



"Bringing Exchange Traded Commodities to the World's Stock Exchanges"

ETFS Hedged Metal Securities Limited

*(Incorporated and registered in Jersey under the
Companies (Jersey) Law 1991 (as amended) with registered number 108311)*

Prospectus for the issue of

ETFS Currency-Hedged Metal Securities

initially comprising:

**Australian Dollar Currency-Hedged Metal Securities
Euro Currency-Hedged Metal Securities
Singapore Dollar Currency-Hedged Metal Securities
and
Sterling Currency-Hedged Metal Securities**

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 issue of ETFS Currency-Hedged Metal Securities (the "**Currency-Hedged Metal Securities**") by ETFS Hedged Metal Securities Limited (the "**Issuer**").

It is important that an investor carefully reads, considers and understands this Prospectus before making any investment in Currency-Hedged 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 Currency-Hedged Metal Securities which are undated secured limited recourse debt securities of the Issuer. Currency-Hedged Metal Securities are designed to provide Australian Dollar, Euro, Singapore Dollar and Pound Sterling investors with a means of investing in physical precious metals without the necessity of taking delivery of the physical precious metals, to enable investors to buy and sell that interest through the trading of a security on a stock exchange and to hedge such security against exchange rate movements.

An investment in Currency-Hedged 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 the Currency-Hedged Metal Securities can go down as well as up.

Currency-Hedged Metal Securities are complex, structured products involving a significant degree of risk and may not be suitable or appropriate for all types of investor. It is advisable that any person wishing to invest seeks appropriate financial, tax and other advice from an independent financial advisor with appropriate regulatory authorisation and qualifications and

an investment in Currency-Hedged Metal Securities is only suitable for persons who understand the economic risk of an investment in Currency-Hedged Metal Securities and are able to bear the risk for an indefinite period of time. A prospective investor should be aware that their entire investment in Currency-Hedged Metal Securities may be lost.

What is in this Prospectus?

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

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

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

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 Currency-Hedged Metal Securities in certain jurisdictions and details of the risk factors relating to an investment in Currency-Hedged Metal Securities.

What information is included in the Final Terms?

The Final Terms set out information specific to the Currency-Hedged Metal Securities to which they relate, including the class and number of Currency-Hedged Metal Securities to be issued and the issue price applicable to the Currency-Hedged 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 publicly 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 documents incorporated by reference) and any Final Terms issued are available at <http://www.etfsecurities.com>.

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			<p><i>Metal Securities are issued by the Issuer, a Final Terms document is prepared by the Issuer and submitted to the FCA and notified to the competent authority in each European jurisdiction into which the product is passported. Completed Final Terms documents are available on the website of the Issuer at http://www.etfsecurities.com.</i></p>
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Programme for the Issue of
ETFS Currency-Hedged Metal Securities
Important Information

A. Approvals

A copy of this document, which comprises a base prospectus relating to the Currency-Hedged Metal Securities of each class and any further individual securities or basket securities that may be created and made available for issue as referred to in paragraph 4 of Part 13 (*Additional Information*) in compliance with Article 3 of Directive 2003/71/EC, as in force as at the date hereof, and the prospectus rules (the “**Prospectus Rules**”) made under sections 73A and 84 of the Financial Services and Markets Act 2000, as amended as at the date hereof, has been filed with the FCA and has been 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 the Prospectus Rules. Currency-Hedged Metal Securities will be available to be issued on a continuous 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 Currency-Hedged 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 Currency-Hedged 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.

Currency-Hedged Metal Securities have not been and will not be registered under the United States Securities Act of 1933 as amended (the “**Securities Act**”), or under the securities laws of any states of the United States. Currency-Hedged Metal Securities may not be directly or indirectly offered, sold, taken up, delivered or transferred in or into the United States (including its territories and possessions) or to or for the benefit of any U.S. person (as defined in Regulation S under the Securities Act) (a “**US Person**”), except pursuant to registration or an exemption. The Issuer has not registered, and does not intend to register, as an investment company under the United States Investment Company Act of 1940, as amended (the “**Investment Company Act**”), and investors will not be entitled to the benefits of such registration. Currency-Hedged Metal Securities offered and sold outside the United States may be offered to persons who are not US Persons in reliance upon Regulation S under the Securities Act. Each of the Authorised Participants has, pursuant to its Authorised Participant Agreement with the Issuer, undertaken not to offer or sell the Currency-Hedged Metal Securities within the United States or to any US Person, nor will it engage in any “directed selling efforts” (as such term is defined by Regulation S under the Securities Act) with respect to the Currency-Hedged Metal Securities.

Prohibited US Persons and Prohibited Benefit Plan Investors who notwithstanding the foregoing acquire Currency-Hedged Metal Securities should note the provisions in the Conditions under the heading “Compulsory Redemption for Cause” (Condition 7.7) in Part 6 (*Trust Instrument and Currency-Hedged Metal Securities*).

B. Listing and Trading

Application has been made to the UK Listing Authority for all Currency-Hedged 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 for all such Currency-Hedged Metal Securities to be admitted to trading on the Main Market of the London Stock Exchange (being part of the London Stock Exchange's Regulated Market for the purposes of EU Directive 2004/39/EC (the Markets in Financial Instruments Directive)).

Certain of the Currency-Hedged Metal Securities are admitted to listing on the Regulated Market (General Standard) (*Regulierter Markt [General Standard]*) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) and on the ETFplus market of Borsa Italiana S.p.A.

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 Currency-Hedged 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 Currency-Hedged Metal Securities or the exercise of any rights attached thereto for the purposes of the Jersey Financial Services Law 1988.

None of the Trustee, the Security Trustee, the Custodian, any other member of the JPMorgan Chase Group, MSIP, MS&Co or any other member of the Morgan Stanley Group has separately verified the information contained or incorporated by reference in this Prospectus. No representation, warranty or undertaking, express or implied, is made, and no responsibility or liability is accepted by the Trustee, the Security Trustee, the Custodian, any other member of the JPMorgan Chase Group, MSIP, MS&Co or any other member of the Morgan Stanley Group as to the accuracy or completeness of any information contained in this Prospectus or any other information supplied in connection with Currency-Hedged Metal Securities or their distribution. Each person applying for Currency-Hedged Metal Securities in accordance with the Prospectus acknowledges that (i) such person has not relied on the Trustee, the Security Trustee, the Custodian, MSIP or MS&Co, nor on any person affiliated with any of them, in connection with its investment decision or its investigation of the accuracy of the information contained herein; (ii) Currency-Hedged Metal Securities are direct, limited recourse obligations of the Issuer alone and not obligations of any other person including the Trustee, the Security Trustee, the Custodian, any other member of the JPMorgan Chase Group, MSIP, MS&Co or any other member of the Morgan Stanley Group; and (iii) the obligations of the Issuer to Security Holders under the Currency-Hedged Metal Securities are not guaranteed by the Trustee, the Security Trustee, the Custodian, any other member of the JPMorgan Chase Group, MSIP, MS&Co or any other member of the Morgan Stanley Group.

The Authorised Participants have not separately verified the information contained or incorporated by reference in this Prospectus. None of the Authorised Participants makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus or to the suitability of Currency-Hedged Metal Securities for any investor. None of the Authorised Participants undertakes to review the financial condition or affairs of the Issuer during the life of the Programme nor to advise any investor or potential investor in the Currency-Hedged Metal Securities of any information coming to the attention of any of the Authorised Participants.

Neither MSIP nor any other member of the Morgan Stanley Group has structured Currency-Hedged Metal Securities or provided any advice or information in respect of Currency-Hedged Metal Securities (subject to a limited exception for information provided by MSIP in relation to itself) nor accepts any responsibility in respect of this Prospectus or any other disclosure document or advertising materials in connection with the Currency-Hedged Metal Securities.

None of the Issuer, ManJer or any Affiliate of ManJer, the Authorised Participants, MSIP, any Affiliate of MSIP (including, without limitation, MS&Co), the Custodian, any other member of the JPMorgan Chase Group, the Trustee or the Security Trustee makes any representations as to (i) the suitability of any Currency-Hedged Metal Securities for any particular investor; (ii) the appropriate accounting treatment

or possible tax consequences of an investment in any Currency-Hedged Metal Securities; or (iii) the expected performance of any Currency-Hedged Metal Securities, either in absolute terms or relative to competing investments.

WM/Reuters Closing Spot Rates provided by the World Markets Company plc (“WM”) in conjunction with Thomson Reuters. WM shall not be liable for any errors in or delays in providing or making available the data contained within this service or for any actions taken in reliance on the same, except to the extent that the same is directly caused by its or its employees’ negligence.

Each person applying for Currency-Hedged Metal Securities in accordance with this Prospectus acknowledges that (i) such person has not relied on the Trustee, the Security Trustee, the Custodian, MSIP or MS&Co, nor on any person affiliated with any of them, in connection with its investment decision or its investigation of the accuracy of the information contained herein; (ii) Currency-Hedged Metal Securities are direct, limited recourse obligations of the Issuer alone and not obligations of any other person including the Trustee, the Security Trustee, the Custodian, any other member of the JPMorgan Chase Group, MSIP, MS&Co or any other member of the Morgan Stanley Group; and (iii) the obligations of the Issuer to Security Holders under the Currency-Hedged Metal Securities are not guaranteed by the Trustee, the Security Trustee, the Custodian, any other member of the JPMorgan Chase Group, MSIP, MS&Co or any other member of the Morgan Stanley Group.

Neither this Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase Currency-Hedged Metal Securities or any other securities issued by the Issuer and should not be considered as a recommendation by the Issuer, the Authorised Participants, the Trustee, the Security Trustee, the Custodian, any other member of the JPMorgan Chase Group, MSIP or MS&Co or any other member of the Morgan Stanley Group or any of them that any recipient of this Prospectus or any Final Terms should subscribe for or purchase Currency-Hedged Metal Securities. Each person contemplating making an investment in Currency-Hedged Metal Securities must make its own investigation and analysis of the creditworthiness of the Issuer and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience and any other factors which may be relevant to it in connection with such investment, and it is advisable that such persons obtain their own independent accounting, tax and legal advice and consult their own professional investment advisers to ascertain the suitability of Currency-Hedged Metal Securities as an investment, and conduct such independent investigation and analysis regarding the risks, security arrangements and cash-flows associated with Currency-Hedged Metal Securities as they deem appropriate, in order to evaluate the merits and risks of an investment in Currency-Hedged Metal Securities. A prospective investor who is in any doubt whatsoever as to the risks involved in investing in Currency-Hedged Metal Securities should consult its independent professional advisers.

The obligations of the Issuer to Security Holders are not guaranteed by any member of the Morgan Stanley Group or any other person and no Security Holder has any direct rights of enforcement against such person.

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 Currency-Hedged 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 Currency-Hedged Metal Securities as they deem appropriate, in order to evaluate the merits and risks of an investment in Currency-Hedged Metal Securities.

E. Supplementary Prospectus

If at any time the Issuer shall be required to prepare a supplementary prospectus pursuant to section 87G of the Financial Services and Markets Act 2000, 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 that Act or prepare and make available a further base prospectus in compliance with Article 3 of Directive 2003/71/EC and the Prospectus Rules.

SUMMARY

ETFS Hedged Metal Securities Limited

ETFS Currency-Hedged Metal Securities

Prospectus Summary

Base Prospectus dated 22 August 2017

for the issue of ETFS Currency-Hedged 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 Hedged Metal Securities Limited (the “Issuer”) relating to the programme for the issue of ETFS Currency-Hedged Metal Securities (the “Currency-Hedged Metal Securities”) dated 22 August 2017 (the “Prospectus”).• Any decision to invest in the Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged Metal Securities in any of Austria, 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

		<p>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 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 Currency-Hedged 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 Currency-Hedged Metal Securities.</p> <p>In the event of a public offer in one or more Public Offer Jurisdictions identified in the Final Terms, the Currency-Hedged 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 Currency-Hedged Metal Securities in any other circumstances.</p> <p>Issue Specific Summary:</p> <p>Public Offer Jurisdiction(s): •</p> <p>Offer Period: •</p>
SECTION B – The Issuer		
B.1	Legal and commercial name	ETFS Hedged 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 108311.
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 nor indirectly owned or controlled by any other party to the programme.

