*) but subject always to the provisions of Condition 3.2 a Security Holder may elect to receive on redemption an amount in cash equal to the Principal Amount in lieu of the amount otherwise specified in Condition 6. The Issuer acknowledges in the Trust Instrument its indebtedness in respect of the aggregate Principal Amount.

The Principal Amounts of the Metal Securities are:

Class of Metal Securities	Principal Amount
ETFS Physical Platinum	US\$20.00
ETFS Physical Palladium	US\$5.00
ETFS Physical Silver	US\$2.00
ETFS Physical Gold	US\$10.00
ETFS Physical PM Basket	US\$9.40
ETFS Physical Swiss Gold	US\$10.00

2.2 Each Basket Security constitutes a separate security from the Individual Securities by reference to which the Metal Entitlement of that Basket Security is calculated and for which they may be surrendered in accordance with the provisions of the Trust Instrument.

2.3 The Metal Entitlement of a Basket Security is equal to the sum of the Metal Entitlements of a defined number of Individual Securities of various classes as set out in the table below. Each Basket Security may be surrendered in accordance with the provisions of the Trust Instrument in exchange for such Individual Securities:

Category of Basket Security	Class of Individual Security	Number of Individual Securities of which Basket Security is composed
ETFS Physical PM	ETFS Physical Platinum	0.10
	ETFS Physical Palladium	0.20
	ETFS Physical Silver	1.20
	ETFS Physical Gold	0.40

2.4 A Security Holder holding:

2.4.1 Basket Securities in Certificated Form may surrender the certificates for cancellation and receive certificates in respect of the Individual Securities comprised in such Basket Securities; or

2.4.2 Individual Securities in Certificated Form of the appropriate classes and in at least the appropriate numbers of each class may surrender the certificates for cancellation and receive certificates for such number of Basket Securities of any class or classes requested by it as are comprised of the Individual Securities represented by such surrendered certificates as it requested to be combined in the form of such Basket Securities and one or more Certificates in respect of the balance of the Individual Securities not so combined in the form of Basket Securities, in each case rounded down to the nearest whole number of Metal Securities of each type and otherwise in accordance with the provisions of the Trust Instrument.

2.5 Metal Securities do not bear interest and have no final maturity date.

2.6 The Issuer shall at all times publish on the Issuer's Website:

2.6.1 the classes of Individual Securities which are in issue or available to be issued; and

2.6.2 the categories of Basket Securities which are in issue or available to be issued, and the number and classes of Individual Securities which at that time are comprised in each category of Basket Securities.

3. SECURITY AND LIMITED RECOURSE

3.1 The obligations of the Issuer in respect of each class of Individual Security (and any type of Metal Securities to the extent that the amount payable on Redemption of such Metal Securities is calculated by reference to Individual Securities of that class) are secured pursuant to the Security Deed applicable to that class by a first fixed charge over the Bullion attributable to that class in the Secured Metal Accounts held by the Issuer and an assignment to the Trustee by way of security of the contractual rights of the Issuer relating to such class under the Secured Metal Accounts and the Custodian Agreements, and by a first ranking floating charge in favour of the Trustee for the Security Holders over all the Issuer's rights in relation to the Secured Property attributable to that Pool.

3.2 The Trustee and the Security Holders of any class of Individual Securities (and any category of Securities if and to the extent that the Metal Entitlement of such Basket Securities is calculated by reference to Individual Securities of that class) shall have recourse only to the Secured Property relating to the relevant Pool and any sums derived therefrom. If, the Trustee (or any other secured party) having realised the same, the net proceeds are insufficient for the Issuer to make all payments and meet all obligations which, but for the effect of this Condition, would then be due, the obligations of the Issuer to each Security Holder shall be satisfied by delivery to the Security Holder of the Relevant Proportion of the Bullion held for that Pool, where the "Relevant Proportion" is the proportion that the Individual Securities of the relevant class (and Basket Securities to the extent comprised of Individual Securities of that class) held by such Security Holder and being Redeemed bears to the total number of the Individual Securities of that class (and Basket Securities to the extent comprised of individual securities class) outstanding, neither the Trustee nor any person acting on its behalf shall be entitled to take any further steps against the Issuer to recover any further sums or property and no debt shall be owed by the Issuer to any such person in respect of any such further sum or property. In particular, neither the Trustee nor any Security Holder shall be entitled to institute, nor join with any other person in bringing, instituting or joining, any bankruptcy, suspension of payments, moratorium of any indebtedness, winding up, reorganisation, arrangement, insolvency or liquidation proceeding or other proceeding under any similar law (whether court based or otherwise) (except for the appointment of a receiver and manager pursuant to the relevant Security Deed) for two years (or, if later, the longest suspense period, preference period or similar period (howsoever described) ending with the onset of insolvency in respect of which transactions entered into by the Issuer within such period may be subject to challenge under applicable insolvency or other proceeding) plus one day after the date on which all amounts payable under the last outstanding security of any type issued by the Issuer and constituted by the Trust Instrument are repaid in relation to the Issuer, nor shall they have any claim in respect of any sum arising or other obligation in respect of the Secured Property for any other Pool or any other assets of the Issuer.

4. FORM AND TRANSFER

- 4.1 Metal Securities are in registered form and are individually transferable.
- 4.2 Metal Securities may be held and transferred in Uncertificated Form by means of CREST in accordance with the Regulations. The Trustee may, without the consent of Security Holders, concur with the Issuer in making modifications to the provisions of the Trust Instrument in order to reflect changes in the Regulations or in the applicable law and practice relating to the holding or transfer of Metal Securities in Uncertificated Form. A Security Holder may request that his Metal Securities be held in Certificated Form, in which case such Metal Securities shall be removed from CREST.
- 4.3 The Issuer shall cause to be kept at its registered office, or at such other place outside the United Kingdom as the Trustee may agree, Registers showing the date of issue and all subsequent transfers and changes of ownership of all outstanding Metal Securities and the names and addresses of the Security Holders and the persons deriving title under them. The Trustee and the Security Holders or any of them and any person authorised by any such person shall be at liberty at all reasonable times during office hours to inspect the Registers and to take (free of charge) copies of, or extracts from, the same or any part thereof. In the event of the Trustee requiring to convene a meeting of or to give any notice to, the Security Holders the Issuer shall furnish the Trustee (free of charge) with such copies of, or extracts from, the Registers as it shall require. The Registers may be closed by the Issuer for such periods and at such times (not exceeding in the whole 30 days in any one year) as it may think fit.
- 4.4 Where the Issuer or the Trustee considers it necessary or expedient for the purposes of enforcing the provisions of the Trust Instrument or the purposes of Redeeming any Metal Securities, it is authorised to execute any document or instrument necessary to convert Metal Securities held in Uncertificated Form into Certificated Form and to take delivery of the corresponding certificate(s).

5. METAL ENTITLEMENT

5.1 Each class of Individual Security will have a separate Metal Entitlement as follows:

5.1.1 as at the date on which dealings in the Initial Metal Securities first commenced on the London Stock Exchange the Metal Entitlement of such Individual Securities was as follows:

ETFS Physical Platinum Securities: 0.10 troy oz;
ETFS Physical Palladium Securities: 0.10 troy oz;
ETFS Physical Silver Securities: 1.00 troy oz; and
ETFS Physical Gold Securities: 0.10 fine troy oz.

5.1.2 as at the date on which dealings in the Swiss Gold Metal Securities first commenced on the London Stock Exchange the Metal Entitlement of such Individual Securities was as follows:

ETFS Physical Swiss Gold Securities: 0.10 fine troy oz.

5.2 The Metal Entitlement for each will be calculated daily to nine decimal places with 0.000000005 troy ounces (or fine troy ounces in the case of gold) rounded upwards as follows:

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

where:

i refers to the relevant class of Individual 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 with an initial value as set out in Condition 5.1;

$MF_{(i,t)}$ is the per annum Management Fee applicable to Metal Securities of class i on day t, expressed as a decimal (so that 49 basis points per annum is expressed as 0.0049 and 39 basis points per annum is expressed as 0.0039);

N is 365 (or 366 in a leap year).

5.3 An ETFS Physical PM Basket Security is comprised of Individual Securities as provided for in Condition 2.3 and accordingly each ETFS Physical PM Basket Security has a Metal Entitlement equal to the aggregate Metal Entitlement of 1/10th of one ETFS Physical Platinum Security, 2/10ths of one ETFS Physical Palladium Security, 12/10ths of one ETFS Physical Silver Security and 4/10ths of one ETFS Physical Gold Security.

6. REDEMPTION OF METAL SECURITIES

6.1 Redemption Entitlement

Each Metal Security shall carry a right on redemption to delivery in Bullion of an amount equal to the Metal Entitlement (rounded down to the nearest 0.001 troy ounce (or fine troy ounce in the case of gold)) on the applicable Settlement Date provided that if such Metal Security is to be Redeemed by Metal Sale, such Metal Security shall be redeemed by the sale of an amount of Bullion equal to such Metal Entitlement (rounded down to the nearest 0.001 troy ounce (or fine troy ounce in the case of gold), to the Metal Sale Counterparty in accordance with the Metal Sale Counterparty Agreement and paying to the Security Holder in cash in US dollars the net proceeds of sale actually realised by the Issuer from such sale in accordance with Condition 6.11 (*Metal Sale*) after deduction of the Redemption Fee in accordance with Condition 9 (*Redemption Fee*).

6.2 Redemption by Authorised Participants

A Security Holder who is also an Authorised Participant may (subject as provided herein) require the Issuer to Redeem all or part of its holding of Metal Securities by delivery of Bullion in accordance with Condition 6.10 (*Delivery of Bullion upon Redemption*) by lodging with the Issuer a Redemption Form.

6.3 Redemption by Other Security Holders

A Security Holder which is not also an Authorised Participant may only require the Issuer to Redeem all or any part of its holdings of Metal Securities if, either:

- 6.3.1 on any Business Day, there are no Authorised Participants, and the Security Holder lodges on such day a valid Redemption Form; or
- 6.3.2 the Issuer has announced through a RIS in respect of any Business Day, or until further announcement or generally, that Redemptions by Security Holders who are not Authorised Participants will be permitted and the Security Holder submits on a Business Day a valid notice in the form prescribed for the purpose by the Issuer requesting Redemption of such Metal Securities.

Any such announcement may be general or subject to conditions, and any notice requesting any Redemption which is not in accordance with any such conditions shall not be valid.

Settlement of the Issuer's Redemption Obligations in respect of the relevant Metal Securities will be effected by a Metal Sale in accordance with Condition 6.11 (*Metal Sale*) unless the Security Holder in its Redemption Form certifies that it is not a UCITS Fund and specifies an unallocated account with a member of the Relevant Association (or, in the case of a Basket Security, one or more unallocated accounts with one or more members of the Relevant Associations) into which the relevant Bullion can be deposited, in which case, unless paragraph 6.11.1(a) applies, Redemption will be effected by delivery of Bullion in accordance with Condition 6.10 (*Delivery of Bullion upon Redemption*). A Security Holder desiring to redeem Metal Securities pursuant to this Condition must deliver the Metal Securities being Redeemed to the Issuer by either depositing them in an appropriate CREST account (as directed by the Issuer) and giving correct delivery free of payment instructions in CREST or delivering the certificates in respect of them to the Issuer (or otherwise delivering such Metal Securities to the Issuer by agreement with the Issuer. Redemption Forms will not be treated as having been lodged until the Metal Securities to be Redeemed have been so delivered to the Issuer.

6.4 Redemption Notice

A Redemption Form:

- 6.4.1 must specify the number and type of Metal Securities to be Redeemed;
- 6.4.2 must relate to only one type of Individual Security or Basket Security;
- 6.4.3 must (save in the case of a Redemption Order) be signed by, or by an authorised signatory on behalf of, the Security Holder;
- 6.4.4 except where Metal Sale applies, must specify the Security Holder Account; and
- 6.4.5 in the case of Redemption of Swiss Gold Metal Securities by Metal Delivery, must specify whether the Security Holder Account is a loco London account or a loco Zurich account,

and is irrevocable once it has been lodged with the Issuer.

- 6.5 Upon receipt by the Issuer of a valid Redemption Form from a Security Holder in relation to any Metal Securities, the Issuer shall do all things necessary to give effect to the Redemption Form as required by this Condition 6 (*Redemption of Metal Securities*).

- 6.6 A Redemption Form shall be invalid:

- 6.6.1 if lodged by a Security Holder who is not an Authorised Participant unless on that Business Day, there are no Authorised Participants or Condition 6.3.2 applies; or
- 6.6.2 if it does not satisfy each and all of Conditions 6.4.1 to 6.4.5 (as applicable); or
- 6.6.3 in the case of Redemption of Swiss Gold Metal Securities by Metal Delivery where the Redemption Form specifies a loco London account, if the Redemption Form does not specify that the Security Holder has previously agreed with the Swiss Gold Custodian the cost of any loco swap or other transfer arrangement to be entered into and to be responsible to the Swiss Gold Custodian for meeting all such costs; or

- 6.6.4 where notice has been given pursuant to Condition 7.1 (*Compulsory Redemption on Termination*) or Condition 7.2 (*Compulsory Redemption on Issuer Insolvency Event*) to redeem such Metal Securities compulsorily, if the Redemption Form is received or deemed received on or after:
- (a) where notice has been given in accordance with Condition 7.1, the Final Redemption Notice Date; or
 - (b) where notice has been given under Condition 7.2, the date on which notice was given, and no Metal Securities of the relevant type shall be Redeemed in respect of or under that Redemption Form.
- 6.7 If the Issuer considers that a purported Redemption Form is invalid, it shall notify the Security Holder lodging that Redemption Form of that fact as soon as reasonably possible and shall not be obliged to Redeem pursuant to that Redemption Form any Metal Securities.
- 6.8 A Redemption Form received by the Issuer after 4.30 p.m. (London time) on a Business Day shall be treated as lodged on the immediately following Business Day.
- 6.9 The Issuer may change or vary the procedures for the lodgement of Redemption Forms and these Conditions shall be modified in respect of Redemptions to the extent of any such variation.
- 6.10 Delivery of Bullion upon Redemption**
- 6.10.1 Where Metal Securities are required to be redeemed by delivery of Bullion, the Trustee shall upon receipt of a copy of the Redemption Form delivered by or on behalf of the Issuer in accordance with the Trust Instrument, instruct the Custodian to transfer Bullion attributable to or forming part of the Secured Property in respect of such Metal Securities in an amount equal to the Metal Entitlement of such Metal Securities, calculated as at the Settlement Date (rounded down to the nearest 0.001 troy ounce, or fine troy ounce in the case of gold), from the Secured Metal Accounts to the relevant Security Holder Account, to be delivered to such account on the Settlement Date.
- 6.10.2 From the relevant Settlement Date, all title to and risks in such Bullion shall pass to the holder of such Metal Securities. Neither the Trustee nor the Issuer shall be responsible or liable for any failure by the Custodian to effect a delivery of Bullion in accordance with the instructions of the Trustee. However, in the event of such failure, the Issuer shall to the extent practicable assign to the redeeming Security Holder its claims in relation to such Bullion in satisfaction of all claims of such Security Holder in respect of the Metal Securities to be redeemed and the Security Holder shall have no further claims against the Issuer or the Secured Property.
- 6.10.3 Without prejudice to Condition 6.10.2, in the case of Redemption of Swiss Gold Metal Securities where the Redemption Form specifies a loco London account, neither the Issuer nor the Trustee shall be responsible for any failure of the Swiss Gold Custodian to effect such delivery of Bullion to such account, nor shall either be responsible for ensuring that the Swiss Gold Custodian enters into any agreement with the Security Holder as described in Condition 6.6.3 or for the terms of any such agreement.
- 6.10.4 The obligations of the Issuer in respect of Metal Securities being Redeemed shall be satisfied by transferring the Metal Entitlement in accordance with the provisions of this Condition 6.10.
- 6.11 Metal Sale**
- 6.11.1 Metal Sale will apply:
- (a) if through no fault of the Issuer any Bullion to which the holder of such Metal Security is entitled on Redemption is not successfully delivered and is not claimed by such holder within 30 days of attempted delivery being made (in which event, subject to Condition 6.11.2(a), the Metal Entitlement will be calculated as of the third Business Day following the expiry of such period of 30 days); or
 - (b) in accordance with Condition 6.3 (*Redemption by Other Security Holders*) where there is no Authorised Participant or the Security Holder is not an Authorised

Participant and is Redeeming in circumstances where such Redemption is permitted in accordance with Condition 6.3.2.

6.11.2 If in accordance with Condition 6.3 (*Redemption by Other Security Holders*) or Condition 6.11.1(a), Metal Sale is applicable to a Redemption of Metal Securities, the Trustee, upon receipt of a copy of the Redemption Form delivered by or on behalf of the Issuer in accordance with the Trust Instrument:

- (a) will (on behalf of the Issuer) give notice under the Metal Sale Counterparty Agreement to sell on the Metal Sale Date (or, in the case of Metal Sale pursuant to Condition 6.11.1(a), the first Business Day after the expiry of the period of 30 days therein referred to) to the Metal Sale Counterparty pursuant to the Metal Sale Counterparty Agreement an amount of Bullion attributable to or forming part of the Secured Property in respect of such Metal Securities equal to the aggregate Metal Entitlement of the Metal Securities being redeemed, calculated as at the Settlement Date (or, in the case of Metal Sale pursuant to Condition 6.11.1(a), the third Business Day after the expiry of the period of 30 days therein referred to), rounded down to the nearest 0.001 troy ounce (or fine troy ounce in the case of gold), or settlement on the Settlement Date (or such third Business Day). If such third Business Day is not an LPPM Value Date or an LBMA Value Date or the Custodian determines that de-allocation and, in the cases of platinum and palladium or gold attributable to or forming part of the Secured Property in respect of any ETFS Physical Swiss Gold Securities in the case of a Redemption thereof, credit to the Custodian's account with its Zurich clearing bank of the relevant Bullion will not be completed on such third Business Day, the proviso to Condition 6.12 (*Settlement Date*) shall apply to such third Business Day in both this paragraph (a) and Condition 6.11.1(a) as it applies to a Settlement Date;
- (b) will instruct the Custodian (on behalf of the Issuer) to deliver such Bullion from the Secured Metal Accounts to the Metal Sale Counterparty Account on the Settlement Date (or other Settlement Date specified in paragraph (a)) against payment of the proceeds of sale realised from the sale of Bullion to an account or accounts nominated by the Trustee; and
- (c) will remit such proceeds in US dollars (less any Redemption Fee in accordance with Condition 9 (*Redemption Fee*) which the Trustee will pay to such account of the Issuer as the Issuer may direct and less the Trustee's fees and expenses (if any)) to the relevant Security Holder through CREST or, in the case of Metal Securities in Certificated Form, by cheque or warrant made payable to the Security Holder and sent by post at the risk of the Security Holder, subject (in the case of Redemption by Metal Sale in accordance with Condition 6.11.1(a)) to the Security Holder having delivered the Metal Securities to be Redeemed to the Issuer by either depositing them into an appropriate CREST account (as directed by the Issuer) and giving correct delivery free of payment instructions in CREST or delivering the certificates in respect of them to the Issuer (or otherwise having delivered such Metal Securities to the Issuer by agreement with the Issuer). If the Security Holder fails to deposit the Metal Securities into an appropriate CREST account and give correct delivery free of payment instructions in CREST or otherwise so deliver the Metal Securities to the Issuer, the Issuer may retain the proceeds otherwise payable until the Security Holder has so deposited or delivered the Metal Securities and then remit such proceeds (without interest, which shall be for the account of the Issuer) to the Security Holder in accordance with this Condition.

6.11.3 If Metal Sale applies the holder of the Metal Securities being Redeemed acknowledges and agrees:

- (a) to accept the proceeds of sale actually realised from the sale of the relevant Bullion (less any Redemption Fee in accordance with Condition 9 (*Redemption Fee*) and less the Trustee's fees and expenses (if any)) in full settlement of the Issuer's Redemption Obligations in respect of such Metal Securities;

- (b) that the Issuer and the Trustee make no representations or warranties as to the price at which Bullion will be sold or the amount of the proceeds of sale realised from the sale of Bullion; and
- (c) that neither the Issuer nor the Trustee shall be liable for any failure by the Metal Sale Counterparty in respect of any sale of Bullion pursuant to any Metal Sale transaction, but in the event of any such failure, the Issuer shall to the extent practicable assign to the redeeming Security Holder its claims in relation to such Bullion in satisfaction of all claims of such Security Holder in respect of the Metal Securities to be Redeemed and the Security Holder shall have no further claims against the Issuer or the Secured Property.

6.12 Settlement Date

In relation to any Redemption pursuant to this Condition 6, the Settlement Date (on which Redemption shall be effective) shall be the second Business Day following the applicable Redemption Notice Date, provided that:

- 6.12.1 in the case of the Redemption of ETFs Physical Platinum Securities and ETFs Physical Palladium Securities (and any Basket Securities comprised only of one or both of such classes of Metal Securities) by Metal Sale, if such day is not an LPPM Value Date, the Settlement Date will be the next LPPM Value Date;
- 6.12.2 in the case of the Redemption of ETFs Physical Silver Securities and ETFs Physical Gold Securities (and any Basket Securities comprised only of one or both of such classes of Metal Securities) by Metal Sale, if such day is not an LBMA Value Date, the Settlement Date will be the next LBMA Value Date;
- 6.12.3 in the case of the Redemption of ETFs Physical Swiss Gold Securities by Metal Sale, if such day is not an LBMA Value Date, the Settlement Date will be the next Business Day that is an LBMA Value Date;
- 6.12.4 in the case of the Redemption of ETFs Physical PM Basket Securities (and any other category of Basket Securities comprised partly of ETFs Physical Platinum Securities and/or ETFs Physical Palladium Securities and partly of ETFs Physical Silver Securities and/or ETFs Physical Gold Securities) by Metal Sale, if such day is not both an LPPM Value Date and an LBMA Value Date, the Settlement Date will be the next day that is both an LPPM Value Date and an LBMA Value Date;
- 6.12.5 in the case of the Redemption of Swiss Gold Metal Securities by Metal Delivery to a loco London account, if the Swiss Gold Custodian determines that settlement under the loco swap or other transfer arrangement to be entered into as referred to in Condition 6.6.3 will not be completed on the date which would, but for this Condition 6.12.5, be the Settlement Date, the Settlement Date will be such later date on which settlement under such loco swap or other transfer arrangement is completed; and
- 6.12.6 if the Custodian determines that if, for any platinum, palladium or gold attributable to or forming part of the Secured Property in respect of any ETFs Physical Swiss Gold Securities required to effect a Redemption, de-allocation and credit to the Custodian's account with its Zurich clearing bank of the relevant Bullion will not be completed on the date which would, but for this Condition 6.12.6, be the Settlement Date, the Settlement Date will be such later date on which de-allocation and, in the cases of platinum, palladium and gold attributable to or forming part of the Secured Property in respect of any ETFs Physical Swiss Gold Securities, credit to such account of the relevant Bullion is completed.

7. COMPULSORY REDEMPTION BY THE ISSUER OR TRUSTEE

7.1 Compulsory Redemption on Termination

The Issuer may at any time determine that all Metal Securities, or all Metal Securities of any one or more type, are to be Redeemed compulsorily. In such event the Issuer shall give not less than 30 days' notice by RIS announcement of a London Business Day to be a Final Trading Day in respect of such Metal Securities.

7.2 Compulsory Redemption on Issuer Insolvency Event

If an Issuer Insolvency Event has occurred and is continuing, the Trustee may at any time, at its discretion, and shall if so directed in writing by Security Holders holding not less than 25 per cent. by Principal Amount of the Metal Securities (as a whole) then outstanding or by an Extraordinary Resolution of the Security Holders (as a single class), the Trustee having first been indemnified and/or secured and/or funded to its satisfaction, give notice to the Issuer and by RIS announcement to the Security Holders that all the Metal Securities outstanding are to be Redeemed compulsorily and specifying a Business Day (falling not less than two Business Days from the giving of such notice) to be a Compulsory Redemption Notice Date in respect of such Metal Securities.

7.3 Compulsory Redemption for Cause

The Issuer may, in its absolute discretion, at any time give written notice to a Security Holder that any Metal Securities held by that Security Holder are to be Redeemed compulsorily and specifying a Business Day (being not less than seven days and not more than fourteen days following the date of the notice) to be the Compulsory Redemption Notice Date in respect of such Metal Securities, if:

- 7.3.1 the Issuer required the Security Holder in accordance with Condition 10 (*Enquiries as to Status of Security Holders*) to certify whether or not it is a Prohibited Benefit Plan Investor and (i) the Security Holder did not by the date specified in the notice given under Condition 10 provide such a certification to the Issuer in the form and executed in the manner required or (ii) the Security Holder certified that it is a Prohibited Benefit Plan Investor; or
- 7.3.2 the Issuer required the Security Holder in accordance with Condition 10 to certify whether or not it is a Prohibited US Person and (i) the Security Holder did not by the date specified in the notice given under Condition 10 provide such a certification to the Issuer in the form and executed in the manner required or (ii) the Security Holder certified that it is a Prohibited US Person; or
- 7.3.3 the Issuer considers (in its sole discretion) (a) that such Metal Securities are or may be owned or held directly or beneficially by any person in breach of any law or requirement of any country or by virtue of which such person is not qualified to own those Metal Securities, or (b) that the ownership or holding or continued ownership or holding of those Metal Securities (whether on its own or in conjunction with any other circumstance appearing to the Issuer to be relevant) would, in the reasonable opinion of the Issuer, cause a pecuniary or tax disadvantage to the Issuer or any other Security Holders which it or they might not otherwise have suffered or incurred,

provided that if the relevant Security Holder in the case of sub-paragraph 7.3.1(i) or sub-paragraph 7.3.2(i) so failed to provide such a certification, or in the case of sub-paragraph 7.3.1(ii) or sub-paragraph 7.3.2(ii) certified that it is a Prohibited Benefit Plan Investor or a Prohibited US Person, in each case in respect of some only of the Metal Securities held by it, a notice given by the Issuer under this Condition shall relate only to those Metal Securities (and not any other Metal Securities held by that Security Holder).

- 7.4 If a Security Holder which is the subject of a notice under Condition 7.3 (*Compulsory Redemption for Cause*) provides to the Issuer at least one Business Day prior to the Compulsory Redemption Notice Date specified pursuant to Condition 7.3 proof required by the Issuer that its Metal Securities have been transferred to a person that is not a Prohibited Benefit Plan Investor or a Prohibited US Person, then the Individual Metal Securities referred to in that notice shall not be Redeemed under these Conditions.
- 7.5 If a Security Holder which is the subject of a notice under Condition 7.3 does not provide to the Issuer at least one Business Day prior to the Compulsory Redemption Notice Date specified pursuant to Condition 7.3 proof required by the Issuer that its Metal Securities have been transferred to a person that is not a Prohibited Benefit Plan Investor or a Prohibited US Person, then the Metal Securities referred to in that notice shall not be capable of being transferred by that Security Holder and the Issuer shall not be required to register any purported transfer of those Metal Securities.

7.6 The Issuer shall not be required to give any reasons for any decision, determination or declaration taken or made in accordance with this Condition 7 (*Compulsory Redemption by the Issuer or Trustee*). The exercise of the powers conferred by this Condition 7 shall not be questioned or invalidated in any case on the grounds that there was insufficient evidence of direct or beneficial ownership or holding of the Metal Securities, or any other grounds save that such powers shall have been exercised in good faith.

7.7 Compulsory Redemptions

7.7.1 If notice is given to Redeem Metal Securities compulsorily pursuant to Condition 7.1 (*Compulsory Redemption on Termination*), Condition 7.2 (*Compulsory Redemption on Issuer Insolvency Event*) or Condition 7.3 (*Compulsory Redemption for Cause*):

- (a) Metal Securities the Security Holder of which is an Authorised Participant; and
- (b) Metal Securities the Security Holder of which has, on or prior to the Final Trading Date (in the case of Redemption pursuant to Condition 7.1) or the Compulsory Redemption Notice Date (in the case of Redemption pursuant to Condition 7.2 or Condition 7.3), certified that it is not a UCITS Fund and specified
 - (i) in relation to any Initial Metal Securities, an unallocated account with a member of the Relevant Association (or, in the case of a Basket Security, one or more unallocated accounts with one or more members of the Relevant Associations) into which the relevant Bullion may be deposited; or
 - (ii) in relation to any Swiss Gold Metal Securities, either an unallocated loco Zurich account with the Swiss Gold Zurich Sub-Custodian or any other gold bullion clearing bank in Zurich or an unallocated loco London or loco Zurich account with the Swiss Gold Custodian or any other member of the Relevant Association in London, in each case into which the relevant Bullion may be deposited,

shall be Redeemed by Metal Delivery. All other Metal Securities to be so Redeemed shall be Redeemed by Metal Sale. If in the case of Swiss Gold Metal Securities the Security Holder has specified in accordance with paragraph (ii) a loco London account, such specification shall not be valid unless the Security Holder has confirmed to the Issuer (in such manner as the Issuer may require) that the Security Holder has previously agreed with the Swiss Gold Custodian the cost of any loco swap or other transfer arrangement to be entered into and to be responsible to the Swiss Gold Custodian for meeting all such costs. If the Security Holder has not previously agreed with the Swiss Gold Custodian the cost of any such loco swap or other transfer arrangement and to be responsible to the Swiss Gold Custodian for meeting all such costs, such Swiss Gold Metal Securities shall be Redeemed by Metal Sale.