B.20	Special purpose vehicle	The Issuer has been established as a special purpose vehicle for the purpose of issuing the Currency-Hedged Metal Securities as asset-backed securities.
B.21	Principal activities	<p>The principal activity of the Issuer is issuing several types of Currency-Hedged Metal Securities backed by physical precious metals and in part by rights under derivative contracts (the “Metal Adjustment Contracts”) which provide a currency hedging overlay. The Issuer has established a programme under which 15 different types of Currency-Hedged Metal Securities may be issued from time to time, currently in the form of four different classes each backed (<i>inter alia</i>) by physical gold, four different classes each backed (<i>inter alia</i>) by physical palladium, three different classes each backed (<i>inter alia</i>) by physical platinum, and four different classes each backed (<i>inter alia</i>) by physical silver and each denominated in either Australian Dollars, Euro, Singapore Dollars or Sterling (“Individual Securities”). The Issuer may also create and make available for issue types of Currency-Hedged Metal Securities (“Basket Securities”) denominated in any of Australian Dollars, Euro, Singapore Dollars or Sterling that are notionally comprised of a basket of two or more classes of Individual Securities denominated in that same currency in any proportion, such Basket Securities being therefore backed by (<i>inter alia</i>) a proportion of any two or more categories of physical precious metal.</p> <p>Currency-Hedged Metal Securities are designed to enable Australian Dollar, Euro, Singapore Dollar and Pound Sterling investors to gain exposure to a return from investing in physical precious metals (through Individual Securities) or baskets of physical precious metals (through Basket Securities) without the necessity of trading and storing physical precious metals and to hedge such exposure against exchange rate movements.</p> <p>Currency-Hedged Metal Securities can be issued to and required to be redeemed on a daily basis by financial institutions (“Authorised Participants”) who (i) have 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”); (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; and (iv) have entered into a corresponding agreement entitled “Direct Agreement” with a counterparty (a “FX Counterparty”) to an agreement (a “Metal Adjustment Agreement”) with the Issuer entitled “Metal Adjustment Agreement” unless the Authorised Participant is the FX Counterparty or an Affiliate of the FX Counterparty. Other holders of Currency-Hedged Metal Securities may also redeem Currency-Hedged Metal Securities if there are no Authorised Participants or if the Issuer otherwise announces. All other parties may buy or sell Currency-Hedged Metal Securities through trading on an exchange</p>

		<p>or market on which the Currency-Hedged Metal Securities are admitted to trading.</p> <p>Each Currency-Hedged Metal Security will be backed by one or more physical precious metals which are held in the name of The Law Debenture Trust Corporation p.l.c. as Security Trustee (the “Security Trustee”) as mortgagee for <i>inter alios</i> any person identified on the registers as holding the Currency-Hedged Metal Securities (the “Security Holders”) and the FX Counterparty in secure vaults at the London vault premises of JP Morgan Chase Bank, N.A. (the “Custodian”) and by rights under Metal Adjustment Contracts. Amounts of physical precious metal may also be held on a temporary basis in unallocated form for settlement purposes.</p> <p>Currency-Hedged Metal Securities are denominated in a specified currency and, supported by one or more Metal Adjustment Agreements (and Metal Adjustment Contracts entered into pursuant thereto) with one or more FX Counterparties, the Metal Entitlement of each Individual Security will be adjusted daily by an amount of Bullion (the “Daily Hedging Variation”), which reflects the daily movement of an index tracking the variation in the exchange rate between United States Dollars and the Currency of denomination of the Individual Security, as well as being adjusted for the deduction of applicable fees. The initial FX Counterparty is Morgan Stanley & Co International plc (“MSIP”). The Issuer may in future appoint further FX Counterparties in respect of one or more classes of Individual Securities. The Daily Hedging Variation is settled between the Issuer and the FX Counterparty by transfer to or from the Issuer’s unallocated accounts at the Custodian.</p> <p>Neither MSIP nor any other member of the Morgan Stanley Group has structured the Currency-Hedged Metal Securities or provided any advice or information in respect of Currency-Hedged Metal Securities (subject to a limited exception for information provided by MSIP in relation to itself) nor accepts any responsibility in respect of this Prospectus or any other disclosure document or advertising materials in connection with the Currency-Hedged Metal Securities.</p> <p>Currency-Hedged 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 the Security Holders. The Issuer, the Trustee and the Security Trustee (<i>inter alios</i>) have entered into a document entitled the “Security Deed” in respect (<i>inter alia</i>) of the types of physical precious metal held in the name of the Security Trustee as mortgagee in the accounts at the Custodian and the rights and entitlements held by the Security Trustee under the Security Deed are held by the Security Trustee on trust for <i>inter alios</i> the Security Holders and for the FX Counterparty and ETFS Management Company (Jersey) Limited (“ManJer”) (which claims rank ahead of claims of the Security Holders).</p>
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		<p>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 precious metals. The payment of such fee ranks ahead of the claims of the Security Holders.</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> <thead> <tr> <th></th><th>As at 31 December 2016 USD</th><th>As at 31 December 2015 USD</th></tr> </thead> <tbody> <tr> <td>Current Assets</td><td></td><td></td></tr> <tr> <td>Trade and Other Receivables</td><td>674,123</td><td>132,838</td></tr> <tr> <td>Metal Bullion Exposure</td><td>298,353,342</td><td>13,896,205</td></tr> <tr> <td>Total Assets</td><td><u>299,027,465</u></td><td><u>14,029,043</u></td></tr> <tr> <td>Current Liabilities</td><td></td><td></td></tr> <tr> <td>Currency-Hedged Metal Securities</td><td>300,049,000</td><td>13,918,255</td></tr> <tr> <td>Trade and Other Payables</td><td>674,120</td><td>132,835</td></tr> <tr> <td>Total Liabilities</td><td><u>300,723,120</u></td><td><u>14,051,090</u></td></tr> <tr> <td>Equity</td><td></td><td></td></tr> <tr> <td>Stated Capital</td><td>3</td><td>3</td></tr> <tr> <td>Revaluation Reserve</td><td>(1,695,658)</td><td>(22,050)</td></tr> <tr> <td>Total Equity</td><td><u>(1,695,655)</u></td><td><u>(22,047)</u></td></tr> <tr> <td>Total Equity and Liabilities</td><td><u>299,027,465</u></td><td><u>14,029,043</u></td></tr> </tbody> </table>		As at 31 December 2016 USD	As at 31 December 2015 USD	Current Assets			Trade and Other Receivables	674,123	132,838	Metal Bullion Exposure	298,353,342	13,896,205	Total Assets	<u>299,027,465</u>	<u>14,029,043</u>	Current Liabilities			Currency-Hedged Metal Securities	300,049,000	13,918,255	Trade and Other Payables	674,120	132,835	Total Liabilities	<u>300,723,120</u>	<u>14,051,090</u>	Equity			Stated Capital	3	3	Revaluation Reserve	(1,695,658)	(22,050)	Total Equity	<u>(1,695,655)</u>	<u>(22,047)</u>	Total Equity and Liabilities	<u>299,027,465</u>	<u>14,029,043</u>
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B.24	Material adverse change	Not applicable; there has been no material adverse change in the financial or trading position or prospects of the Issuer since the date of its last audited financial statements for the year ended 31 December 2016.																																										
B.25	Underlying assets	<p>The underlying assets for the Currency-Hedged Metal Securities of each type, by which they are backed and on which they are secured, are:</p> <ul style="list-style-type: none"> physical precious metals held in the name of the Security Trustee as mortgagee for (<i>inter alios</i>) the Security Holders, ManJer and the FX Counterparty in secure vaults at the premises of the Custodian and rights under Metal Adjustment Contracts. All such precious metals will meet the “Good Delivery” standards as to the purity and weight of each bar set by the London Bullion Market Association (the “LBMA”) (in respect of physical gold and physical silver) and the London Platinum and Palladium Market (the “LPPM”) (in respect of physical platinum and physical palladium); and the rights and interests of the Issuer in respect of the Daily Hedging Variation due to it under the Metal Adjustment Contracts entered into by the Issuer with one or more FX Counterparties pursuant to one or more Metal Adjustment Agreements. <p>The securitised assets backing the issue have characteristics that demonstrate capacity to produce</p>																																										

		<p>funds to service any payments due and payable on the securities.</p> <p>The securitised assets are the precious metals and corresponding Metal Adjustment Contracts backing each Currency-Hedged Metal Security. They have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Currency-Hedged Metal Securities as physical precious metals may be transferred to any third party (including on payment of fees to ManJer or redemption to any Security Holder).</p> <p>The quantity of the relevant precious metal that is represented by each Currency-Hedged 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 and increased or reduced by any relevant adjustments reflecting the Daily Hedging Variation.</p> <p>The Issuer’s obligations in respect of the Daily Hedging Variation of each type of Currency-Hedged Metal Securities will be supported by Metal Adjustment Contracts entered into with one or more FX Counterparties pursuant to one or more Metal Adjustment Agreements.</p> <p>The Issuer will decline applications for Currency-Hedged Metal Securities if it cannot for any reason create corresponding Metal Adjustment Contracts with a FX Counterparty.</p> <p>Under the Metal Adjustment Agreement with MSIP there are daily limits on the number of Metal Adjustment Contracts that can be created or cancelled at any time and limits on the overall amount of Metal Adjustment Contracts that can be entered into in respect of any particular currency. Corresponding limits are placed on the creation and redemption of Currency-Hedged Metal Securities.</p> <p>Issue specific summary:</p> <p>The underlying for the Currency-Hedged Metal Securities being issued pursuant to the Final Terms is physical bars of:</p> <p>[gold] [silver] [platinum] [palladium]/[[gold[,] [and] [silver][,] [and] [platinum] [and] [palladium]] held in the name of the Security Trustee as mortgagee for (<i>inter alios</i>) the Security Holders, ManJer and the FX Counterparty in secure vaults at the premises of the Custodian and rights under corresponding Metal Adjustment Contracts. The claims of the FX Counterparty and others rank ahead of the claims of the Security Holders.</p>
B.26	Investment management	<p>Not applicable; there is no active management of the assets of the Issuer.</p>

B.27	Further securities backed by the same assets	<p>Further Currency-Hedged Metal Securities of any type may be issued but only after an amount of the relevant physical precious metal(s) equal to the aggregate Metal Entitlement of the Currency-Hedged Metal Securities to be issued has been transferred into the Security Trustee's accounts at the Custodian and corresponding Metal Adjustment Contracts have been created with a FX Counterparty. Such newly issued Currency-Hedged Metal Securities will be fungible with all existing Currency-Hedged Metal Securities of the same type and will be backed by the same assets.</p>
B.28	Structure of the transaction	<p>The Issuer has created a programme whereby Currency-Hedged Metal Securities may be issued from time to time. The Currency-Hedged 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 (subject to certain limits and conditions).</p> <p>Authorised Participants may then sell and buy Currency-Hedged Metal Securities to and from other investors on certain exchanges or in off-exchange private transactions.</p> <p>Currency-Hedged 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 Currency-Hedged Metal Securities. In addition, the Issuer and the Security Trustee have entered into a separate Security Deed in respect of the Currency-Hedged Metal Securities and, to the extent new FX Counterparties are appointed, the Issuer will enter into new Security Deeds in respect of such FX Counterparties. The rights and entitlements held by the Security Trustee under the Security Deed are held by the Security Trustee on trust for <i>inter alios</i> the Security Holders, ManJer and the FX Counterparty. The claims of the FX Counterparty, ManJer and others rank ahead of the claims of the Security Holders.</p> <p>A diagrammatic representation of the principal aspects of the structure as currently in place appears below:</p> <pre> graph TD ManJer[ManJer] --- SA[Service Agreement] --- Issuer[Issuer] Issuer --- CMA[Metal Adjustment Agreement] --- FXC[FX Counterparty] Issuer --- TISA[Trust Instrument and Security Deeds] --- TST[Trustee and Security Trustee] Issuer --- CHMS[Currency-Hedged Metal Securities] --- SH[Security Holders] SH <--> Market-Making AP[Authorised Participants] AP --- APA[Authorised Participant Agreements] --- Issuer Issuer --- C[Custodian] C --- SMA[Secured Metal Accounts (and Bullion)] C --- SUA[Subscription Unallocated Account] TST -.-> SMA TST -.-> SUA </pre> <p>Legend:</p> <ul style="list-style-type: none"> Agreements: — Bullion Flows: - - - - Fund Flows:
B.29	Description of the flow of funds	<p>Currency-Hedged Metal Securities can be bought or sold for cash on the London Stock Exchange, Borsa Italiana and/or the Frankfurt Stock Exchange (being the stock exchanges on which the securities are admitted to trading) or in private off-exchange transactions. Details of the exchanges on which a particular class of security can</p>

		<p>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 Currency-Hedged Metal Securities. The Issuer has entered into Authorised Participant Agreements and has agreed with Authorised Participants to issue Currency-Hedged Metal Securities to those Authorised Participants on an ongoing basis. An Authorised Participant may sell the Currency-Hedged Metal Securities on an exchange or in an off-exchange transaction or may hold the securities themselves.</p> <p>Upon creation of the Currency-Hedged Metal Securities, an Authorised Participant must deliver platinum, palladium, silver or gold (any and all of them “Bullion”) with an aggregate weight equal to the Metal Entitlement of the Currency-Hedged Metal Securities into the relevant Secured Unallocated Account(s). Only once the Bullion has been received will the Issuer create the Currency-Hedged Metal Securities and deliver them to the Authorised Participant via the system of paperless settlement trades and the holding of uncertificated securities administered by Euroclear UK and Ireland (“CREST”).</p> <p>Upon redemption of Currency-Hedged Metal Securities by an Authorised Participant, the Authorised Participant must return those Currency-Hedged Metal Securities into CREST and in return will receive Bullion equivalent to the aggregate Metal Entitlement of the Currency-Hedged Metal Securities which are being redeemed through a transfer from the Secured Metal Accounts.</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 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 Currency-Hedged Metal Securities, an Authorised Participant must deliver [gold] [silver] [platinum] [and] [palladium] of an amount equal to the Metal Entitlement of the Currency-Hedged Metal Securities to be created into the accounts of the Trustee at the Custodian. Upon a redemption the opposite flow of assets takes place.</p>
B.30	Originators of the securitised assets	<p>The Currency-Hedged Metal Securities are backed by physical precious metals and by rights under Metal Adjustment Contracts with FX Counterparties.</p> <p>As at the date of the Prospectus, the Issuer has entered into agreements with MSIP to act as FX Counterparty.</p>

		<p>Morgan Stanley & Co. International plc (“MSIP”) is a public limited company incorporated under the laws of England and Wales with number 02068222, and whose registered office is at 25 Cabot Square, Canary Wharf, London, E14 4QA. The principal activity of MSIP is the provision of financial services to corporations, governments and financial institutions. MSIP is authorised by the U.K. Prudential Regulation Authority and regulated by the U.K. Financial Conduct Authority and the U.K. Prudential Regulation Authority.</p>
SECTION C – Securities		
C.1	Type and class of securities being offered and/or admitted to trading	<p>Currency-Hedged Metal Securities are designed to provide Australian Dollar, Euro, Singapore Dollar and Pound Sterling investors with a means of investing in physical precious metals (through Individual Securities) or baskets of physical precious metals (through Basket Securities) without the necessity of taking delivery of the physical precious metals, to enable investors to buy and sell that interest through the trading of a security on a stock exchange and to hedge such security against exchange rate movements.</p> <p>The Issuer has created and will make available for issue 15 types of Currency-Hedged Metal Securities in the following classes:</p> <ul style="list-style-type: none"> - four classes backed (<i>inter alia</i>) by physical gold; - four classes backed (<i>inter alia</i>) by physical palladium; - three classes backed (<i>inter alia</i>) by physical platinum; and - four classes backed (<i>inter alia</i>) by physical silver, <p>and each denominated in either Australian Dollars, Euro, Singapore Dollars or Sterling.</p> <p>The Issuer may create and make available further types of Currency-Hedged Metal Securities in respect of any one or more of gold, silver, platinum and palladium and denominated in any Currency.</p> <p><i>Issue specific summary:</i></p> <p>The following details apply to the Currency-Hedged Metal Securities being issued pursuant to the Final Terms:</p> <p>Class: •</p> <p>LSE Code: •</p> <p>ISIN: •</p> <p>Aggregate number of Currency-Hedged Metal Securities of that class: •</p>
C.2	Currency	<p>The Currency-Hedged Metal Securities are denominated in Australian Dollars, Euro, Singapore Dollars or Sterling.</p> <p><i>Issue specific summary:</i></p> <p>The Currency-Hedged Metal Securities being issued pursuant to the Final Terms are denominated in [Australian Dollars] [Euro] [Singapore Dollars] [Sterling].</p>

C.5	Restrictions on transfer	Not applicable; the Currency-Hedged Metal Securities are freely transferable.
C.8	Rights	<p>A Currency-Hedged Metal Security entitles an Authorised Participant to require the redemption of the security by the Issuer and to receive the higher of (i) the minimum denomination for that class of Currency-Hedged Metal Security (known as the “Principal Amount”), and (ii) the Metal Entitlement of that class of Currency-Hedged Metal Security on the applicable day.</p> <p>Generally only Authorised Participants will deal directly with the Issuer in redeeming Currency-Hedged Metal Securities. 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 the Issuer to redeem their securities directly.</p> <p>Issue specific summary:</p> <p>The Metal Entitlement, Principal Amount and class of each of the Currency-Hedged Metal Securities being issued pursuant to the Final Terms is as follows:</p> <ul style="list-style-type: none"> Class of Currency-Hedged Metal Securities • Metal Entitlement • Principal Amount •
C.11	Admission	<p>Application has been made to the UK Listing Authority for all Currency-Hedged Metal Securities issued within 12 months of the date of the Prospectus to be admitted to the Official List and to the London Stock Exchange, which operates a Regulated Market, and for all such Currency-Hedged 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 Currency-Hedged Metal Securities issued after the date of this document will also be admitted to trading on the Main Market.</p> <p>Certain of the Currency-Hedged Metal Securities have also been admitted to listing 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 Borsa Italiana S.p.A.</p> <p>Issue specific summary:</p> <p>Application has been made for the Currency-Hedged Metal Securities being issued pursuant to the Final Terms 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).</p> <p>[Such Currency-Hedged Metal Securities are also admitted to listing on the Regulated Market (General Standard) of the Frankfurt Stock Exchange and on the ETFplus market of Borsa Italiana.]</p>

C.12	Minimum denomination	<p>Each Currency-Hedged Metal Security has a face value (known as the “Principal Amount”) which is the minimum denomination for a Currency-Hedged Metal Security of the relevant type as follows:</p> <table><tr><th>Currency-Hedged Metal Securities:</th><th>The Principal Amounts of each Class fall within the following range:</th></tr><tr><td>Australian Dollar Individual Securities</td><td>A\$0.50 to A\$1.75</td></tr><tr><td>Euro Individual Securities</td><td>€0.25 to €1.25</td></tr><tr><td>Singapore Individual Securities</td><td>S\$0.50 to S\$2.25</td></tr><tr><td>Sterling Individual Securities</td><td>£0.25 to £1.25</td></tr></table> <p>Issue specific summary:</p> <p>The Principal Amount of each of the Currency-Hedged Metal Securities being issued pursuant to the Final Terms is as follows:</p> <table><tr><td>Class of Currency-Hedged Metal Securities</td><td>•</td></tr><tr><td>Principal Amount</td><td>[A\$•.••][€•.••][S\$•.••][£•.••]</td></tr></table>	Currency-Hedged Metal Securities:	The Principal Amounts of each Class fall within the following range:	Australian Dollar Individual Securities	A\$0.50 to A\$1.75	Euro Individual Securities	€0.25 to €1.25	Singapore Individual Securities	S\$0.50 to S\$2.25	Sterling Individual Securities	£0.25 to £1.25	Class of Currency-Hedged Metal Securities	•	Principal Amount	[A\$•.••][€•.••][S\$•.••][£•.••]
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Principal Amount	[A\$•.••][€•.••][S\$•.••][£•.••]															
C.15	Value of the investment is affected by the value of the underlying instruments	<p>Entitlement on Redemption</p> <p>The value of a Security Holder’s investment is generally equivalent to the amount of Bullion that they would receive upon a redemption — being the applicable Metal Entitlement. Each Currency-Hedged Metal Security has a Metal Entitlement.</p> <p>The Metal Entitlement for each class of Currency-Hedged Metal Securities on a particular day will be adjusted by applying the Daily Hedging Variation and the daily adjustment (to determine the amount of the fees payable) to the previous day’s Metal Entitlement in accordance with the following formula:</p> $ME_{i,t} = ME_{i,t-1} \times (DHV_{i,t} - DA_t)$ <p>Where:</p> <table><tr><td>ME_{i,t}</td><td>is the Metal Entitlement for a Currency-Hedged Metal Security of the relevant class on the day on which the Metal Entitlement is calculated;</td></tr><tr><td>ME_{i,t-1}</td><td>is the Metal Entitlement for a Currency-Hedged Metal Security of the relevant class on the previous day on which a Metal Entitlement was calculated;</td></tr><tr><td>i</td><td>refers to the relevant class of Currency-Hedged Metal Security;</td></tr><tr><td>t</td><td>refers to the day on which the Metal Entitlement is being calculated;</td></tr><tr><td>t-1</td><td>refers to the previous day on which a Metal Entitlement was calculated;</td></tr><tr><td>DHV_{i,t}</td><td>refers to the Daily Hedging Variation for Currency-Hedged Metal Securities of the relevant class on the day on which the Metal Entitlement is being calculated; and</td></tr><tr><td>DA_t</td><td>refers to the Daily Adjustment applicable to Currency-Hedged Metal Securities of the</td></tr></table>	ME _{i,t}	is the Metal Entitlement for a Currency-Hedged Metal Security of the relevant class on the day on which the Metal Entitlement is calculated;	ME _{i,t-1}	is the Metal Entitlement for a Currency-Hedged Metal Security of the relevant class on the previous day on which a Metal Entitlement was calculated;	i	refers to the relevant class of Currency-Hedged Metal Security;	t	refers to the day on which the Metal Entitlement is being calculated;	t-1	refers to the previous day on which a Metal Entitlement was calculated;	DHV _{i,t}	refers to the Daily Hedging Variation for Currency-Hedged Metal Securities of the relevant class on the day on which the Metal Entitlement is being calculated; and	DA _t	refers to the Daily Adjustment applicable to Currency-Hedged Metal Securities of the
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		<p>relevant class on the day on which the Metal Entitlement is being calculated.</p> <p><i>The Daily Hedging Variation element of the formula</i></p> <p>The Daily Hedging Variation is a number calculated each day to reflect the change in the level of the relevant index expressed in metal terms on a particular day.</p> <p><i>The Daily Adjustment element of the formula</i></p> <p>The Daily Adjustment is calculated each day and is used to determine the amount of fees attributable to a particular class of Currency-Hedged Metal Securities. These are the fees payable by the Issuer to ManJer and the FX Counterparty.</p> <p>Whilst Currency-Hedged 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 Currency-Hedged 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 and multiplying it by the Metal Entitlement on that day. The spot price is based on the futures benchmark price adjusted by the price of a hypothetical exchange for physical transaction which is determined in respect of a particular day and is intended to represent the cost as at that day of entering into and simultaneously exchanging a privately negotiated futures position in that Bullion for a physical position in that Bullion.</p> <p>The formula and method of calculating the Metal Entitlement is the same for all classes of Currency-Hedged Metal Securities. The Metal Entitlement for each class of Currency-Hedged Metal Securities is published each day on the website of the Issuer at http://www.eftsecurities.com.</p>
C.16	Expiration/Maturity date	Not applicable; the Currency-Hedged Metal Securities are undated securities and have no specified maturity date or expiry date.
C.17	Settlement	<p>CREST</p> <p>The Issuer is a participating issuer in CREST, a paperless system for the settlement of transfers and holding of securities.</p> <p>Settlement of creations and redemptions</p> <p>The standard settlement cycle for settlement of trades on the London Stock Exchange is two business days (T+2). On creation or redemption of the Currency-Hedged Metal Securities, settlement will occur (provided certain conditions are met) on the second business day following receipt of the relevant creation or redemption request. A Currency-Hedged Metal Security will only be issued upon receipt of a valid application form and after the relevant precious metals have been transferred into the Security Trustee's accounts at the Custodian, and subject to certain other conditions.</p>

		<p>Settlement on the Frankfurt Stock Exchange</p> <p>For the purpose of good delivery of the Currency-Hedged Metal Securities on the Frankfurt Stock Exchange, Clearstream Banking Aktiengesellschaft (“Clearstream”) will issue, for each series and the relevant number of Currency-Hedged Metal Securities, a Global Bearer Certificate (each a “Global Bearer Certificate”) in the German language created under German law. Whenever the number of Currency-Hedged Metal Securities 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 S.p.A</p> <p>All Currency-Hedged 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> <p>Issue specific summary:</p> <p>[For the purpose of good delivery of the Currency-Hedged Metal Securities being issued pursuant to the Final Terms on the Frankfurt Stock Exchange, Clearstream Banking Aktiengesellschaft (“Clearstream”) will issue, for each series and the relevant number of Currency-Hedged Metal Securities, a Global Bearer Certificate (each a “Global Bearer Certificate”) in the German language created under German law. Whenever the number of Currency-Hedged Metal Securities represented by the Global Bearer Certificate of a type changes, Clearstream will amend the relevant Global Bearer Certificate accordingly.]</p> <p>[All Currency-Hedged Metal Securities being issued pursuant to the Final Terms are where traded on the Borsa Italiana S.p.A 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 Currency-Hedged Metal Security entitles a Security Holder (provided that it is an Authorised Participant or in certain other limited circumstances) to require the redemption of a Currency-Hedged Metal Security and receive an amount of physical precious metals equal to the Metal Entitlement as at the date it gives notice (or is deemed to have given notice) of the redemption.</p> <p>The Currency-Hedged 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 Currency-Hedged Metal Securities are issued; and b) the Metal Entitlement at which the same Currency-Hedged Metal Securities are redeemed.</p> <p>Investors other than Authorised Participants can buy and sell Currency-Hedged Metal Securities on any of the stock exchanges on which they are admitted to trading or in private transactions (OTC). For an investor purchasing and selling in the secondary market, the amount of return is equal to the difference between: a) the ‘bid price’ at</p>

		<p>which the relevant Currency-Hedged Metal Securities are purchased; and b) the 'offer price' at which the same Currency-Hedged Metal Securities are subsequently sold.</p> <p>The Metal Entitlement in respect of each Individual Security reflects the application of the Daily Hedging Variation, which adjusts the Metal Entitlement daily on the basis of the daily movement of an index tracking the variation in the exchange rate between United States Dollars and the Currency of denomination of the Individual Security. The Metal Entitlement will also be adjusted for the deduction of applicable fees, such fees being determined by calculation of the Daily Adjustment.</p> <p>Issue specific summary:</p> <p>Bullion to which the Currency-Hedged Metal Securities provide exposure [Gold] [Silver] [Platinum] [Palladium]</p>
C.19	Final price/exercise price	<p>Redemptions of Currency-Hedged Metal Securities with the Issuer will be in return for an amount of the relevant precious metal equal to the Metal Entitlement on the Pricing Day relating to the redemption notice date.</p> <p>Issue specific summary:</p> <p>Bullion to which the Currency-Hedged Metal Securities provide exposure [Gold] [Silver] [Platinum] [Palladium]</p>
C.20	Type of underlying and where information on underlying can be found	<p>The underlying assets for the Currency-Hedged Metal Securities of each type, on which they are secured, will be physical precious metals held in the name of the Security Trustee as mortgagee for (<i>inter alios</i>) the Security Holders, ManJer and the FX Counterparty in secure vaults at the premises of the Custodian and by rights under Metal Adjustment Contracts. All such precious metals will meet the standards as to the purity and weight of each bar set by the LBMA (in respect of physical gold and physical silver) and the LPPM (in respect of physical platinum and physical palladium) as to the purity and weight of each bar to enable such bars to qualify as good delivery bars.</p> <p>The Issuer's obligations in respect of the Daily Hedging Variation of each type of Currency-Hedged Metal Securities will be supported by Metal Adjustment Contracts reflecting the daily movement of an index tracking the variation in the exchange rate between United States dollars and the Currency of denomination of the Individual Security entered into with one or more FX Counterparties pursuant to a Metal Adjustment Agreement. The Daily Hedging Variation is settled between the FX Counterparty and the Issuer by transfer to or from the Issuer's unallocated accounts at the Custodian.</p> <p>Issue specific summary:</p> <p>[Further information relating to gold can be found on the website of the LBMA at http://www.lbma.org.uk.] [Further</p>