7.7.2 In relation to any Redemption pursuant to Condition 7.1, Condition 7.2, or Condition 7.3, the Compulsory Settlement Date (on which Redemption shall be effective) shall be the second Business Day following the applicable Compulsory Metal Sale Date (in the case of Redemption pursuant to Condition 7.1) or the second Business Day following the applicable Compulsory Redemption Notice Date (in the case of Redemption pursuant to Condition 7.2 or Condition 7.3), provided that:

- (a) in the case of Redemption pursuant to Condition 7.1 where ETFS Physical Platinum Securities, ETFS Physical Palladium Securities, ETFS Physical Swiss Gold Securities or ETFS Physical PM Basket Securities (or any other Basket Security comprised, *inter alia*, of ETFS Physical Platinum Securities or ETFS Physical Palladium Securities) are being Redeemed, the Compulsory Settlement Date for all Metal Securities to be Redeemed shall be two days following the applicable Compulsory Metal Sale Date, which two days both being London Business Days and Zurich Business Days;
- (b) in the case of Redemption pursuant to Condition 7.2 or Condition 7.3, if the Metal Sale Counterparty notifies the Trustee that sale of Bullion of that type (or of each relevant type where more than one type of Metal Security is being Redeemed)

cannot be effected on the Relevant Market on that day, then for the purposes of determining the Compulsory Settlement Date, the Compulsory Redemption Notice Date shall be treated as having been postponed to the immediately following Business Day;

- (c) in the case where only ETFS Physical Platinum Securities and/or ETFS Physical Palladium Securities (and any Basket Securities comprised only of one or both of such classes of Metal Securities) are to be Redeemed (whether by Metal Delivery or Metal Sale), if such day is not an LPPM Value Date, the Compulsory Settlement Date will be the next LPPM Value Date;
- (d) in the case where only ETFS Physical Silver Securities and/or ETFS Physical Gold Securities (and any Basket Securities comprised only of one or both of such classes of Metal Securities) are to be Redeemed (whether by Metal Delivery or Metal Sale), if such day is not an LBMA Value Date, the Compulsory Settlement Date will be the next LBMA Value Date;
- (e) in the case where only ETFS Physical Swiss Gold Securities are to be Redeemed (whether by Metal Delivery or Metal Sale), if such day is not an LBMA Value Date, the Compulsory Settlement Date will be the next Business Day that is an LBMA Value Date;
- (f) in any other case, if such day is not both an LPPM Value Date and an LBMA Value Date, the Compulsory Settlement Date will be the next day that is both an LPPM Value Date and an LBMA Value Date;
- (g) in the case of the Redemption of Swiss Gold Metal Securities by Metal Delivery to a loco London account, if the Swiss Gold Custodian determines that settlement under the loco swap or other transfer arrangement to be entered into as referred to in Condition 7.7.1 will not be completed on the date which would, but for this paragraph (g), be the Compulsory Settlement Date, the Compulsory Settlement Date will be such later date on which settlement under such loco swap or other transfer arrangement is completed; and
- (h) if the Custodian determines that de-allocation and, in the cases of platinum, palladium or gold attributable to or forming part of the Secured Property in respect of any ETFS Physical Swiss Gold Securities, credit to the Custodian's account with its Zurich clearing bank of the relevant Bullion will not be completed on the date which would, but for this paragraph (h), be the Compulsory Settlement Date, the Compulsory Settlement Date will be such later date on which de-allocation and, in the cases of platinum, palladium and gold attributable to or forming part of the Secured Property in respect of any ETFS Physical Swiss Gold Securities, credit to such account of the relevant Bullion is completed.

7.7.3 In relation to any Redemption pursuant to Condition 7.1, Condition 7.2, or Condition 7.3 to be effected by Metal Delivery in accordance with these Conditions, the provisions of Condition 6.10 (*Delivery of Bullion upon Redemption*) shall apply save that references in that Condition to the Settlement Date shall be replaced by references to the Compulsory Settlement Date.

7.7.4 In relation to any Redemption pursuant to Condition 7.1, Condition 7.2, or Condition 7.3 to be effected by Metal Sale in accordance with these Conditions, the Trustee:

- (a) will (on behalf of the Issuer) give notice under the Metal Sale Counterparty Agreement to sell on the Compulsory Metal Sale Date (in the case of Redemption pursuant to Condition 7.1) or the Compulsory Redemption Notice Date (in the case of Redemption pursuant to Condition 7.2 or Condition 7.3) to the Metal Sale Counterparty pursuant to the Metal Sale Counterparty Agreement an amount of Bullion attributable to or forming part of the Secured Property in respect of the Metal Securities being Redeemed equal to the aggregate Metal Entitlement of such Metal Securities, calculated as at the Compulsory Settlement Date (rounded down to the nearest 0.001 troy ounce, or fine troy ounce in the case of gold), for settlement on the Compulsory Settlement Date;

- (b) will instruct the Custodian (on behalf of the Issuer) to deliver such Bullion from the Secured Metal Accounts to the Metal Sale Counterparty Account on the Compulsory Settlement Date against payment of the proceeds of sale realised from the sale of Bullion to an account or accounts nominated by the Trustee; and
- (c) will remit such proceeds in US dollars (less any Redemption Fee in accordance with Condition 9 (*Redemption Fee*) which the Trustee will pay to such account of the Issuer as the Issuer may direct and less any fees and expenses of the Trustee incurred in connection with such sale (if any)) to the relevant Security Holder through CREST or, in the case of Metal Securities in Certificated Form, by cheque or warrant made payable to the Security Holder and sent by post at the risk of the Security Holder, in the case of Redemption pursuant to Condition 7.3 to the Security Holder having delivered the Metal Securities being Redeemed to the Issuer by either depositing them into an appropriate CREST account (as directed by the Issuer) and giving correct delivery free of payment instructions in CREST or delivering the certificates in respect of them to the Issuer (or otherwise having delivered such Metal Securities to the Issuer by agreement with the Issuer). If the Security Holder fails to deposit the Metal Securities into an appropriate CREST account and give correct delivery free of payment instructions in CREST or otherwise so deliver the Metal Securities to the Issuer, the Issuer may retain the proceeds otherwise payable until the Security Holder has so deposited or delivered the Metal Securities and then remit such proceeds (without interest, which shall be for the account of the Issuer) to the Security Holder in accordance with this Condition.

7.7.5 The provisions of Condition 6.11.3 shall apply to Redemption by Metal Sale pursuant to Condition 7.1, Condition 7.2, or Condition 7.3 as they do to Redemption by Metal Sale pursuant to Condition 6 (*Redemption of Metal Securities*).

8. SETTLEMENT AND REDEMPTION OBLIGATIONS

- 8.1 Where a Redemption Form has been lodged for the Redemption of Metal Securities, the Security Holder which holds those Metal Securities which are the subject of that Redemption must, by 8.00 a.m. on the Settlement Date, deposit the Metal Securities in question into an appropriate CREST account, give correct instructions in accordance with the Redemption Form if they were in Uncertificated Form, or otherwise deliver the Metal Securities to be Redeemed and any certificates representing them to the Issuer in such manner as the Issuer may agree if they are in Certificated Form and, in the case of Redemption of any Swiss Gold Metal Securities by Metal Delivery to a loco London account, have undertaken to make payment to the Swiss Gold Custodian in such manner as may be agreed between the Security Holder and the Swiss Gold Custodian of the costs referred to in Condition 6.6.3. Once a valid Redemption Form is lodged in respect of Metal Securities, the Metal Securities in respect of which it was given may not be transferred by the Security Holder (except to the Issuer), and the Issuer may refuse to recognise any subsequent transfer of any of those Metal Securities.
- 8.2 Subject as provided in Condition 6.3 (*Redemption by Other Security Holders*), failure by a Security Holder to deposit those Metal Securities into an appropriate CREST account, give correct instructions and/or make payment to the Swiss Gold Custodian as referred to in Conditions 6.6.3 and 8.1 shall not invalidate the Redemption of those Metal Securities. Where settlement of a Redemption of Metal Securities is delayed due to the failure of the Security Holder to deposit the Metal Securities in question into an appropriate CREST account or give correct instructions or otherwise deliver such Metal Securities and any certificates representing them in a manner agreed by the Issuer the Security Holder shall not be entitled to receive any interest in respect of late delivery of the Metal Entitlement or other amounts due. If the Security Holder fails to deliver such Metal Securities to the Issuer (via the CREST system or another method agreed with the Issuer), the Issuer shall be entitled to deliver the Metal Entitlement (or other amount due) to the Trustee (to be held on trust for the Security Holder in accordance with the Trust Instrument), and to cancel the entry in the Register in respect of those Metal Securities.
- 8.3 Where Individual or Basket Securities are Redeemed in accordance with Condition 6 (*Redemption of Metal Securities*) or 7 (*Compulsory Redemption by the Issuer or Trustee*), the Issuer shall be entitled, upon delivery of the Metal Entitlement (rounded down to the nearest 0.001 troy ounce (or

fine troy ounce in the use of gold)) or payment of any other amount due (less the Redemption Fee, if applicable) into the applicable Security Holder Account or other payment in accordance with Condition 26 (*Payment Provisions*), to cancel the entry in the Register in respect of those Metal Securities being Redeemed.

- 8.4 The Issuer may, at any time, notify a Security Holder that the Issuer may have to withhold or deduct from the payment that corresponds to the Redemption Form an amount for or on account of, any present or future taxes, duties assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any relevant jurisdiction or any political sub-division thereof or any authority thereof having power to tax, as required by law (as modified by the practice of any relevant governmental revenue authority) then in effect and such notice shall specify any form or document to be delivered by beneficial owners of Metal Securities that may allow the Issuer to make such payment without any such withholding or deduction or with such withholding or deduction at a reduced rate. If such forms or documents are not provided to the Issuer by the relevant Security Holder or if it is not the beneficial owner of Metal Securities held by such Security Holder and which are to be redeemed, such beneficial owner, then any such payment will be reduced (and the matching obligation of the Issuer to pay or deliver or to procure the payment or delivery of the Metal Entitlement (rounded down to the nearest 0.001 troy ounce (or fine troy ounce in the case of gold)) or other amount due to that Security Holder will also be reduced) by the amount of the withholding or deduction.

9. REDEMPTION FEE

- 9.1 Subject as provided below, it is a condition to the performance by the Issuer of the obligation to redeem Metal Securities that the Issuer may deduct the Redemption Fee from the Metal Entitlement or other amount due to the Security Holder on Redemption and that if it does not the Security Holder of such Metal Securities shall pay to the Issuer the Redemption Fee in respect of such Redemption in accordance with this Condition 9. The Issuer may offset the amount of the Redemption Fee payable hereunder against the Metal Entitlement or other amount due to the Security Holder on Redemption.
- 9.2 On a Redemption of Metal Securities at the request of an Authorised Participant, the Redemption Fee shall be the amount agreed in the relevant Authorised Participant Agreement to be payable, or such other amount as may be agreed by the Issuer and that Authorised Participant at the time of the Redemption, regardless of the number of Metal Securities being redeemed.
- 9.3 On a Redemption of Metal Securities at the request of a Security Holder who is not an Authorised Participant (where there are no Authorised Participants), the Redemption Fee shall be an amount equal to the cost to the Issuer of satisfying such Redemption request, which shall be notified to the Security Holder at the time of the Redemption being not greater than £500 or such other amount as may be notified through a RIS.
- 9.4 On a Compulsory Redemption of Metal Securities by the Issuer or the Trustee, the Redemption Fee shall be an amount equal to the cost to the Issuer incurred in relation to the Redemption, including the costs of enquiries under Condition 10 (*Enquiries as to Status of Security Holders*) and the cost of giving notices under Condition 7 (*Compulsory Redemption by the Issuer or Trustee*) being not greater than £500 or such other amount as may be notified through a RIS. The Issuer shall notify Security Holders whose Metal Securities are subject to Compulsory Redemption of the amount of those costs, and their allocation to particular Security Holders, at the time of the Redemption.

10. ENQUIRIES AS TO STATUS OF SECURITY HOLDERS

- 10.1 The Issuer may at any time, without any requirement to state a reason, give notice to a Security Holder requiring that Security Holder:
- 10.1.1 to certify, no later than the date (the “**Investor Notice Expiry Date**”) falling fifteen London Business Days following the date on which the Issuer sends or transmits such requirement to that Security Holder whether that Security Holder is a Prohibited US Person or a Prohibited Benefit Plan Investor (and if that Security Holder is a Prohibited Benefit Plan Investor or Prohibited US Person, to notify the Issuer of the number and type of Metal Securities in respect of which it is a Prohibited Benefit Plan Investor or Prohibited US Person); and

- 10.1.2 if that Security Holder asserts that it is not a Prohibited US Person or not a Prohibited Benefit Plan Investor (or not a Prohibited Benefit Plan Investor or not a Prohibited US Person in respect of all Metal Securities held by it), to provide to the Issuer by the Investor Notice Expiry Date a certificate in the form and executed in the manner determined by the Issuer that the Security Holder is not a Prohibited US Person or not a Prohibited Benefit Plan Investor (or not a Prohibited Benefit Plan Investor or not a Prohibited US Person in respect of certain Metal Securities held by it, specifying the number and type of Metal Securities in respect of which it is, and is not, a Prohibited Benefit Plan Investor or is, and is not, a Prohibited US Person).
- 10.2 The Issuer shall be entitled, save to the extent that it has made enquiry under this Condition 10, to assume that none of the Metal Securities are held by Prohibited US Persons or Prohibited Benefit Plan Investors.

11. ENFORCEMENT

- 11.1 In addition to any of the powers conferred on the Trustee pursuant to the relevant Security Deed with respect to the Secured Property, the Trustee may at any time after the occurrence of a Defaulted Obligation, at its discretion, and shall, if so directed in writing by the Security Holder to whom such Defaulted Obligation is owed, the Trustee having first been indemnified and/or secured and/or funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing, take such proceedings and/or other action as it may think fit against or in relation to the Issuer to enforce any such obligation of the Issuer under the Trust Instrument and the security constituted by the Security Deed(s) in respect of the relevant Metal Securities to which such Defaulted Obligation relates.
- 11.2 If an Issuer Insolvency Event has occurred and is continuing, at its discretion, the Trustee may at any time, and shall if so directed in writing by Security Holders holding not less than 25 per cent. by Principal Amount of the Metal Securities (as a whole) then outstanding or an Extraordinary Resolution of the Security Holders holding Metal Securities (as a single class), the Trustee having first been indemnified and/or secured and/or funded to its satisfaction, take such proceedings and/or other action as it may think fit against or in relation to the Issuer to enforce any obligations of the Issuer under the Trust Instrument and the security constituted by the Security Deeds in respect of all outstanding Metal Securities.
- 11.3 If the Trustee considers that the Issuer is in material breach of any of the covenants, undertakings and obligations (other than payment or delivery obligations) in the Trust Instrument and has not remedied the same within 30 days of being required to do so by the Trustee, the Trustee may, but shall not be obliged to, give notice to all Security Holders of that fact. Prior to giving any such notice, the Trustee shall provide a copy of the proposed notice to the Issuer (provided the Trustee does not consider it detrimental to the interests of Security Holders to give a copy of any such proposed notice to the Issuer) and shall include with the notice any statement of not more than 1,000 words prepared by the Issuer and provided to the Trustee for the purpose within 7 days of receipt of the copy of the proposed notice referred to herein. In any such notice the Trustee may designate a Period (the "**Breach Redemption Period**") commencing on any London Business Day until the date one month from such London Business Day (inclusive) during which each Security Holder will be entitled to redeem all (but not some only) of the Metal Securities held by it in the same manner as though there were no Authorised Participants. After the expiry of the Breach Redemption Period, the relevant breach shall be deemed waived without prejudice to the right of the Trustee to take action in the event of any subsequent such breach.
- 11.4 If an Issuer Insolvency Event is occurring at the same time as a Defaulted Obligation, a Security Holder holding affected Metal Securities to whom a Defaulted Obligation is owed will not be entitled to require the Trustee to take action in accordance with Condition 11.1 until the expiry of 30 days from the occurrence of the Issuer Insolvency Event, nor shall he be so entitled if, during such period of 30 days, the Trustee has elected, or been required, to take action in accordance with Condition 11.2.
- 11.5 Subject to Condition 11.7, only the Trustee may enforce the provisions of the Trust Instrument or the Security Deeds. Where the Trustee has elected or been directed to enforce the Issuer's obligations under the Trust Instrument and the security constituted by a Security Deed, the right of Security Holders to lodge a Redemption Form with the Issuer shall cease. Valid Redemption Forms lodged before the date the Trustee announces its intention to enforce the security will be Redeemed in the normal manner.

- 11.6 If the Trustee takes any action pursuant to Condition 11.1 with respect to any Metal Securities to which a Defaulted Obligation relates, it shall give notice to the Issuer that such Metal Securities in respect of which such action is taken are, and they shall become, due and payable.
- 11.7 No Security Holder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period and such failure is continuing, in which case any such Security Holder will have only such rights against the Issuer as those which the Trustee is entitled to exercise against or in relation to the Issuer.

12. APPLICATION OF MONEYS

- 12.1 All moneys received by the Trustee pursuant to the realisation of Secured Property in respect of a Metal Security shall be held by the Trustee upon trust, to apply them:
- 12.1.1 FIRST in payment or satisfaction of all amounts then due to the Trustee and unpaid (including to its attorneys, managers, agents, delegates or other person appointed by the Trustee) under the terms of the Trust Instrument, and to payment of any remuneration and expenses of any receiver and the costs of realisation of the security constituted by the relevant Security Deed;
- 12.1.2 SECONDLY in or towards payment or performance *pari passu* and rateably of all amounts then due and unpaid and all obligations due to be performed and unperformed in respect of Individual Securities of that class and any type of Basket Securities to the extent that they are comprised of Individual Securities of that class; and
- 12.1.3 THIRDLY in payment of the balance (if any) to the Issuer (without prejudice to, or liability in respect of, any question as to how such payment to the Issuer shall be dealt with as between the Issuer and any other person).

13. RESTRICTIONS

- 13.1 So long as any Metal Securities of a particular type are outstanding, the Issuer covenants in the Trust Instrument, *inter alia*:
- 13.1.1 not to incur or permit to subsist in respect of any Pool any indebtedness for borrowed money other than Metal Securities or Further Securities, and not to give any guarantee or indemnity in respect of indebtedness of any person, save in each case with the prior written consent of the Trustee;
- 13.1.2 other than as permitted under the applicable Security Deed, not to dispose of any of the Secured Property or any interest therein, or to create any mortgage, pledge, charge, lien, or other form of encumbrance or security interest or right of recourse in respect thereof in favour of any person;
- 13.1.3 save as permitted by Condition 14 (*Further Securities; Other Pools; Consolidation and Division*), not to undertake any business save for the issue and redemption of Metal Securities, the acquisition and disposal of Bullion, entering into the necessary documents and performing its obligations and exercising its rights thereunder;
- 13.1.4 to use reasonable endeavours to ensure that at all times after the date three months following Listing there are at least two Authorised Participants and until then there is at least one Authorised Participant;
- 13.1.5 not to issue any Individual or Basket Securities of any type unless it has received Bullion in an aggregate amount equal to the Metal Entitlement calculated as at the Settlement Date;
- 13.1.6 not to maintain an office or other fixed place of business, nor to establish any permanent establishment, nor be or become tax resident, in the United Kingdom;
- 13.1.7 not to make any election under US federal income tax laws to be treated otherwise than as an association taxable as a corporation for US federal income tax purposes;
- 13.1.8 to undertake any business so as to seek to minimise the impact of taxation; and
- 13.1.9 to procure that the Pools are at all times maintained in a manner so that they are readily distinguishable from each other.

- 13.2 Notwithstanding the foregoing, the Issuer may:
- 13.2.1 issue unsecured limited recourse notes to ETFSL (or any Affiliate), and may redeem, amend, supplement, extend or replace such notes in accordance with the terms thereof; and
 - 13.2.2 make any loan to ETFSL (or any Affiliate) of the proceeds of the issue of such notes, under which the Issuer may, if it determines to do so, make advances to ETFSL (or any Affiliate) (including by set-off against such proceeds).

14. FURTHER SECURITIES; OTHER POOLS; CONSOLIDATION AND DIVISION

- 14.1 The Issuer may (without the consent of the Security Holders) create and issue additional classes of undated limited recourse secured debt securities constituted by an instrument or deed supplemental to the Trust Instrument and may establish additional pools for the purposes of such securities and the Trustee shall join in such instrument or deed and thereupon such pool shall be a "Pool" for the purposes of the Trust Instrument and such securities shall be "Individual Securities" for such purposes, and the Issuer may further create and issue Basket Securities, the Metal Entitlement of which is calculated by reference to such Individual Securities in accordance with the Trust Instrument (and for which such Metal Securities when in Certificated Form may be surrendered in accordance with the provisions of the Trust Instrument). Any such additional classes of Individual Securities shall have recourse only to the Pool attributable to the relevant classes and not to any other Pool. Other such securities created and issued by the Issuer under this Condition 14.1 may relate to different metal than those in respect of which Individual Securities are initially issued, or be Basket Securities involving different combinations of Individual Securities or with different weightings, or involve different pricing mechanisms. Other such securities created by the Issuer under this Condition 14.1 may be created and issued subject to different terms and conditions in lieu of the Trust Instrument (including but not limited to different pricing mechanisms), to be determined by the Issuer. If other securities created by the Issuer under this Condition 14.1 are subject to different terms and conditions in lieu of the Trust Instrument the Issuer shall publish those new conditions in its RIS announcement or in a prospectus or listing particulars or supplementary prospectus or supplementary listing particulars and on the Issuer's Website.
- 14.2 The Issuer shall not accept Applications for, or issue, Individual Securities of a new class, or Metal Securities (the amount payable on Redemption of which is calculated by reference to (and when held in Certificated form may be surrendered in exchange for) Individual Securities of a new class) under Condition 14.1 unless it has first executed and delivered to the Trustee a Security Deed creating security by way of fixed charge over the Bullion held in custody attributable to the new class of Individual Securities (and Basket Securities to the extent they comprise Individual Securities of the new class), assigning by way of security for the benefit of the Trustee and the relevant Security Holders the contractual rights of the Issuer of the relevant class under the Custodian Agreements and creating a first floating charge for the benefit of the Trustee and the relevant Security Holders over all of the Issuer's rights in relation to the Secured Property attributable to the applicable Pool, including but not limited to its rights under the Custodian Agreements and the Secured Metal Accounts attributable to that Pool.
- 14.3 The Issuer may consolidate or divide all of the Metal Securities of any type into Metal Securities of the same type but with a proportionately larger or smaller Metal Entitlement and Principal Amount. Such consolidation or division shall be effected by deed or instrument supplemental to the Trust Instrument.
- 14.4 Whenever as a result of consolidation of Metal Securities a Security Holder would become entitled to a fraction of a Metal Security the Issuer will Redeem such fraction of a Metal Security. In such circumstances the provisions of Condition 7.7 (*Compulsory Redemptions*) shall apply in respect of the aggregate fractions of Metal Securities to be redeemed *mutatis mutandis* as though the Redemption were pursuant to Condition 7.1 (*Compulsory Redemption on Termination*) and the date on which the consolidation becomes effective the Final Redemption Notice Date.

15. ISSUER'S ABILITY TO PURCHASE METAL SECURITIES

There is no restriction on the ability of the Issuer or any of its Affiliates to purchase or repurchase Metal Securities.

16. LISTING

The Issuer covenants in the Trust Instrument to use its best endeavours to obtain and, so long as any of the Metal Securities remain outstanding, maintain a Listing for the Metal Securities or, if it is unable to do so having used such best endeavours or if the maintenance of such listing is agreed by the Trustee to be unduly onerous, use its best endeavours to obtain and maintain the quotation or listing of the Metal Securities on such other stock exchange as it may (with the prior written approval of the Trustee) decide.

17. WAIVER, AUTHORISATION AND DETERMINATION; MEETINGS OF SECURITY HOLDERS

- 17.1 The Trustee may, without prejudice to its rights in respect of any subsequent breach, but only if and in so far as, in its opinion, the interests of the Security Holders shall not be materially prejudiced thereby, waive or authorise any breach or proposed breach by the Issuer of any of the covenants or provisions contained in the Trust Instrument or the Security Deeds, or determine that any Defaulted Obligation or Issuer Insolvency Event shall not be treated as such PROVIDED THAT the Trustee shall not exercise any powers conferred on it by this Condition, (a) with respect to a Defaulted Obligation, in contravention of any express direction given by the Security Holder to whom such Defaulted Obligation is owed or (b) with respect to an Issuer Insolvency Event or any other breach or proposed breach by the Issuer of any of the covenants or provisions contained in the Trust Instrument, in contravention of any express direction given by Security Holders holding not less than 25 per cent. by Principal Amount of the Metal Securities (as a whole) then outstanding or an Extraordinary Resolution of the Security Holders (as a single class), but so that no such direction shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Trustee may determine, shall be binding on the Security Holders and, if, but only if, the Trustee, shall so require, shall be notified by the Issuer to the Security Holders as soon as practicable thereafter.
- 17.2 Security Holders in respect of any type or types of Metal Securities have power by Extraordinary Resolution, *inter alia*, to sanction the release of the Issuer from the payment of moneys payable pursuant to the Trust Instrument, to sanction any modification, abrogation or compromise of, or arrangement in respect of, their rights against the Issuer, to assent to any modification or abrogation of the covenants or provisions contained in the Trust Instrument proposed or agreed to by the Issuer and also to sanction other matters as provided therein. The Trust Instrument contains provisions relating to the convening of meetings by the Issuer or the Trustee and provides that at least fourteen days' notice or, where the meeting is being convened for the purposes of passing an Extraordinary Resolution, at least twenty-one days' notice (exclusive in each case of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting shall be given to the Security Holders of the relevant type or types. In the case of a meeting adjourned through want of a quorum, other than one convened at the requisition of Security Holders, at least seven days' notice (exclusive as aforesaid) should be given in the same manner as for an original meeting.

18. EXERCISE OF DISCRETIONS

The Trustee may exercise its discretions under the Trust Instrument separately in respect of each type of Metal Securities, and any Further Securities in issue from time to time, and shall incur no liability for so doing.

19. PRESCRIPTION

The Trust Instrument does not provide for any prescription periods.

20. REMOVAL, RETIREMENT OR REPLACEMENT OF TRUSTEE

- 20.1 The Trustee may retire at any time without assigning any reason upon giving not less than three months' prior written notice to the Issuer and without being responsible for any Liabilities incurred by reason of such retirement. The Security Holders may by Extraordinary Resolution of the Security Holders (as a single class) appoint or remove any trustee or trustees for the time being of the Trust Instrument.
- 20.2 The Issuer will use its reasonable endeavours to appoint a new Trustee as soon as reasonably practicable after the Trustee gives notice of its retirement or being removed by Extraordinary

Resolution. The retirement or removal of any Trustee shall not become effective until a successor trustee is appointed.

21. GOVERNING LAW AND JURISDICTION

The Conditions, the Metal Securities and the Trust Instrument are governed by the laws of Jersey. The Security Deeds are governed by the laws of England. Notwithstanding the submission by the Issuer to the jurisdiction of the English courts contained in the Security Deeds, nothing prevents the Trustee from commencing proceedings in any other competent jurisdiction.

22. TRUSTEE'S LIABILITY

Save in the case of fraud, wilful misconduct or gross negligence, the Trustee (or any director, officer or employee of the Trustee) shall have no liability under the Trust Instrument for a breach of trust and, save in such circumstances, no Trustee (and no director, officer or employee of the Trustee), in execution of the trusts and powers under the Trust Instrument, shall be liable for any loss arising by reason of any mistake or omission by him or by reason of any other matter or thing including fraud, gross negligence or default of another director, officer or employee or Trustee.

23. AMENDMENTS TO CONDITIONS

These Conditions may be amended as set out herein or by written agreement between the Issuer and the Trustee. Any amendment to these Conditions will be notified to Security Holders through a RIS announcement, and unless otherwise agreed by the Trustee shall not take effect until at least 30 days following such announcement, save that a reduction in the Management Fee may take effect on announcement.

24. AMENDMENTS TO DOCUMENTS

24.1 The Issuer may by supplemental agreement or supplemental instrument or deed, as applicable, amend or join with the Trustee in amending any of the Trust Instrument, the Security Deeds or the Custodian Agreements, and the Trustee agrees in the Trust Instrument to join in a supplemental agreement or supplemental instrument or deed as applicable accordingly, if one or more of the following applies:

- 24.1.1 in the opinion of the Issuer and the Trustee the amendment is necessary or desirable and is not materially prejudicial to the rights of Security Holders;
- 24.1.2 in the opinion of the Trustee, the amendment is of a formal, minor or technical nature or to correct a manifest or proven error;
- 24.1.3 the amendment affects only Basket Securities of one or more particular category or categories, the Issuer or the Trustee determines in its discretion that the amendment would affect the holders of different categories of Basket Securities differently, and the terms of the amendment are authorised by separate Extraordinary Resolutions of the holders of each category of Basket Security affected passed in accordance with the Trust Instrument or by a separate resolution in writing of holders of each category of Basket Security affected holding not less than 75 per cent. by Principal Amount of such category;
- 24.1.4 Condition 24.1.3 does not apply to the amendment, the amendment affects only Basket Securities and the terms of the amendment are authorised by an Extraordinary Resolution of the holders of the Basket Securities (as a single class) passed in accordance with the Trust Instrument or by a resolution in writing of the holders of the Basket Securities holding not less than 75 per cent. by Principal Amount of the Basket Securities (as a whole);
- 24.1.5 Conditions 24.1.3 and 24.1.4 do not apply to the amendment, the Issuer or the Trustee determines in its discretion that the amendment would affect the holders of different types of Metal Securities differently and the terms of the amendment are authorised by separate Extraordinary Resolutions of the holders of each type of Metal Security affected passed in accordance with the Trust Instrument or in each case by a separate resolution in writing of holders of such type of Metal Security affected holding not less than 75 per cent. by Principal Amount of the Metal Securities of such type, provided that unless the Issuer or the Trustee determines in its discretion that the amendment would affect the holders of Basket Securities differently from the holders of the relevant class(es) of Individual Securities, holders of Basket Securities shall for this purpose be treated as

though they were holders of the Individual Securities by reference to which the Metal Entitlement of their Basket Securities is calculated and not as though they were holders of the Basket Securities;

- 24.1.6 Conditions 24.1.3 to 24.1.5 inclusive do not apply to the amendment and the terms of the amendment are authorised by an Extraordinary Resolution of the Security Holders (as a single class) passed in accordance with the Trust Instrument or by a resolution in writing of Security Holders holding not less than 75 per cent. by Principal Amount of the Metal Securities (as a whole); or
- 24.1.7 the terms of the amendment are necessary or desirable in the opinion of the Issuer and 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 Listing Rules or to rectify any inconsistency, technical defect, manifest error or ambiguity in the terms of such document.
- 24.2 The Issuer shall notify all Security Holders of a proposed amendment as referred to in Condition 24.1.1 by publishing a notice on a RIS at least 30 days' prior to such amendment becoming effective.
- 24.3 The Issuer shall notify all Security Holders of a proposed amendment as referred to in Conditions 24.1.3 to 24.1.6 (inclusive) by publishing a notice on a RIS as soon as practicable after such amendment is proposed and in any event, upon such amendment becoming effective.
- 24.4 Notwithstanding any provision to the contrary in this Condition 24 or in any other Document, the power to assent to any modification or amendment to the provision of any Document referred to in Condition 24.1 which modifies the power to amend such Document shall require a unanimous resolution in writing of holders of the Metal Securities of any type then outstanding.