		<p>information relating to silver can be found on the website of the LBMA at http://www.lbma.org.uk. [Further information relating to platinum can be found on the website of the LPPM at http://www.lppm.com.] [Further information relating to palladium can be found on the website of the LPPM at http://www.lppm.com.]</p> <p>The MSPM Website at http://www.ms.com/mspm provides information on the [Index][Indices] relating to the type of Currency-Hedged Metal Securities being issued pursuant to the Final Terms including simulated historical values of the [that Index][those Indices] on a daily basis beginning 13 August 2002 using the same calculation methodology as is used in the calculation of [that Index][those Indices] by way of an Excel file enabling users to calculate historic performance and volatility.</p>
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 those attributable to the Currency-Hedged Metal Securities. 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 Currency-Hedged Metal Securities and as the Issuer is a special purpose vehicle formed only for the purpose of issuing the Currency-Hedged Metal Securities, and as the Currency-Hedged 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 net proceeds from the physical precious metals held in the Security Trustee's accounts at the Custodian (and amounts of Bullion due from a FX Counterparty) 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 (including amounts of Bullion to be delivered or payments to be made to the FX Counterparty) 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 and other secured property. 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, the Security Trustee 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 and other secured property are insufficient to cover the amount payable to the Security Holder, the Security Holder would suffer a loss.</p>

D.6	Key risks of Currency-Hedged Metal Securities	<p>Past performance is not an indication of expected performance and the investment performance of Currency-Hedged Metal Securities could be volatile. Consequently, investors in Currency-Hedged Metal Securities may lose the value of their entire investment or part of it.</p> <p>Access to the vault premises of the Custodian could be restricted by natural events, such as flooding, or human actions, such as a terrorist attack. The Custodian has no obligation to insure such precious metals against loss, theft or damage and the Issuer does not intend to insure against such risks. Accordingly, there is a risk that the precious metals could be lost, stolen or damaged and the Issuer would not be able to satisfy its obligations in respect of the Currency-Hedged Metal Securities leading to a loss for Security Holders.</p> <p>The daily adjustment to the Metal Entitlement to reflect the effect of foreign exchange movements on the value of the metal holdings does not reflect a pure currency hedge, in which the value in the relevant currency would rise or fall in direct proportion to rises and falls in the value in US Dollars of an unhedged investment, as investors will remain exposed to the effect of foreign exchange rate movements on any subsequent intra-day changes in value of the underlying metal until the next adjustment.</p> <p>The Metal Adjustment Contracts created in accordance with the Metal Adjustment Agreement between the Issuer and a FX Counterparty pursuant to which the FX Counterparty will provide the Issuer with a facility for gaining exposure to movement in foreign exchange indices in connection with the issue of Currency-Hedged Metal Securities are not guaranteed by any person. There can be no assurance that any FX Counterparty will be able to fulfil its delivery obligations under such contracts or agreements which may have an adverse effect on the Issuer's ability to effect redemptions and could result in a loss to Security Holders.</p> <p>If the Metal Adjustment Agreement with the FX Counterparty terminates, then there will be no further hedging of currency movements in respect of Currency-Hedged Metal Securities which remain outstanding; a close out amount may be deliverable or payable to the FX Counterparty regardless of whether the termination is due to the FX Counterparty being a defaulting party under the Metal Adjustment Documentation; the calculation of such close out amount may not be straightforward and may be disputed; any such close out amount deliverable or payable to the FX Counterparty will reduce the amount of Bullion available to meet claims under the Currency-Hedged Metal Securities; and it will be necessary to allocate any deliveries or payments to or from the FX Counterparty to specific class accounts and in the absence of a certificate from the Issuer such allocation may not be feasible or may take time to determine. Each of these factors may have an adverse effect on the amount received by Security Holders on redemption of Currency-Hedged Metal Securities or the timing of such receipt.</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	<p>The Currency-Hedged 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 precious metals of the relevant type equalling the Metal Entitlement of the Currency-Hedged Metal Securities applied for to an account of the Security Trustee at the Custodian and the Currency-Hedged Metal Securities will only be issued once precious metals of the relevant type equalling the Metal Entitlement of the Currency-Hedged Metal Securities applied for has been transferred to the accounts of the Security Trustee at the Custodian. An Authorised Participant must also pay the Issuer an application fee of £500. Any applications for Currency-Hedged Metal Securities made by 11.00 a.m. (London time) on a business day will generally enable the Authorised Participant to be registered as the holder of the Currency-Hedged Metal Securities within two business days.</p>
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 Fund Services (Jersey) Limited, the administrator. Mr Tuckwell is also a director and 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>To Authorised Participants only:</p> <ul style="list-style-type: none">– the Issuer charges a fee of £500 per application or redemption carried out directly with the Issuer; <p>To all Security Holders:</p> <ul style="list-style-type: none">– the Issuer charges a management fee of:<ul style="list-style-type: none">• 0.39 per cent. per annum to holders of Gold Individual Securities; and• 0.49 per cent. per annum to holders of Palladium Individual Securities, Platinum Individual Securities and Silver Individual Securities; and– a daily hedging fee which will vary per class of Individual Security and which for each class will be set out in the applicable Final Terms, <p>each charged by way of daily deduction from the Metal Entitlement.</p> <p>No other costs will be charged to investors by the Issuer.</p> <p>If an investor purchases Currency-Hedged Metal Securities from a financial intermediary, the Issuer estimates that the expenses charged by an authorised offeror in connection with the sale of Currency-Hedged Metal Securities to an investor will be 0.15 per cent. of the value of the Currency-Hedged Metal Securities sold to such investor.</p> <p><i>Issue specific summary:</i></p> <table><tr><td>Application Fee</td><td>[£500]</td></tr><tr><td>Redemption Fee</td><td>[£500]</td></tr><tr><td>Management Fee</td><td>[0.39%] [0.49%]</td></tr><tr><td>Hedging Rate</td><td>•</td></tr></table>	Application Fee	[£500]	Redemption Fee	[£500]	Management Fee	[0.39%] [0.49%]	Hedging Rate	•
Application Fee	[£500]									
Redemption Fee	[£500]									
Management Fee	[0.39%] [0.49%]									
Hedging Rate	•									

RISK FACTORS

An investment in Currency-Hedged Metal Securities involves a significant degree of risk. Prior to making an investment decision, prospective subscribers or purchasers should carefully read the entire Prospectus. Prospective investors should note that the risks relating to the Issuer, its industry and the Currency-Hedged 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 Currency-Hedged Metal Securities. However, as the risks which the Issuer and the Currency-Hedged 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 of the principal risks known to the Issuer.

A Security Holder may lose the value of their entire investment or part of their investment in Currency-Hedged Metal Securities for reasons other than those set out in the risk factors below, 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 Currency-Hedged Metal Securities.

Currency-Hedged Metal Securities 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;
- 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 Currency-Hedged Metal Securities.

Shortage of Physical Bullion

Bullion markets, particularly in platinum and palladium, have the potential to suffer from market disruption or volatility caused by shortages of physical Bullion. Such events could result in a spike in Bullion prices. Price spiking can also result in volatile forward rates and lease rates which could result in the bid-offer spread on any stock exchange or market where Currency-Hedged Metal Securities are traded to widen, reflecting short-term forward rates in the relevant Bullion.

Currency Hedging

Currency-Hedged Metal Securities are designed to enable Australian Dollar, Euro, Singapore Dollar and Sterling investors to gain exposure from a return from investing in physical Bullion through Individual Securities or baskets of physical Bullion through Basket Securities and through the operation of a hedge against such exposure to exchange rate movements between the US Dollar and the relevant

currency (by way of the Daily Hedging Variation). The Daily Hedging Variation is calculated by reference to the Indices which track the variation in the exchange rate between US Dollar and the currency of denomination of the Individual Security, which are rebalanced daily. Such adjustment is made by adjusting the total theoretical futures positions represented by that Index on each Pricing Day to reflect the effect of foreign exchange movements on the value of the metal holdings since the immediately preceding Pricing Day. Such adjustment does not reflect a pure currency hedge (sometimes called a “quanto” hedge), in which the value in the relevant currency would rise or fall in direct proportion to rises and falls in the value in US Dollars of an unhedged investment, as investors will remain exposed to the effect of foreign exchange rate movements on any change in value of the underlying metal between the daily adjustments (the intra-day changes).

Tracking Error and Liquidity Risk

At any time, the price at which Currency-Hedged 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 in the relevant Currency represented by such Currency-Hedged Metal Securities. The application and redemption procedures for Currency-Hedged 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 Currency-Hedged Metal Securities will be a function of (amongst other things) costs incurred by Authorised Participants in subscribing for and requiring Redemption of Currency-Hedged Metal Securities (including any applicable Application Fees, Redemption Fees and taxes), supply and demand amongst investors wishing to buy and sell Currency-Hedged Metal Securities and the bid-offer spread that market-makers are willing to quote for Currency-Hedged Metal Securities. In addition, if new demand for Currency-Hedged Metal Securities exceeds the availability of the physical Bullion required to create such new Currency-Hedged Metal Securities, then the issue of new Currency-Hedged Metal Securities will be restricted and therefore Currency-Hedged Metal Securities may trade at a premium. Investors who pay a premium risk losing the premium if demand for Currency-Hedged Metal Securities reduces or when new Currency-Hedged Metal Securities are issued. Investors are dependent on there being Authorised Participants making a market in Currency-Hedged Metal Securities in order to minimise tracking error and to provide investors with liquidity.

Custody and Insurance

Bullion will be held by the Custodian at its London vault premises but may be held elsewhere by the Custodian or a Sub-Custodian appointed by the 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 or as required for settlement of the Aggregate Delivery Amount. Access to such Bullion could be restricted by natural events, such as flooding, or human actions, such as a terrorist attack.

The Custodian may make such insurance arrangements in connection with its custodial obligations with respect to Bullion in allocated form as it considers fit. The Custodian has 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 Security Trustee is neither responsible for ensuring that adequate insurance arrangements have been made, nor responsible for insuring the Bullion held in the Secured Metal Accounts, and will not be required to make any enquiry regarding such matters. Furthermore, neither the Issuer nor the Security Trustee will require any 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 Currency-Hedged Metal Securities which could 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 Custodian has no responsibility for any action of any Sub-Custodians (unless the appointment of the relevant Sub-Custodian was made negligently or in bad faith). The Security Trustee has no direct relationship with any of the Sub-Custodians. Accordingly, the Security Trustee has no contractual rights to direct any Sub-Custodian. Its only contractual rights are, in certain circumstances, to direct the Custodian.

Therefore, where Bullion is held by a Sub-Custodian: (a) the Custodian may not be able to obtain delivery of the Bullion from the Sub-Custodian and consequently the Issuer would not be able to recover all amounts due to it and would not therefore have sufficient amounts to satisfy the Issuer's delivery obligations to Security Holders; and/or (b) it may take longer to obtain delivery of the Bullion from the Sub-Custodian (than it would if the Bullion were held by the Custodian) and a Security Holder may therefore experience delays in receiving amounts due to them.

Under the Custodian Agreements, the Custodian is only liable for losses that are the direct result of its own negligence, fraud or wilful default in the performance of its 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 Custodian. In addition, the Custodian is not liable for any delay in performance or any non-performance of any of its obligations under the Custodian Agreements by reason of any cause beyond its 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 Currency-Hedged Metal Securities is lost, damaged, stolen or destroyed under circumstances rendering a party liable to the Issuer and/or the Security 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 Currency-Hedged Metals Securities resulting in a loss to Security Holders.

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

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

The Custodian is entitled to terminate the Custodian Agreements and the Metal Sale Counterparty Agreement after a fixed term of five years from 28 February 2013 (or, in certain circumstances, immediately upon written notice during such fixed term), in either case upon 90 days' written notice (see paragraph 11 (*Termination*) of Part 8 (*Custody and the Custodian Agreements*)).

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

Further details regarding the custody of Bullion are set out in Part 8 (*Custody and the Custodian Agreements*).

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 Currency-Hedged Metal Securities. These risks are generally applicable to any investment in listed securities. Investors should be aware that Currency-Hedged 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 and lawsuits with respect to the London gold price may find historic manipulation of the previous London gold fix which in future may impact market confidence in the Fixing Price for gold

The London Gold Market Fixing Ltd.'s decision to discontinue the London gold fix as the pricing benchmark for fine troy ounces of gold ("fine" meaning pure metal i.e. the actual content based on 100 per cent. purity) comes after increased attention has been directed to the use of various financial benchmarks and indices as price setting mechanisms for market transactions, including the London gold fix. Prior to the adoption of the LBMA PM Gold Price being the price for fine troy ounces of gold established and published by the ICE Benchmark Administration administered auction process during the session beginning at 3.00 p.m. as the new price determined by the price fixing process conducted under and for the purpose of the rules and procedures of the London Bullion Market Association on that day (the "Fixing Price") for gold, there were press reports that the US Commodity Futures Trading Commission was reviewing the transparency of the price setting of gold and silver in London, and that a £26 million fine was imposed on Barclays Bank plc (one of the participants in the old London gold fix)

for its failure to implement adequate risk and conflicts of interest management systems in connection with influencing the fixing outcome. There have also been additional lawsuits that have been filed against the member banks which established the London gold fix for alleged manipulative conduct in connection with their role in determining the London gold fix. There is still an ongoing investigation into the manipulation of the London gold fix, and it is possible that there may be additional regulatory actions brought against other members of the London Gold Market Fixing Ltd. If the ongoing investigation identifies that there was historic manipulation of the London gold fix, this may have impacted the historic price of gold.

If there is a perception that the price of gold is susceptible to intentional disruption, or if the LBMA PM Gold Price is not received with confidence by the markets, the behaviour of investors and traders in gold may reflect the lack of confidence and it may have an effect on the price of gold. Adverse movements in the price of Bullion may negatively affect the price that Gold Bullion Securities trade on exchange and therefore the return to Security Holders who sell their securities on exchange when the price of the relevant Bullion has decreased since the time they purchased their Currency-Hedged Metal Securities.

The Fixing Price may prove unreliable

Whilst Currency-Hedged 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 Currency-Hedged Metal Securities in US Dollars was on a particular day using the Fixing Price for a troy ounce (for platinum, palladium and silver) or a fine troy ounce (for gold) on that day. The conversion factors between troy ounces and metric are: one troy ounce equals 31.1034768 grammes and one kilogramme equals 32.1507465 troy ounces. 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. 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 Currency-Hedged 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 Currency-Hedged Metal Securities may find that the cash value is negatively impacted.

Operational Risk Factors

VAT

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

The Custodian is a member of both the LBMA and the LPPM and thus any VAT charged to the Custodian under the Programme is reclaimable. The processes designed by the Custodian for the benefit of the Issuer mean that Currency-Hedged 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 Currency-Hedged Metal Securities could be liable for VAT when the Bullion is imported into the UK. 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

Enforcement of Security by the Security Trustee

Where the Security Trustee enforces the security over the Secured Property for any class of Individual Securities (and category of Basket Securities to the extent comprised of Individual Securities of such class), the factors referred to in “FX Counterparty Credit Risk and Default”, “Market Risk and Timing of Termination and Enforcement Action”, “Cash Obligations on Termination”, “Allocation of Termination Deliveries or Payments, Amounts of Costs etc.” and “Security is subject to the Priority Waterfall” below will also apply. In addition, the Security Trustee may be dependent upon the Issuer to make or cause to be made and publish its calculations of the Metal Entitlement of Currency-Hedged Metal Securities.

EU Bank Recovery and Resolution Directive

Pursuant to the EU Bank Recovery and Resolution Directive (2014/59/EU) (“**BRRD**”) EU member states were required to introduce a recovery and resolution framework for banks and significant investment firms (“**institutions**”) giving national competent and resolution authorities powers of intervention where such an institution is deemed to be failing or likely to fail.

Among other things the BRRD provides for the introduction of a “bail-in tool” under which resolution authorities may write down claims of the institution’s shareholders and creditors and/or convert such claims into equity. Exceptions to this include secured liabilities, client assets and client money. If following a bail-in it is determined, based on a post-resolution valuation, that shareholders or creditors whose claims have been written down or converted into equity have incurred greater losses than they would have done had the institution had been wound up under normal insolvency proceedings, the BRRD provides that they are entitled to payment of the difference.

Other powers of intervention include the power to close out open derivatives positions, temporarily suspend payment or delivery obligations, restrict or stay the enforcement of security interests and suspend termination rights.

Under BRRD policy, financial public support of an institution should only be used as a last resort after all other measures (including bail-in) have been assessed and exploited to the fullest extent possible.

As MSIP is a UK institution, it is covered by BRRD. BRRD applies automatically in the case of agreements governed by any European Economic Area law (such as the Metal Adjustment Contracts). Institutions are required by BRRD to ensure that agreements governed by other laws include a term under which the creditor of the institution covered by BRRD recognises the liability may be subject to the exercise of write-down and conversion powers.

The implementation of a resolution process in relation to an institution which is a counterparty to or obligor of the Issuer could result in a bail-in being exercised in respect of any unsecured claims the Issuer has against that institution. As a result, the amount outstanding under such claims could be reduced to zero or converted into ordinary shares or other instruments of ownership in the institution or the terms of such claims could be varied.

The application of BRRD to an institution could also result in derivatives positions (including Metal Adjustment Contracts) held by the Issuer with the institution being closed out or terminated, and delays in the ability of the Issuer to enforce its rights in respect of collateral or otherwise against the institution concerned. Any payment of compensation due to the Issuer as a result of the Issuer being worse off as a result of a bail-in is likely to be delayed until after the completion of the resolution process and may prove to be less than anticipated or expected or may be the subject of dispute.

FX Counterparty Credit Risk and Default

Whilst the Daily Delivery Amounts in respect of any class of Currency-Hedged Metal Security are calculated on each Pricing Day, they are generally only settled two Business Days following (i) the last Pricing Day of the month provided that the Aggregate Delivery Amount on the last Pricing Day of the

month was in excess of the applicable Monthly Class Delivery Minimum; or (ii) any Pricing Day on which the Aggregate Delivery Amount was in excess of the applicable Daily Class Delivery Minimum, in each case subject to the Maximum Bullion Class Delivery Amount. Therefore, on any Pricing Day on which Daily Delivery Amounts and any other amounts that have not previously been delivered become due as a result of the Monthly Class Delivery Minimum or the Daily Class Delivery Minimum being exceeded, the Issuer, and therefore Security Holders, may have an exposure to a FX Counterparty. In addition, the Issuer, and therefore Security Holders, may have an exposure to a FX Counterparty even if the Aggregate Delivery Amount due from that FX Counterparty to the Issuer is less than the applicable Monthly Class Delivery Minimum or Daily Class Delivery Minimum in the event that there is an early termination of the ISDA Master Agreement with that FX Counterparty.

The value of the Currency-Hedged Metal Securities and the ability of the Issuer to effect Redemptions is dependent in part upon receipt of any Aggregate Delivery Amounts owed by a FX Counterparty under the Metal Adjustment Documentation, and may be affected by the deterioration of the credit and/or a downgrade in the credit rating of the relevant FX Counterparty by which obligations are owed. Such deterioration or downgrade in the credit or credit rating of a FX Counterparty could cause Currency-Hedged Metal Securities of any type to trade at a discount to the currency equivalent of the Metal Entitlement of Currency-Hedged Metal Securities of that type and could result in a loss to Security Holders.

The Metal Adjustment Contracts entered into with MSIP are not guaranteed by any person. There can be no assurance that any FX Counterparty will be able to fulfil its delivery obligations under the Metal Adjustment Contracts and Metal Adjustment Documentation, which may have an adverse effect on the Issuer's ability to effect Redemptions which could result in a loss to Security Holders.

Market Risk and Timing of Termination and Enforcement Action

If Metal Adjustment Contracts are terminated before the effective date of redemption of the corresponding Currency-Hedged Metal Securities then the Issuer will not have the benefit of any hedging of currency movements between the date of such termination and the date of such redemption.

Metal Adjustment Contracts may be subject to compulsory early termination in a number of different circumstances under the default and termination provisions of the ISDA Master Agreement and the Master Confirmation Agreement. Such termination is likely to result in the compulsory redemption of the corresponding Currency-Hedged Metal Securities.

The early termination provisions applicable under the ISDA Master Agreement differ from those which would apply to the termination of a Metal Adjustment Contract in the normal course. There may as a result be delays in ascertaining and recovering amounts due in respect of the terminated Metal Adjustment Contracts, and such amounts may be determined in a significantly different manner from the Daily Delivery Amounts that would have applied absent such early termination. There may be a shortfall in the amounts finally recovered if the FX Counterparty is insolvent or otherwise unable to meet its obligations, or if the amounts determined to be deliverable or payable are less than would have been the case absent such termination. This may in turn delay and/or reduce the amounts available to the Issuer to meet its obligations under the corresponding Currency-Hedged Metal Securities which could result in a loss to Security Holders.

The following is a summary of certain aspects of such early termination provisions and is subject to the detailed provisions of the Metal Adjustment Documentation.

The occurrence of an Event of Default or Termination Event under the ISDA Master Agreement may lead to a temporary suspension of deliveries under affected Metal Adjustment Contracts, and the nomination of an Early Termination Date by (in the case of an Event of Default) the non-defaulting party and (in the case of a Termination Event) the party specified under the terms of the ISDA Master Agreement (such party the **"Determining Party"**).

As of the Early Termination Date the Determining Party will calculate an early termination amount (a **"Bullion Early Termination Amount"**) separately for each Bullion Class for obligations denominated in the relevant Bullion type (**"Bullion Denominated Obligations"**). The Bullion Early Termination Amount will be calculated as the sum of (a) undelivered Bullion Denominated Obligations plus (b) the amount of the losses or costs of the Determining Party in respect of Bullion Denominated Obligations that are or would be incurred (expressed as a positive quantity) or gains of the Determining Party that

are or would be realised (expressed as a negative quantity) in replacing, or in providing for the Determining Party the economic equivalent of, the material terms of such Bullion Denominated Obligations and any option rights in respect thereof.

A single Bullion Early Termination Amount will be calculated on a net basis for the whole of each Bullion Class. This Bullion Early Termination Amount will be arrived at by netting amounts owing in respect of individual classes comprised in the same Bullion Class against each other, and as a result balancing deliveries may need to be made between the Secured Metal Accounts relating to such classes. See further under “Allocation of Termination Deliveries or Payments, Amounts of Costs etc.” below.

Cash Obligations on Termination

While it is not anticipated that any material cash obligations (as distinct from Bullion Denominated Obligations) will be owed between the parties, the ISDA Master Agreement also contains provisions, broadly similar to those applicable to Bullion Denominated Obligations, for the Determining Party to determine a single early termination amount for any separate cash obligations owing between the parties (such as claims for costs) in respect of such Bullion Class.

Where a Bullion Early Termination Amount is deliverable by the Issuer to the FX Counterparty the FX Counterparty may elect to receive this in cash in US Dollars instead of in Bullion.

In some circumstances, although a Bullion Early Termination Amount has been determined and is deliverable, it may not be enforceable as such against the party owing the Bullion Early Termination Amount. In legal proceedings against such party, a court may decline to award specific performance and substitute a claim for damages. Where such party is insolvent, a physical delivery claim is unlikely to be admissible in insolvency proceedings, and will be replaced by a monetary claim provable in the insolvency proceedings. Such a claim will be subject to other aspects of applicable insolvency law which may include application of a statutory insolvency set-off which will override any inconsistent provisions in the Metal Adjustment Documentation.

The Issuer may therefore, in such circumstances, meet its obligations to Security Holders either partly in Bullion and partly in cash, or entirely in Bullion. The cash element received by Security Holders may not, at the time of settlement, be equivalent to the proportionate part of the Metal Entitlement represented by such cash which could result in a loss to Security Holders.

Allocation of Termination Deliveries or Payments, Amounts of Costs etc.

In respect of each class of Individual Security, there are separate Secured Metal Accounts of the Issuer at the Custodian in respect of each FX Counterparty which has entered into Metal Adjustment Contracts in respect of such class of Individual Securities. Deliveries are made between the Issuer and the FX Counterparty in the normal course to adjust the amount of Bullion held in each account (to reflect the movements in the indexes and in the corresponding Metal Entitlements) on a gross basis – there is no netting between deliveries due in respect of different accounts in the same Bullion Class. Thus in the normal course, if in respect of the Australian Dollar gold Individual Securities, an amount of gold is due to be delivered from the FX Counterparty to the Issuer, this will be delivered by the FX Counterparty to the Secured Metal Accounts for Australian Dollar gold. If on the same day an amount of gold is due from the Issuer to the FX Counterparty in respect of Euro gold, that amount will be transferred from the Secured Metal Accounts for Euro gold, to the FX Counterparty's account. So, allowing for minimum delivery sizes and timing of deliveries (see “FX Counterparty Credit Risk and Default” above), the intention is that in the normal course there should always be the correct amount of Bullion in the relevant Secured Metal Accounts, as a result of direct transfers to and from the FX Counterparty in respect of those Secured Metal Accounts.

On a termination of the ISDA Master Agreement, the obligation to deliver Bullion to and from the Issuer and the FX Counterparty in respect of each class (to reflect movements in the indices as referred to above) ceases. As noted above, however, in this case there also is one “close out” amount in respect of each Bullion Class deliverable to or from the Issuer and the FX Counterparty by way of a final settlement. This amount is one net amount across a Bullion Class. As also noted above, the amount deliverable is required to be calculated by reference to various factors. In the normal course on termination of a Metal Adjustment Contract under the ISDA Master Agreement to match a redemption request by the holder of a Currency-Hedged Metal Security (where the ISDA Master Agreement remains in place), there is no such close out amount. Once any accrued Daily Delivery Amount which

has not yet been delivered (as a result of the applicable Daily Class Delivery Minimum, Monthly Class Delivery Minimum or Volume Limit) has been delivered, the obligation to deliver Bullion in respect of that Currency-Hedged Metal Security simply ceases. By contrast, on termination of the ISDA Master Agreement a close out amount is deliverable in respect of each Bullion Class. The ISDA Master Agreement gives the Determining Party a wide discretion as to how it calculates the close out amount which as a result may vary significantly according to the particular circumstances.

Some cash amounts may also be payable in respect of e.g. costs, which may be expressed as payable in respect of a Bullion Class or all Bullion Classes and as mentioned above, in certain circumstances, the FX Counterparty may request payment of a single cash amount as a termination payment due to it across all classes, as an alternative to delivery of Bullion on a Bullion Class basis.