25. NOTICES

- 25.1 Except as provided below, all notices required or permitted to be given to Security Holders, the Issuer or the Registrar under the Trust Instrument or pursuant to any other Document must be in writing in English.
- 25.2 All notices required or permitted to be given to a Security Holder under the Trust Instrument shall be made by publication through a RIS where required under the terms of such document, but otherwise may be given by publication on the Issuer's Website.
- 25.3 All notices required to be given by the Issuer to Security Holders under the Trust Instrument or otherwise shall be given in writing, except to the extent that the notice relates to a meeting of Security Holders where, in relation to any Metal Securities which are held in Uncertificated Form, the Issuer may from time to time permit notices of Security Holder meetings to be made by means of an electronic communication in the form of an Uncertificated Notice of Meeting in such form and subject to such terms and conditions as may from time to time be prescribed by the Issuer (subject always to facilities and requirements of CREST) and may in similar manner permit supplements, or amendments, to any such Uncertificated Notice of Meeting to be made by like means.
- 25.4 Any Redemption Form, other than a Redemption Order, given by an Authorised Participant shall be sent by fax to the Issuer's primary fax number, as follows:
Fax: +44 1534 825 335
or such other fax number as may be published on the Issuer's Website, and confirmed by email to the following email address:
Email: info@etfsecurities.com.
- 25.5 Any Redemption Form, other than a Redemption Order, lodged by an Authorised Participant shall be deemed to have been lodged upon sending, subject to confirmation of uninterrupted and error-free transmission by a transmission report.
- 25.6 Any Redemption Form lodged other than by an Authorised Participant must be delivered by hand, sent by prepaid recorded delivery or sent by registered post (or registered airmail in the case of posting from an address outside the United Kingdom) to the address specified in Condition 25.7.

25.7 Any Notice (other than a Redemption Form) to be given to the Issuer shall be sent to the Issuer's primary fax number set out above or delivered by hand, sent by prepaid recorded delivery or registered post (or registered airmail in the case of posting from an address outside the United Kingdom), to the following address:

Name: ETFS Metal Securities Limited

Address: Ordnance House
31 Pier Road
St. Helier
Jersey JE4 8PW
Channel Islands

Attention: Graeme Ross

Fax number: +44 1534 825 335

or such other address as may be published for the Issuer on the Issuer's Website.

25.8 Any Notice (other than a Redemption Form given by an Authorised Participant) shall, in the absence of earlier receipt, be deemed to have been received as follows:

25.8.1 if delivered by hand, at the time of actual delivery; or

25.8.2 if sent by prepaid recorded delivery or registered post (or registered airmail in the case of posting from an address outside the United Kingdom), on the date it is delivered or its delivery is attempted.

26. PAYMENT PROVISIONS

26.1 All monies payable by the Issuer in respect of Metal Securities shall be paid in US dollars in full cleared and immediately available funds. Where no bank account or other settlement details have been provided by a Security Holder, or in other circumstances as provided in the Trust Instrument, cash payments due to Security Holders will be made by cheque or warrant and despatched by post at the risk of the Security Holder.

26.2 All monies payable by the Issuer on the Redemption of any Metal Securities shall be paid in full, free and clear of and without any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any relevant jurisdiction or any political subdivision thereof or any authority thereof having power to tax, unless such deduction or withholding is required by law to which the person making the payment is subject.

26.3 Where a day on which a payment would otherwise be due and payable is not a Business Day, such payment shall be due and payable by the payer on the next following Business Day."

PART 7

PARTICULARS OF SECURITY DEEDS

The Issuer and the Trustee have entered into the following Security Deeds:

- (a) the Platinum Security Deed dated 18 April 2007 as amended by a deed of amendment dated 11 December 2009;
- (b) the Palladium Security Deed dated 18 April 2007 as amended by a deed of amendment dated 11 December 2009;
- (c) the Silver Security Deed dated 18 April 2007 as amended by a deed of amendment dated 11 December 2009;
- (d) the Gold Security Deed dated 18 April 2007 as amended by a deed of amendment dated 11 December 2009; and
- (e) the Swiss Gold Security Deed dated 11 December 2009,

in each case creating Security over all the Secured Property attributable to the relevant class for the benefit of the Trustee and the Security Holders of the Individual Securities of that class and of the Basket Securities (to the extent they are comprised of Individual Securities of that class).

The particulars of the Security Deeds as set out below are taken from the relevant agreements and are, therefore, drafted in legal language. Detail on how this impacts upon Security Holders is contained throughout this Prospectus including Part 1 (*General*) under the heading "Security Structure" and Part 4 (*Description of Metal Securities*) under the heading "Security Structure and Separate Pools".

The Security Deeds contain, *inter alia*, provisions to the following effect:

1. CHARGE

- 1.1 *Charge*: The Issuer charges to the Trustee by way of first fixed charge, as continuing security for the payment or discharge of all sums owing by or obligations of the Issuer to the Trustee or the Security Holders from time to time under the applicable type of Metal Securities, the Trust Instrument or the relevant Security Deed (the "**Secured Liabilities**"), the Bullion held in custody attributable to the relevant class of Individual Security and grants a first ranking floating charge to the Trustee for the benefit of itself and the Security Holders of that type of Metal Securities over all the Issuer's rights, title and interest, present and future, in and to the relevant Secured Property.
- 1.2 *Assignment by way of Security*: The Issuer as further security for the Secured Liabilities assigns absolutely to the Trustee all of its present and future rights, title and interest in the Secured Metal Accounts and the Custodian Agreements insofar as they pertain to the relevant Pool.

2. ENFORCEMENT

- 2.1 The Security created by the Security Deed shall become enforceable if (a) a Defaulted Obligation has occurred and is continuing, or (b) an Issuer Insolvency Event has occurred and is continuing.
- 2.2 In addition to any of the powers conferred on the Trustee pursuant to the Trust Instrument with respect to the Secured Property:
 - 2.2.1 after the occurrence of a Defaulted Obligation, the Trustee may at any time, at its discretion, and shall if so directed in writing by a Security Holder to whom such Defaulted Obligation is owed, the Trustee having first been indemnified and/or secured and/or funded to its satisfaction, take such proceedings and/or other action as it may think fit against or in relation to the Issuer to enforce any such obligations of the Issuer under the Trust Instrument and the Security constituted by the Security Deeds in respect of the Metal Securities to which the Defaulted Obligation relates;
 - 2.2.2 if an Issuer Insolvency Event has occurred and is continuing, the Trustee may at any time, at its discretion, and shall if so directed in writing by Security Holders holding not less than 25 per cent. by Principal Amount of the Metal Securities (as a whole) then outstanding or an Extraordinary Resolution of the Security Holders holding Metal Securities (as a single class), the Trustee having first been indemnified and/or secured and/or funded to its satisfaction, take such proceedings and/or other action as it may think fit against or in relation to the Issuer to enforce any obligations of the Issuer under

the Trust Instrument and the security constituted by the Security Deeds in respect of all outstanding Metal Securities; and

- 2.2.3 where an Issuer Insolvency Event is occurring at the same time as a Defaulted Obligation, a holder of Metal Securities to whom a Defaulted Obligation is owed will not be entitled to require the Trustee to take action as described in paragraph 2.2.1 above until the expiry of 30 days from the occurrence of the Issuer Insolvency Event nor shall he be so entitled if, during such period of 30 days, the Trustee has elected, or been required, to take action as described in paragraph 2.2.2.

3. GOVERNING LAW

The Security Deeds are governed by the laws of England. Notwithstanding the submission by the Issuer to the jurisdiction of the English courts contained in the Security Deeds, nothing prevents the Trustee from commencing proceedings in any other court of competent jurisdiction.

PART 8

CUSTODY AND THE CUSTODIAN AGREEMENTS

Storage and Insurance of Bullion

Platinum and palladium will be held by the Initial Custodian at its London vault premises or by one or more Initial Zurich Sub-Custodians at their Zurich vault premises. Silver and gold (other than gold attributable to ETFS Physical Swiss Gold Securities) will be held by the Initial Custodian at its London vault premises or, in the case of silver, by up to two Silver Sub-Custodians at their vault premises. Gold attributable to the ETFS Physical Swiss Gold Securities will be held in Switzerland by the Swiss Gold Custodian through the Swiss Gold Zurich Sub-Custodian at its Zurich vault premises.

Such Bullion may be held elsewhere by the relevant Custodian or a Sub-Custodian appointed by the relevant Custodian or by a delegate of 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. The relevant Custodian will be responsible for the transportation, handling and any costs associated with moving Bullion to or from its London vault premises or the Zurich vault premises of the Zurich Sub-Custodian and between any vaults of Sub-Custodians, the vault premises of the Silver Sub-Custodian.

As at the date of this document the Sub-Custodians directly appointed by the Initial Custodian are The Bank of England (with respect to gold only), The Bank of Nova Scotia (ScotiaMocatta), JPMorgan Chase Bank, N.A., UBS AG, Johnson Matthey plc (with respect to silver only), Brink's Global Services Inc., Loomis International, ICBC Standard Bank London and Malca-Amit Commodities Ltd.

At the date of this document the Sub-Custodians directly appointed by the Swiss Gold Custodian are Brink's Global Services Inc., Loomis International and Group 4 Security Limited.

The Custodians (or one of their respective affiliates) may make such insurance arrangements from time to time in connection with their custodial obligations with respect to Bullion held in allocated form as they consider appropriate. The Custodians have no obligation to insure such Bullion against loss, theft or damage and the Issuer 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 Secured Metal Accounts, and shall not be required to make any enquiry regarding such matters.

Furthermore, neither the Issuer nor the Trustee will require any Silver Sub-Custodian or Zurich Sub-Custodian or any other direct or indirect Sub-Custodians to be insured or bonded with respect to their custodial activities or in respect of the Bullion held by them pursuant to the Custodian Agreements

Consistent with industry standards, the Custodians maintain group insurance policies that cover all metals held in their, their respective Sub-Custodians', and their respective Zurich Sub-Custodians', vaults, and the Initial Custodian maintains group insurance policies that cover all metals held in its Silver Sub-Custodian's vaults, for the accounts of all their customers for a variety of events. The Issuer may, subject to confidentiality restrictions, be provided with details of these insurance coverage arrangements from time to time upon reasonable prior notice.

The Custodians have agreed to charge a fee for their services under the Custodian Agreements in each case based on the aggregate amount of Bullion held in the relevant Secured Metal Account (with no minimum fee), calculated daily and payable monthly or quarterly in arrear.

The Custodian Agreements with the Initial Custodian will continue unless any of the Issuer (in respect of the Initial Subscription Unallocated Account Agreement only), the Trustee (in respect of the Initial Secured Unallocated Account and Initial Secured Allocated Account) or the Custodian gives 90 days' prior written notice, or immediately in certain circumstances. The Custodian Agreements with the Swiss Gold Custodian may be terminated if either the Issuer or Custodian gives 90 days' prior written notice or immediately in certain circumstances.

The Custodians

The Initial Custodian

HSBC Bank plc is a wholly owned subsidiary of HSBC Holdings plc with its registered office at 8 Canada Square, London E14 5HQ and provides custody and transfer facilities from time to time pursuant to the Initial Custodian Agreements.

HSBC Bank plc is authorised by the PRA and regulated by the PRA and the Financial Conduct Authority in the UK and had total assets of \$2.374 billion as at 31 December 2016.

The Swiss Gold Custodian

JPMorgan Chase Bank, N.A. is a national banking association organised under the laws of the United States which acts through its London branch at 25 Bank Street, Canary Wharf, London, E14 5JP and provides custody and transfer facilities from time to time pursuant to the Swiss Gold Custodian Agreements.

The Swiss Gold Custodian is subject to supervision by the Federal Reserve Bank of New York and the Federal Deposit Insurance Corporation, USA. In addition to supervision and examination by the United States federal authorities, JPMorgan Chase's London office is regulated by the FCA. JPMorgan Chase is a subsidiary of JPMorgan Chase & Co.

The Custodians will be responsible for the safekeeping of the Bullion held in the Secured Metal Accounts and the Subscription Unallocated Accounts maintained with them. The primary business activity of the Custodians in respect of their role to the Issuer is to act as custodian of Bullion. The Custodians will maintain custody of the assets on both a book-entry or unallocated basis and on an allocated basis.

While the UK operations of each of the Custodians are regulated by the FCA, the custodial services provided by the Custodians and any Sub-Custodian under the Custodian Agreements are presently not a regulated activity subject to the supervision and rules of the FCA.

The Custodians and any of their 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 Agreements contain provisions limiting the liability of the Custodians and indemnities in favour of the Custodians which are restricted to exclude matters arising by reason of loss or damage arising as a result of fraud, negligence or material breach by the Custodian in the performance of its duties. The Custodians may make use of Sub-Custodians and depositories in the exercise of their functions.

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

Value Added Tax

Platinum, palladium and silver are subject to 20 per cent. VAT 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 Custodians are each members of the LBMA and the LPPM and thus any VAT charged to the Custodians under the Programme is reclaimable. The processes designed by the Custodians for the benefit of the Issuer means that Metal Securities should not accrue any future irrecoverable VAT charges, although if the rules for VAT or importation were changed, it is possible that Metal Securities could be liable for irrecoverable VAT when the Bullion is imported into the UK. However, under current rules, if upon redemption the Security 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 Custodians (and not the Issuer or Trustee) are liable for any VAT.

The Secured Metal Accounts Agreements

The Secured Metal Accounts have been established pursuant to the terms of the Custodian Agreements. The following is a summary of these documents. As this relates to the Custodian Agreements the following provisions are drafted in legal language. Explanation of how this relates to Security Holders

can be found under the heading “Custody of Bullion” in Part 1 (*General*) and under the heading “Storage and Insurance of Bullion” above.

1. SECURED METAL ACCOUNTS

- (a) The Custodians will open and maintain the Secured Metal Accounts in the name of the Trustee (as legal mortgagee pursuant to the security granted by the Security Deeds and in its capacity as trustee for the Security Holders). The Secured Metal Accounts shall evidence and record the withdrawals of Bullion from and deposits of Bullion to that account. Each Secured Metal Account will be denominated in respect of platinum, palladium and silver in troy ounces and in respect of gold fine troy ounces.
- (b) The Custodians will provide reports by fax or by e-mail (at the option of the Trustee) to the Trustee by the close of each Business Day (only if there have been any changes). The Custodians retain the right to reverse recording errors with retrospective effect.
- (c) Each of the Custodians acknowledges that, pursuant to the Security Deeds, the Issuer has assigned by way of first legal mortgage to the Trustee for the benefit of itself and the Security Holders all its rights, title and interest, present and future, in and to all Bullion credited to the Secured Metal Accounts and all the rights of the Issuer in respect of the Secured Metal Accounts, including the rights of the Issuer in the Secured Allocated Account Agreements and the Secured Unallocated Account Agreements, such assignment to take effect by way of first fixed security.

2. DEPOSITS

Notice of an intended deposit into the relevant Secured Unallocated Account must be given by the Issuer to the Custodian no later than 3.00 p.m. (London time) one Business Day prior to which the Trustee (in the case of the relevant Secured Allocated Account) or the Issuer (in the case of the relevant Subscription Unallocated Account) wishes the Custodian to credit to such Secured Unallocated Account Bullion debited from either the relevant Secured Allocated Account or the relevant Subscription Unallocated Account.

The Custodians are required to use their commercially reasonable endeavours to complete the transfer of Bullion from the Secured Unallocated Account to the Secured Allocated Account on the day of receipt in the Secured Unallocated Account.

3. WITHDRAWALS

The Custodians may amend the procedures for withdrawing Bullion from the Secured Metal Accounts or impose additional procedures where such amendment is caused by a change in procedures of the Relevant Association.

Once a withdrawal of Bullion from a Secured Allocated Account is requested, such Bullion must be de-allocated for purposes of crediting it to an unallocated Bullion account.

4. INSTRUCTIONS

- (a) The Issuer, the Trustee and each of the Custodians have agreed that only the Trustee shall have the right to give instructions to the Custodians for withdrawal of Bullion from the Secured Metal Accounts, whether by way of de-allocation or by way of collection or delivery, credit or debit.
- (b) If, in the relevant Custodian’s opinion, any instructions are unclear or ambiguous, such Custodian shall use reasonable endeavours (taking into account any relevant time constraints) to obtain clarification of those instructions from the Trustee (but not from the Issuer) 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.

5. CUSTODY SERVICES

The Custodians are appointed as the custodians of the Bullion credited to the Secured Metal Accounts in accordance with the Custodian Agreements. The Custodians will segregate Bullion credited to the Secured Allocated Accounts from any other Bullion which it owns or holds for others by making appropriate entries in its books and records, and will require any Sub-Custodians it appoints to so segregate such Bullion. Each of the Custodians will identify in its books the Trustee as the legal mortgagee of the Bullion credited to the Secured Metal Accounts.

The Initial Custodian agrees to use commercially reasonable efforts promptly to transport any Bullion held for the Issuer by or for a Sub-Custodian to the Initial Custodian's London vault premises, the Silver Sub-Custodian's vault premises or the Initial Zurich Sub-Custodian's Zurich vault premises at its own cost and risk.

The Swiss Gold Custodian agrees to use commercially reasonable efforts promptly to transport any Bullion held for the Issuer by or for a Sub-Custodian to the Swiss Gold Zurich Sub-Custodian's Zurich vault premises at its own cost and risk.

6. SUB-CUSTODIANS

The Custodians may appoint Sub-Custodians solely for the temporary custody and safekeeping of Bullion until transported to the relevant vault premises. The Secured Allocated Account Agreements requires the relevant Custodian to use reasonable care in the selection of those Sub-Custodians and provides that it shall not be liable for any loss, damage or expense arising directly or indirectly from an act or omission, or insolvency, of any Sub-Custodian it appoints unless the appointment of that Sub-Custodian was made by it negligently or in bad faith. The only Sub-Custodians which the Initial Custodian has currently appointed to perform such duties will be those custodians which are members of the Relevant Association, namely, in addition to the Custodian, The Bank of England (with respect to gold only), The Bank of Nova Scotia (ScotiaMocatta), JPMorgan Chase Bank, N.A., UBS AG, Barclays Bank PLC, Johnson Matthey plc (with respect to silver only), Brink's Global Services Inc., Loomis International and Malca-Amit Commodities Ltd.

The only Sub-Custodians that the Swiss Gold Custodian has currently appointed to perform such duties are Brinks Global Services Inc., Loomis International, and Group 4 Security Limited.

The Initial Custodian may employ Zurich Sub-Custodians for the custody and safekeeping of platinum and palladium in their Zurich vault premises and may employ Silver Sub-Custodians for the custody and safekeeping of silver in their vault premises. The Swiss Gold Custodian may employ Zurich Sub-Custodians for the custody and safekeeping of gold in their Zurich vault premises. The Custodians will use reasonable care in selecting any Silver Sub-Custodian or Zurich Sub-Custodian. As of the date of the Initial Secured Metal Account Agreement, the Zurich Sub-Custodians that the Initial Custodian uses are Brink's Global Services Inc. and ViaMat International. The Silver Sub-Custodian is currently Malca Amit. The Swiss Gold Zurich Sub-Custodian is currently UBS AG. Nothing in the clause described in this paragraph limits the Custodians' liability with respect to Bullion held by a Zurich Sub-Custodian. In addition to the requirements referred to in paragraph 5, the Custodians must require any Silver Sub-Custodian or Zurich Sub-Custodian to segregate the Bullion held by it for the Issuer from any bullion which it holds for the relevant Custodian and any other customers of such Custodian by making appropriate entries in its books and records. The Custodians must give to the Silver Sub-Custodians and Zurich Sub-Custodians notices in the form specified in the Secured Metal Account Agreements and ensure that the Silver Sub-Custodians and Zurich Sub-Custodians deliver to the Trustee (with a copy to the Issuer) acknowledgements and undertakings to segregate all Bullion held by them for the Issuer from any which they own or hold for others and to segregate the Bullion held by them for the Issuer from any bullion which they hold for the Custodians and any other customers of the Custodians, and in each case undertaking to make appropriate entries in their books and records.

7. FEES AND EXPENSES

The Custodians have each agreed to charge a fee for their services under the Custodian Agreements in each case at a rate based on the aggregate amount of Bullion held in the Secured Allocated Accounts (with no minimum fee), calculated at the end of each Business Day and payable monthly in arrears, (as determined by the Custodian) in Bullion.

In addition, the Issuer is required to procure the payment on demand of all costs, charges and expenses (including any relevant taxes excluding VAT, duties and legal fees but excluding fees for transportation, storage and insurance of Bullion and any fees and expenses of Sub-Custodians, which are covered by the fee above) incurred by the Custodians in connection with the performance of their duties and obligations under the Secured Allocated Account Agreements and the Secured Unallocated Account Agreements or otherwise in connection with the Bullion credited to the Secured Metal Accounts.

8. VALUE ADDED TAX

All sums payable under the Custodian Agreements by the Issuer to the Custodians shall be deemed to be inclusive of VAT.

9. SCOPE OF RESPONSIBILITY

- (a) *General:* The Custodians will use reasonable care in the performance of their 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 them in the performance of their duties, and in which case their liability will not exceed the market value of Bullion lost or damaged at the time that such negligence, fraud or wilful default is discovered by the relevant Custodian.

The Custodians are under no duty or obligation to make or take, or require any Sub-Custodian they appoint to make or take, any special arrangements or precautions beyond those required by any applicable rules of the Relevant Association, the Bank of England or any other applicable regulatory authority or as specifically set out in the relevant agreement.

- (b) *Insurance:* The Custodians will maintain such insurance in connection with their custodial obligations under the Custodian Agreements as they consider appropriate, and they shall be responsible for all costs, fees and expenses in relation thereto. The Issuer may, subject to confidentiality restrictions, be provided with details of these insurance coverage arrangements from time to time upon reasonable prior notice.
- (c) *Force majeure:* The Custodians (or any affiliate) shall not be liable for any delay in performance, or for the non-performance of any of their obligations under the relevant Custodian Agreements by reason of any cause beyond the relevant Custodian's reasonable control. This includes any act of God or war or terrorism or any breakdown, malfunction or failure of transmission, communication or computer facilities, industrial action, acts and regulations of any governmental or supra national bodies or authorities or regulatory or self-regulatory organisation, for any reason, to perform their obligations.
- (d) *Indemnity:* The Issuer shall indemnify each of the Custodians against all costs and expenses, damages, liabilities and losses (other than VAT) which each such Custodian may suffer or incur, directly or indirectly in connection with the Custodian Agreements except to the extent that such sums are due directly to their respective negligence, wilful default or fraud.

10. TERMINATION

- (a) *The Initial Custodian Agreements*

The Trustee (or, in the case of the Initial Subscription Unallocated Account Agreement, the Issuer) and the Initial Custodian may each terminate any Initial Custodian Agreement by giving not less than 90 days' written notice to the other:

If arrangements have not been made for the redelivery of the Bullion held in the Initial Secured Metal Accounts within six months of the termination date specified in the termination notice, the Initial Custodian will be entitled to sell such Bullion and account to the Trustee, in the case of the Initial Secured Metal Accounts, or the Issuer, in the case of the Initial Subscription Unallocated Account, for the proceeds after deducting any amounts due to the Initial Custodian under the Initial Custodian Agreements. Termination will not affect rights and obligations then outstanding under the Initial Custodian Agreements which shall continue to be governed by the Initial Custodian Agreements until all obligations have been fully performed.

- (b) *The Swiss Gold Custodian Agreements*

The Swiss Gold Custodian Agreements may be terminated by either the Issuer or the Custodian giving to the other party(ies) not less than 90 days' written notice unless any of the following circumstances occur in which case any Swiss Gold Custodian Agreement may be terminated immediately upon written notice as follows:

- (i) by the Trustee (or, in the case of the Swiss Gold Subscription Unallocated Account Agreement, the Issuer), if the Swiss Gold Custodian ceases to offer the services contemplated by the relevant Swiss Gold Custodian Agreement to its clients or proposes to withdraw from the bullion custody business;
- (ii) by the Trustee (or, in the case of the Swiss Gold Subscription Unallocated Account Agreement, the Issuer) or the Swiss Gold Custodian, if it becomes unlawful for the Swiss Gold Custodian to be a party to the relevant Swiss Gold Custodian Agreement or to offer its services to the Issuer on the terms contemplated by such agreement or it becomes unlawful for the Trustee or the Issuer to receive such services or to be a party to such agreement;

- (iii) by the Swiss Gold Custodian, if there is any event or circumstance which, in the Swiss Gold Custodian's sole view, indicates the Issuer's insolvency or impending insolvency;
- (iv) by the Trustee (or, in the case of the Swiss Gold Subscription Unallocated Account Agreement, the Issuer), if there is any event which, in the Trustee's sole view, indicates the Swiss Gold Custodian's insolvency or impending insolvency;
- (v) by the Trustee (or, in the case of the Swiss Gold Subscription Unallocated Account Agreement, the Issuer) or by the Swiss Gold Custodian, if the Swiss Gold Zurich Sub-Custodian ceases to offer or gives notice of its intention to cease offering the services contemplated by the Swiss Gold Secured Allocated Account Agreement or proposes to withdraw from the bullion custody business and the Swiss Gold Custodian, the Issuer and the Trustee have not been able to identify a mutually agreeable replacement Zurich Sub-Custodian prior to the Zurich Sub-Custodian ceasing to offer such services; or
- (vi) by the Trustee (or, in the case of the Swiss Gold Subscription Unallocated Account Agreement, the Issuer) or by the Swiss Gold Custodian, if either of the other Swiss Gold Custodian Agreements ceases to be in full force and effect at any time.

If arrangements have not been made for the redelivery of the Bullion held in the Swiss Gold Secured Metal Accounts within six months of the termination date specified in the termination notice, the Swiss Gold Custodian will be entitled to sell such Bullion and account to the Trustee, in the case of the Swiss Gold Secured Metal Accounts, or the Issuer, in the case of the Swiss Gold Subscription Unallocated Accounts, for the proceeds after deducting any amounts due to the Swiss Gold Custodian under the Swiss Gold Custodian Agreements. Termination shall not affect rights and obligations then outstanding under the Swiss Gold Custodian Agreements which shall continue to be governed by the Swiss Gold Custodian Agreements until all obligations have been fully performed.

11. GOVERNING LAW AND JURISDICTION

Each Custodian Agreement is governed by, and will be construed in accordance with, English law and the Issuer agrees that the English courts are to have jurisdiction to settle any disputes or claims which may arise out of or in connection with any Custodian Agreement.

PART 9

GLOBAL BEARER CERTIFICATES (GERMANY)

The following is a non-binding English language translation of the form of Global Bearer Certificates. The definitive German language text, of which the following is a direct and accurate translation, of the form of the Global Bearer Certificates and the Conditions of the Global Bearer Certificates is set out in Annexes 1 and 2 of this document. In the event of any inconsistency between the definitive German language text of the form of Global Bearer Certificates and the English translation below, the former shall always prevail.

Model Form of the Global Bearer Certificates

Global Bearer Certificate

for

• registered [see Annex 1] [type of Individual / category of Basket] Securities

of

ETFS Metal Securities Limited

Ordnance House, 31 Pier Rd, St Helier, Jersey, Channel Islands, JE4 8PW

divided into securities with a principal amount of • [see Annex 1] each

As underlying stock for this Global Bearer Certificate the Clearstream Banking Aktiengesellschaft, Frankfurt am Main, Federal Republic of Germany (hereinafter referred to as "**Clearstream**"), is holding • registered [type of Individual / category of Basket] Securities [see Annex 1] [type of Individual / category of Basket] Securities (hereinafter referred to as "**Notes**"), of ETFS Metal Securities Limited, Jersey, Channel Islands (hereinafter referred to as the "**Company**"), constituted by a Trust Instrument between the Company and The Law Debenture Trust Corporation p.l.c. as amended/supplemented from time to time (hereinafter referred to as the "**Trust Instrument**") and secured as described therein and divided into securities with a principal amount of • [see Annex 1] each, registered in the name of Vidacos Nominees Limited, London, England, and held in a special Safe Custody Account with Citibank N.A., London, England. Each co-owner of this Global Bearer Certificate is entitled to demand at any time from Clearstream to arrange for the delivery and registration in the relevant Register of Security Holders in his name or in the name of a third party designated by him of such number of Notes as corresponds to his share in this Global Bearer Certificate.

In respect of all further matters, the Conditions attached to this Global Bearer Certificate and forming an essential part thereof shall apply.

Frankfurt am Main, ...

CLEARSTREAM BANKING

Aktiengesellschaft

TEXT OF THE CONDITIONS OF THE GLOBAL BEARER CERTIFICATES

Conditions of the Certificate

1. This Global Bearer Certificate bears the signature of two managing directors, or one managing director and one holder of procuration, of the Clearstream Banking Aktiengesellschaft, Frankfurt am Main, Federal Republic of Germany, (hereinafter referred to as "**Clearstream**").
2. Each co-owner of this Global Bearer Certificate is entitled to demand at any time from Clearstream the delivery and the registration in the relevant Register of Security Holders, in his name or in the name of a third party designated by him of such number of registered • [see Annex 1] [type of Individual / category of Basket] Securities (hereinafter referred to as "**Notes**") of ETFS Metal Securities Limited, Jersey, Channel Islands, (hereinafter referred as "**Company**") constituted by a Trust Instrument between the Company and The Law Debenture Trust Corporation p.l.c. as amended/supplemented from time to time (hereinafter referred to as the "**Trust Instrument**") and secured as described therein and divided into securities with a principal amount of • [see Annex 1] each, as corresponds to his co-ownership share in this Global Bearer Certificate. Such demand shall be made by the co-owner through his depositary bank to Clearstream, stating to whom the Notes shall be delivered, respectively, the address to which the certificate evidencing the registration shall be mailed by the Registrar.

In addition to the delivery, respectively, transfer fee determined by Clearstream pursuant to §315 of German Civil Code, the co-owner shall bear any expenses, taxes, fees or duties arising from such delivery resp. transfer and registration.

The co-owners of this Global Bearer Certificate are not entitled to demand delivery of individual bearer certificates out of this Global Bearer Certificate.