Amounts due to be delivered or paid to the FX Counterparty rank ahead of deliveries or payments to the holders of Currency-Hedged Metal Securities.

Also, as mentioned above, if the FX Counterparty is in insolvency proceedings or insolvent and deliveries or amounts are due from it, there may be no ability to require delivery of Bullion from the FX Counterparty (although Bullion deliveries by the Issuer in respect of other Bullion Classes may still be required to be made), and there may instead be a single cash claim against the FX Counterparty, which may not be paid on time or in full. This may delay and/or reduce the amounts available to the Issuer to meet its obligations under the Currency-Hedge Metal Securities which could result in delays in paying redemption amounts due to Security Holders and could also lead to Security Holders incurring a loss.

In all of these circumstances, where amounts are deliverable or payable to or from Secured Metal Accounts as a group or indeed across all Secured Metal Accounts, it will be necessary to allocate such amounts amongst the Secured Metal Accounts.

The Issuer has undertaken in the Security Deed and the Trust Instrument that upon an early termination of an ISDA Master Agreement (other than where the Issuer is the Defaulting Party under the ISDA Master Agreement), the Issuer will deliver to the Security Trustee a certificate under the Secured Unallocated Accounts Agreement certifying, *inter alia*, any transfers of Bullion that should be made from a Secured Metal Account to the relevant FX Counterparty, or from a Secured Metal Account to another Secured Metal Account after such termination of an ISDA Master Agreement. In certain limited circumstances, the FX Counterparty is also required under the Security Deed to deliver similar information to the Security Trustee. If, for whatever reason, the Issuer or the FX Counterparty (as applicable) fail to give the required certificate or information to the Security Trustee, ManJer has undertaken in the Security Deed to procure the provision to the Security Trustee of the necessary information and advice, at ManJer's own cost and expense.

If such a certificate or information is not provided to the Security Trustee on termination of the ISDA Master Agreement, the Security Trustee may not have available to it the information to enable it to determine the amounts of deliveries, transfers and allocations which would have been made by it if specified in a certificate or other information. In the absence of such information, the Security Trustee will be entitled under the terms of the Security Deed to appoint an independent third party to provide such advice and to carry out all and any calculations necessary for that purpose and until the receipt of such advice the Security Trustee will be entitled not to act, which may delay the receipt by Security Holders of redemption proceeds.

The expenses of any such appointment may be considerable and the Security Trustee may not be able to find anybody prepared to do the calculation.

Allocations made pursuant to a certificate from the Issuer or pursuant to the advice provided to the Security Trustee may not match the claims made by the FX Counterparty to the amounts in the relevant PMA Sub-Pool and this may result in disputes and delay.

The Security Trustee may rely upon any such certificate or advice without any further checking or verification of its contents.

Termination as a Result of Disruption Events

Where during a Disruption Event the relevant Index level is not published or the published level is not considered to be accurate, the level of the index may be determined by the method and a party

specified in the relevant Disruption Fallback, which may be different from a determination under the Index in the ordinary course absent the Disruption Event (see “Non-publication of Indices” below). Where the Disruption Event results in the termination of the affected Metal Adjustment Contracts (which may be the case in an Index Disruption, Hedging Disruption/Change in Law, Additional Disruption or Bullion Settlement Disruption), the affected Metal Adjustment Contracts will be compulsorily terminated at this level or some other value, which will in turn affect the realisable value of the corresponding Currency-Hedged Metal Securities. If any such event or disruption occurs, the Issuer may need to exercise its right to initiate a compulsory redemption of some or all Currency-Hedged Metal Securities. In these circumstances, the amount which a Security Holder may receive may be lower than the amount they would otherwise have been entitled to on redemption. See further under “Early Redemption of Currency-Hedged Metal Securities” below.

Deferral of Settlement and Timing of Receipt of Bullion

On redemption, the Issuer may elect to defer settlement (in part or in whole for a period of time) if a FX Counterparty has unsettled obligations in respect of Bullion of the relevant type and the Issuer would otherwise be unable to satisfy its Redemption Obligations in full. Security Holders may therefore receive and be entitled to receive Bullion equal to the Metal Entitlement (or such lesser amount to which they are entitled as a result of the limited recourse nature of the Currency-Hedged Metal Securities) only at the end of that period.

The application of Redemption Limits may mean that the Issuer is unable to satisfy its Redemption Obligations in full on a particular day. Security Holders wishing to redeem all of their Currency-Hedged Metal Securities may therefore only be able to redeem such Currency-Hedged Metal Securities and be entitled to receive Bullion equivalent to the Metal Entitlement in tranches.

Management Experience of the Issuer

The Issuer was incorporated in 2011. The directors and management of ManJer and the Issuer have had experience in establishing and operating companies providing similar types of exchange-traded products since December 2003, including securities issued by Gold Bullion Securities Limited, ETFS Oil Securities Limited, ETFS Commodity Securities Limited, ETFS Metal Securities Limited, ETFS Metal Securities Australia Limited, ETFS Foreign Exchange Limited, ETFS Hedged Commodity Securities Limited and Swiss Commodity Securities Limited and through subsidiaries in the US, certain exchange traded products offering exposure to precious metals in the US. If it transpires that the experience of ManJer, the Issuer and their respective management is neither adequate nor suitable to manage the Issuer, then the operations of the Issuer may be adversely affected.

Only Authorised Participants May Apply for or Redeem Currency-Hedged Metal Securities

Generally only Authorised Participants may deal with the Issuer in applying for or requiring the redemption of Currency-Hedged 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 Currency-Hedged Metal Securities.

Under the Metal Adjustment Documentation, the FX Counterparty has the right to give notice (with immediate or delayed effect) that an Authorised Participant has ceased to be acceptable to it in certain circumstances, including if the FX Counterparty deems such person to be unacceptable to it as an Authorised Participant for credit, compliance, general business policy or reputational reasons. As a result of any exercise of such right, there could at any time be no Authorised Participants, with the result that no Currency-Hedged Metal Securities could be created. In such event it may also be difficult or impossible to sell Currency-Hedged Metal Securities on the London Stock Exchange (or other exchanges if Currency-Hedged Metal Securities are listed or traded thereon) at a price close to the Metal Entitlement therefor or within a reasonable time period, although Security Holders will be entitled to redeem their Currency-Hedged Metal Securities.

Early Redemption of Currency-Hedged Metal Securities

The Issuer may, at any time, upon not less than 30 days' notice, or upon not less than one day's notice if notice is given by either party thereto terminating a Metal Adjustment Agreement or nominating a Compulsory Cancellation Date thereunder in respect of one or more Metal Adjustment Contracts created thereunder, by RIS announcement to the Security Holders, redeem all or some only of the Currency-Hedged Metal Securities or all or some only of the Currency-Hedged Metal Securities of any one or more type. The Issuer may also at any time by RIS announcement nominate a Business Day as a Compulsory Redemption Date for all or some only of the Currency-Hedged Metal Securities of a particular type if (i) an Early Termination Date has been set in relation to a corresponding Metal Adjustment Contract under an ISDA Master Agreement (provided that such Compulsory Redemption Date is not earlier than the Early Termination Date), or (ii) as the result of an Index Disruption, Additional Disruption or Hedging Disruption/Change in Law, all or some of the corresponding Metal Adjustment Contracts are terminated under the terms of the Disruption Fallback applicable to such Disruption Event. The Trustee may, at any time, where an Issuer Insolvency Event or a FX Counterparty Event of Default 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 Currency-Hedged 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 Currency-Hedged 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.

Subject to certain conditions, Currency-Hedged Metal Securities may also be automatically redeemed by the Issuer if a FX Counterparty elects to enforce the Security if a FX Counterparty Enforcement Event in relation to such FX Counterparty has occurred and is continuing.

If on any Pricing Day the value of the Metal Entitlement of a Currency-Hedged Metal Security of any type falls to 2.5 times the Principal Amount of such Currency-Hedged Metal Security or below, the Issuer may for so long as the value of such Metal Entitlement remains at 2.5 times the Principal Amount or below and during the period 60 days thereafter, upon not less than two days' notice by RIS announcement nominate a Business Day as a Compulsory Redemption Date in respect of that type of Currency-Hedged Metal Security.

The Custodian has only agreed to act as custodian for a fixed term of five years from 28 February 2013, following which the Custodian may terminate the Custodian Agreements upon 90 days' written notice to the Issuer and Security Trustee. If the Custodian chooses to terminate the Custodian Agreements following the expiry of the initial fixed term, then unless the Issuer is able to find a suitable replacement custodian, the Issuer will elect to redeem the outstanding Currency-Hedged Metal Securities. In addition the Metal Sale Counterparty Agreement will terminate automatically if the Secured Allocated Accounts Agreement is terminated. In the event that the Metal Sale Counterparty Agreement is to be terminated and no replacement Metal Sale Counterparty Agreement is entered into, the Issuer may elect to redeem the outstanding Currency-Hedged Metal Securities.

Consequently, an investment in Currency-Hedged Metal Securities may be redeemed earlier than desired by a Security Holder and at short notice. In these circumstances, the Security Holder may suffer a loss if the cash value of the Currency-Hedged Metal Securities is lower than it would otherwise have been if the investment had been redeemed on a day chosen by the Security Holder rather than on the date of the early redemption. Early redemption could also lead to a Security Holder incurring a tax charge that it would otherwise not be subject to and/or if the redemption takes place at a time when the cash value of the Currency-Hedged Metal Securities redeemed is lower than when they were purchased by the Security Holder, the Security Holder could suffer a loss.

Suspension of Redemptions in relation to Currency-Hedged Metal Securities

The Issuer may suspend the redemption of Currency-Hedged Metal Securities if any day is a Bullion Settlement Disruption Day, for a period of up to ten Pricing Days. If there is a FX Counterparty Event of Default in respect of any FX Counterparty with which the Issuer has Metal Adjustment Contracts corresponding to any class of Individual Securities, the Issuer may suspend the redemption of Individual Securities of such class (and any Basket Securities comprised of Individual Securities of such class) for a period of up to 30 Pricing Days.

The Issuer may also suspend the redemption of Currency-Hedged Metal Securities for a period of up to 30 days if (i) the Issuer is considering exercising or has determined to exercise its power to divide any Pool, or (ii) the value of the Metal Entitlement of a Currency-Hedged Metal Security of any type is below the Principal Amount of a Currency-Hedged Metal Security of such type.

In all cases of suspension, the Issuer will give notice thereof by RIS announcement as soon as practicable.

Therefore there is a risk Security Holders may not be able to redeem their Currency-Hedged Metal Securities on request.

Change of Index

The Metal Adjustment Agreement allows for a change to the Index used to price the Currency-Hedged Metal Securities. The Issuer and the FX Counterparty may agree to substitute a different index for one or more of the Indices and accordingly may agree such changes as they agree to be necessary or appropriate to the Metal Adjustment Agreement consequent upon such substitution, provided that at the time of the substitution of the index there is no change to the aggregate Metal Entitlement of the Currency-Hedged Metal Securities consequent upon the substitution. Security Holders will be given a minimum of 30 days' notice of the intended change by RIS announcement and a new Prospectus or Supplementary Prospectus will be issued.

Non-publication of the Indices

In cases of Index Disruption where the Index is not published, each Calculation Agent under the relevant Metal Adjustment Documentation will determine a level for the Index to be used in calculating the relevant Daily Delivery Amount under the Metal Adjustment Contracts and Daily Hedging Variation under the corresponding Individual Securities. If there is more than one FX Counterparty a weighted average of the values provided by each FX Counterparty will be used in place of the closing settlement level of the Index for that Pricing Day. In any circumstance where a value is calculated by the relevant FX Counterparty rather than published by the Index Sponsor, there can be no guarantee that the levels determined by the FX Counterparties will correspond to those which would otherwise have been published by the Index Sponsor and the Metal Entitlement will be affected accordingly. If the Index Sponsor fails to publish the Index level for five consecutive Pricing Days the Metal Adjustment Contracts which relate to such Index will be terminated and the Issuer may redeem the relevant Currency-Hedged Metal Securities, which could result in Security Holders redeeming their investment earlier than intended.

Activities of FX Counterparties and Authorised Participants

A FX Counterparty and any of its affiliates may be an active trader in the currency markets. These trading activities may present a conflict between the interests of holders of the Currency-Hedged Metal Securities and the interests that a FX Counterparty and its affiliates will have in their proprietary accounts, in facilitating transactions, including options and other derivatives transactions, for their customers and in accounts under their management.

These trading activities, if they influence the value of an Index, could be adverse to the interests of the holders of the Currency-Hedged Metal Securities of the related class. Moreover, FX Counterparties and/or their respective affiliates have or may have published and in the future would be expected to publish research reports with respect to some or all of the Indices. This research is modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Currency-Hedged Metal Securities and currencies and precious metals generally. The research should not be viewed as a recommendation or endorsement of the Currency-Hedged Metal Securities in any way and investors must make their own independent investigation of the merits of this investment. Any such activities of a FX Counterparty or its affiliates may affect the value of the Indices and, therefore, the market value of the Currency-Hedged Metal Securities. In addition, the Authorised Participants or their Affiliates also trade in various sectors of the currency markets.

These activities could give rise to conflicts of interest which are adverse to the interests of Security Holders and could have a negative impact on the value of the Currency-Hedged Metal Securities and could result in a loss to Security Holders.

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. 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) and all amounts ranking prior to such obligations and payments under the Trust Instrument and the applicable Security Deed, 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 after payment of all such prior-ranking amounts. 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, the Security Trustee or the Trustee may take any further action to recover such amounts.