3. As a rule, Clearstream shall convey to the co-owner, through his depositary bank and in proportion to his share in the Global Bearer Certificate, all rights arising from the Notes under the laws of England and Jersey, Channel Islands.

Payments of capital, interests and/or other amounts due will be passed on by Clearstream to the co-owner. Furthermore, any terms and conditions announced by Clearstream shall apply.

All payments to the co-owner shall be made in Euro, in accordance with the foreign exchange control regulations prevailing at the time, unless the co-owner has in time before the due date demanded payment in USD (United States Dollars).

4. As a rule, Clearstream shall not exercise voting rights arising in a noteholder meeting. On demand it shall cause a voting proxy to be issued to the co-owner or a third party indicated by him.

The Company has undertaken to publish the agenda of any noteholder meeting as well as the conditions for participating in the meeting and exercising the voting rights before each meeting.

5. Should the issuance of the Global Bearer Certificate be subject at any time to any taxes, fees or duties in the Federal Republic of Germany or in Jersey, Channel Islands, the co-owners shall bear such taxes, fees or duties in proportion to their shares in the Global Bearer Certificate.

Clearstream is entitled to divide among all co-owners in proportion to their co-ownership shares in the Global Bearer Certificate all taxes, fees and duties to which it may at any time be subject in the Federal Republic of Germany or in Jersey, Channel Islands, by the mere fact that it is holding the Notes.

6. If for any reason the Notes should be replaced by other notes or some other valuable, the co-owner's right to the Notes shall convert into a right to the relevant substitutes. In such event these Conditions shall apply *mutatis mutandis*.

7. Clearstream is entitled to substitute another entity for Citibank N.A., London, England, (hereinafter referred to as "**Custodian**") in its function as Custodian or Vidacos Nominees Limited, London, England, (hereinafter referred to as "**Nominee**") in its function as Nominee. In such event, Clearstream shall not be responsible for more than careful selection. This does not affect Clearstream's right to assume itself the functions of the Custodian or the Nominee. In the case where the Custodian or the Nominee are replaced, any reference to the Custodian or the Nominee in these Conditions shall be deemed to refer to the new Custodian or Nominee.
8. Should the Notes become good delivery on German stock exchanges in a way which would not require Clearstream's assistance in the present form or should the admission of the Notes in the form of co-ownership shares in the Global Bearer Certificate to trading and official quotation on German stock exchanges be withdrawn, Clearstream shall request from the co-owners instructions as provided for in Clause 2. paragraph 1 above. Should such instructions not be given within 3 months from the publication of the relevant request, Clearstream shall be entitled at its discretion to arrange for registration of the Notes in the name of the co-owner or a third party designated in its request and to deposit the relevant Notes at the co-owner's risk and expense with a depositary designated in its request. All obligations of Clearstream arising from the Global Bearer Certificate shall cease therewith.
9. All notices concerning the Global Bearer Certificate shall be published in at least one supranational newspaper designated by the German stock exchanges to publish obligatory notices of each German stock exchange on which the Notes in form of co-ownership shares in the Global Bearer Certificate are traded and officially quoted.
10. The co-owners shall bear proportionately any prejudice or damage, whether economic or legal, which may affect the Notes held as underlying stock for the Global Bearer Certificate in consequence of *force majeure*, governmental decrees, war, riots, official action at home or abroad or any other circumstances beyond Clearstream's or the Custodian's control.

Clearstream shall perform all its obligations arising from the Global Bearer Certificate with the due care of a proper merchant. If by reason of *force majeure*, governmental decrees, war, riots, official action at home or abroad or by any other circumstances beyond its control it is prevented from performing its obligations, it shall not be responsible.

The Custodian and the Nominee are responsible towards Clearstream for the due performance of their functions. Any claims against the Custodian or the Nominee shall be pursued by Clearstream on the co-owners' behalf. Beyond that Clearstream shall only be responsible for careful selection of the Custodian and the Nominee.
11. Should any of these conditions be or become fully or partly invalid or impracticable, the other conditions shall remain unaffected. Any such invalid or impracticable condition shall be replaced in accordance with the intent and purpose of this contractual agreement.
12. All legal relations between the co-owner and Clearstream shall be governed by the laws of the Federal Republic of Germany. The exclusive court of venue shall be Frankfurt am Main.
13. Except where required by law, an alteration of these Conditions shall be permitted only insofar as it does not impair the rights of the co-owners.

Annex 1

Annex 1 may be amended from time to time if additional types of Notes are issued by ETFS Metal Securities Limited under its multi-type Programme.

Type of Security	Original ISIN	LSE Code (of the Notes)	Principal Amount (of the Notes) USD
ETFS Physical Platinum	JE00B1VS2W53	PHPT	20,00
ETFS Physical Palladium	JE00B1VS3002	PHPD	5,00
ETFS Physical Silver	JE00B1VS3333	PHAG	2,00
ETFS Physical Gold	JE00B1VS3770	PHAU	10,00
ETFS Physical PM Basket	JE00B1VS3W29	PHPM	9,40
ETFS Physical Swiss Gold	JE00B8588CD74	SGBS	10,00

PART 10

TAXATION

The summaries below are not intended to constitute a complete analysis of all tax consequences relating to the ownership of Metal Securities. Prospective security holders should consult their own tax advisers concerning the consequences of their own particular situation.

1. TAXATION IN THE UK

1.1 General

The following paragraphs summarise certain limited aspects of the UK taxation treatment of holding Metal Securities. They are based on current UK law and HM Revenue & Customs practice, both of which are subject to change, possibly with retrospective effect. The following paragraphs relate to Security Holders who are individuals (i.e. natural persons) acting in a private capacity and who are domiciled and resident in the UK for taxation purposes ("UK Individuals"), are within the charge to UK corporation tax and holding Metal Securities as an investment or which are UK open-ended investment companies or authorised unit trust schemes. Accordingly, these paragraphs do not apply to certain categories of Security Holders, such as dealers (whether in Bullion or Metal Securities). The statements in this summary are intended only as a general guide, and should be treated with appropriate caution. Any person who is contemplating acquiring a Metal Security (whether or not pursuant to the Programme), particularly if that person is subject to taxation in any jurisdiction other than the UK, is strongly recommended to consult his professional advisers immediately.

1.2 The Issuer

The Directors intend that the affairs of the Issuer should be managed and conducted so that it should not become resident in the UK for UK taxation purposes. Accordingly, and provided that the Issuer does not carry on a trade in the UK through a permanent establishment situated therein for UK corporation tax purposes or through a branch or agency situated in the UK which would bring the Issuer within the charge to UK income tax, the Issuer will not be subject to UK corporation tax or income tax on income and capital gains arising to it. The Directors intend that the affairs of the Issuer are conducted so that no such permanent establishment, branch or agency will arise insofar as this is within their control, but it cannot be guaranteed that the conditions necessary to prevent any such permanent establishment, branch or agency coming into being will at all times be satisfied.

1.3 Withholding Tax

No payments made by the Issuer to Security Holders in respect of the Metal Securities are required to be made under deduction or withholding for or on account of UK tax.

1.4 Corporation Tax on Income and Gains

In general, a Security Holder which is subject to UK corporation tax will be treated for tax purposes as realising profits, gains or losses in respect of Metal Securities on a basis reflecting the treatment in its statutory accounts, calculated in accordance with generally accepted accounting practice. These profits, gains or losses, (which will include any profits, gains or losses on a disposal or redemption of Metal Securities and which may include fluctuations in value relating to foreign exchange gains and losses) will be treated as income for the purposes of a Security Holder's corporation tax computation.

1.5 Capital Gains Tax (Individuals)

Subscriptions made before 1 December 2009

Provided the Metal Securities are not treated as "deeply discounted securities" for UK tax purposes, any transfer or redemption of a Metal Security by a Security Holder who is a UK individual will be a disposal of that Metal Security for UK capital gains tax purposes which may, subject to any available exemption or relief, give rise to a chargeable gain or allowable loss for those purposes.

The Issuer has received a non-statutory confirmation from HM Revenue & Customs that, in its view, the Metal Securities are not deeply discounted securities. However, since this confirmation is addressed to the Issuer and is not binding on HM Revenue & Customs in its dealings with Security Holders, investors may wish to consult their own tax advisors in this respect.

The tax treatment of subscriptions made prior to 1 December 2009 will not be affected by the amended definition of “offshore fund” discussed below.

Subscriptions made on or after 1 December 2009

The Issuer was not regarded as an “offshore fund” for UK tax purposes for periods before 1 December 2009. However, on 1 December 2009, a new definition of “offshore fund” took effect which resulted in the Issuer being treated as an “offshore fund”. Accordingly, subscriptions made on or after this date may be treated as investments in an “offshore fund” for UK tax purposes.

If this is the case, and the Metal Securities are not treated as “deeply discounted securities” and no other exemption applies, any gain accruing to an investor upon the sale, redemption or other disposal of Metal Securities acquired on or after 1 December 2009 will be taxed as income and not as a capital gain unless the Issuer achieves certification as a “reporting fund”. The Issuer has obtained notification from HM Revenue & Customs that all the Metal Securities have been accepted for entry into the “reporting fund” regime with effect from the accounting period which commenced 1 January 2009. Whilst it is expected that certification as a “reporting fund” will be maintained for all periods this cannot be guaranteed.

Note that under the reporting fund rules the Issuer is required to report to investors 100 per cent. of the net income attributable to the relevant class of Metal Securities. It is not expected that any such reportable income will arise in respect of any of the Metal Securities.

A copy of the annual report required to be made to investors under the reporting fund rules will be provided by the Issuer on the following website: <http://www.etfsecurities.com/retail/uk/en-gb/document.aspx>.

1.6 Income Tax (Individuals)

If the Metal Securities are treated as “deeply discounted securities” for UK tax purposes, and do not qualify as “excluded indexed securities” for those purposes, any profit arising to a Security Holder who is a UK individual on transfer or redemption of a Metal Security will be subject to UK income tax and not to UK capital gains tax. As noted in “Capital Gains Tax (Individuals)” above, the Issuer has received a non-statutory confirmation from HM Revenue & Customs that the Metal Securities are not deeply discounted securities.

1.7 UK Open-Ended Investment Companies and Authorised Unit Trust Schemes

Whilst UK open-ended investment companies and authorised unit trust schemes are generally subject to UK corporation tax (currently at the basic income tax rate of 20 per cent.) they are exempt from tax on capital gains. Part 2 of The Authorised Investment Funds (Tax) Regulations 2006 (S.I. No. 2006/964) (the “**Regulations**”) provides an exemption for capital profits, gains or losses accruing to UK open-ended investment companies and authorised unit trust schemes on creditor loan relationships and derivative contracts. In this respect capital profits, gains or losses are those which, in accordance with UK generally accepted accounting practice, fall to be dealt with in the statement of total return (under the heading of “net capital gains/losses”) in accordance with the relevant Statement of Recommended Practice. These provisions do not however apply to a qualified investor scheme which does not meet the genuine diversity of ownership condition. In addition, Part 2B of the Regulations treats all capital profits, gains and losses (determined in accordance with UK generally accepted accounting practice, as described above) arising to a UK open-ended investment company or authorised unit trust, which meets the genuine diversity of ownership condition, from an “investment transaction” (which includes loan relationships and derivative contracts) as a non-trading transaction and thus not taxable as income. These Parts of the Regulations will determine whether any profits, gains or losses arising to a Security Holder which is a UK open-ended investment company or authorised unit trust scheme in respect of Metal Securities will be exempt from tax.

1.8 Stamp Duty and Stamp Duty Reserve Tax ('SDRT')

Provided the Register is not kept by or on behalf of the Issuer in the UK, neither stamp duty nor SDRT will be payable on the issue or the subsequent transfer of, or agreement to transfer, a Metal Security in Uncertificated Form.

In the case of Metal Securities held in Certificated Form, provided (i) the Register is not kept by or on behalf of the Issuer in the UK; (ii) any instrument of transfer is not executed in the UK; and (iii) any instrument of transfer does not relate to anything to be done in the UK, neither stamp duty nor SDRT will be payable on the issue or subsequent transfer of a Metal Security.

The redemption of a Metal Security will not give rise to stamp duty or SDRT.

1.9 Inheritance Tax (Individuals)

For the purposes of inheritance tax, a Metal Security may form part of the value of the estate of a Security Holder who is an individual and inheritance tax may (subject to certain exemptions and reliefs) become payable in respect of the value of a Metal Security on a gift of that Metal Security by, or the death of, a Security Holder who is an individual. Such a tax charge may be subject to appropriate provisions in any applicable double taxation treaty.

1.10 Organisation for Economic Co-operation and Development ("OECD") Common Reporting Standard

Drawing extensively on the intergovernmental approach to implementing the United States Foreign Account Tax Compliance Act, the OECD developed the Common Reporting Standard ("**CRS**") to address the issue of offshore tax evasion on a global basis. Aimed at maximising efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with other participating tax authorities in which the investors of the reporting financial institutions are tax resident on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The first information exchanges are expected to begin in September 2017. Jersey has committed to implement the CRS. As a result, the Issuer will be required to comply with the CRS due diligence and reporting requirements, as adopted by Jersey. Security Holders may be required to provide additional information to the Issuer to enable the Issuer to satisfy its obligations under the CRS. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or mandatory redemption of Metal Securities.

2. TAXATION IN JERSEY

2.1 General

The following paragraphs summarise certain aspects of the Jersey taxation treatment of holding Metal Securities. The statements are intended only as a general guide.

2.2 Income tax

The Issuer will be regarded as resident in Jersey under the Income Tax (Jersey) Law 1961 (as amended) (the "**Jersey Income Tax Law**") but (being neither a financial services company nor a specified utility company under the Jersey Income Tax Law at the date of this Prospectus) will (except as noted below) be subject to Jersey income tax at a rate of 0 per cent.

Security Holders (other than residents of Jersey) should not be subject to any tax in Jersey in respect of the holding, sale, redemption or other disposition of Metal Securities. Redemption payments (other than to residents of Jersey) will not be subject to withholding for or on account of Jersey tax.

2.3 Stamp Duty

Under current Jersey law, there are no death or estate duties, capital gains, gift, wealth, inheritance or capital transfer taxes. No stamp duty is levied in Jersey on the issue, transfer, acquisition, ownership, redemption, sale or other disposal of Metal Securities. In the event of the death of an individual sole holder of Metal Securities, duty at rates of up to 0.75 per cent. of the value of the Metal Securities held, subject to a cap of £100,000, may be payable on registration of Jersey

probate or letters of administration which may be required in order to transfer or otherwise deal with Metal Securities held by the deceased individual sole holder thereof.

2.4 Goods and services tax

The Issuer is an “international services entity” for the purposes of the Goods and Services Tax (Jersey) Law 2007 (the “**GST Law**”). Consequently, the Issuer is not required to:

- (a) register as a taxable person pursuant to the GST Law;
- (b) charge goods and services tax in Jersey in respect of any supply made by it; or
- (c) (subject to limited exceptions that are not expected to apply to the Issuer) pay goods and services tax in Jersey in respect of any supply made to it.

2.5 Intergovernmental Agreement between Jersey and the United States

The United States Hiring Incentives to Restore Employment Act resulted in the introduction of legislation in the United States known as the Foreign Account Tax Compliance Act (“**FATCA**”). Under FATCA, a 30 per cent. withholding tax may be imposed on payments of United States source income and certain payments of proceeds from the sale of property that could give rise to United States source income, unless the Issuer complies with requirements to report on an annual basis the identity of, and certain other information about, direct and indirect United States holders of Metal Securities issued by the Issuer to the United States Internal Revenue Service (“**IRS**”) or to the relevant Jersey authority for onward transmission to the IRS. A holder of Metal Securities issued by the Issuer that fails to provide the required information to the Issuer may be subject to the 30 per cent. withholding tax with respect to any payments directly or indirectly attributable to United States sources and the Issuer might be required to redeem any Metal Securities held by such holder.

On 13 December 2013 an intergovernmental agreement was entered into between Jersey and the US in respect of FATCA which agreement was enacted into Jersey law as of 18 June 2014 by the Taxation (Implementation) (International Tax Compliance) (United States of America) (Jersey) Regulations 2014.

Although the Issuer will attempt to satisfy any obligations imposed on it to avoid the imposition of such withholding tax, no assurance can be given that the Issuer will be able to satisfy such obligations. If the Issuer becomes subject to a withholding tax as a result of FATCA, the return on some or all Metal Securities issued by the Issuer may be materially and adversely affected. In certain circumstances, the Issuer may compulsorily redeem some or all of the Metal Securities held by one or more holders and/or may reduce the redemption proceeds payable to any holder of Metal Securities.

2.6 Organisation for Economic Co-operation and Development (“OECD”) Common Reporting Standard

Drawing extensively on the intergovernmental approach to implementing the United States Foreign Account Tax Compliance Act, the OECD developed the Common Reporting Standard (“**CRS**”) to address the issue of offshore tax evasion on a global basis. Aimed at maximising efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. Jersey has committed to implement the CRS. As a result, the Issuer will be required to comply with the CRS due diligence and reporting requirements, as adopted by Jersey. Broadly, these are that the due diligence requirements under the CRS framework as adopted by Jersey commenced on 1 January 2016, with information to be reported to the Jersey Taxes Office on or before 30 June 2017. Information exchange between the Jersey Taxes Office and partner jurisdictions is due to take place on or before 30 September 2017.

Security Holders may be required to provide additional information to the Issuer to enable the Issuer to satisfy its obligations under the CRS. Failure to provide requested information may subject an investor to liability for any resulting penalties

2.7 Base Erosion and Profit Shifting

The law and any other rules or customary practice relating to tax, or its interpretation in relation to the Issuer, its assets and any investment of the Issuer may change during its life. In particular, both the level and basis of taxation may change. In particular, the outcome of the on-going global Base Erosion and Profit Shifting (BEPS) project could substantially affect the tax treatment of the Issuer. Additionally, the interpretation and application of tax rules and customary practice to the Issuer, its assets and investors by any taxation authority or court may differ from that anticipated by the Issuer. Both could significantly affect returns to investors.

3. TAXATION IN AUSTRIA

3.1 General

The following is a brief summary of some principles of Austrian tax law that may be of relevance for Austrian resident holders of the Metal Securities. It does not claim to fully describe all Austrian tax consequences of the acquisition, ownership, disposition or redemption of the Metal Securities. This summary does not take into account or discuss the tax laws of any country other than Austria nor does it take into account the investors' individual circumstances.

Prospective investors are advised to consult their own professional advisors to obtain further information about the tax consequences of the acquisition, ownership, disposition, redemption, exercise or settlement of the securities. Only personal advisors are in a position to adequately take into account special tax aspects of the particular instruments in question as well as the investor's personal circumstances and any special tax treatment applicable to the investor. *Tax risks resulting from the Metal Securities (in particular from a potential qualification as a foreign investment fund within the meaning of section 188 of the Austrian Investment Funds Act) shall in any case be borne by the investors.*

This summary is based on Austrian law as in force at the date of this Prospectus. The laws and their interpretation by the tax authorities may change and such changes may also have retroactive effect. With regard to certain innovative or structured financial securities or instruments there is currently hardly any case law or comments of the fiscal authorities as to the tax treatment of such financial securities and instruments. Accordingly, it cannot be ruled out that the Austrian fiscal authorities and courts or the Austrian paying agents adopt a view different from that outlined below.

An amendment to the tax legislation was passed by the Austrian National Council and published in the National Gazette on 14 August 2015. It contains an increase of the flat (special) tax rate and the withholding tax rate for individuals from 25 per cent. to 27.5 per cent. from 1 January 2016 for most investment income (limited exceptions apply in relation to certain investment income, mainly interest on bank accounts, for which the applicable rate remains at 25%). Loss compensation rules were also amended. Prospective investors are advised to consult their own professional advisors in this regard.

3.2 Taxation of capital gains or redemption gains upon disposal or redemption of the Metal Securities

3.2.1 Individual Investors

Under the tax regime that applies to most types of investment income (*Einkünfte aus Kapitalvermögen*) including income derived from the Metal Securities, capital gains upon the disposal or redemption of Metal Securities are subject to a 27.5 per cent. flat tax rate. If Metal Securities are deposited with an Austrian custodian bank, the bank will, in most circumstances, withhold the 27.5 per cent. capital gains tax and forward it to the tax authorities. However this might not be possible if the Metal Securities are redeemed by delivery of an amount of physical precious metal equal to the Metal Entitlement on that date. In that case the investor might have to pay the amount of withholding tax to the custodian who then will forward the amount to the financial authorities. If, for an individual investor, the 27.5 per cent. flat rate is higher than the rate which would be applicable under the regular progressive tax rate (0 per cent. – 55 per cent. depending on the individual's total annual income) applicable for this individual, the individual can apply for a tax refund in his or her annual tax return. Expenses in this regard (e.g., bank fees or commissions) are not tax deductible (*Abzugsverbot*) according to section 20 paragraph 2 Austrian Income Tax Act ("AITA").

Generally, a loss compensation is possible within the class of investment income. However, losses derived from the disposal or redemption of the Metal Securities cannot be compensated with interest income on bank accounts or distributions by private foundations. Furthermore, investment losses in relation to assets taxed at the special tax rate of 27.5 per cent. for investment income may only be compensated with positive income from assets which are also taxed at this Special Tax Rate.

In case an individual holds the Metal Securities as a business asset, losses from a sale or redemption of the Metal Securities may be compensated primarily only with positive income from gains on investment assets which are also taxed at the Special Tax Rate. Only (55 per cent. (until 31 December, half) of a remaining loss may be compensated with a positive business income from other sources.

The Treaty between the Republic of Austria and the Swiss Confederation on Cooperation in the Areas of Taxation and Capital Markets was revoked completely as per 1 January 2017 when the agreement regarding the introduction of the global automatic exchange of information (“AEOI”) standard between the EU and Switzerland entered into force. As a result, income that used to be covered by the revoked treaty, is subject to the Swiss equivalent of the Austrian Common Reporting Standard Act (see below) from 1 January 2017. The Treaty between the Republic of Austria and the Principality of Liechtenstein on Cooperation in the Area of Taxation (“Tax-Treaty”) was revised with regard to the implementation of the AEOI- Agreement between Austria and Liechtenstein as well with effect from 1 January 2017. As a result certain accounts of tax transparent asset structures (steuerlich transparente Vermögensstrukturen) existing on 31 December 2016 and of nontransparent asset structures (steuerlich intransparente Vermögensstrukturen) may further be subject to the Tax Treaty and exempt from AEOI. The Tax Treaty provides that a Liechtenstein, paying agent has to withhold a tax amounting to 25 or 27.5 per cent. on, inter alia, interest income, dividends and capital gains from assets booked with an account or deposit of such Liechtenstein paying agent or managed by a Liechtenstein paying agent, if the relevant holder of such assets (mainly individuals on their own behalf and beneficial owners of assets, held by a company domiciled in Liechtenstein) is tax resident in Austria. For Austrian income tax purposes this withholding tax has the effect of final taxation regarding the underlying income if the Austrian Income Tax Act provides for the effect of final taxation for such income. The taxpayer can opt for voluntary disclosure instead of the withholding tax by expressly authorising the Liechtenstein, paying agent to disclose to the competent Austrian authority the income and capital gains; these subsequently have to be included in the income tax return.

The redemption of Metal Securities by delivery of an amount of physical precious metal equal to the Metal Entitlement on that date is deemed to be an acquisition of the precious metal. Capital gains derived by the sale of the precious metal generally are subject to income tax if the period between acquisition and disposal of the precious metal is less than one year.

For the purpose of the above outlined principles it is assumed that the Metal Securities are securitized, legally and factually offered to an indefinite number of persons (public offering) and are neither equity instruments as shares or participation rights (*Substanzgenussrechte*) nor investment fund units. In case of private placements, other principles apply. However, for not securitized derivatives the principles outlined above would be applicable if the custodian bank or paying agent (*auszahlende Stelle*) pays tax as explained above on a voluntary basis.

In case no withholding tax is levied on income from the Metal Securities (*i.e.*, income is not paid out by a custodian bank or paying agent in Austria), Austrian resident individual investors will have to declare the income derived from the Metal Securities in their income tax returns pursuant to the Austrian Income Tax Act. In this case the income from the Metal Securities is subject to a flat income tax rate of 27.5 per cent. pursuant to section 27a subparagraph 1 Austrian Income Tax Act.

Upon relocation abroad investment income until the time of relocation is taxable in Austria. However, in case of relocation within the European Union or the European Economic Area (under certain conditions regarding assistance among the authorities) taxation can be

postponed upon actual realization of the income based on a respective application for Metal Securities held as non-business assets. Special rules also apply to the transfer of a custodian account from Austria abroad. Since 1 January 2016, for Metal Securities held as business assets, exit tax arises upon relocation but generally may be paid over seven years.

In case the investor (natural person) is neither Austrian resident nor has his/her abode in Austria, Austrian income tax will not apply on capital gains from the redemption or disposal of the Metal Securities, provided that the issuer is not Austrian resident, does not have its seat or place of management in Austria or is not an Austrian branch of a foreign bank. If the non-resident individual investors are not subject to limited income tax liability in Austria, tax deduction can be omitted, subject to certain conditions. The Austrian custodian or paying agent may refrain from withholding already at source, if the non-resident investor furnishes proof of non-residency.

3.2.2 Corporate Investors

Corporate entities are in general subject to a 25 per cent. flat corporate income tax rate. Capital gains incurred upon disposal or redemption of the Metal Securities are subject to this general 25 per cent. taxation. The redemption of Metal Securities by delivery of an amount of physical precious metal equal to the Metal Entitlement on that date is deemed to be an acquisition of the precious metal. Capital gains derived by the disposal of the precious metal itself also are subject to the general 25 per cent. taxation. Corporate investors deriving business income from the Metal Securities may avoid the application of withholding tax by filing a declaration of exemption (*Befreiungserklärung*) in the meaning of section 94 no 5 of the AITA with the custodian or paying agent. Additionally the Metal Securities have to be held in a custodial account with a credit institution.

Losses from the disposal or redemption of Metal Securities are generally deductible and can be carried forward. Restrictions for loss compensations apply for businesses focused on the management of immaterial assets. Losses generated in such business may only be compensated with profits generated in such business (but not other profits).

Generally, for private foundations holding the Metal Securities as nonbusiness assets, the same tax rules as for individuals (see above) apply. However, in case of private foundations pursuant to the Austrian Private Foundations Act fulfilling the prerequisites contained in section 13 subparagraph 1 of the Austrian Corporate Income Tax Act and holding the Metal Securities as a non-business asset no withholding tax is levied on income on such Securities under the conditions set forth in section 94 no 12 of the AITA. Interest or income from the disposition, redemption, exercise or settlement of the Metal Securities is not subject to the Special Income Tax Rate of 27.5%. Instead, on such income an interim tax (*Zwischensteuer*) at a rate of 25% is levied. This interim tax can be credited against withholding tax for amounts granted to beneficiaries of the private foundation pursuant to the Austrian Private Foundations Act.

3.3 International Exchange of Information

Based on the so-called "OECD Common Reporting Standard", the states which have committed themselves to implement this standard ("Participating States") will exchange potentially taxation relevant information about financial accounts which an individual holds in a Participating State other than his country of residence. This procedure will commence in 2017 with information for the year 2016. Austria was granted an additional year to implement the new rules.

Austria implemented the relevant directive of the European Council (2014/107/EU) with the Austrian Common Reporting Standard Act (*Gemeinsamer Meldestandard-Gesetz, GMSG*) which became effective on 1 January 2016. The GMSG determines for the purpose of the multilateral mechanism for automatic tax information exchange between Austria and the competent authorities of the other EU member states and of participating non EU countries reporting and due diligence requirements for reporting financial institutions regarding notification obligations via the competent Austrian tax authority. Generally, reporting requirements under the GMSG are applicable to periods starting on 1 January 2017. The notifications generally have to be made not later than by the end of June for the previous calendar year. However, certain notifications for the period from 1 October until 31 December 2016 have to be made until 30 June 2017.

The Austrian EU Withholding Tax Act (EU-Quellensteuergesetz) which provided for a withholding tax on interest payments to recipients resident in other EU member states was repealed with effect upon expiry of 31 December 2016.

3.4 Other taxes

3.4.1 Transfer Taxes

There are no transfer taxes, registration taxes or similar taxes payable in Austria as a consequence of the acquisition, ownership, disposition or redemption of the Metal Securities.

However, on 5 May 2014 the Ministers of Finance of ten participating member countries of the European Union (including Austria, Germany, France, Italy and Spain) adopted a declaration for enhanced cooperation regarding the introduction of a financial transaction tax based on the proposal by the European Commission adopted on 14 February 2013. On 8 December 2015 a common statement of the participating countries was made to specify the plans. The first steps of implementation were planned for 2016 they were, however, not implemented as of the date of this Prospectus. Although no law has been passed so far in Austria, such financial transaction tax may be incurred on transactions such as the acquisition, disposition or redemption of the Metal Securities in the future.

3.4.2 Inheritance or Gift Taxes

The Austrian inheritance and gift tax (*Erbschafts-und Schenkungssteuer*) was abolished with effect as of 1 August 2008.

Gifts, however, have to be notified to the tax authorities. This applies if the donor or the acquirer is an Austrian tax resident at the time of the donation. In case of corporations the registered seat or the actual place of management in Austria is relevant. Exemptions apply to donations between close family members if the value of the gift(s) does not exceed EUR 50,000 within one year and to donations between other persons if the value of the gift(s) does not exceed EUR 15,000 within five years. Although this disclosure requirement does not trigger any tax for the donation in Austria, breach of the disclosure requirement may be fined with an amount up to 10 per cent. of the value of the gift.

Certain gratuitous transfers of assets to (Austrian and foreign) private foundations and comparable legal estates are subject to foundation transfer tax (*Stiftungseingang-ssteuer*). Such tax is triggered if the transferor and/or the transferee at the time of the transfer have a domicile, their habitual abode, their legal seat or their place of management in Austria. Certain exemptions apply in cases of transfers mortis causa of certain financial assets if income from such financial assets is subject to tax at the flat rate of 25 per cent. or 27.5 per cent. The tax basis is the fair market value of the assets transferred minus any debts, calculated at the time of transfer. The tax rate is in general 2.5 per cent. with a higher rate of 25 per cent. applying in special cases. Special provisions apply to transfers to entities falling within the scope of the tax treaty between Austria and Liechtenstein.