Any claims made against the Issuer will be satisfied in order of the priority of payments under the Priority Waterfall in accordance with the Security Deed, further details of which are set out under the heading "Allocations" in Part 7 (*Particulars of the Security Deed*). Following the priority of payments, the security may be insufficient and the Issuer may not be able to meet its Redemption Obligation to Security Holders who may suffer a loss as a result.

No Guarantee

No member of the Morgan Stanley Group or any other person has guaranteed the performance of the Issuer's obligations, and no Security Holder has any direct rights of enforcement against any such person. There can be no assurance that any FX Counterparty will be able to fulfil its payment obligations under the relevant Metal Adjustment Documentation and this could have an adverse impact on the value of the Currency-Hedged Metal Securities and a Security Holder may suffer a loss as a result. However the Security Trustee on behalf of the Security Holders may in the circumstances specified in the Security Deed enforce the rights of the Issuer under the Metal Adjustment Documentation.

Limited Enforcement Rights

The Security Trustee may enforce the Security at its discretion upon the occurrence of a Defaulted Obligation, a FX Counterparty Event of Default, an Issuer Insolvency Event or a FX Counterparty Enforcement Event but is only required to enforce the Security:

- (a) after the occurrence of a Defaulted Obligation if requested to do so by the Trustee or a Security Holder to whom a Defaulted Obligation is owed;
- (b) if an Issuer Insolvency Event has occurred and is continuing and if requested to do so (i) by the Trustee, (ii) in writing by Security Holders holding not less than 25 per cent. by Principal Amount of the Currency-Hedged Metal Securities (as a whole) then outstanding, or (iii) by an Extraordinary Resolution; or
- (c) if a FX Counterparty Event of Default has occurred and is continuing if so requested to do so (i) by the Trustee, (ii) in writing by Security Holders holding not less than 25 per cent. by Principal Amount of the Currency-Hedged Metal Securities (as a whole) then outstanding, or (iii) by an Extraordinary Resolution,

in each case provided that the Security Trustee is indemnified and/or secured and/or funded to its satisfaction. In circumstances where the Security 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.

Each FX Counterparty has an independent right to require the Security Trustee to enforce the security constituted by the Security Deed applicable to such FX Counterparty where a FX Counterparty Enforcement Event has occurred and is continuing. There is no obligation on the FX Counterparty to take account of the interests of Security Holders when exercising such right.

Security is subject to the Priority Waterfall

All proceeds received by the Security Trustee on the realisation of the Security in respect of any Pool will be applied by the Security Trustee in accordance with the Priority Waterfall. Security Holders rank behind the Security Trustee, the Trustee, ManJer and the relevant FX Counterparty (in respect of such FX Counterparty's claims under the Metal Adjustment Documentation and the Metal Adjustment Contracts) in such Priority Waterfall. Accordingly, if the Issuer owes the Security Trustee, the Trustee, ManJer and/or the relevant FX Counterparty amounts that are not contemplated in the ordinary course, and/or there is less Bullion in the Secured Metal Accounts than anticipated, this may result in a shortfall in a Pool and adversely affect the ability of the Issuer to meet its Redemption Obligations in full.

Administration and Winding-Up Proceedings in England and stays

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.

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 Security Trustee, 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 Security Trustee to enforce the Security.

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

Trustee's and Security Trustee's scope of responsibilities

The Trustee and Security Trustee may rely on any information, certificates and/or instructions received from the Issuer and/or its agents (and in the case of the Security Trustee, the Trustee) in relation to Currency-Hedged Metal Securities, the Secured Property, the Management Fee, the Aggregate Delivery Amount and the Hedging Fee, and will not be responsible for making any investigation or verification of the same. Neither the Trustee nor the Security Trustee will have any liability for any failure of the Issuer or any FX Counterparty or Authorised Participant or the Custodian. The Trust Instrument and Security Deed provide various exclusions of liability for the Trustee and Security Trustee respectively, including that they are not obliged to monitor the performance of the Issuer, any FX Counterparty, any Authorised Participant or the Custodian or the solvency of the Custodian, and may assume that each of them is performing its obligations in accordance with the Documents.

Regulatory Risk

The Issuer may be required by the rules of an exchange (other than the London Stock Exchange) to which the Currency-Hedged 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 Currency-Hedged Metal Securities to cease trading which may make it harder for a Security Holder

to sell their Currency-Hedged Metal Securities at a time of their choosing and which could lead to a loss for the Security Holder if, when they are subsequently able to sell their Currency-Hedged Metal Securities, the value of those Currency-Hedged Metal Securities has dropped below the value when the Security Holder originally sought to sell them.

Index Calculations by MS&Co

The Issuer is not affiliated with MS&Co in any way (except for the licensing arrangements described in this Prospectus) and has no ability to control or predict its actions, including any errors in or discontinuation of disclosure regarding its methods or policies relating to the calculation of the Indices. The policies of MS&Co concerning the calculation of the level of the Indices could adversely affect the value of the Currency Indices and, therefore, the market value of the Currency-Hedged Metal Securities.

Characterisation of the Security

In each Security Deed the Issuer will grant security over *inter alia* the Bullion in the Secured Metal Accounts attributable to the relevant Pool or PMA Sub-Pool governed by English law, which is expressed to take effect as a fixed charge or legal mortgage. A court, however, could hold that such security constitutes floating security. To the extent English law were applicable, in these circumstances any preferential creditors and liquidation or administration expenses in respect of the Issuer would be payable in priority to the beneficiaries under the Priority Waterfall.

Assignment of Claims Against the Metal Sale Counterparty and/or Custodian on their Default

In accordance with the Conditions, circumstances may arise where the Issuer may direct the Security Trustee to assign its claims against the Metal Sale Counterparty and/or Custodian relating to Bullion to the relevant Security Holder. Such assignment will be deemed to satisfy all claims of such Security Holder in respect of the Currency-Hedged Metal Securities to be redeemed without any further recourse. It is therefore possible that Security Holders will only receive an assignment of certain rights on redemption and which may not be equivalent in value to the Metal Entitlement of the relevant Currency-Hedged Metal Securities.

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 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 Currency-Hedged 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 European Union member states may decide to participate. It may be that the FTT is not implemented. Prospective holders of the Currency-Hedged 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 Currency-Hedged 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 regulation sanctions under its national regime.

European Market Infrastructure Regulation (EMIR)

EU Regulation No 648/2012, known as “EMIR”, began to come into force in 2013 and introduces new reporting, clearing and risk mitigation requirements in respect of derivatives transactions where one or both of the parties is based in the EU. The Issuer, as a non-EU entity, is not directly subject to EMIR. However, where the Issuer enters into OTC derivative contracts with an EU counterparty which is itself subject to EMIR (such as MSIP), that counterparty may require the Issuer, as a term of doing business, to comply with certain of EMIR’s clearing, collateral or other risk mitigation requirements. This may in turn give rise to additional costs for the Issuer in doing any such business, such as (i) clearing costs for trades which are required to be cleared, (ii) the costs of implementing risk mitigation procedures, and (iii) higher margin requirements for OTC uncleared transactions. There is a risk that some or all of these costs could be passed through to Security Holders, and therefore negatively impact the price of the Currency-Hedged Metal Securities.

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 tax authorities in participating CRS jurisdictions 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. Jersey implemented 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 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 Currency-Hedged Metal Securities.

Changes in Regulation

The scope and requirements of regulation applicable to the Issuer and the FX Counterparty continues to change and evolve and there is a risk that as a result it may prove more difficult or impossible, or more expensive, for the Issuer or the FX Counterparty to continue to carry on their functions in the manner currently contemplated, including a risk that future regulation of the precious metals market may result in increased hedging costs for the FX Counterparty or limits on the extent of their permitted hedging activities. This may require that changes are made in the future to the agreements applicable to the Programme and may result in changes to the commercial terms of the Currency-Hedged Metal Securities (such as reductions in the Creation Limits and the Redemption Limits and/or increases in the amounts required by the FX Counterparty to cover their hedging costs, which would result in a reduction in the Daily Adjustment and hence a reduction in the Metal Entitlement) and/or the inability to apply for and Redeem Currency-Hedged Metal Securities and/or Compulsory Redemption of some or all of the Currency-Hedged Metal Securities and/or disruption to the pricing thereof.

FREQUENTLY ASKED QUESTIONS

This section is intended to answer some of the questions which a prospective investor may have when considering an investment in Currency-Hedged 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 Currency-Hedged Metal Securities should only be made after careful consideration of this Prospectus.

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

What are Currency-Hedged Metal Securities?

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

How does the product give exposure to physical precious metal?

The Currency-Hedged Metal Securities are backed by physical precious metal held in the secure vaults of a custodian. Upon redemption of a Currency-Hedged 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 Currency-Hedged Metal Securities being redeemed.

How do the Currency-Hedged Metal Securities minimise the impact of exchange rate movements?

Currency-Hedged Metal Securities aim to minimise the impact of exchange rate movements on an Australian Dollar, Euro, Singapore Dollar or Pound Sterling investor's return by hedging such exposure against exchange rate movements between the US Dollar and the relevant currency through the Daily Hedging Variation. The Daily Hedging Variation is calculated by reference to the Indices which track the variation in the exchange rate between US Dollar and the currency of denomination of the Individual Security, which are rebalanced daily. Such adjustment is made by rebalancing the notional metal hedge position for that Index on each Pricing Day to reflect the effect of foreign exchange movements on the value of the metal holdings since the immediately preceding Pricing Day.

Do the Currency-Hedged Metal Securities provide a pure hedge against the impact of exchange rate movements?

Currency-Hedged Metal Securities do not provide a pure currency hedge (sometimes called a “quanto” hedge) in which the value in the relevant currency would rise or fall in direct proportion to rises and falls in the value in US Dollars of an unhedged investment as investors will remain exposed to the effect of foreign exchange rate movements on any change in the value of the underlying metal between the daily adjustments of the currency hedge (the intra-day changes).

What is a Basket Security?

A Basket Security is a Currency-Hedged Metal Security which provides 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 notionally 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, no Basket Securities have been issued. For further information on the Basket Securities, please see the section headed “Metal Entitlement – Basket Securities” in Part 4 (*Description of Currency-Hedged Metal Securities*).

How is the product physically backed?

The Currency-Hedged Metal Securities are backed by physical precious metal held in the secure vaults of a custodian. The physical precious metals are held in the name of the Security Trustee. To ensure its quality, the physical precious metal held to back the Currency-Hedged 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 Currency-Hedged Metal Securities are held in vaults of a custodian in the name of the Security Trustee. Physical precious metals attributable to the Currency-Hedged 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 required to process redemptions held in an unallocated account.

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 Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged Metal Securities is audited twice a year by an independent metal audit firm – Inspectorate International – which inspects the Bullion held at the custodian 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>.

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 is the custodian?

The sole custodian is 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 Currency-Hedged Metal Securities directly with the Issuer. Authorised Participants may, but do not have to, act as market makers for the Currency-Hedged Metal Securities by buying and selling Currency-Hedged 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 p.l.c. and is an independent entity whose role is to act as trustee on behalf of Security Holders in accordance with the Trust Instrument and the Trustee holds its rights on behalf of Security Holders (and itself).

Who is the Security Trustee and what do they do?

The Security Trustee is The Law Debenture Trust Corporation p.l.c. and is an independent entity whose role is to act as trustee on behalf of Security Holders, ManJer and the FX Counterparty and certain other parties in accordance with the Security Deed. Under security deeds and the agreements with the custodian, all the Bullion which backs the Currency-Hedged Metal Securities is held at the custodian in the name of the Security Trustee and the Security Trustee must approve all removals of Bullion from those accounts.

What is the Metal Entitlement?

The Metal Entitlement of a particular class of Currency-Hedged 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 Currency-Hedged 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 calculate 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 Currency-Hedged Metal Security.

When will the Metal Entitlement of a Currency-Hedged 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 Currency-Hedged Metal Security?

Each Currency-Hedged 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 Currency-Hedged Metal Security. Whilst Authorised Participants create and redeem Currency-Hedged Metal Securities directly with the Issuer in exchange for physical precious metal, most Security Holders will buy and sell their Currency-Hedged Metal Securities on a stock exchange in return for cash. The cash value at which the Currency-Hedged Metal Securities will trade on exchange is expected to be close to the value of the Metal Entitlement of the Currency-Hedged Metal Securities multiplied by the spot price of the relevant physical precious metal. The "spot price" of a type of Bullion is based on the price of futures in the equivalent type of Bullion adjusted by the price of a hypothetical exchange for physical transaction which is intended to represent the cost as at that day of entering into and

simultaneously exchanging a privately negotiated futures position in that type of Bullion for a physical position in that type of Bullion.

This exchange for physical is determined by Morgan Stanley & Co. LLC (MS&Co). MS&Co. will periodically publish the historic price at which the exchange for physical transactions are carried out on their website <http://www.ms.com/mspm>.

What is the Daily Adjustment?

The Daily Adjustment forms part of the formula for calculating the Metal Entitlement of the Currency-Hedged Metal Securities by reducing the Metal Entitlement each day to reflect the Management Fee and the Daily Hedging Fee. The Daily Adjustment is an amount calculated by the Issuer on each Pricing Day to five decimal places with 0.000005 being rounded upwards.

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 Currency-Hedged Metal Securities?

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

Investors other than Authorised Participants can buy and sell Currency-Hedged 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 Currency-Hedged Metal Securities other than those directly with the Issuer can be done at any point during the trading day. Such purchases of Currency-Hedged Metal Securities will generally be done at a “bid price” and any sales of Currency-Hedged Metal Securities intraday will generally be done at an “offer price”. The bid and offer prices of a Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged Metal Securities cannot lose more than their initial investment.