Further, gratuitous transfers of Metal Securities may trigger income tax at the level of the transferor.

3.4.3 VAT

The acquisition or disposal of the Metal Securities is not subject to Austrian VAT. However, the redemption of Metal Securities by delivery of an amount of physical precious metal equal to the Metal Entitlement in fact results in the import of the precious metal into Austria. The delivery of the precious metal to Austria from a country within the EU is subject to VAT according to regulations in the respective EU country if delivered to a private investor. In case of delivery to a business customer, Austrian VAT applies. Platinum, palladium and silver are subject to 20 per cent. VAT, Investment gold is VAT exempt.

3.4.4 Application of the Austrian Investment Fund Act

There is a risk that Metal Securities may in certain cases be requalified as units in a foreign investment fund. Pursuant to sec 188 of the Austrian Investment Funds Act, the term "foreign investment fund" comprises (i) undertakings for collective investment in transferable securities ("**UCITS**") the state of origin of which is not Austria, (ii) alternative investment

funds (“AIF”) pursuant to the Austrian Act on Alternative Investment Fund Managers (*Alternative Investmentfonds Manager-Gesetz*) the state of origin of which is not Austria; and (iii) alternatively undertakings subject to a foreign jurisdiction, irrespective of the legal form they are organized in, the assets of which are invested according to the principle of risk-spreading on the basis either of a statute, of the undertaking’s articles or of customary exercise, in cases of abnormally low taxation in the state of residence. However, there are uncertainties about the conditions that have to be met by a foreign issuer to be qualified as AIF manager. Regarding the definition of an AIF, the guidelines of the Austrian Financial Market Authority (“FMA”) have to be observed. Prospective investors are advised to consult their tax advisors to obtain further information about the interpretation and tax consequences in this regard.

In this respect it should be noted that the Austrian tax authorities have commented upon the distinction between index certificates of foreign issuers on the one hand and foreign investment funds on the other hand in the Investment Fund Regulations 2008. Pursuant to these regulations, in case of index products, the performance of which is linked to certain securities, a foreign investment fund may not be assumed if (i) for the purpose of the issuance a predominant actual purchase of the reference asset by the issuer or a trustee of the issuer, if any, is not made (no “asset backing”) and (ii) no actively managed assets exist. The term investment fund, however, does not encompass collective real estate investment vehicles pursuant to the Austrian Real Estate Funds Act (*Immobilien-Investmentfondsgesetz*).

In case of requalification of a financial instrument into a foreign investment fund, such foreign investment fund units are regarded as transparent for tax purposes. Both distributions as well as retained income are subject to income tax. Retained income may be deemed distributed for tax purposes (so called “income equivalent to distributions” [*ausschüttungsgleiche Erträge*]) as early as on 31 December of each year. In case a foreign investment fund does not have an Austrian tax representative or such income equivalent to distributions is not reported to the Austrian tax authorities by the investor itself, a lump sum calculation will take place. Such lump sum calculation generally results in a higher tax basis. Generally, the flat (special) income tax rate of 27.5% applies. Capital gains on a disposal of units in foreign investment funds are taxed by means of the 27.5% withholding tax or are taxed at the Special Income Tax Rate of 27.5%. In addition, on non-investment income the progressive tax rate is applicable.

4. TAXATION IN BELGIUM

4.1 General

The following paragraphs summarise certain aspects of the Belgian tax treatment of investing in Metal Securities. They are based upon current Belgian tax law and regulations and interpretations thereunder, all of which are subject to change, possibly with retroactive effect. The statements in this summary are intended only as a general guide, and should not be taken as an exhaustive or definitive description of all relevant Belgian tax considerations. Any person who is contemplating acquiring Metal Securities is strongly advised to first consult his or its professional advisers for definitive tax advice, taking into account any special circumstances related to the situation of that particular person.

4.2 Taxation of Belgian resident individuals

In a Circular issued in January 2013 concerning the tax treatment of structured notes (Circular No. Ci.RH.231/532.259 (AGFisc N°3/2013) of 25 January 2013 (the “**January 2013 Circular**”)) the Belgian Income Tax Administration has confirmed its view that for Belgian income tax purposes instruments such as the Metal Securities are to be considered as “fixed-income securities” as defined in Article 2, §1,8° of the Belgian Income Tax Code 1992 (“**ITC**”). Although the positions adopted by the Administration in the January 2013 Circular have been criticised by certain tax practitioners as being at odds with applicable statutes and case law, insofar as instruments providing no guarantee of principal and no current income are concerned, and have not yet been tested in the Belgian courts, the present summary reflects the positions expressed in the January 2013 Circular. For a Belgian resident individual who is subject to the Belgian personal income tax (“*impôt des personnes physiques/personenbelasting*”) an investment in Metal Securities will accordingly normally be subject to the tax regime described hereunder. Different rules may apply,

however, in specific situations such as in the case of Belgian resident individuals who acquire Metal Securities in the framework of a professional activity or in circumstances which fall outside the scope of the normal management of the individual's personal assets.

Any capital gain realised upon redemption of the Metal Securities will be treated as deemed interest income for Belgian personal income tax purposes and will be subject to Belgian withholding tax at the rate of 30 per cent. if received via a Belgian paying agent. This withholding tax will be withheld by the Belgian financial institution via which the redemption proceeds are paid and will constitute a final tax, thereby relieving the Belgian investor from the obligation to declare the interest income in his personal income tax return. If, on the other hand, the Belgian holder of the Metal Securities redeems his securities outside of Belgium in another EU member state without deduction of the Belgian withholding tax, the deemed interest income arising upon the redemption will have to be declared in the holder's Belgian personal income tax return and will be subject to separate taxation at the rate of 30 per cent. Any losses sustained upon redemption of the Metal Securities will not be deductible.

Capital gains realised on the sale of Metal Securities to a party other than the Issuer will not be taxable, except for income imputable as accrued interest at the time of sale, which should, in principle, be reported on a pro rata temporis basis in the investor's Belgian personal income tax return in accordance with the provisions of Article 19, §2 of the ITC and will generally be subject to tax at the rate of 30 per cent. Due to the non-interest-bearing character of the Metal Securities and the absence of clear guidance in the relevant law and regulations, the calculation of accrued interest on a pro rata temporis basis may in this case be difficult to effectuate. Any capital loss sustained upon such a sale will not be deductible. As noted above, different rules may apply if a Belgian resident individual holds Metal Securities as part of a professional activity or outside the scope of the normal management of his personal assets.

4.3 Taxation of Belgian resident companies

Belgian companies subject to Belgian corporate income tax ("*impôt des sociétés vennootschapsbelasting*") which acquire Metal Securities will be required to treat any gain from the redemption or sale of Metal Securities as normal trading income subject to tax at the normal Belgian corporate income tax rate.

If redemption or sale proceeds are received via a Belgian paying agent, a Belgian corporate taxpayer may, upon application, obtain an exemption from the 30 per cent. withholding tax referred to above. If such exemption is not applied for, the Belgian company will be entitled to claim a credit for or refund of such withholding tax if it has held the full legal ownership of the Metal Securities during the period to which the withholding tax relates.

Capital losses sustained upon the redemption or sale of Metal Securities will in principle be fully deductible for Belgian corporate income tax purposes.

4.4 Taxation of Belgian persons subject to the "tax on legal entities"

Belgian investors which are subject to the Belgian tax on legal entities ("*impôt des personnes morales/rechtspersonenbelasting*") will be subject to taxation similar to that described above with respect to Belgian resident individuals. Any amount paid by the Issuer in excess of the issue price will be deemed to constitute taxable interest income and will be subject to 30 per cent. withholding tax if paid via a Belgian paying agent. The withholding tax will in such case constitute a final tax with respect to such income. If no withholding tax is levied, the Belgian legal entity will have to declare and pay the 30 per cent. tax itself. Capital gains realised on the sale of Metal Securities to a party other than the Issuer will not be taxable except for any accrued interest calculated on a pro rata temporis basis.

4.5 Taxation of non-residents

Redemption or sale proceeds of Metal Securities received by a non-resident investor via a Belgian paying agent will be deemed to constitute interest income and will, in principle, be subject to a 30 per cent. Belgian withholding tax. However, if the non-resident investor is a resident of a country with which Belgium has entered into a double taxation treaty, a reduction or exemption from such withholding tax may be available. An exemption from such withholding tax may also be available under relevant provisions of Belgian income tax law for non-resident investors who hold Metal

Securities in open custody with a Belgian financial institution and unconnected with the exercise of a professional activity in Belgium.

A non-resident company which holds Metal Securities in connection with the exercise of a professional activity in Belgium via a permanent establishment will be subject to the same rules discussed above under "Taxation of Belgian resident companies".

4.6 Stock Exchange Transactions Tax

Sales of Metal Securities via a broker or financial institution may give rise to a stock exchange transactions tax ("*taxe sur les opérations de bourse/taks op beursverrichtingen*") of 0.27 per cent. The tax is due separately by the seller and the purchaser of the securities and is capped at an amount of EUR 1,600 per party and per transaction. Exemptions from the tax are available to certain categories of investors (e.g., financial institutions, insurance companies, pension funds and non-residents of Belgium).

Prior to 1 January 2017 the Stock Exchange Transactions Tax did not apply if the professional intermediary involved in the transaction was not a Belgian broker or financial institution. As from 1 January 2017 the tax will also be due if a Belgian resident purchases or sells Metal Securities through a professional intermediary which is not located in Belgium. In such case, unless the non-Belgian financial intermediary itself attends to payment of the tax, the Belgian resident investor must file a tax declaration and pay the tax himself (no later than the final business day of the second month following that in which the transaction occurred).

4.7 The European Administrative Cooperation Directive/OECD Common Reporting Standard ("CRS")

On 16 December 2015 Belgium adopted legislation (the "Law on Communication and Exchange of Account Information for Tax Purposes") implementing EU Council Directive 2014/107 of 9 December 2014 (the "Administrative Cooperation Directive") which provides for extensive and comprehensive exchange of taxpayer-related account information amongst member states and also with third countries based upon the Common Reporting Standard ("CRS") developed by the OECD in order to address the issue of offshore tax evasion on a global basis. Pursuant to the Administrative Cooperation Directive and the CRS, participating jurisdictions are required to obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures.

Thus, for example, should a non-resident investor acquire, sell or hold Metal Securities via an account held with a Belgian financial institution the relevant account information will normally be subject to automatic exchange with the tax authorities of the investor's home country pursuant to the provisions of the abovereferenced Law on Communication and Exchange of Account Information for Tax Purposes.

The EU Administrative Cooperation Directive effectively replaced the EU Savings Taxation Directive (EU Council Directive 2003/48/EC of 3 June 2003 concerning the taxation of savings income) with effect as from 1 January 2016. The Administrative Cooperation Directive and the CRS are broader in scope than the Savings Taxation Directive insofar as the Savings Taxation Directive was limited essentially to interest income whilst the Administrative Cooperation Directive and the CRS encompass interest, dividends, account balances and proceeds from the sale or redemption of financial assets.

5. TAXATION IN DENMARK

5.1 Introduction

This is a brief summary of relevant principles in Danish tax legislation intended for Danish holders of Metal Securities. The purpose of this summary is not to include all Danish tax issues that may be relevant in connection with an acquisition of Metal Securities. It does not deal with the tax consequences applicable to all categories of investors, for example for professional dealers in securities special rules may apply.

The summary is based on Danish tax legislation effective on 19 April 2017. Taxation in other countries is not included. It should be noted that Danish tax legislation may change at any time as

a result of new legislation, new court practices or decrees issued by the Danish Tax authorities, potentially with retroactive effect.

Investors should consult their own tax advisors with regard to any tax consequences that may be relevant when acquiring, holding, redeeming, selling or other transferring of Metal Securities.

5.2 The general rule

Financial instruments, including Metal Securities, are deemed debt instruments governed by special provisions on financial contracts in the Danish Act on Taxation of Debt, Debt Claims and Financial Contracts (in Danish: *Kursgevinstloven*). This means that the taxable base of Metal Securities is taxed separately from the underlying assets applying a mark-to-market principle, i.e. on an unrealised basis. Any profit or loss for tax purposes only is calculated at the end of each tax period (usually a period of 12 months). Any increase of value or gain during the period is subject to taxation and any decrease of value or loss during the period may be deductible (certain exceptions may apply).

5.3 Security Holders liable to corporate tax

The general rule mentioned in section 5.2 applies to Security Holders liable to corporate tax.

Calculated profit is subject to taxation at a flat rate of 22 per cent and calculated loss is generally deductible (certain exceptions apply).

5.4 Individuals holding Metal Securities

The general rule mentioned in section 5.2 applies to individuals holding Metal Securities. Calculated profit is subject to taxation as capital income at a tax rate of 42 per cent.

Individuals can, however, only deduct such losses against taxable profit from other financial instruments in the same tax period. Utilisation of any additional loss requires that the individual has had profit from financial instruments which has been taxed in previous years from 2002 and onwards. Any further losses can be carried forward and deducted against profit from financial instruments in future income years. Moreover, certain exceptions apply regarding deduction of losses. Other rules apply if an individual is deemed a professional investor (in Danish referred to as an *Pengenæringsdrivende*).

5.5 Investors holding Metal Securities via a pension scheme

The investor shall generally be subject to taxation on the same base as individuals holding Metal Securities directly (see section 5.4 above). A Danish individual investor is subject to taxation at a flat rate of 15.3 per cent. of the profit pursuant to section 2 of The Pension Investment Returns Tax Act (in Danish: *Pensionsafkastbeskatningsloven*).

5.6 Individuals covered by the business tax scheme

It is possible for an individual to hold Metal Securities through the business tax scheme (in Danish: *Virksomhedsskatteordningen*).

5.7 Withholding taxes

As the Issuer is not established in Denmark, there is no deduction or withholding of Danish tax on payments from the Issuer to the investor upon redemption of Metal Securities.

5.8 VAT

A transfer of Metal Securities is not subject to Danish value added tax.

5.9 Inheritance/gift tax

Upon inheritance, a specific tax shall be paid if the deceased is resident within Denmark. The tax is calculated on the basis of a total value of inheritance exceeding (in 2017 DKK 282,600 corresponding to approximately EUR 37,680).

The tax rate for close relatives is 15 per cent.

For other beneficiaries the tax rate is 36.25 per cent.

A non-separated spouse is not subject to taxation upon inheritance or gifts.

Gifts exceeding DKK 62,900 (2017) per year (corresponding to approximately EUR 8,385) to close relatives are taxed at a rate of 15 per cent.

5.10 Common Reporting Standard

In Denmark, the Common Reporting Standard (“**CRS**”) applies (in Danish: *CRS-Aftalen*).

The agreement was implemented on 29 October 2014 and addresses the issue of offshore tax evasion on a global basis. Aimed at maximising efficiency and reducing costs for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information.

Security Holders may be required to provide additional information to the Issuer to enable the Issuer to satisfy its obligations under the CRS. Failure to provide requested information can cause the investor to become liable for any penalties or other expenses and/or be required to redeem his or her Metal Securities.

6. TAXATION IN FINLAND

6.1 General

The following is a brief summary of some important principles of Finnish tax law that may be of relevance for Finnish resident investors acquiring, holding, redeeming or selling Metal Securities. The summary does not fully cover all aspects of Finnish tax law that may be of relevance to the Metal Securities. The summary is based on Finnish tax law as of the date of this Prospectus (rates as at 19 April 2017). It should also be noted that the taxation of investors may change at any time as a result of new legislation, court practice or decrees issued by the relevant taxation authorities, potentially with retroactive effect.

Investors interested in acquiring the Metal Securities should consult their tax advisors with regard to any tax consequences that may be involved in acquiring, holding, redeeming, selling or gratuitously transferring the Metal Securities. Only a tax advisor is able to adequately assess the individual tax situation of a specific investor.

6.2 Tax on income and capital gains

Resident individuals

Individuals and death estates, who sell their Metal Securities, are subject to capital gains taxation at a rate of 30 per cent., or 34 per cent. for taxable capital income exceeding EUR 30,000. The taxable capital gain on disposal of Metal Securities is calculated by deducting the acquisition costs and sales costs from the sales price. Alternatively, the taxable capital gain can be calculated by deducting from the sales price as a deemed acquisition cost 20 per cent. of the sales price (40 per cent. for Metal Securities held for at least 10 years). According to the Finnish Income Tax Act, capital losses that arise after 1 January 2016 can be deducted from capital gains as well as from other capital income arising during the year of disposal and the five following years. Capital losses from prior to 2016 are deductible only from capital gains (but not from other capital income). A capital gain is tax exempt if the aggregate income derived from disposals of assets during the tax year is less than EUR 1,000.

Resident companies

Resident companies are taxable on their worldwide income at the general corporate income tax rate of 20 per cent. This applies to both business income and other income.

Any capital gain or income on the Metal Securities relating to the business operations is regarded as taxable business income and the tax assessment is made according to the Business Income Tax Act. Generally, expenses incurred in acquiring or maintaining taxable business income are deductible. Tax losses can generally be carried forward for ten years.

Where the investment in the Metal Securities does not form part of business assets, tax assessment is made according to the Income Tax Act. Capital gains and income on the Metal Securities are then taxed as other income of the company. Capital losses from the disposal and/or redemption of the Metal Securities can be deducted from capital gains arising during the year of

disposal and the following five years. Losses in the company's business income source cannot be deducted from the company's other income source or vice versa.

6.3 Withholding tax

No deduction or withholding for or on account of Finnish tax is required to be made on payments directly from the Issuer to Security Holders on Redemption of Metal Securities.

6.4 Inheritance and gift taxes

A transfer of the Metal Securities by way of gift or on death will be subject to Finnish inheritance or gift tax if the Security Holder, or heir, donee or other beneficiary, is a Finnish tax resident.

6.5 Value added tax

No Finnish value added tax will be payable by a Security Holder in consideration for the issue of Metal Securities.

6.6 Other taxes or duties

No Finnish registration tax, customs duty, transfer tax, stamp duty or any other similar tax or duty will be payable in Finland by a holder of Metal Securities.

6.7 Organisation for Economic Co-operation and Development (“OECD”) Common Reporting Standard

Drawing extensively on the intergovernmental approach to implementing the United States Foreign Account Tax Compliance Act, the OECD developed the Common Reporting Standard (“**CRS**”) to address the issue of offshore tax evasion on a global basis. Aimed at maximizing efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures.

Jersey has committed to implement the CRS. As a result, the Issuer will be required to comply with the CRS due diligence and reporting requirements, as adopted by Jersey. Information exchange between the Jersey Taxes Office and partner jurisdictions is due to take place on or before 30 September 2017. Broadly, these due diligence requirements under the CRS framework as adopted by Jersey commenced on 1 January 2016, with the 2016 information to be reported to the Jersey Taxes Office on or before 30 June 2017. Exchange of that information between the Jersey Taxes Office and partner jurisdictions is due to take place on or before 30 September 2017. Subsequent reporting periods will end on 31 December each year and the Issuer will be required to report the relevant information in respect of those periods to the Jersey Taxes Office by 30 June in the next year. Security Holders may be required to provide additional information to the Issuer to enable the Issuer to satisfy its obligations under the CRS. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or mandatory redemption of Metal Securities.

The Finnish Parliament has accepted the local legislative changes required to implement the CRS obligations in Finland. The changes provide that Finland may participate in the automatic exchange of information in accordance with the CRS. As a result of the changes Finnish authorities would receive information on assets and profits owned by Finnish residents outside Finland. The legislative changes entered into force on 15 April 2016. The first information exchanges will begin in 2017 regarding information of year 2016.

7. TAXATION IN FRANCE

7.1 General

The following summary describes the main French taxes applicable to the holding of the Metal Securities by a French investor residing in France for tax purposes following an offer of the Metal Securities in France.

This information is of a general nature and does not purport to be a comprehensive description of all French tax considerations that may be relevant to a decision to acquire, to hold and to dispose of the Metal Securities. In some cases, different rules can be applicable. Furthermore, the tax rules can be amended in the future (and possibly implemented with a retroactive effect).

This summary is based on the French tax laws as of the date of this Prospectus and on the legal qualification of the Metal Securities as bond instruments, without prejudice to any amendments introduced at a later date, even if implemented with retroactive effect.

Any persons interested in acquiring the Metal Securities should consult their tax advisers with regard to any tax consequences that may be involved in acquiring, holding, redeeming, selling or gratuitously transferring the Metal Securities. Only a tax adviser is able to adequately assess the individual tax situation of a specific investor. It should be noted that the Metal Securities are intended for professional or institutional investors only.

7.2 Investors residing in France

Taxation of individuals

Taxation of capital gains (applicable at the time of disposal of the Metal Securities)

Capital gains derived from the disposal of the Metal Securities should be subject to a personal income tax at the standard progressive rate whose maximum applicable rate is currently 45 per cent. Tax deductions may be applicable. An additional contribution on high revenues may also be applicable, at a progressive rate (3 per cent., or 4 per cent., for revenues over EUR 250,000 EUR 500,000 and EUR 1 million).

In addition, social security contributions should be applicable, at a total rate of 15.5 per cent.

If a French investor disposes of the Metal Securities at a loss, such loss may be offset against capital gains of the same nature made during the year of the loss or the ten following years, subject to filing obligations.

Taxation of bond redemption premium (Prime de remboursement) (in case of redemption of the Metal Securities by the Issuer)

Bond redemption income received by an individual having its tax residence in France should be treated for tax purposes as interest payments subject to personal income tax at a standard progressive rate, whose maximum applicable rate is currently 45 per cent.

Personal income tax is payable in two steps. Subject to certain exceptions 24 per cent. tax is withheld when the income is received, such withholding being made by the paying agent if the latter is established in France. Then, the withholding tax is deductible from the personal income tax liability in respect of the year in which the payment has been made. The excess tax credit, if any, may be refunded.

As an exception to the above, when interest income (which definition includes redemption premium) received during the calendar year by the individual and her/his spouse or partner does not exceed EUR 2,000 the above 24 per cent. tax is a final levy (i.e. no additional income tax may be due at a later stage).

The above-mentioned social security contributions at the 15.5 per cent. rate are also applicable.

Taxation of companies subject to French corporate income tax

Taxation of capital gains (applicable at the time of disposal of the Metal Securities)

Capital gains from the disposal of the Metal Securities should be subject to corporate income tax at the standard rate of 33 $\frac{1}{3}$ per cent. (or to 15 per cent. and 28 per cent. rates applicable to small companies where the relevant conditions are met). An additional contribution at a 3.3 per cent. rate may be applicable, if the amount of corporate income tax due is higher than EUR 763,000). Capital losses are, in principle, treated as ordinary losses which may be set off against operational profits and any remaining balance carried forward in accordance with standard rules (i.e., unlimited carry forward, it being noted that carry forward losses can only be offset against profits of a given year up to an amount of EUR 1,000,000 plus 50 per cent. of the taxable profit of that year).

Taxation of bond redemption premium (Prime de remboursement) (in case of redemption of the Metal Securities by the Issuer)

Bond redemption premiums are taxed at the above-mentioned standard corporate income tax rate (or to reduced rates applicable to small companies where the relevant conditions are met). Furthermore, Article 238 *septies* E of the French general tax code may possibly apply. According to the provisions of Article 238 *septies* E, if the estimated value of the redemption premium exceeds the purchase value by 10 per cent. and the issue price is less than 90 per cent. of the estimated redemption value, such premium due to indexation of the principal is partially taxed before maturity on an annual basis, even though this premium is only collected on disposal or redemption on maturity.

7.3 Investors residing outside of France

Taxation of capital gains

In principle, capital gains realised by investors residing outside of France upon the sale or disposal of Metal Securities are not subject to capital gains tax in France. The same applies to companies, provided that the Metal Securities are not recorded in a permanent establishment or in a fixed base in France.

7.4 Organisation for Economic co-operation and Development (“OECD”) Common Reporting Standard (“CRS”)

The French Parliament has accepted the local legislative changes required to implement the CRS obligations in France. The changes provide that France may participate in the automatic exchange of information in accordance with the CRS. As a result of the changes, French authorities would receive information on assets and profits owned by French residents outside France. The legislative changes entered into force on 1 January 2016. The first information exchanges are expected to begin 30 September 2017 regarding information of year 2016. Please refer to Jersey Taxation for additional information on OECD and CRS.

8. TAXATION IN GERMANY

8.1 General

The following is a brief summary of some important principles of German tax law that may be of relevance for German tax resident investors acquiring, holding, or selling Metal Securities. The summary does not fully cover all aspects of German tax law that may be of relevance to the Metal Securities. The summary is based on German tax law as of the date of this Prospectus. It should also be noted that the taxation of investors may change at any time as a result of new legislation, court practice or decrees issued by the relevant taxation authorities, potentially with retroactive effect.

Investors interested in acquiring the Metal Securities should consult their tax advisors with regard to any tax consequences that may be involved in acquiring, holding, redeeming, selling or otherwise transferring the Metal Securities. Only a tax advisor is able to adequately assess the individual tax situation of a specific investor.

8.2 Taxation of capital gains

The German Ministry of Finance on 22 December 2009 has issued a tax circular regarding the taxation of capital income in Germany and the new German flat income tax (*Abgeltungsteuer*) (circular no. IV C 1 – S 2252/08/10004 as most recently amended on 18 January 2016), (the “**Tax Circular**”). Pursuant to this Tax Circular gains or losses from a note instrument, eligible for listings on stock exchanges, that neither provide for the payment of interest payments, nor for a guaranteed repayment of principal as of maturity, would be treated by the German tax authorities as gains or losses from a debt instrument in the form of a speculative certificate (*Risikozertifikat*) and thus, be subject to German income taxation.

As a consequence of the court case of the German Federal Tax Court (BFH) dated 24 April 2012 structured financial instruments which mirror the performance of an underlying investment without any additional embedded leverage (“Delta 1-instrument”) should not qualify as a so-called “Derivative Instrument” (*Termingeschäft*) but rather as a so called “other financial instrument”

(*Sonstige Kapitalforderung*). Securities which provide for a short exposure or an embedded leverage may therefore qualify as a Derivative Instrument (*Termingeschäft*).

As a consequence, German individual investors and German corporate investors are subject to German personal or corporate income tax and solidarity surcharge on any capital gains from the sale or other disposal of the Metal Securities which do not provide for any ongoing interest payments.

The tax rate in respect of such capital gains for German individual investors who hold Metal Securities as private assets (*Privatvermögen*) is 25 per cent. (plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax) which will be levied on the gross income. However, taxpayers are entitled to apply for a tax assessment on the basis of the personal income tax rate applicable on their net taxable income (including from other sources of income). No expenses related to the capital gains except for a lump-sum tax allowance of EUR 801 for individuals and EUR 1602 for married couples subject to German joint taxation will be deductible. If Metal Securities are held in custody with a German credit institution or financial service institution (including a German permanent establishment of a foreign institution) as disbursing agent (*inländische auszahlende Stelle*), a flat withholding tax (*Abgeltungsteuer*) at a rate of 25 per cent. (plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax) is deducted. Payment of the flat withholding tax satisfies any income tax liability of an individual investor in respect of such income (unless the investor elects for the tax assessment of such income). Losses from the sale of Metal Securities can be set off only against other capital income (*Einkünfte aus Kapitalvermögen*) of the investor.

Losses which cannot be set off in the same calendar year can be carried forward to a limited extent, if a tax loss certificate has been provided by the German paying agent, if applicable.

If the Metal Securities are held as business assets, all capital gains from the sale or other disposal of the Metal Securities by German investors will be subject to German personal or corporate income tax and Solidarity Surcharge thereon based on the applicable tax rate for the investor. In such case gains will also be subject to German trade tax. Withholding tax on such gains is deducted at the rates mentioned above but does not satisfy any income tax liability of the investor in respect of such gains.

8.3 Applicability of the Investment Tax Act (*Investmentsteuergesetz*)

The Issuer believes that there exist good arguments that investors in Metal Securities will not be subject to the German Investment Tax Act. This should also apply under the revised version of the German Investment Tax Act as amended by the Investment Tax Reform Act (*Investmentsteuerreformgesetz*), dated 8 July 2016 which will apply as of 1 January 2018. In principle, under the German Investment Tax Act in its current version and the version applicable as of 1 January 2018, only vehicles for collective investments are considered an investment fund (*Investmentfonds*) and (i) such vehicle is subject to a regulatory supervision for collective investment schemes or (ii) the principle of risk diversification is complied with and (iii) certain qualified assets (as defined in the German Investment Tax Act) are held. As the Issuer believes that the criteria of “principle of risk diversification” and certain other criteria of a collective investment vehicle are not fulfilled, Metal Securities should not be treated as an unit in an investment fund (*Investmentfonds*) within the meaning of the German Investment Tax Act.

In this context it has to be noted that according to a circular published by the German Regulator BaFin “performance tracking debt instruments” may qualify as units in an Alternative Investment Fund (“AIF”). This may also be relevant in the context of the application of the German Investment Tax Act. Further, the German Investment Tax Act in its version as of 1 January 2018 extends the scope of its application with respect to instruments issued by tax exempt vehicles. Investors should therefore carefully analyse any changes to the application or interpretation of the German Investment Tax Act. If the German tax administration would take a different view to that of the Issuer and were to treat Metal Securities as units in an investment fund (*Investmentfonds*) German tax resident investors may be subject to a higher tax rate than as a consequence of ordinary German tax rules.

8.4 Gift or inheritance tax

A transfer of the Metal Securities by way of gift or on death will be subject to German inheritance or gift tax if the investor, or their heir, donee or other beneficiary, is a German resident for German

gift or inheritance tax purposes according to the specific rules of the German Gift and Inheritance Tax Act. This may in particular be the case if the investor, heir, donee or other beneficiary is:

- (i) an individual having at the time of the donation or death his or her residence or habitual abode in Germany or if the individual is a German citizen who has not been living abroad for more than 5 years without having a residence in Germany; or
- (ii) a corporation having its seat or central place of management in Germany; or
- (iii) Metal Securities constitute business assets attributable to a permanent establishment or a permanent representative in Germany.

8.5 Other taxes

No stamp, issue, registration or similar direct or indirect taxes or duties will be payable in Germany in connection with the issue, delivery or execution of Metal Securities, the Global Bearer Certificates or any interest therein. No net asset tax is currently levied in Germany.

8.6 OECD Common Reporting Standard

Drawing extensively on the intergovernmental approach to implementing the United States Foreign Account Tax Compliance Act, the OECD developed the Common Reporting Standard (“**CRS**”) to address the issue of offshore tax evasion on a global basis. Aimed at maximising efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions and automatically exchange with exchange partners on an annual basis financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The first information exchanges are expected to begin in 2017.

Germany has enacted a law implementing the CRS, which has entered into force on 1 January 2016 and provides for the exchange of information in relation to the calendar year 2016 and later.

In the event that Security Holders hold the Securities through a German financial institution (as meant in the (German implementation of the) CRS), Security Holders may be required to provide additional information to such financial institution to enable it to satisfy its obligations under the (German implementation of the) CRS.

9. TAXATION IN IRELAND

9.1 General

The following summary outlines certain aspects of Irish tax law and practice regarding the ownership and disposition of Metal Securities. This summary deals only with Metal Securities held beneficially as capital assets and does not address special classes of Security Holders such as dealers in securities. This summary is not exhaustive and Security Holders are advised to consult their own tax advisors with respect to the taxation consequences of their ownership or disposition. The comments are made on the assumption that the Issuer is not resident in Ireland for Irish tax purposes. The summary is based on current Irish taxation legislation and practice of the Irish Revenue Commissioners.

9.2 Irish Withholding Tax

Under Irish tax law there is no obligation on the Issuer to operate any withholding tax on a payment in respect of the Metal Securities except where such payment has an Irish source. The payment is only likely to be considered to have an Irish source, if, for example, the payment constitutes yearly interest and such interest was paid out of funds maintained in Ireland or where the Metal Securities were secured on Irish situated assets which it is understood will not be the case. The mere offering of the Metal Securities to Irish investors will not cause such a payment to have an Irish source.

In certain circumstances collection agents and other persons receiving interest on the Metal Securities in Ireland on behalf of a Security Holder, will be obliged to operate a withholding tax.

9.3 Taxation of Income

Unless exempted, an Irish resident or ordinarily resident Security Holder and a non-resident Security Holder holding Metal Securities through an Irish branch or agency will be liable to Irish tax on the amount of any interest or other income, including potentially any premium on

redemption, received from the Issuer. Individual Security Holders would also potentially be liable to Pay Related Social Insurance and the universal social charge. Credit against Irish tax on the interest received may be available in respect of any foreign withholding tax deducted by the Issuer.

9.4 Taxation of Capital Gains

Irish resident or ordinarily resident Security Holders and non-resident Security Holders holding Metal Securities through an Irish branch or agency would potentially be liable to Irish tax on capital gains on any gains arising on a disposal of Metal Securities. Reliefs and allowances may be available in computing the Security Holder's liability.

9.5 Stamp Duty

Transfers of Metal Securities should not be subject to Irish stamp duty, provided the transfers do not relate to Irish land or buildings or securities of an Irish registered company.

9.6 Capital Acquisitions Tax

A gift or inheritance comprising of Metal Securities will be within the charge to capital acquisitions tax if either (i) the disponer or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponer is domiciled in Ireland irrespective of his residence or that of the donee/successor) or (ii) if the Metal Securities are regarded as property situated in Ireland. The Metal Securities could only be considered property situated in Ireland if the register of Metal Security Holders was maintained in Ireland or, to the extent that certificates are issued in bearer form, the bearer certificates were located in Ireland.

9.7 Offshore Fund taxation

While a holding of Metal Securities could potentially be treated as a material interest in an offshore fund and subject to the more onerous tax provisions applicable to offshore funds, the Irish Revenue Commissioners have released guidance indicating that exchange traded commodities are generally structured as debt instruments will not come within the tax regime for offshore funds but instead will come within general tax principles (as to which we refer to paragraphs 9.3 and 9.4 above). As recommended above, Security Holders should obtain independent tax advice in relation to the tax implications of holding and disposing of Metal Securities.

9.8 Provision of Information

9.8.1 Generally

Security Holders should be aware that where any interest or other payment on Metal Securities is paid to them by or through an Irish paying agent or collection agent then the relevant person may be required to supply the Irish Revenue Commissioners with details of the payment and certain details relating to the Security Holder. Where the Security Holder is not Irish resident, the details provided to the Irish Revenue Commissioners may, in certain cases, be passed by them to the tax authorities of the jurisdiction in which the Security Holder is resident for taxation purposes.

9.8.2 Common Reporting Standard (CRS)

On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the "**Standard**") was published, involving the use of two main elements, the Competent Authority Agreement (**CAA**) and the CRS.

The goal of the Standard is to provide for the annual automatic exchange between governments of financial account information reported to them by local financial institutions relating to account holders tax resident in other participating countries to assist in the efficient collection of tax. The OECD, in developing the CAA and CRS, used FATCA concepts and as such the Standard is broadly similar to the FATCA requirements, albeit with numerous alterations. There are a significantly higher number of reportable persons due to the increased instances of potentially in-scope accounts and the inclusion of multiple jurisdictions to which accounts must be reported.

Ireland is a signatory jurisdiction to a Multilateral Competent Authority Agreement on the automatic exchange of financial account information in respect of CRS. Regulations giving effect to the OECD's Standard and Directive 2014/107/EU from 1 January 2016 were enacted on 31 December 2015.

To the extent that the Issuer is required to comply with the CRS due diligence and reporting requirements, Security Holders resident in Ireland may be required to provide additional information to the Issuer which may ultimately be shared by the Jersey Taxes office with their counterparts in Ireland.

10. TAXATION IN ITALY

10.1 General

The information set out below is a summary of certain limited aspects of the Italian tax consequences of the acquisition, ownership and disposition of Metal Securities and it does not purport to be a comprehensive description of all the tax issues that may be relevant to a decision to purchase Metal Securities. This summary does not describe any tax consequences arising under the laws of any state, locality or taxing jurisdiction other than Italy. This summary is based on the tax laws of Italy as in effect on the date of this Prospectus, as well as regulations, rulings and decisions of its taxing and other authorities available on or before such date and now in effect. All of the foregoing is subject to change, which change could apply retroactively and could affect the continued validity of this summary. Because it is a general summary, holders of Metal Securities should consult their own tax advisers as to the Italian or other tax consequences of the purchase, holding and disposition of Metal Securities including, in particular, the application to their specific situations of the tax aspects discussed below, as well as the application of state, local, foreign or other tax laws. This summary assumes that the Issuer is not a tax resident nor deemed to be a tax resident of Italy according to Article 73(3) of Presidential Decree No. 917 of 22 December 1986 and that the Issuer does not have (and will not have at any time) a permanent establishment in Italy as defined under Article 162 of Presidential Decree No. 917 of 22 December 1986.

10.2 Tax on income and capital gains

Provided the Metal Securities qualify broadly as derivative instruments for the purposes of Italian tax law, which they are expected to do, then the following consequences apply to a Security Holder in respect of the net cash proceeds received from a redemption or sale of the Metal Securities over the sum paid by such a holder on their subscription or purchase:

- (i) proceeds from the sale or redemption of the Metal Securities received by a holder which is (a) an Italian resident corporation or similar commercial entity, (b) an Italian individual engaged in entrepreneurial activities to which the Metal Securities are effectively connected, or (c) a permanent establishment in Italy of a non-Italian resident to which the Metal Securities are effectively connected, as well as unrealised gains reported in the statutory financial statement, may have to be included in the relevant holder's taxable income subject to corporate income tax (*IRES*, currently applicable at a rate of 24 per cent.) or to personal income taxation (as business income), as the case may be, according to the ordinary rules. In certain cases, depending on the status of the holder, proceeds from the sale or redemption of the Metal Securities may also have to be included in its taxable base for regional income tax on productive activities, (*IRAP*, currently applicable at a rate of 3.9 per cent. *IRAP* rate may be increased in certain Italian regions; *IRAP* rate has also been increased to 4.65 per cent. and 5.9 per cent. by article 23(5) of Law Decree no. 98 of 6 July 2011 for the categories of companies indicated, respectively, under article 6 and article 7 of Legislative Decree no. 446 of 15 December 1997);
- (ii) according to article 5 of Legislative Decree no. 461 of 21 November 1997, capital gains realised by Italian resident individuals, not engaged in entrepreneurial activities to which the Metal Securities are effectively connected, and by certain other non commercial entities upon the sale for consideration or redemption of the Metal Securities are subject to a substitute tax (*imposta sostitutiva*) currently at the rate of 26 per cent. Under the tax return regime (*regime della dichiarazione*), which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in an entrepreneurial activity, *imposta sostitutiva* on capital gains is applicable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised in a fiscal year pursuant to all disposals of Metal Securities and other financial instruments triggering a capital gain or loss that is subject to the same tax regime, carried out during any given fiscal year. These individuals and non commercial entities must report the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual income tax return to be filed with the Italian tax

authorities for such year and pay *imposta sostitutiva* on such gains. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years;

- (iii) as an alternative to the tax return regime, according to article 6 of Legislative Decree no. 461 of 21 November 1997, Italian resident individuals not engaged in entrepreneurial activities to which the Metal Securities are effectively connected and certain other non commercial entities may elect to pay the *imposta sostitutiva* separately on the capital gains realised upon each sale or redemption of the Metal Securities (under a so called "*Risparmio Amministrato*" regime, which is managed through the provision of non discretionary asset management services to a taxpayer). Such a separate taxation of each capital gain is allowed subject to: (a) the Metal Securities being deposited with an Italian bank, a *Società di Intermediazione Mobiliare* (SIM) or with one of certain other authorised financial intermediaries, (b) each relevant capital gain being realised through such intermediary, and (c) an express election for the *Risparmio Amministrato* regime being timely made in writing by the relevant Metal Security holder. The financial intermediary, on the basis of the information provided by the taxpayer, accounts for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of Metal Securities (as well as in respect of capital gains realised at revocation of its mandate and upon other specific circumstances which are deemed to trigger an assignment under this regime), net of any incurred capital loss, and is required to pay the relevant amount of tax to the Italian fiscal authorities on behalf of the taxpayer, deducting a corresponding amount from proceeds to be credited to the Metal Securities holder. Under the *Risparmio Amministrato* regime, where a sale or redemption of Metal Securities results in a capital loss, such loss may be used to reduce the subsequent capital gains realised in the same tax year and up to the following fourth. All gains that have been subject to the *Risparmio Amministrato* regime do not have to be included in the yearly income tax return of the holder of Metal Securities;
- (iv) also as an alternative to the tax return regime, according to article 7 of Legislative Decree no. 461 of 21 November 1997, the increase or decrease in the fair market value of the Metal Securities, as well as the gains or losses realised upon the sale for consideration or redemption of the same securities by Italian resident individuals not engaged in entrepreneurial activities to which the Metal Securities are effectively connected, and by certain other non commercial entities, who have elected for the so called *Risparmio Gestito* regime (namely, a regime managed by an authorised intermediary providing discretionary management services), will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end which is subject to a 26 per cent. *imposta sostitutiva*, applied directly by the authorised asset manager. Under the *Risparmio Gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward and deducted against future increase in value of the managed assets in the four succeeding years. All gains that have been subject to the *Risparmio Gestito* regime do not have to be included in the yearly income tax return of the holder of Metal Securities;
- (v) the increase or decrease in the fair market value of the Metal Securities, as well as the gains or losses realised upon the sale for consideration or redemption of the same securities by Italian resident collective investment funds, which are different from real estate investment funds, and hedge funds are not subject to taxation at the fund's level;
- (vi) the increase or decrease in the fair market value of the Metal Securities, as well as the gains or losses realised upon the sale for consideration or redemption of the same securities by Italian resident pension funds (subject to the regime provided for by articles 14, 14-*ter* and 14-*quater*, paragraph 1, of Legislative Decree 21 April 1993, no. 124 as further substituted by Legislative Decree no. 252 of 5 December 2005) are included in the determination of the yearly NAV accrued appreciation or depreciation of the assets under management that is subject to a substitute tax (*imposta sostitutiva*) currently at a rate of 20 per cent.; and

- (vii) non-Italian resident Security Holders without a permanent establishment in Italy to which the Metal Securities are effectively connected are not subject to income tax in Italy on the proceeds realised on the sale of the Metal Securities, provided that:
- the Metal Securities have not been deposited in Italy; or
 - the Metal Securities have been deposited in Italy and are traded on a regulated market; or
 - the Metal Securities have been deposited in Italy but are not traded on a regulated market and the beneficial owner of the proceeds from the Metal Securities: (i) complies with certain filing requirements; and (ii) is a resident of a country which is included in the list of jurisdictions allowing exchange of information with the Italian tax authorities as provided under the relevant list which is contained in a specific Ministerial Decree and in the following periodical updating.

The tax treatment of the Metal Securities described above has been confirmed by the Italian tax authorities decision No. 72/E of 12 July 2010 dealing with the Italian tax treatment of investment in secured exchange commodities. Nevertheless, should the Italian tax authority and/or tax courts take the view that, regardless of the previous position taken by the Italian tax authority in its decision No. 72/E, the Metal Securities are to be characterised as debt instruments representing so-called “atypical securities” pursuant to Article 8 of Law Decree no. 512 of 30 September 1983 (as subsequently amended) a different tax treatment would apply. In fact, interest and other proceeds deriving from “atypical securities” issued by non-Italian resident issuers are subject to a 26 per cent. withholding tax applied by the Italian resident intermediary intervening in the payment save where held by a commercial partnership, a commercial private and public institution resident in Italy for tax purposes or by an Italian permanent establishment of a non-Italian resident entity. Instead these entities must include the proceeds in their taxable business income, under the same terms as described under paragraph (i) above.

10.3 Inheritance and gift taxes

Law no. 286 of 24 November 2006, which has converted into law, with amendments, Law Decree no. 262 of 3 October 2006, has introduced inheritance and gift tax to be paid at the transfer of assets (such as the Metal Securities) and rights by reason of death or gift.

As regards the inheritance and gift tax to be paid at the transfer of the Metal Securities by reason of death or gift, the following rates apply:

- (i) transfers in favour of spouses and direct descendants or direct relatives are subject to an inheritance and gift tax of 4 per cent. on the value of the inheritance or the gift exceeding Euro 1,000,000.00 for each beneficiary;
- (ii) transfers in favour of brothers and sisters are subject to an inheritance and gift tax of 6 per cent. on the value of the inheritance or the gift exceeding Euro 100,000.00 for each beneficiary;
- (iii) transfers in favour of relatives up to the fourth degree or relatives-in-law to the third degree, are subject to an inheritance and gift tax of 6 per cent. on the entire value of the inheritance or the gift;
- (iv) any other transfer is subject to an inheritance and gift tax of 8 per cent. on the entire value of the inheritance or the gift; and
- (v) transfers in favour of seriously disabled persons are subject to an inheritance and gift tax at the relevant rate as described above on the value of the inheritance or the gift exceeding Euro 1,500,000.00 for each beneficiary.

Moreover, an anti-avoidance rule is provided by Law no. 383 of 18 October 2001 for any gift of assets (such as the Metal Securities) which, if sold for consideration, would give rise to capital gains subject to the *imposta sostitutiva* provided for by Legislative Decree no. 461 of 21 November 1997. In particular, if the donee sells the Metal Securities for consideration within five years from the receipt thereof as a gift, the donee is required to pay the relevant *imposta sostitutiva* on capital gains as if the gift had never taken place.

10.4 Value added tax

No Italian value added tax (VAT) will be payable by a holder of Metal Securities in consideration for the issue or transfer of Metal Securities.

If in return for the redemption of Metal Securities a Security Holder receives physical assets and the latter are transferred into the Italian territory, Italian VAT may become payable upon the transfer of such physical assets into the Italian territory (unless the assets are brought into a bonded or a tax warehouse). Platinum, palladium and silver are subject to 22 per cent. VAT. Investment gold is zero rated.

10.5 Securities Transfer and Registration Tax

According to Article 37 of Law Decree no. 248 of 31 December 2007, as converted with amendments into Law no. 31 of 28 February 2008, the transfer of the Metal Securities is not subject to Italian transfer tax.

Contracts relating to the transfer of Metal Securities are subject to the following registration tax: (i) public deeds and notarised deeds are subject to a fixed registration tax at a rate of €200.00; (ii) private deeds are subject to registration tax at a rate of €200.00 only if they are voluntary registered or if the so-called “*caso d’uso*” or “*enunciazione*” occurs.

10.6 Stamp duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 (“**Decree 201**”), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries, carrying out their business activity within the Italian territory, to their clients for the Metal Securities deposited therewith. The stamp duty applies at a the current rate of 0.2 per cent.; this stamp duty is determined on the basis of the market value or, if no market value figure is available, the nominal value or redemption amount of the Metal Securities held. The stamp duty can be no lower than €34.20. If the client is not an individual, the stamp duty cannot exceed €14,000.00.

10.7 Wealth Tax on securities deposited abroad

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding the Metal Securities outside the Italian territory are required to pay an additional tax at the current rate of 0.2 per cent.

This tax is calculated on the market value of the Metal Securities at the end of the relevant year or, if no market value figure is available, the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

10.8 OECD Common Reporting Standards

Drawing extensively on the intergovernmental approach to implementing the United States Foreign Account Tax Compliance Act, the OECD developed the Common Reporting Standard (“**CRS**”) to address the issue of offshore tax evasion on a global basis. Aimed at maximising efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The first information exchanges are expected to begin in 2017.

Italy has enacted Law No. 95 of 18 June 2015 (“*Law 95/2015*”), implementing the CRS (and the amended EU Directive on Administrative Cooperation), which has entered into force on 1 January 2016 and provides for the exchange of information in relation to the calendar year 2016 and later.

In the event that Metal Securities are held through an Italian financial institution (as meant in the Ministerial Decree of 28 December 2015 implementing Law 95/2015), the holders of the Metal Securities may be required to provide additional information to such financial institution to enable it to satisfy its obligations under the Italian implementation of the CRS.

11. TAXATION IN THE NETHERLANDS

11.1 General

The information set out below is a general summary of certain material Netherlands tax consequences of the acquisition, ownership and transfer of Metal Securities, and it does not purport to be a comprehensive description of all the Netherlands tax considerations that may be relevant to a decision to purchase Metal Securities. This summary does not describe any tax consequences arising under the laws of any state, locality or taxing jurisdiction other than the Netherlands.

This summary is based on the tax laws of the Netherlands as in effect on the date of this Prospectus, as well as regulations, rulings and decisions of the Netherlands or of its taxing and other authorities available in printed form on or before such date and now in effect, and as applied and interpreted by Netherlands courts, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect. All of the foregoing is subject to change, which change could apply retroactively and could affect the validity of this summary.

All references in this summary to the Netherlands and Netherlands law are to the European part of the Kingdom of the Netherlands and its law, respectively, only. In addition, any reference hereafter to a treaty for the avoidance of double taxation concluded by the Netherlands includes the Tax Regulation for the Kingdom of the Netherlands (*Belastingregeling voor het Koninkrijk*), the Tax Regulation for the country of the Netherlands (*Belastingregeling voor het land Nederland*), the Tax Regulation Netherlands-Curacao (*Belastingregeling Nederland-Curacao*) and the Tax Regulation Netherlands-St. Maarten (*Belastingregeling Nederland-Sint Maarten*).¹

Because it is a general summary, prospective holders of Metal Securities should consult their own tax advisors as to the Netherlands or other tax consequences of the acquisition, ownership and transfer of Metal Securities including, in particular, the application to their particular situations of the tax considerations discussed below, as well as the application of state, local, foreign or other tax laws.

For Netherlands tax purposes, a holder of Metal Securities may include an individual who or an entity that does not have the legal title to the Metal Securities, but to whom nevertheless the Metal Securities are attributed based either on such individual or entity holding a beneficial interest in the Metal Securities or based on specific statutory provisions.

The Issuer believes that it is not a resident nor that it is deemed to be a resident of the Netherlands nor that it has a presence in the Netherlands for Netherlands tax purposes, and the following general summary assumes that the Issuer is not, nor will be, treated as a resident or deemed resident of the Netherlands nor that it is, nor will be, treated as having a presence in the Netherlands for Netherlands tax purposes.

11.2 Withholding tax

Payments of the Issuer with regard to the Metal Securities will be free from withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

11.3 Tax on income and capital gains

General

The description of taxation set out in this section of the Prospectus is not intended for any holder of Metal Securities, who:

- (i) is an individual and for whom the income or capital gains derived from Metal Securities are attributable to employment activities, the income from which is taxable in the Netherlands;
- (ii) is an entity that is a resident or deemed to be a resident of the Netherlands and that is, in whole or in part, not subject to or exempt from Netherlands corporate income tax;
- (iii) is an exempt investment institution (*vrijgestelde beleggingsinstelling*) or a fiscal investment institution (*fiscale beleggingsinstelling*) as meant in Articles 6a and 28 of the Netherlands

¹ The Netherlands has also agreed a Tax Regulation with St. Maarten (*Belastingregeling Nederland-Sint-Maarten*) which is expected to enter into force on 1 January 2017.

Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*), respectively; or

- (iv) has, directly or indirectly, a substantial interest (*aanmerkelijk belang*) or a deemed substantial interest as defined in the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) in the Issuer.

Residents of the Netherlands

Individuals

A holder of Metal Securities who is an individual resident or deemed to be a resident of the Netherlands for Netherlands tax purposes (a "**Dutch Resident Individual**") will generally be subject to Netherlands income tax on income and/or capital gains derived from Metal Securities at progressive rates (up to 52 per cent.; rate for 2017) if:

- (i) the holder derives profits from an enterprise or deemed enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder), to which enterprise the Metal Securities are attributable or deemed attributable; or
- (ii) the holder derives income or capital gains from the Metal Securities, as the case may be, that are taxable as benefits from "miscellaneous activities" (*resultaat uit overige werkzaamheden*, as defined in the Netherlands Income Tax Act 2001), which include the performance of activities with respect to the Metal Securities that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If conditions (i) and (ii) mentioned above do not apply, a holder of Metal Securities who is a Dutch Resident Individual will generally be subject to Netherlands income tax on a deemed return regardless of the actual income and/or capital gains benefits derived from the Metal Securities. This deemed return is calculated by multiplying the individual's yield basis (*rendementsgrondslag*), insofar as this exceeds a certain threshold (*heffingvrij vermogen*), with the progressive statutory rates of return, which range from 2.87% to 5.39% depending on such individual's yield basis. The statutory rates of return will be adjusted annually. The individual's yield basis is determined as the fair market value of certain qualifying assets (including, as the case may be, the Metal Securities) held by the Dutch Resident Individual less the fair market value of certain qualifying liabilities, both determined on 1 January of the relevant year. The deemed return will be taxed at a rate of 30 per cent. (rate for 2017).²

Entities

A holder of Metal Securities who is an entity resident or deemed to be resident in the Netherlands (a "**Dutch Resident Entity**") will generally be subject to Netherlands corporate income tax with respect to income and capital gains derived from Metal Securities. The Netherlands corporate income tax rate is 20 per cent. for the first €200,000 of the taxable amount, and 25 per cent. for the excess of the taxable amount over €200,000 (rates applicable for 2017).

Non-residents of the Netherlands

A holder of Metal Securities who is neither a Dutch Resident Individual nor a Dutch Resident Entity (a "**Non-Dutch Resident**") is generally not subject to Netherlands income tax or corporate income tax on income and capital gains derived from the Metal Securities, provided that:

- (i) such Non-Dutch Resident does not derive profits from an enterprise or deemed enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder) which enterprise is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise, as the case may be, the Metal Securities are attributable or deemed attributable;

² A law has been enacted, pursuant to which as from 1 January 2017 the taxation of income from savings and investments will be amended and the deemed return will no longer be fixed at 4 per cent., but instead a variable return between 2.9 per cent. and 5.5 per cent. depending on the amount of the tax payers' yield basis will be applied. However, at the request of the Dutch Parliament the Dutch Ministry of Finance will also review in the course of 2016 whether the taxation of income from savings and investments can be based on the actual income and/or gains realised instead of a deemed return can be implemented.

- (ii) in the case of a Non-Dutch Resident who is an individual, such individual does not derive income or capital gains from Metal Securities that are taxable as benefits from “miscellaneous activities” performed or deemed to be performed in the Netherlands (*resultaat uit overige werkzaamheden in Nederland*, as defined in the Netherlands Income Tax Act 2001), which include the performance of activities with respect to the Metal Securities that exceed regular, active portfolio management;
- (iii) in the case of a Non-Dutch Resident who is not an individual, such Non-Dutch Resident is neither entitled to a share in the profits of an enterprise effectively managed in the Netherlands nor co-entitled to the net worth of such enterprise, other than by way of the holding of securities, to which enterprise the Metal Securities or payments in respect of Metal Securities are attributable; and
- (iv) in the case of a Non-Dutch Resident who is an individual, such individual is not entitled to a share in the profits of an enterprise effectively managed in the Netherlands, other than by way of the holding of securities or through an employment relationship, to which enterprise the Metal Securities or payments in respect of the Metal Securities are attributable.

A Non-Dutch Resident that falls under any of the exclusions (i) through (iv) mentioned above, may be subject to Netherlands income tax or Netherlands corporate income tax on the income and capital gains derived from the Metal Securities. In case such holder of a Metal Security is considered to be a resident of a country other than the Netherlands under the provisions of a treaty for the avoidance of double taxation the Netherlands has concluded with such country, the following may apply. Such holder of a Metal Security may, depending on the terms of and subject to compliance with the procedures for claiming benefits under such treaty for the avoidance of double taxation, be eligible for a full or partial exemption from, reduction or refund of Netherlands taxes (if any) on the (deemed) income or capital gains in respect of a Metal Security, provided such holder is entitled to the benefits of such treaty for the avoidance of double taxation.

11.4 Gift or inheritance tax

No Netherlands gift or inheritance tax will be levied on the transfer of Metal Securities by way of gift by or on the death of a holder, who is neither a resident nor deemed to be a resident of the Netherlands for the purpose of the relevant provisions, unless:

- (i) the transfer is construed as an inheritance or bequest or as a gift made by or on behalf of a person who, at the time of the gift or death, is or is deemed to be a resident of the Netherlands for the purpose of the relevant provisions;
- (ii) such holder dies while being a resident or deemed resident of the Netherlands within 180 days after the date of a gift of Metal Securities; or
- (iii) the gift is made under a condition precedent and such holder is or is deemed to be a resident of the Netherlands at the time the condition is fulfilled.

For purposes of Netherlands gift and inheritance tax, an individual who is of Dutch nationality will be deemed to be a resident of the Netherlands if he has been a resident of the Netherlands at any time during the ten years preceding the date of the gift or his death.

For purposes of Netherlands gift tax, an individual will, irrespective of his nationality, be deemed to be resident of the Netherlands if he has been a resident of the Netherlands at any time during the 12 months preceding the date of the gift. An applicable tax treaty may override deemed residency.

11.5 Value added tax

No Netherlands value added tax will be payable by a holder of Metal Securities in consideration for the issue of Metal Securities (other than value added taxes on fees payable in respect of services not exempt from Netherlands value added tax).

If upon the redemption of Metal Securities a holder receives physical delivery of the platinum, palladium, silver and/or gold, and the latter are supplied or imported in the Netherlands for value added tax purposes, Netherlands value added tax may become payable (unless these metals are brought in and remain in a bonded warehouse (*douane-entrepot*)). Platinum, palladium, gold and silver are subject to 21 per cent. value added tax. Investment gold (within the meaning of Article 28j

of the Netherlands Value Added Tax Act 1968 (*Wet op de omzetbelasting 1968*)), is in principle exempt from value added tax.

11.6 Other taxes or duties

No Netherlands registration tax, custom duty, transfer tax, stamp duty or any other similar tax or duty, other than court fees, will be payable in the Netherlands by a holder of Metal Securities in respect of or in connection with the acquisition, ownership or transfer of the Metal Securities.

11.7 OECD Common Reporting Standard

Drawing extensively on the intergovernmental approach to implementing the United States Foreign Account Tax Compliance Act, the OECD developed the Common Reporting Standard (“**CRS**”) to address the issue of offshore tax evasion on a global basis. Aimed at maximising efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures and automatically exchange this information with exchange partners on an annual basis.

The Netherlands has enacted a law implementing the CRS (and the EU Council Directive on Administrative Cooperation 2011/16 as amended by EU Council Directive 2014/107 and as amended further by EU Council Directive 2015/2376), which has entered into force on 1 January 2016 and provides for the exchange of information in relation to the calendar year 2016 and later. The information is to be exchanged within nine months following the end of the calendar year.

In the event that Security Holders hold the Metal Securities through a Dutch financial institution (as meant in the (Dutch implementation of the) CRS), Security Holders may be required to provide additional information to such financial institution to enable it to satisfy its obligations under the (Dutch implementation of the) CRS.

12. TAXATION IN NORWAY

12.1 General

The following summary of certain Norwegian tax issues that may arise as a result of acquiring, holding and redeem of Metal Securities is based on the current Norwegian tax legislation in force as of the date of this Prospectus which may be subject to change, possibly on retroactive basis. The following summary is intended only as general information for holders of securities who are resident or domiciled in Norway for tax purposes. The summary does not purport to be a comprehensive description of all the tax considerations that may be of relevance for the Norwegian holders of Metal Securities, nor does it cover the specific rules where Metal Securities are held by a partnership or are held as current assets in a business operation. Special tax consequences that are not described below also may apply for certain categories of taxpayers, including investment companies, mutual funds and persons who are not resident or domiciled in Norway.

Prospective applicants for Metal Securities should consult their own tax advisors for information with respect to the concrete tax consequences that may arise as a result of holding Metal Securities, including the applicability and effect of foreign income tax rules, provisions contained in double taxation treaties and other rules which may be applicable. Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian holder refers to the tax residency rather than the nationality of the holder.

12.2 Taxation on realisation

Holders of Metal Securities who are Norwegian resident corporations or natural persons, and who sell or redeem their Metal Securities are subject to capital gains taxation in Norway. Correspondingly, losses may be deducted.

The tax liability applies irrespective of how long the Metal Securities have been owned and the number of Metal Securities realised or redeemed. Gains are taxable as general income in the year of realisation, and losses can be deducted from income from other sources in the year of realisation. The tax rate of general income is 24 per cent. as of 2017 (proposed reduced to 23 per cent in 2018).

The capital gain or loss is calculated per Metal Security and equals the remuneration received in respect of the Metal Security less the purchase price and acquisition and realisation costs for the Metal Security.

Income taxes or capital gains taxes payable in other jurisdictions, by Norwegian corporate or personal holders, or withholding tax payable on redemption amounts in respect of the Metal Securities, may be deductible against Norwegian tax payable on the same income. The deduction is generally limited, however, to the corresponding amount of Norwegian tax applicable. The right for both Norway and other jurisdictions to tax Norwegian corporate or personal holders directly or through the application of withholding taxes may be limited by applicable tax treaty.

12.3 Withholding tax

No deduction or withholding for or on account of Norwegian tax is required to be made on payments from the Issuer to the Norwegian holders on Redemption of Metal Securities.

12.4 Net Wealth Tax

Corporate holders are not subject to net wealth taxation in Norway.

Norwegian personal holders are subject to net wealth taxation in Norway. Securities are included as part of the taxable base for this purpose. The value for assessment purposes for the Micro and Commodity Securities will be the market value on 1 January in the year of assessment (i.e. the year following the relevant fiscal year). The marginal net wealth tax rate is 0.85 per cent of the value assessed.

12.5 Stamp duty

There is currently no stamp duty or other charges in Norway on the purchase, sale or realisation of Metal Securities.

12.6 Inheritance tax

Norway does not impose inheritance tax on inheritance or gifts. However, the heir acquires the donor's tax input value of the Securities based on principles of continuity. Thus, the heir will be taxable for any increase in value in the donor's ownership, at the time of the heir's realisation of the Securities. However, gifts distributed to other persons than heirs according to law or testament, will be able to revalue the received Securities to market value.

12.7 Value Added Tax

Transactions regarding Metal Securities are exempt from Norwegian value added tax.

If the Security Holder elects physical delivery of precious metals, and subsequently import such precious metals to Norway, the importation will trigger 25 per cent. Norwegian VAT. The VAT could under certain conditions be reclaimable, but not for persons holding the bullion for investment purposes only. Furthermore, VAT on imports may be avoided if the bullion is brought into a bonded warehouse.

12.8 Common Reporting Standard

OECD's Common Reporting Standard ("CRS") provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The first information exchanges began in 2017. Both Jersey and Norway have committed to implement the CRS. As a result, reporting parties such as the Issuer, Authorized Participants, securities registers etc. will be required to comply with the CRS due diligence and reporting requirements, as adopted by Jersey and Norway. Security Holders may be required to provide additional information to enable the reporting parties to satisfy its obligations under the CRS. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or mandatory redemption of Metal Securities.

13. TAXATION IN SPAIN

13.1 General

A brief summary is provided below of the Spanish tax regime applicable to the investments arising in respect of the Metal Securities, for which purpose only current legislation and general factors which may affect investors have been taken into account. No regional legislation which may be of application to a particular investor is considered.

The Metal Securities are not expressly dealt with in the Spanish legislation and no express opinion has been issued by the Spanish Tax Authorities or courts as to their status for tax purposes.

The Issuer believes that the Metal Securities would be considered interest generating debt securities for the purposes of Personal Income Tax and Corporate Income Tax and that the special tax regime applicable to participants in tax haven Collective Investment Institutions should not apply to the Metal Securities.

Nevertheless, the Spanish Tax Authorities and courts could adopt a different approach, since it is an uncertain matter and there is no guarantee that such Courts or Tax Authorities will adopt the position of the Issuer. A different position from that of the Issuer, if adopted by the Tax Authorities or Courts (for instance, but not only, as regards the application of the tax regime of participants in tax haven Collective Investment Institutions), could lead to the application of a tax treatment radically different from that described herein.

Holders of and potential investors in Metal Securities should consult their own tax advisors as to the Spanish or other tax consequences of the purchase, holding and disposition of Metal Securities including, in particular, the application to their particular situation of the tax considerations discussed below, as well as the application of state, local, foreign or other tax laws taking into account the tax uncertainties arising.

This summary assumes that all Metal Securities issued as at the date of this Prospectus or to be issued will be admitted to trading on the Main Market of the London Stock Exchange which is part of its Regulated Market for listed securities (being securities admitted to the Official List).

The tax regime in Spain applicable to the Metal Securities may change from time to time.

Finally, it should be pointed out that the tax treatment described here is of a general nature and, therefore, among other aspects, does not describe the tax consequences for certain categories of taxpayers including, but not limited to entities falling under the attribution of income regime, financial institutions, Collective Investment Institutions, Cooperatives, etc. which may be subject to specific rules.

13.2 Taxation of income from the Metal Securities

13.2.1 Natural or legal persons resident in Spain

Personal Income Tax: Natural persons

The income obtained by individuals holders of the Metal Securities who have the status of taxpayers for the purposes of Spanish Personal Income Tax, due to the purchase, holding and disposition of such Metal Securities, will be considered income from movable capital obtained due to the supply of funds to third parties upon the terms of Article 25.2 of Law 35/2006, of November 28, on the Personal Income Tax Law ("PIT Act"). Such income would be included in the savings tax base and, in cases of losses, their integration on the savings tax base and their offsetting will be subject to the rules foreseen in that respect in the Personal Income Tax legislation.

For tax period 2017, pursuant to article 101.4 of the PIT Act, any income derived from the purchase, holding and disposition of the Metal Securities, will be subject to withholding tax of 19 per cent. on account of the Personal Income Tax of the holder, in case there is any person or entity obliged to levy said withholding tax in accordance with the general rules of the levying of withholding taxes.

Also by application of the PIT Act, for the same reason, for tax period 2017, income included in the savings income taxable base will be taxed at 19 per cent. (applicable to the first 6,000 Euros), at 21 per cent. (applicable to the following 44,000 Euros) and at 23 per cent. (applicable to the remaining amounts).

Corporate Income Tax: Entities

The tax regime for Spanish-resident entities holders of Metal Securities is included in the Law 27/2014, of November 27, on the Corporate Income Tax (“**Law 27/2014**”) and the Royal Decree 634/2015, of July 10, that approves the Corporate Income Tax Ruling (“**RD 634/2015**”).

According to article 10.3 of Law 27/2014, the taxable income will be calculated in accordance with the accounting treatment of such income by the relevant entity. The tax adjustments to the accounting treatment which may be of application should be taken into account when calculating the taxable base.

The income obtained from the purchase, holding and disposition of the Metal Securities by entities which are considered taxable persons for Corporate Income Tax purposes will not be subject to withholding tax on account of Corporate Income Tax, in accordance with the provisions of Article 61.s) of RD 634/2015.

13.2.2 Natural or legal persons not resident in Spain

The income obtained from the purchase, holding and disposition by holders of Metal Securities who are taxpayers pursuant to the Spanish Non-Residents Income Tax will be taxed pursuant to the Refunded Text of the Non-Residents Income Tax Law, passed by Royal Legislative Decree 5/2004, of March 5 (hereinafter “Non-Residents Income Tax Law”).

Income obtained through a permanent establishment

The income from the Metal Securities obtained through a permanent establishment in Spain will be taxed in accordance with the rules of Chapter III of the Non-Residents Income Tax Law, subject to the provisions of any relevant double tax treaties.

Such income will not be subject to withholding tax on account of Non-Residents Income Tax upon the same terms set out above for taxable persons under Spanish Corporate Income Tax (entities resident in Spain).

Income obtained without a permanent establishment

The Issuer believes that income realized by investors residing outside Spain and without a permanent establishment within the Spanish territory (individuals and legal entities) would not be considered as Spanish income and, therefore, would not be subject to taxation and withholding tax in Spain under the Non-Residents Income Tax Law.

13.3 Value Added Tax

The general rules foreseen in the Spanish Value Added Tax legislation would apply to the purchase, holding and disposition of the Metal Securities.

13.4 Transfer Tax

The purchase, holding and disposition of the Metal Securities would not be taxed under the Spanish Transfer Tax.

13.5 Inheritance and Gift Tax

The transfer of the Metal Securities as a result of an inheritance or gift situation would be subject to the general rules of the Spanish Inheritance and Gift Tax, subject to the application of any relevant double tax treaties.

If the beneficiary of any inheritance or gift were a Spanish legal entity or a non resident entity with a permanent establishment in Spain, income obtained would be subject to taxation under the Spanish Corporate Income Tax or the Non-resident Income Tax, subject to the application of any relevant double tax treaties.

However, in principle, non-Spanish resident individuals would not be subject to the Spanish Inheritance and Gift tax on the acquisition of the Metal Securities. No taxation would arise in Spain on the acquisition of the Metal Securities by non-Spanish entities without a permanent establishment in the Spanish territory.

13.6 Net Wealth Tax

The ownership of Metal Securities would be subject to the Net Wealth Tax (“**NWT**”) pursuant to the Royal Decree 13/2011, of September 16, that restored temporarily for years 2011 and 2012 the Spanish Net Wealth Tax regulated by Law 19/1991, of June 6 (hereinafter “Net Wealth Tax Law”), subject to the application of any relevant double tax treaty. Pursuant to Royal Decree-Law 3/2016, of December 2, this restoration has been extended to tax year 2017.

Only natural persons holders of Metal Securities would be subject to the NWT.

Ownership of Metal Securities by natural persons resident in Spain

Under article 5 of the NWT, the relevant taxpayers will be all those natural persons who have their habitual residence in Spain regardless of the place where their assets or rights are located or could be exercised.

Consequently, the ownership of the Metal Securities by individuals resident for tax purposes in Spain will be subject to taxation under the Net Wealth Tax at a progressive rate scale from 0.2 per cent. to 2.5 per cent.

However, it is necessary to take into account that the power to implement the NWT (including certain tax benefits) has been transferred to the Spanish regions and, as a result, some territories have, in practice, eliminated the NWT under specific circumstances. Therefore, an analysis must be made in each specific case to determine to what extent any regional legislation might be applicable, since there might be differences in respect of taxation under NWT depending on the region in which an investor resides.

Ownership of Metal Securities by natural persons not resident in Spain

Non-Spanish residents would not be subject to the NWT on the holding of the Metal Securities.

13.7 The European Savings Directive

On November 10, 2015, the European Union issued the Council Directive 2015/2060, repealing Directive 2003/48/EC on taxation of savings income in the form of interest payments, with effect from January 1, 2016 (in Austria, from 2017).

This follows amendments to the Administration Cooperation Directive to introduce the new and enhanced standard of automatic information exchange, known as the Common Reporting Standard (as to which see further below).

13.8 Organization for Economic Co-operation and Development (“OECD”) Common Reporting Standard (“CRS”)

Drawing extensively on the intergovernmental approach to implementing the United States Foreign Account Tax Compliance Act, the OECD developed the CRS to address the issue of offshore tax evasion on a global basis.

Aimed at maximizing efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, tax authorities in participating jurisdictions will obtain from reporting financial institutions, and automatically exchange on an annual basis, with other participating tax authorities in which the investors of the reporting institution are tax residents, financial information with respect to all reportable identified by financial institutions on the basis of common due diligence and reporting procedures.

Jersey has committed to implement the CRS. As a result, the Issuer will be required to comply with the CRS due diligence and reporting requirements, as adopted by Jersey. Security Holders may be required to provide additional information to the Issuer to enable the Issuer to satisfy its obligations under the CRS.

Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or mandatory redemption of Metal Securities.

The Issuer would have the obligation to provide certain information about Security Holders to the Jersey tax authorities. This information may be provided by the Jersey tax authorities to the Spanish tax authorities.

14. TAXATION IN SWEDEN

14.1 General

The following summary of certain tax issues that may arise as a result of holding Metal Securities is based on current Swedish tax legislation and is intended only as general information for Security Holders who are resident or domiciled in Sweden for tax purposes. This description does not deal comprehensively with all tax consequences that may occur for Security Holders, nor does it cover the specific rules where Metal Securities are held by a partnership or are held as current assets in a business operation. The description does not cover the special rules which apply if the Metal Securities are held on an investment savings account (*Sw. Investeringssparkonto*). Special tax consequences that are not described below may also apply for certain categories of taxpayers, including investment companies, life insurance companies and persons who are not resident or domiciled in Sweden. It is recommended that prospective applicants for Metal Securities consult their own tax advisers for information with respect to the special tax consequences that may arise as a result of holding Metal Securities, including the applicability and effect of foreign income tax rules, provisions contained in double taxation treaties and other rules which may be applicable. Moreover, this summary assumes that the Issuer is not a tax resident nor deemed to be a tax resident of Sweden.

14.2 Taxation of individuals resident in Sweden

Capital gains and losses

Individuals and the estates of deceased Swedish individuals, who sell their Metal Securities, are subject to capital gains taxation. The current tax rate is 30 per cent. of the gain. The capital gain or loss is equal to the difference between the sales proceeds after deduction of sales costs and the acquisition cost of the Metal Securities. The acquisition cost is calculated according to the so called average method. This means that the costs of acquiring all Metal Securities of the same type and class are added together and calculated collectively, with respect to changes to the holding.

As a general rule, 70 per cent. of a capital loss is deductible against any other taxable income derived from capital. However, if the Metal Securities should be treated as foreign listed receivables, any capital loss will be fully deductible in the capital income category.

Should the total of "income from capital" be negative, a reduction of the tax on income from employment and from business, as well as the tax on real estate, is allowed. The tax reduction allowed amounts to 30 per cent. of any deficit not exceeding SEK 100,000 and 21 per cent. of any deficit in excess of SEK 100,000. Any deficits may not be carried forward to a subsequent fiscal year.

14.3 Taxation of Swedish legal entities

Capital gains and losses

Limited liability companies and other legal entities, except for the estates of deceased Swedish individuals, are taxed on all income (including income from the sale of Metal Securities) as income from business activities at a flat rate of 22 per cent. Regarding the calculation of a capital gain or loss and the acquisition cost, see "Taxation of individuals resident in Sweden" above.

Capital loss attributable to Metal Securities is in full deductible against any other taxable income from business activities. Capital losses that are not deducted against taxable income within a certain year may normally be carried forward and offset against taxable income the following fiscal year without any limitation in time.

14.4 Withholding tax

No deduction or withholding for or on account of Swedish tax is required to be made on payments from the Issuer to Security Holders on Redemption of Metal Securities.

14.5 Inheritance and gift taxes

No Swedish gift or inheritance tax will be levied on the transfer of Metal Securities by way of gift by or on the death of a Security Holder.

14.6 Value added tax

No Swedish value added tax will be payable by a Security Holder in consideration for the issue of Metal Securities.

14.7 Other taxes or duties

No Swedish registration tax, custom duty, transfer tax, stamp duty or any other similar tax or duty will be payable in Sweden by a holder of a Metal Security.

14.8 Organisation for Economic Co-operation and Development (“OECD”) Common Reporting Standard

The US regime, Foreign Account Tax Compliance Act (FATCA), was on April 1, 2015, implemented into Swedish domestic legislation through a new local Swedish FATCA legislation (Law (2015:62) of the identification of reportable accounts due to the FATCA agreement). Inspired by FATCA, OECD, agreed on a standard for the automatic exchange of information between countries, Common Reporting Standard (CRS). As Sweden was part of the so called “Early Adopters group”, the Swedish CRS rules were implemented into domestic legislation on January 1, 2016, through a new local (Law (2015:911) of identification of reportable accounts for automatic exchange of information for financial accounts.

In connection with the implementation of CRS, and in order to avoid any double reporting requirements, the Swedish rules implementing the European Savings Directive have been repealed.

PART 11

ADDITIONAL INFORMATION

1. INCORPORATION AND SHARE CAPITAL OF ISSUER

- 1.1 The Issuer was incorporated as a private limited company in Jersey on 22 February 2007 under the Companies (Jersey) Law 1991 (as amended) (the “**Law**”) and changed status to a public company on 30 March 2007 pursuant to a written resolution dated 30 March 2007. The Issuer operates under the Law and secondary legislation made thereunder. The Issuer is registered in Jersey under number 95996.
- 1.2 The Issuer is authorised to issue an unlimited number of no par value shares of one class designated as Ordinary Shares of which two Ordinary Shares of no par value have been issued for a consideration of £1.00 each.
- 1.3 The Issuer does not have any subsidiary undertakings.
- 1.4 All of the Issuer’s issued ordinary shares are owned by HoldCo.
- 1.5 There has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2016.

2. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Issuer and are or may be material or have been entered into at any time by the Issuer and (not being contracts entered into in the ordinary course of business) contain provisions under which the Issuer has an obligation or entitlement which is or may be material to the Issuer as at the date of this document:

- 2.1 the Trust Instrument dated 18 April 2007, as amended by a supplemental trust instrument dated 15 April 2008, a second supplemental trust instrument dated 11 December 2009, a third supplemental trust instrument dated 20 August 2013, a fourth supplemental trust instrument dated 13 August 2014 and a fifth supplemental trust instrument dated 12 October 2016, a summary of the principal terms of which is set out in Part 6 (*Trust Instrument and the Conditions*);
- 2.2 the following Security Deeds, a summary of the principal terms of which are set out in Part 7 (*Particulars of Security Deeds*):
 - 2.2.1 the Platinum Security Deed dated 18 April 2007 as amended by a deed of amendment dated 11 December 2009;
 - 2.2.2 the Palladium Security Deed dated 18 April 2007 as amended by a deed of amendment dated 11 December 2009;
 - 2.2.3 the Silver Security Deed dated 18 April 2007 as amended by a deed of amendment dated 11 December 2009;
 - 2.2.4 the Gold Security Deed dated 18 April 2007 as amended by a deed of amendment dated 11 December 2009; and
 - 2.2.5 the Swiss Gold Security Deed dated 11 December 2009;
- 2.3 the Initial Secured Allocated Account Agreement and the Initial Secured Unallocated Account Agreement, each dated 18 April 2007 between the Issuer, the Trustee and the Initial Custodian, as amended and restated on 15 April 2008, as further amended on 27 October 2009 and on 11 December 2009, as further amended and restated on 13 August 2014 and novated on 14 August 2014, the Initial Subscription Unallocated Account Agreement, dated 18 April 2007 between the Issuer and the Initial Custodian, as amended and restated on 15 April 2008, as further amended on 27 October 2009 and on 11 December 2009, as further amended and restated on 13 August 2014 and novated on 14 August 2014 and the Swiss Gold Secured Allocated Account Agreement, the Swiss Gold Secured Unallocated Account Agreement and the Swiss Gold Subscription Unallocated Account Agreement each dated 11 December 2009 between the Issuer and Swiss Gold Custodian, a summary of the principal terms of which is set out in Part 8 (*Custody and the Custodian Agreements*);

- 2.4 the Initial Metal Sale Counterparty Agreement dated 18 April 2007 (as novated on 14 August 2014) between the Issuer, the Trustee and HSBC Bank plc. as the metal sale counterparty under which, for the purposes of effecting Metal Sales in relation to the Redemption of Initial Metal Securities, the Initial Metal Sales Counterparty agrees, at the request of the Trustee, to purchase such amount of Bullion attributable to or forming part of the Secured Property in respect of such Metal Securities as the Trustee may specify on any Business Day at the Fixing Price in US dollars determined in the London AM Fix on that Business Day for standard settlement in the Relevant Market and to pay an amount equal to the product of such Fixing Price and the amount of Bullion so specified by the Trustee to such account or accounts as the Trustee may nominate for value on the standard Settlement Date. The Initial Metal Sale Counterparty Agreement will terminate automatically if the Initial Secured Unallocated Account Agreement is terminated;
- 2.5 the Swiss Gold Metal Sale Counterparty Agreement dated 11 December 2009 between the Issuer, the Trustee and JPMorgan Chase Bank, N.A. as the metal sale counterparty under which, for the purposes of effecting Metal Sales in relation to the Redemption of Swiss Gold Metal Securities, the Swiss Gold Metal Sales Counterparty agrees, at the request of the Trustee, to purchase such amount of Bullion attributable to or forming part of the Secured Property in respect of such Metal Securities as the Trustee may specify on any Business Day at the Fixing Price in US dollars determined in the London AM Fix on that Business Day for standard settlement in the Relevant Market and to pay an amount equal to the product of such Fixing Price and the amount of Bullion so specified by the Trustee to such account or accounts as the Trustee may nominate for value on the standard Settlement Date. The Swiss Gold Metal Sale Counterparty Agreement will terminate automatically if the Swiss Gold Secured Unallocated Account Agreement is terminated;
- 2.6 the following Authorised Participant Agreements, a summary of the principal terms of which is set out in paragraph 3 below:
- 2.6.1 an Authorised Participant Agreement between ETFSL, the Issuer and ABN AMRO Clearing Bank N.V. dated 18 April 2007;
- 2.6.2 an Authorised Participant Agreement between ETFSL, the Issuer and Commerzbank AG dated 29 October 2008;
- 2.6.3 an Authorised Participant Agreement between ETFSL, the Issuer and Credit Suisse International dated 15 October 2009;
- 2.6.4 an Authorised Participant Agreement between ETFSL, the Issuer and Deutsche Bank AG, London Branch dated 16 November 2012;
- 2.6.5 an Authorised Participant Agreement between ETFSL, the Issuer and Goldman Sachs International dated 3 March 2008, as amended;
- 2.6.6 an Authorised Participant Agreement between ETFSL, the Issuer and HSBC Bank plc dated 18 April 2007;
- 2.6.7 an Authorised Participant Agreement between ETFSL, the Issuer and Jane Street Financial Limited dated 2 April 2013;
- 2.6.8 an Authorised Participant Agreement between ETFSL, the Issuer and J.P. Morgan Securities Ltd dated 27 January 2010;
- 2.6.9 an Authorised Participant Agreement between ETFSL, the Issuer and KCG Europe Limited dated 21 August 2009;
- 2.6.10 an Authorised Participant Agreement between ETFSL, the Issuer and Merrill Lynch International dated 12 October 2010;
- 2.6.11 an Authorised Participant Agreement between ETFSL, the Issuer and Morgan Stanley & Co. International plc dated 18 April 2007;
- 2.6.12 an Authorised Participant Agreement between ETFSL, the Issuer and Optiver VOF dated 8 December 2016;
- 2.6.13 an Authorised Participant Agreement between ETFSL, the Issuer and Société Générale dated 25 October 2013;
- 2.6.14 an Authorised Participant Agreement between ETFSL, the Issuer and Susquehanna International Securities Limited dated 28 July 2009;

- 2.6.15 an Authorised Participant Agreement between ETFSL, the Issuer and Susquehanna Ireland Ltd dated 28 July 2009;
 - 2.6.16 an Authorised Participant Agreement between ETFSL, the Issuer and Susquehanna Pacific Pty Limited dated 12 August 2009;
 - 2.6.17 an Authorised Participant Agreement between ETFSL, the Issuer and Timber Hill (Europe) AG dated 29 July 2011;
 - 2.6.18 an Authorised Participant Agreement between ETFSL, the Issuer and UniCredit Bank AG dated 23 April 2008;
 - 2.6.19 an Authorised Participant Agreement between ETFSL, the Issuer and Virtu Financial Europe Limited dated 20 November 2008; and
 - 2.6.20 an Authorised Participant Agreement between ETFSL, the Issuer and Virtu Financial Ireland Limited dated 24 August 2012.
- 2.7 the Service Agreement dated 31 December 2012 whereby ManJer is responsible for supplying or procuring the supply of all management and administration services for the Issuer and for paying all the management and administration costs of the Issuer (including the fees and expenses of the Registrar and any administrator and the fees and expenses of the Trustee in relation to its role under the Trust Instrument) and the Issuer agrees to pay to ManJer the Management Fee and a processing fee representing the Application Fees and Redemption Fees which the Issuer has received (including by way of set-off). ManJer may delegate to other entities certain of its duties and functions under the Service Agreement;
- 2.8 the Administration Agreement dated 31 December 2013 whereby R&H Fund Services (Jersey) Limited is responsible for supplying or procuring the supply of certain administrative, company secretarial and registrar services to the Issuer as set out in Schedule 1 of the Administration Agreement and for which the Issuer agrees to pay R&H Fund Services (Jersey) Limited a fee. R&H Fund Services (Jersey) Limited may delegate in whole or in part the discharge of any of its duties or functions and the exercise of any powers and discretion under the Administration Agreement.
- R&H Fund Services (Jersey) Limited is not liable to the Issuer for any error of judgement or for any loss suffered by the Issuer in connection with the subject of the Administration Agreement unless such loss arises from fraud, bad faith, wilful default or negligence in the performance or non-performance by R&H Fund Services (Jersey) Limited or persons designated by it of its obligations or duties and in particular (but without limitation) will not be liable as a result of any loss, delay, mis-delivery or error in transmission of any cable or telegraphic communication or as a result of acting upon any forged transfer or request for redemption of any securities in the Issuer; and
- 2.9 the Registrar Agreement dated 31 December 2012 whereby the Registrar is responsible for supplying or procuring the supply of certain registrar services, including the provision of a registration and transfer office, to the Issuer as set out in schedule 1 of the Registrar Agreement and for which the Issuer agrees to pay the Registrar a fee. The Registrar may delegate certain of its duties or functions under the Registrar Agreement.
- The Registrar and its officers and employees will not be liable to the Issuer for any direct damages, loss, costs, claims or expenses (“**Loss**”) sustained by the Issuer or in respect of any matter relating to the Registers as a result of loss, delay, misdelivery, or error in transmission of any cable, telex, telefax or telegraphic communication, or if any document accepted by the Registrar shall alter be proved to be forged or otherwise defective or erroneous (except in respect of any Loss incurred as a result of the fraud, wilful default, bad faith or negligence of the Registrar).
- The Registrar will not be liable to the Issuer in respect of any loss, liability, claim, cost, expense (including legal expenses) or damage suffered or incurred by the Issuer as a result of the discharge of its duties and obligations under the Registrar Agreement, save where such loss, liability, claim, cost, expense or damage is suffered or incurred as a result of its fraud, wilful default, bad faith or negligence.
- The aggregate liability of the Registrar to the Issuer over any 12 month period, howsoever any such liability arises, shall in no circumstances whatsoever exceed twice the amount of the fees payable by the Issuer to the Registrar in any 12 month period.

The Registrar is not liable to the Issuer for any Loss suffered or incurred by the Issuer as a result of the operation, failure, interruption or suspension of or changes to all or any part of the CREST Services (as defined in the Registrar Agreement) by Euroclear UK & Ireland Limited as a result of any timetable changes in connections with the provision of the CREST Services by Euroclear UK & Ireland Limited. The Registrar is not liable to the Issuer for any Loss suffered or incurred by the Issuer as a result of any acts or omissions of the Registrar that the Registrar reasonable considers are required in order for it to comply with the CREST Requirements (as defined in the Registrar Agreement).

3. AUTHORISED PARTICIPANT AGREEMENTS

3.1 The Authorised Participants at the date of this document are the persons who have entered into an Authorised Participant Agreement with the Issuer as described in paragraph 2.6 above.

3.2 The Issuer hopes to sign Authorised Participant Agreements with other Authorised Participants and/or market-makers in due course, which may include commitments to make markets on varying terms and which may include commitments to maintain particular maximum spreads and minimum lot sizes.

3.3 Pursuant to the terms of the Authorised Participant Agreements, each Authorised Participant represents, warrants and undertakes to the Issuer that:

3.3.1 in relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”), it has not made and will not make an offer of Metal Securities to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Metal Securities to the public in that Relevant Member State:

- (a) in the period beginning on the date of publication of a prospectus in relation to those Metal Securities which has been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Directive or, where appropriate, published in another member state and notified to the competent authority in that Relevant Member State in accordance with Article 18 of the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000, and (3) an annual turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Metal Securities to the public” in relation to any Metal Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Metal Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Metal Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State;

3.3.2 it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received by it in connection with the issue or sale of any Metal Securities in circumstances in which section 21(1) of FSMA does not apply to the Issuer or any Affiliate of the Issuer;

- 3.3.3 it has complied and will comply with all applicable provisions of FSMA and the United Kingdom financial services regime (including, without limitation, the obligation to treat customers fairly) with respect to anything done by it in relation to any Metal Securities in, from or otherwise involving the United Kingdom; and
- 3.3.4 neither it nor any of its Affiliates (including any person acting on behalf of it or any of its Affiliates):
- (a) has knowingly offered or sold or will knowingly offer or sell, except in a transaction exempt from the registration requirements of the Securities Act to a Qualified Purchaser, Metal Securities within the United States or to US Persons, whether before, on or after the relevant Application date; or
 - (b) has engaged or will engage in any “directed selling efforts” with respect to Metal Securities.

Further restrictions on offers and sales of Metal Securities and on the distribution of this Prospectus are set out in paragraph 9 of this Part 11 (*Additional Information*).

4. ISINS AND PRINCIPAL AMOUNTS OF THE METAL SECURITIES

Five classes of Individual Securities and one category of Basket Securities are described in this Prospectus. The ISINs and Principal Amounts of the Metal Securities are as follows:

Class of Metal Securities	ISIN	Principal Amount
ETFS Physical Platinum	JE00B1VS2W53	US\$20.00
ETFS Physical Palladium	JE00B1VS3002	US\$5.00
ETFS Physical Silver	JE00B1VS3333	US\$2.00
ETFS Physical Gold	JE00B1VS3770	US\$10.00
ETFS Physical PM Basket	JE00B1VS3W29	US\$9.40
ETFS Physical Swiss Gold	JE00B5880074	US\$10.00

As referred to in Part 4 (*Description of Metal Securities*) and Condition 14, the Issuer has the right under the Trust Instrument at any time to consolidate or divide all of the Metal Securities into Metal Securities of the same type but with a proportionately larger or smaller Principal Amount and Metal Entitlement. Consolidated or divided Metal Securities may also be issued under this Prospectus and, to the extent that this Prospectus does not provide full details of such consolidated or divided Metal Securities, such additional details (including the name, ISIN number and Principal Amount thereof) will be specified in the applicable Final Terms or a supplementary prospectus supplemental hereto.

5. SOURCES

The statements under the heading “Platinum Group Metals — Platinum” in Part 3 (*Precious Metals Market Overview*) have been sourced from Johnson Matthey, PGM Market Report 2015.

The table under the heading “Platinum Group Metals — Platinum” in Part 3 (*Precious Metals Market Overview*) have been sourced from Johnson Matthey, PGM Market Report 2015.

The statements under the heading “Platinum Group Metals — Palladium” in Part 3 (*Precious Metals Market Overview*) have been sourced from Johnson Matthey, PGM Market Report 2015.

The table under the heading “Platinum Group Metals — Palladium” in Part 3 (*Precious Metals Market Overview*) has been sourced from Johnson Matthey, PGM Market Report 2015.

The statements under the heading “Silver” in Part 3 (*Precious Metals Market Overview*) have been sourced from the World Silver Survey 2014, published by Thomson Reuters GFMS.

The table under the heading “Silver” in Part 3 (*Precious Metals Market Overview*) has been sourced from the World Silver Survey 2014, published by Thomson Reuters GFMS.

The statements under the heading “Gold” in Part 3 (*Precious Metals Market Overview*) have been sourced from Thomson Reuters GFMS.

The table under the heading “Gold” in Part 3 (*Precious Metals Market Overview*) has been sourced from Thomson Reuters GFMS.

The statements under the heading “The Precious Metals Market — Good Delivery” in Part 3 (*Precious Metals Market Overview*) have been sourced from the London Platinum Palladium Market (LPPM) and London Bullion Market Association’s (LBMA) Good Delivery Rules.

The table under the heading “The Precious Metals Market — Good Delivery” in Part 3 (*Precious Metals Market Overview*) has been created from the London Platinum Palladium Market (LPPM) and London Bullion Market Association’s (LBMA) Good Delivery Rules.

The data used to create the charts under the heading “Historic Precious Metal Prices” in Part 3 (*Precious Metals Market Overview*) has been sourced from Bloomberg LP and the London Platinum Palladium Market’s website, <http://www.lppm.com>.

The data used to create the chart under the heading “Correlation of Precious Metals with Other Asset Classes — Five Year Correlations” in Part 3 (*Precious Metals Market Overview*) has been sourced from Bloomberg LP.

The information referred to in this paragraph 5 above has been accurately reproduced and, so far as the Issuer is aware and is able to ascertain from information published by the referenced third party source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

6. GENERAL

- 6.1 The Company’s auditors are KPMG Channel Islands Limited of 37 Esplanade, St Helier, Jersey, Channel Islands JE4 8WQ. The annual reports of the Issuer for the year ended 31 December 2015 as published by the Issuer through the Regulatory News Services of the London Stock Exchange on 1 April 2016 and for the year ended 31 December 2016 as published by the Issuer through the Regulatory News Services of the London Stock Exchange on 16 March 2017 are incorporated in this document by reference and are available at the Issuer’s website at <http://www.etfsecurities.com/retail/uk/en-gb/documents.aspx> and at the registered office of the Issuer as set out in paragraph 7 of this Part 11 (*Additional Information*) under the heading “Director, Secretary and Advisers” above. The financial statements of the Issuer are prepared in accordance with International Financial Reporting Standards. Half-yearly unaudited accounts will generally be published within four months of the mid-year end, currently 30 June in each year. The half-yearly unaudited accounts will be made available on the Issuer’s website at <http://www.etfsecurities.com/retail/uk/en-gb/documents.aspx>.
- 6.2 There has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2016.
- 6.3 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this document which may have or have had in the recent past a significant effect on the Issuer’s financial position or profitability.
- 6.4 All Metal Securities in issue at the date of this document have been admitted to the Official List and admitted to trading on the Main Market of the London Stock Exchange, which is part of its Regulated Market for listed securities and is a regulated market for the purposes of Directive 2004/39/EC (the Markets in Financial Instruments Directive). Applications have been made to the UK Listing Authority for all Individual Securities and Basket Securities issued within 12 months of the date of this document to be admitted to the Official List and to the London Stock Exchange for all such Metal Securities to be admitted to trading on the Main Market.
- 6.5 The Initial Metal Securities have been admitted to listing on the Regulated Market (General Standard) (*Regulierter Markt [General Standard]*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) since 8 May 2007, NYSE Euronext Paris since 9 May 2007, Euronext Amsterdam since 9 May 2007, the ETFplus market of the Borsa Italiana S.p.A since 20 June 2007 and the Tokyo Stock Exchange since 24 August 2009.

The Swiss Gold Metal Securities have been listed on the Regulated Market (General Standard) (*Regulierter Markt [General Standard]*) since 2010 and on the ETFplus market of the Borsa Italiana S.p.A. since 14 May 2012.

No application has been or is currently being made for the Metal Securities to be admitted to listing or trading on any other exchange or market but the Issuer may cause such application to be made in respect of the Metal Securities of any or all types on any such exchanges or markets in its discretion.

- 6.6 The Issuer intends to publish annual financial statements each year and Final Terms as required by Listing Rules. Each Business Day the Issuer will publish the Metal Entitlement of each class of Metal Securities on the Issuer's Website as described under the heading "Metal Entitlement — Publication of Metal Entitlement" in Part 4 (*Description of Metal Securities*). Save as aforesaid the Issuer does not intend to provide post-issuance information.
- 6.7 The Issuer's financial statements will be presented in US dollars. The value of any assets and liabilities denominated in currencies other than US dollars will be converted into US dollars at rates quoted by independent sources. The valuation of the assets and liabilities of the Issuer attributable to any Pool will be determined under the supervision of the Board. The Secured Metal Accounts and the Bullion held in such accounts will constitute an asset of the Issuer. For the purposes of the valuation of the Issuer's assets, the Bullion held in the Secured Metal Accounts will be valued at the London AM Fix as at the date of valuation.
- 6.8 The securitised assets backing the issue, being the Bullion to be held in the Secured Metal Accounts has characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Metal Securities.

7. DOCUMENTS AVAILABLE FOR INSPECTION

For the duration of the Programme or so long as any Metal Securities remain outstanding, copies of the following documents will be available for inspection by holders of Metal Securities during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer:

- 7.1 the Memorandum and Articles of Association of the Issuer;
- 7.2 the Trust Instrument;
- 7.3 the Security Deeds;
- 7.4 the Custodian Agreements;
- 7.5 the Metal Sale Counterparty Agreements;
- 7.6 the Service Agreement;
- 7.7 the Authorised Participant Agreements;
- 7.8 the Registrar Agreement;
- 7.9 the Administration Agreement;
- 7.10 the annual audited accounts and half-yearly unaudited accounts of the Issuer;
- 7.11 the agreement between the Issuer, Clearstream Banking Aktiengesellschaft and HSBC Trinkaus & Burkhardt AG dated 25 April 2007, including the form of Global Bearer Certificates and text of the conditions of the Global Bearer Certificates;
- 7.12 the Prospectus.

Copies of the documents listed 7.1 to 7.12 above are available free of charge from ETFS Management Company (Jersey) Limited, Ordnance House, 31 Pier Road, St. Helier, Jersey JE4 8PW.

8. JERSEY LAW CONSENTS

This Prospectus is prepared, and a copy of it has been sent to the Jersey Financial Services Commission, in accordance with the Collective Investment Funds (Certified Funds – Prospectuses) (Jersey) Order 2012.

The Issuer has obtained a certificate under the Collective Investment Funds (Jersey) Law, 1988, as amended, (the "**CIF Law**") to enable it to undertake its functions in relation to the Metal Securities. The Jersey Financial Services Commission is protected by the CIF Law against liability arising from the discharge of its functions thereunder.

Each of ManJer, R&H Fund Services (Jersey) Limited and the Registrar is registered under the Financial Services (Jersey) Law 1998, as amended (the "**Financial Services Law**") to enable it to undertake its functions in relation to the Metal Securities. The Jersey Financial Services Commission is protected by the Financial Services Law against liability arising from the discharge of its functions thereunder.

The Jersey Financial Services Commission does not take any responsibility for the financial soundness of the Issuer or for the correctness of any statements made or expressed in this Prospectus.

9. SELLING RESTRICTIONS

The Metal Securities are not subject to any restrictions on transferability. The following restrictions on offer and sales apply.

9.1 United States

The Issuer has imposed the restrictions described below on the Programme so that the Issuer will not be required to register the offer and sale of Metal Securities under the Securities Act, so that the Issuer will not have an obligation to register as an investment company under the Investment Company Act and related rules and to address certain considerations under the United States Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), United States Internal Revenue Code of 1986, (the “**Code**”) and other considerations.

Metal Securities have not been and will not be registered under the Securities Act or any other applicable law of the United States. Metal Securities are being offered and sold only outside the United States to non-United States persons in reliance on the exemption from registration provided by Regulation S under the Securities Act or in transactions otherwise exempt from the registration requirements of the Securities Act.

In addition the Issuer has not been and does not intend to become registered as an investment company under the Investment Company Act and related rules. Metal Securities and any beneficial interest therein may not be reoffered, resold, pledged or otherwise transferred in the United States or to US Persons other than Qualified Purchasers. If the Issuer determines that any Security Holder is a Prohibited US Person (being a US Person who is not a “qualified purchaser” as defined in the Investment Company Act), the Issuer may redeem the Metal Securities held by that Security Holder in accordance with the provisions of Condition 7.3 (*Compulsory Redemption for Cause*) set out in Part 6 (*Trust Instrument and the Conditions*).

The Metal Securities may not be purchased with plan assets of any “employee benefit plan” within the meaning of section 3(3) of ERISA, subject to Part 4. Subtitle B of Title I of ERISA, any “plan” to which section 4975 of the Code applies (collectively, “**Plans**”), any entity whose underlying assets include “plan assets” of any of the foregoing Plans within the meaning of 29 C.F.R. Section 2510.3-101 or section 3(42) of ERISA, as they may be modified, by reason of a Plan’s investment in such entity, any governmental or church plan that is subject to any United States Federal, state or local law that is similar to the prohibited transaction provisions of ERISA or Section 4975 of the Code (any such employee benefit plan, plan or entity, a “**Prohibited Benefit Plan Investor**”). If the Issuer determines that any Security Holder is a Prohibited Benefit Plan Investor, the Issuer may redeem the Metal Securities held by that Security Holder in accordance with the provisions of Condition 7.3 (*Compulsory Redemption for Cause*) set out in Part 6 (*Trust Instrument and the Conditions*).

Further restrictions on offers and sales of Metal Securities and on the distribution of this Prospectus are set out in paragraph 3 of this Part 11 (*Additional Information*).

10. CONSENT TO USE OF PROSPECTUS BY FINANCIAL INTERMEDIARIES IN CERTAIN MEMBER STATES

The Issuer has consented to the use of this Prospectus, and has accepted responsibility for the content of this Prospectus, with respect to subsequent resale or final placement by way of public offer of the Metal Securities in any of Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Spain, Sweden and the United Kingdom by any financial intermediary which is an investment firm within the meaning of the Markets in Financial Instruments Directive, as amended (“**MiFID**”) and which is authorised in accordance with MiFID in any member state. Such consent applies to any such resale or final placement by way of public offer during period of 12 months from the date of this Prospectus unless such consent is withdrawn prior to that date by notice published on the Issuer’s website.

In the event of an offer being made by a financial intermediary, this financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made. Any financial intermediary using this Prospectus for the purpose of any offering must state on its website that it uses this Prospectus in accordance with the consent given and the conditions attached thereto.

It is a condition of this consent that, where the financial intermediary wishes to resell or make a final placement by way of public offer of the Metal Securities, such financial intermediary may not reuse this Prospectus for such purpose unless it is in those Public Offer Jurisdictions identified in the Final Terms, provided such offer is made during the Offer Period specified in the applicable Final Terms. The financial intermediary may not otherwise reuse this Prospectus to sell Metal Securities.

In the event of a public offer in one or more Public Offer Jurisdictions, the Metal Securities may be offered and sold to persons in the relevant Public Offer Jurisdiction who are legally eligible to participate in a public offering of such securities in such jurisdiction under applicable laws and regulations.

Any new information with respect to financial intermediaries' ability to use this Prospectus will be published on the Issuer's website at <http://www.etfsecurities.com/retail/uk/en-gb/documents.aspx>.

ANNEX 1

FORM OF THE GLOBAL BEARER CERTIFICATES (GERMANY)

INHABER-SAMMELZERTIFIKAT

für

[siehe Anhang 1] [Klasse der Individual-Securities / Kategorie der Basket-Securities]

Namenschuldverschreibungen

der

ETFS Metal Securities Limited

Ordnance House, 31 Pier Rd, St Helier, Jersey, Channel Islands, JE4 8PW

eingeteilt in Teilschuldverschreibungen im Nennbetrag von je • [siehe Anhang 1]

Für dieses Inhaber-Sammelzertifikat hält die Clearstream Banking Aktiengesellschaft mit Sitz in Frankfurt am Main, Bundesrepublik Deutschland (im Folgenden "**Clearstream**" genannt), als Deckung • [siehe Anhang 1] [Klasse der Individual-Securities / Kategorie der Basket-Securities] Namenschuldverschreibungen (im Folgenden "**Schuldverschreibungen**" genannt) der ETFS Metal Securities Limited, Jersey, Channel Islands (im Folgenden "**Gesellschaft**" genannt). Die durch den Treuhandvertrag vom 18. April 2007 zwischen der Gesellschaft und der The Law Debenture Trust Corporation p.l.c. in seiner jeweils geänderten/ergänzten Fassung (im Folgenden "**Treuhandvertrag**") begründeten Schuldverschreibungen sind, wie im Treuhandvertrag näher dargelegt, besichert und in Namensteilschuldverschreibungen mit einem Nennbetrag von je • [siehe Anhang 1], eingeteilt. Die Schuldverschreibungen sind auf Vidacos Nominees Limited, London, England, eingetragen und in einem bei der Citibank N.A., London, England, unterhaltenen Sonderdepot verwahrt. Jeder Miteigentümer dieses Sammelzertifikats ist berechtigt, jederzeit von der Clearstream die Auslieferung und Registrierung einer seinem Miteigentumsanteil entsprechenden Stückzahl von [Klasse der Individual-Securities / Kategorie der Basket-Securities] Schuldverschreibungen der Gesellschaft auf seinen Namen oder den Namen eines von ihm benannten Dritten in das maßgebliche Schuldverschreibungsregister der ETFS Metal Securities Limited, Jersey, Channel Islands, zu verlangen.

Im übrigen gelten die diesem Inhaber-Sammelzertifikat beigefügten Zertifikatsbedingungen, die Bestandteil dieser Urkunde sind.

Frankfurt am Main, den ...

CLEARSTREAM BANKING

Aktiengesellschaft

ANNEX 2

TEXT OF THE CONDITIONS OF THE GLOBAL BEARER CERTIFICATES (GERMANY)

Zertifikatsbedingungen

1. Dieses Inhaber-Sammelzertifikat trägt die Unterschriften zweier Vorstandsmitglieder oder eines Vorstandsmitgliedes und eines Prokuristen der Clearstream Banking Aktiengesellschaft, Frankfurt am Main, Bundesrepublik Deutschland, (im Folgenden "**Clearstream**" genannt).
2. Jeder Miteigentümer dieses Inhaber-Sammelzertifikats ist berechtigt, jederzeit von der Clearstream die Auslieferung und Registrierung einer seinem Miteigentumsanteil entsprechenden Stückzahl von • [siehe Anhang 1] [Klasse der Individual-Securities / Kategorie der Basket-Securities] Namensschuldverschreibungen (im Folgenden "**Schuldverschreibungen**" genannt) der ETFS Metal Securities Limited, Jersey, Channel Islands, (im Folgenden "**Gesellschaft**" genannt) auf seinen Namen oder den Namen eines von ihm benannten Dritten in das maßgebliche Schuldverschreibungsregister zu verlangen. Die durch den Treuhandvertrag zwischen der Gesellschaft und der The Law Debenture Trust Corporation p.l.c. in seiner jeweils geänderten/ergänzten Fassung (im Folgenden "**Treuhandvertrag**") begründeten Schuldverschreibungen sind, wie im Treuhandvertrag näher dargelegt, besichert und in Namensteilschuldverschreibungen mit einem Nennbetrag von je • [siehe Anhang 1] eingeteilt. Einen entsprechenden Auftrag hat der Miteigentümer der Clearstream über seine Depotbank zu erteilen, wobei die Lieferadresse bzw. die Adresse, an welche die Urkunde bezüglich der Eintragung in das Schuldverschreibungsregister durch den Registrar versandt werden soll, angegeben sein muss.

Außer der von der Clearstream im Rahmen des § 315 des Bürgerlichen Gesetzbuches bestimmten Gebühr für die Auslieferung bzw. Übertragung hat der Miteigentümer etwaige mit der Auslieferung bzw. Übertragung und Umschreibung entstehende sonstige Kosten, Steuern, Gebühren oder Abgaben zu tragen.

Die Auslieferung von Einzelstücken aus diesem Inhaber-Sammelzertifikat kann von den Miteigentümern nicht verlangt werden.

3. Die Clearstream vermittelt dem Miteigentümer über dessen Depotbank nach Maßgabe seines Anteils am Inhaber-Sammelzertifikat grundsätzlich alle Rechte aus den Schuldverschreibungen, soweit sie ihr nach Maßgabe des englischen Rechts bzw. des Rechts von Jersey, Channel Islands, zustehen.

Zinsen, Ausschüttungen, Kapital und etwaige sonstige Barzahlungen leitet die Clearstream an den Miteigentümer weiter.

Im übrigen gelten die von der Clearstream gegebenenfalls bekanntzugebenden Fristen und Bedingungen.

Sämtliche Zahlungen an den Miteigentümer erfolgen nach Maßgabe der jeweils geltenden Devisenvorschriften in Euro, es sei denn, dass der Miteigentümer rechtzeitig vor Fälligkeit Zahlung in USD (United States Dollars) verlangt hat.

4. Ein etwaiges Stimmrecht anlässlich einer Gläubigerversammlung wird die Clearstream grundsätzlich nicht ausüben. Sie wird dem Miteigentümer oder einem von diesem benannten Dritten auf Verlangen eine Vollmacht zur Ausübung des Stimmrechts erteilen lassen.

Die Gesellschaft hat sich verpflichtet, die Tagesordnung von Gläubigerversammlungen sowie die Voraussetzungen zur Teilnahme an der Gläubigerversammlung und zur Ausübung des Stimmrechts im Vorfeld einer solchen Gläubigerversammlung bekanntzugeben.

5. Sollte die Ausgabe des Inhaber-Sammelzertifikats zu irgendeinem Zeitpunkt in der Bundesrepublik Deutschland oder auf Jersey, Channel Islands, irgendwelchen Steuern, Gebühren oder Abgaben unterliegen, so haben die Miteigentümer diese Steuern, Gebühren oder Abgaben nach Maßgabe ihrer Anteile am Inhaber-Sammelzertifikat zu tragen.

Die Clearstream ist berechtigt, Steuern, Gebühren oder Abgaben, denen sie zu irgendeinem Zeitpunkt in der Bundesrepublik Deutschland oder auf Jersey, Channel Islands, allein auf Grund der Tatsache unterworfen wird, daß sie die Schuldverschreibungen hält, auf alle Miteigentümer nach Maßgabe ihrer Anteile am Inhaber-Sammelzertifikat umzulegen.6. Treten aus irgendeinem Grunde an die Stelle der Schuldverschreibungen andere Schuldverschreibungen oder ein sonstiger Vermögenswert, so wandelt sich das Recht der Miteigentümer auf die Schuldverschreibungen in ein Recht auf den Ersatzgegenstand. Die Zertifikatsbedingungen gelten dann sinngemäß.

6. Treten aus irgendeinem Grunde an die Stelle der Schuldverschreibungen andere Schuldverschreibungen oder ein sonstiger Vermögenswert, so wandelt sich das Recht der Miteigentümer auf die Schuldverschreibungen in ein Recht auf den Ersatzgegenstand. Die Zertifikatsbedingungen gelten dann sinngemäß.
7. Die Clearstream ist berechtigt, die Citibank N.A., London, England, (im Folgenden "**Verwahrer**" genannt) in ihrer Funktion als Verwahrer oder die Vidacos Nominees Limited, London, England, (im Folgenden "**Nominee**" genannt) in ihrer Funktion als Nominee durch eine andere Person zu ersetzen. Die Haftung der Clearstream beschränkt sich hierbei auf die sorgfältige Auswahl. Unberührt bleibt die Befugnis der Clearstream, die Funktion des Verwahrers oder des Nominees selbst wahrzunehmen. Im Fall der Ersetzung des Verwahrers oder des Nominees gelten alle Bezugnahmen auf den Verwahrer bzw. den Nominee in diesen Bedingungen als Bezugnahmen auf den neuen Verwahrer bzw. Nominee.
8. Werden die Schuldverschreibungen in einer die Mitwirkung der Clearstream in dieser Form nicht mehr erfordernden Weise an deutschen Wertpapierbörsen lieferbar oder wird die Zulassung der Schuldverschreibungen in Form von Miteigentumsanteilen am Inhaber-Sammelzertifikat zum Handel und zur amtlichen Notierung an deutschen Wertpapierbörsen zurückgenommen, so wird die Clearstream die Miteigentümer auffordern, ihr einen Auftrag gemäß Ziffer 2. Abs. 1 zu erteilen. Wird dieser Auftrag nicht innerhalb einer Frist von 3 Monaten seit Veröffentlichung der Aufforderung erteilt, so ist die Clearstream nach ihrem Ermessen berechtigt, die Eintragung der Schuldverschreibungen auf den Namen des Miteigentümers oder eines in der Aufforderung benannten Dritten zu veranlassen und die Schuldverschreibungen bei einer in der Aufforderung angegebenen Stelle für den Miteigentümer auf dessen Kosten und Gefahr zu hinterlegen. Damit erlöschen die Pflichten der Clearstream aus dem Inhaber-Sammelzertifikat.
9. Alle das Inhaber-Sammelzertifikat betreffenden Bekanntmachungen werden in mindestens je einem überregionalen Börsenpflichtblatt der deutschen Wertpapierbörsen veröffentlicht werden, an denen die Schuldverschreibungen in Form von Miteigentumsanteilen am Inhaber-Sammelzertifikat gehandelt und amtlich notiert werden.
10. Die Miteigentümer tragen anteilig alle wirtschaftlichen und rechtlichen Nachteile und Schäden, die den für das Inhaber-Sammelzertifikat als Deckung gehaltenen Bestand an Schuldverschreibungen infolge höherer Gewalt, Regierungserlassen, Krieg, Aufruhr, Verfügungen von hoher Hand im In- oder Ausland oder anderer Umstände treffen sollten, die die Clearstream oder der Verwahrer nicht zu vertreten haben.

Die Clearstream wird alle Verpflichtungen aus dem Inhaber-Sammelzertifikat mit der Sorgfalt eines ordentlichen Kaufmannes erfüllen. Wird sie durch höhere Gewalt, Regierungserlasse, Krieg, Aufruhr, Verfügungen von hoher Hand im In- oder Ausland oder andere Umstände, die sie nicht zu vertreten hat, an der Erfüllung ihrer Verpflichtungen gehindert, so trifft sie keine Verantwortung.

Der Verwahrer und der Nominee sind der Clearstream gegenüber zur ordnungsgemäßen Wahrnehmung der ihnen obliegenden Aufgaben verpflichtet. Etwaige Ansprüche gegen den Verwahrer oder den Nominee wird die Clearstream zugunsten der Miteigentümer geltend machen. Darüber hinaus haftet die Clearstream nur für die sorgfältige Auswahl des Verwahrers und des Nominees.

11. Sollte irgendeine dieser Bestimmungen ganz oder teilweise rechtsunwirksam oder undurchführbar sein oder werden, so bleiben die übrigen Bestimmungen hiervon unberührt. Für unwirksame oder undurchführbare Bestimmungen soll eine dem Sinn und Zweck dieses Vertragsverhältnisses entsprechende Regelung gelten.
12. Alle Rechtsbeziehungen zwischen dem Miteigentümer und der Clearstream unterliegen dem Recht der Bundesrepublik Deutschland. Ausschließlicher Gerichtsstand ist Frankfurt am Main.
13. Eine Änderung dieser Zertifikatsbedingungen ist nur zulässig, soweit durch sie die Rechte der Miteigentümer nicht beeinträchtigt werden, es sei denn, dass sie durch gesetzliche Vorschriften bedingt ist.

Anhang 1

Sofern ETFS Metal Securities Limited weitere Schuldverschreibungen im Rahmen ihres Programms begibt, kann Anhang 1 jederzeit geändert werden.

Name	Ursprüngliche ISIN (der Schuldverschreibung)	LSE Code (der Schuldverschreibung)	Nennbetrag USD
ETFS Physical Platinum	JE00B1VS2W53	PHPT	20,00
ETFS Physical Palladium	JE00B1VS3002	PHPD	5,00
ETFS Physical Silver	JE00B1VS3333	PHAG	2,00
ETFS Physical Gold	JE00B1VS3770	PHAU	10,00
ETFS Physical PM Basket	JE00B1VS3W29	PHPM	9,40
ETFS Physical Swiss Gold	JE00B588CD74	SGBS	10,00

ANNEX 3

FORM OF FINAL TERMS

Pro Forma Final Terms for an issue by ETFS Metal Securities Limited under the Programme for the issue of ETFS Metal Securities. This form of Final Terms is used when Metal Securities are to be admitted to trading on a regulated market other than in conjunction with an offer thereof to the public in one or more member states, for example to Authorised Participants.

FINAL TERMS

Dated [•] 201[•]

ETFS METAL SECURITIES LIMITED

*(Incorporated and registered in Jersey under the Companies (Jersey) Law 1991 (as amended)
with registered number 95996)*

(the “Issuer”)

Programme for the Issue of ETFS Metal Securities

Issue of

[number] [class] [Individual/Basket] Securities

(the “ETFS Metal Securities”)

These Final Terms (as referred to in the prospectus (the “**Prospectus**”) dated 9 May 2017 in relation to the above Programme) relate to the issue of the ETFS Metal Securities referred to above. The ETFS Metal Securities have the terms provided for in the trust instrument dated 18 April 2007, as amended, between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee constituting the ETFS Metal Securities. Words and Expressions used in these Final Terms bear the same meaning as in the Prospectus.

These Final Terms have been prepared for the purpose of Article 5(4) of Directive 2003/71/EC and must be read in conjunction with the Prospectus and any supplement, which are published in accordance with Article 14 of Directive 2003/71/EC on the website of the Issuer: <http://www.etfsecurities.com>. In order to get the full information both the Prospectus (and any supplement) and these Final Terms must be read in conjunction. A summary of the individual issue is annexed to these Final Terms.

The particulars in relation to this issue of ETFS Metal Securities are as follows:

Issuer:	ETFS Metal Securities Limited
Issue Date:	[•]
Class or Category of ETFS Metal Securities to which these Final Terms apply:	[•]
ISIN:	[•]
Price per ETFS Metal Security:	[•] troy ounces Platinum/ [•] troy ounces Palladium/ [•] troy ounces Silver/ [•] fine troy ounces Gold
Aggregate Number of ETFS Metal Securities to which these Final Terms apply:	[•]
Maximum number/amount of Metal Securities that may be issued of the Class or Category being issued pursuant to these Final Terms:	[•]

Exchange[s] on which ETFS Metal Securities are admitted to trading:

- [London Stock Exchange]
- [Frankfurt Stock Exchange]
- [Borsa Italiana S.p.A.]
- [Euronext Amsterdam]
- [NYSE Euronext Paris]

Date

Time

ANNEX

FORM OF ISSUE SPECIFIC SUMMARY

(Issuer to annex form of issue specific summary to the final terms)

ANNEX 4

FORM OF FINAL TERMS – PUBLIC OFFERS

Pro Forma Final Terms for an offer of ETFS Metal Securities to the public under the Programme for the Issue of ETFS Metal Securities. This form of Final Terms is used when Metal Securities are being offered to the public in one or more member states.

FINAL TERMS

Dated [•] 201[•]

ETFS METAL SECURITIES LIMITED

(Incorporated and registered in Jersey under the Companies (Jersey) Law 1991 (as amended) with registered number 95996)

(the “Issuer”)

Programme for the Issue of ETFS Metal Securities

Issue of

[number] [type] [Individual/Basket] Securities

(the “ETFS Metal Securities”)

These Final Terms (as referred to in the base prospectus (the “**Prospectus**”) dated 9 May 2017 in relation to the above Programme) relate to the issue of the ETFS Metal Securities referred to above. The ETFS Metal Securities have the terms provided for in the trust instrument dated 18 April 2007, as amended, between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee constituting the ETFS Metal Securities. Words and Expressions used in these Final Terms bear the same meaning as in the Prospectus.

These Final Terms have been prepared for the purpose of Article 5(4) of Directive 2003/71/EC and must be read in conjunction with the Prospectus and any supplement, which are published in accordance with Article 14 of Directive 2003/71/EC on the website of the Issuer: <http://www.etfsecurities.com>. In order to get the full information both the Prospectus (and any supplement) and these Final Terms must be read in conjunction. A summary of the individual issue is annexed to these Final Terms.

An offer of the ETFS Metal Securities may be made (other than pursuant to Article 3(2) of the Prospectus Directive) by the Issuer or by [•] (each a “**Permitted Offeror**”) [•] (“**Public Offer Jurisdictions**”) during the period from [•] until [•] (the “**Offer Period**”).

The particulars in relation to this issue of ETFS Metal Securities are as follows:

Issuer:	ETFS Metal Securities Limited
Issue Date:	[•]
Class or category of ETFS Metal Securities to which these Final Terms apply:	[•]
ISIN:	[•]
Price per ETFS Metal Security	[•] troy ounces Platinum/ [•] troy ounces Palladium/ [•] troy ounces Silver/ [•] fine troy ounces Gold
Aggregate Number of ETFS Metal Securities to which these Final Terms apply:	[•]

Maximum number/amount of Metal Securities that may be issued of the Class or Category being issued pursuant to these Final Terms: [•]

Total amount of the offer; if the amount is not fixed, description of the arrangement and time for announcing to the public the amount of the offer: [•]

Terms and Conditions of the Offer

Offer Price: [•]

Conditions to which the offer is subject: [•]

The time period, including any possible amendments, during which the offer will be open and a description of the application process: [•]

Details of the minimum and/or maximum amount of application: [•]

Details of the method and time limits for paying up and delivering the ETFS Metal Securities: [•]

Manner in and date on which results of the offer are to be made public: [•]

Whether tranche(s) have been reserved for certain countries: [•]

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [•]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [•]

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [•]

Name and address of any paying agents and depository agents in each country: [•]

Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under “best efforts” arrangements. Where not all of the issue is underwritten, a statement of the portion not covered: [•]

When the underwriting agreement has been or will be reached: [•]

Name and address of calculation agent: [•]

Exchange[s] on which ETFS Metal Securities are admitted to trading

[London Stock Exchange]
[Frankfurt Stock Exchange]
[Borsa Italiana S.p.A.]
[Euronext Amsterdam]
[NYSE Euronext Paris]

Date

Time

ANNEX

FORM OF ISSUE SPECIFIC SUMMARY

(Issuer to annex form of issue specific summary to the final terms)