What is the minimum investment?

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

What are the costs of holding the product?

Investors are charged a management fee in respect of the Currency-Hedged 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 and Daily Hedging Fee” in Part 4 (*Description of Currency-Hedged Metal Securities*).

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

CLASSES OF CURRENCY-HEDGED METAL SECURITIES

The following are the classes of Currency-Hedged Metal Securities initially available for issue:

Australian Dollar Currency-Hedged Metal Securities

Class	LSE Code
ETFS AUD Daily Hedged Physical Gold	GBSA
ETFS AUD Daily Hedged Physical Palladium	PPDA
ETFS AUD Daily Hedged Physical Platinum	PPTA
ETFS AUD Daily Hedged Physical Silver	PAGA

Euro Currency-Hedged Metal Securities

Class	LSE Code
ETFS EUR Daily Hedged Physical Gold	GBSE
ETFS EUR Daily Hedged Physical Palladium	PPDE
ETFS EUR Daily Hedged Physical Silver	PAGG

Singapore Dollar Currency-Hedged Metal Securities

Class	LSE Code
ETFS SGD Daily Hedged Physical Gold	GBSD
ETFS SGD Daily Hedged Physical Palladium	PPDD
ETFS SGD Daily Hedged Physical Platinum	PPTD
ETFS SGD Daily Hedged Physical Silver	PAGD

Sterling Currency-Hedged Metal Securities

Class	LSE Code
ETFS GBP Daily Hedged Physical Gold	GBSP
ETFS GBP Daily Hedged Physical Palladium	PPDP
ETFS GBP Daily Hedged Physical Platinum	PPTP
ETFS GBP Daily Hedged Physical Silver	PAGP

DEFINITIONS AND INTERPRETATION

The following definitions apply throughout this Prospectus unless the context otherwise requires:

“Additional Disruption”	means, in respect of any Index Business Day which would otherwise be a Pricing Day for a particular class of Currency-Hedged Metal Securities and in respect of an Index, a Calculation Agent determines that such Index Business Day is either (i) an “Unscheduled Holiday” in respect of such Index, or (ii) a day on which a “Force Majeure Disruption” (as defined in any Master Confirmation Agreement) has occurred and is continuing in respect of such Index
“Administration Agreement”	means the Administration Agreement dated 28 February 2013 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
“Aggregate Delivery Amount”	in respect of a class of Metal Adjustment Contract and a particular Pricing Day, a quantity of Bullion determined as described under the heading “Daily Delivery Amount and Aggregate Delivery Amount” in Part 9 (<i>Description of the Metal Adjustment Documentation and Metal Adjustment Contracts</i>)
“Applicant”	means an Authorised Participant who makes an Application for Currency-Hedged Metal Securities
“Application”	means an offer by an Applicant to the Issuer to subscribe for Currency-Hedged Metal Securities, being an offer on terms referred to in an Application Form and this Prospectus and in accordance with the provisions of the relevant Authorised Participant Agreement
“Application Date”	means the date 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 Applicant to the Issuer in respect of the issue of Currency-Hedged Metal Securities as described in Part 4 (<i>Description of Currency-Hedged Metal Securities</i>)
“Application Form”	means the application form to be 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
“Australian Dollar”, “AUD” or “A\$”	means the lawful currency of Australia
“Australian Dollar Basket Security”	means a Basket Security of a category denominated in Australian Dollars
“Australian Dollar Individual Security”	means a Currency-Hedged Metal Security of a class specified in the relevant list in paragraph 4 of Part 13 (<i>Additional Information</i>) and

	any Further Securities denominated in Australian Dollars under which the Issuer's obligations to make payment and/or deliver Bullion are determined by reference to a single type of Bullion
"Australian Dollar Security" or "Australian Dollar Currency-Hedged Metal Security"	means an Australian Dollar Individual Security or an Australian Dollar Basket Security
"Authorised Participant"	means a person which has entered into an Authorised Participant Agreement with the Issuer in relation to Currency-Hedged Metal Securities which has not been terminated 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; (c) is not a UCITS Fund; and (d) (except in the case of a FX Counterparty or an Affiliate which has entered into an Authorised Participant Agreement with the Issuer) has entered into a corresponding Direct Agreement with at least one FX Counterparty, and which is not an Unacceptable Authorised Participant in respect of that FX Counterparty, provided that a person can be an Authorised Participant in respect of one FX Counterparty but not another
"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 Currency-Hedged Metal Securities and if such agreement is subject to conditions precedent, provided that such conditions have been satisfied
"Authorised Person"	means a person who is authorised for the purposes of the FSMA
"Basket Security"	means a Currency-Hedged Metal Security of a category that comprises such proportion of any two or more of Gold Individual Securities of any class, Silver Individual Securities of any class, Platinum Individual Securities of any class and Palladium Individual Securities of any class, and denominated in a particular Currency, the Currency and proportions of Individual Securities of such classes being as specified in the Final Terms relating to the first issue of Basket Securities of that category
"Board"	means the board of directors of the Issuer
"Bullion"	means any and all of platinum, palladium, silver and gold
"Bullion Class"	means all of the Individual Securities (and Basket Securities to the extent comprised of Individual Securities of such class) of a class under which the Issuer's obligations to make payment or deliver Bullion are determined by reference to a single type of Bullion
"Bullion Settlement Disruption"	in respect of an Index means an event which constitutes "Bullion Settlement Disruption" in respect of Metal Adjustment Contracts relating to such Index pursuant to the terms of Metal Adjustment Documentation with any FX Counterparty
"Bullion Settlement Disruption Day"	in respect of an Index means a day on which an event, beyond the control of the parties to an ISDA Master Agreement and as a result of which a delivery of Bullion required under a Metal Adjustment Contract linked to such Index cannot be effected, has occurred and is continuing

“Business Day”	means a day which is both a London Business Day and a New York Business Day
“Calculation Agent”	means in respect of any FX Counterparty or the Metal Adjustment Documentation entered into with any FX Counterparty, the calculation agent appointed pursuant to such Metal Adjustment Documentation
“Cancellation Notice”	means a notice given as a “Cancellation Notice” pursuant to a Metal Adjustment Agreement
“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, in relation to Individual Securities, a type of Individual Securities denominated in a particular Currency under which the Issuer’s obligations to make payment and/or deliver Bullion are determined by reference to a particular metal
“CME”	means CME Group Europe Limited
“COMEX”	means New York Mercantile Exchange, Inc., including its wholly owned subsidiary Commodity Exchange Inc.
“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 Cancellation Date”	has the meaning given to that term set out under the heading “Metal Adjustment Contracts-Creation and Cancellation of Metal Adjustment Contracts” in Part 9 (<i>Description of the Metal Adjustment Documentation and Metal Adjustment Contracts</i>)
“Compulsory Redemption”	means a Redemption of Currency-Hedged Metal Securities pursuant to Condition 7.1, Condition 7.2, Condition 7.3, Condition 7.4 or Condition 7.7.
“Compulsory Redemption Date”	means in relation to any Redemption pursuant to Condition 7.1, Condition 7.2, Condition 7.3 or Condition 7.4, the date specified by the Issuer or the Trustee as such in accordance with that Condition and in relation to any Redemption pursuant to Condition 7.7 the date specified by the Issuer as such in accordance with that Condition, provided that if the date so specified is not a Pricing Day, the Compulsory Redemption Day shall be the first Pricing Day following the date so specified
“Conditions”	means the terms and conditions of the Currency-Hedged Metal Securities in the form set out in the Schedule 2 (<i>The Conditions</i>) to the Trust Instrument and as set out in Part 6 (<i>Trust Instrument and Currency-Hedged Metal Securities</i>) and references herein to numbered Conditions are references to the numbers assigned to the Conditions in Part 6 (<i>Trust Instrument and Currency-Hedged Metal Securities</i>)
“Controller”	means a Controller as defined in the Conditions

“corresponding Metal Adjustment Contract”	means in respect of any class of Individual Securities (or any category of Basket Securities to the extent comprised of Individual Securities of such class) a Metal Adjustment Contract of the Class (as defined in the relevant Metal Adjustment Agreement) which corresponds (by reason of being linked to the same Index) to such class of Individual Securities and in respect of any number of Individual Securities of such class means a number (which need not be a whole number and may be less than one) of corresponding Metal Adjustment Contracts having an aggregate Metal Equivalent equal to the aggregate Metal Entitlement of such number of such Individual Securities
“Creation Limits”	means the limits under the Metal Adjustment Agreements on creation of Metal Adjustment Contracts (and corresponding limits on issue of Currency-Hedged Metal Securities), as set out in Part 4 (<i>Description of Currency-Hedged Metal Securities</i>) under the heading “Creation Limits and Redemption Limits”
“Creation Notice”	means a notice given as a “Creation Notice” pursuant to a Metal Adjustment Agreement
“CREST”	means the system of paperless settlement of transfers and the holding of securities in Uncertificated Form administered by Euroclear UK & Ireland Limited
“Currency”	means each of the four denominations of Currency-Hedged Metal Securities (and their corresponding Metal Adjustment Contracts) provided for in the Trust Instrument and any further denomination that may be provided for pursuant to the Trust Instrument, being as at the date of this Prospectus, Australian Dollars in respect of Australian Dollar Currency-Hedged Metal Securities, Euro in respect of Euro Currency-Hedged Metal Securities, Singapore Dollars in respect of Singapore Dollar Currency-Hedged Metal Securities and Pounds Sterling in respect of Sterling Currency-Hedged Metal Securities, and “Currencies” will be construed accordingly
“Currency Class”	in relation to any Currency means the Individual Securities of each class denominated in such Currency (and the Basket Securities comprised of Individual Securities of such class)
“Currency-Hedged Metal Security” or “Metal Security”	means an undated limited recourse secured debt security of the Issuer of any types specified in the Trust Instrument created pursuant to and constituted by the Trust Instrument (including any Further Securities) and includes Individual Securities and Basket Securities, and “Currency-Hedged Metal Securities” or “Metal Securities” means all of them
“Custodian”	means (i) a financial institution or other entity with which the Issuer and the Security Trustee have established Secured Metal Accounts, and (ii) in respect of any Pool or the Individual Securities to which such Pool relates, a financial institution or other entity with which the Issuer and the Security Trustee have established Secured Metal Accounts relating to Bullion forming part of the Secured Property in respect of such Pool, in each case being a member of each Relevant Association which provides custody and transfer facilities in respect of Bullion. At the date of this Prospectus JPMorgan Chase is the sole Custodian in respect of each Pool
“Custodian Agreements”	means each Subscription Unallocated Accounts Agreement entered into by the Issuer and a Custodian and each Secured Allocated Accounts Agreement and each Secured Unallocated Accounts Agreement entered into by the Issuer, the Security Trustee (as legal mortgagee pursuant to the Security Deed) and a Custodian

“Daily Adjustment”	in respect of a class of Individual Securities and a Pricing Day is the value determined in accordance with Condition 5.4
“Daily Cancellation Limit”	means, in respect of all classes relating to a particular Currency and a FX Counterparty, the amount specified as such in the relevant Metal Adjustment Agreement as amended by agreement between the Issuer and that FX Counterparty
“Daily Class Delivery Minimum”	in respect of a class of Individual Security and Metal Adjustment Contract means, for such time as a Rating Event is not outstanding in respect of the relevant FX Counterparty, the Pre-Downgrade Daily Class Delivery Minimum for that class and for such time as a Rating Event is outstanding, the Post-Downgrade Daily Class Delivery Minimum for that class
“Daily Creation Limit”	means, in respect of all classes relating to a particular Currency and a FX Counterparty, the amount specified as such in the relevant Metal Adjustment Agreement as amended by agreement between the Issuer and that FX Counterparty
“Daily Delivery Amount”	in respect of a particular class of Metal Adjustment Contract and Individual Security means an amount of Bullion calculated as described under the heading “Metal Adjustment Contracts — Daily Delivery Amount and Aggregate Delivery Amount” in Part 9 (<i>Description of the Metal Adjustment Documentation and Metal Adjustment Contracts</i>)
“Daily Hedging Fee”	means in respect of a class of Individual Securities and a Pricing Day, the fee charged by the relevant FX Counterparty which is reflected in the adjustments to the Metal Entitlement on that Pricing Day as part of the calculation of the Daily Adjustment
“Daily Hedging Rate”	in respect of a class of Individual Securities and a Pricing Day is the value determined in accordance with Condition 5.5
“Daily Hedging Variation”	in respect of a class of Individual Securities and a Pricing Day is the value determined in accordance with Condition 5.3
“Defaulted Obligation”	<p>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 Currency-Hedged Metal Securities when due, and such failure to make or procure payment of cash or delivery of Bullion is not remedied on or before:</p> <ul style="list-style-type: none"> (a) in the case of a failure caused in whole or in part by a FX Counterparty failing to comply with its obligations to the Issuer in respect of any corresponding Metal Adjustment Contracts, the fourth Pricing Day; and (b) in any other case, the second Business Day, <p>in each case after receipt of notice requiring remedy of the same</p>
“Direct Agreement”	means an agreement entered into between a FX Counterparty and an Authorised Participant or a person proposed by the Issuer to become an Authorised Participant
“Directors”	means the directors of the Issuer, being at the date of this document the persons whose names are listed as such in “Directors, Secretary and Advisers” below
“Disruption Event”	<p>in respect of any Index and day means:</p> <ul style="list-style-type: none"> (a) Price Source Disruption;

	<p>(b) Index Disruption;</p> <p>(c) Additional Disruption;</p> <p>(d) Hedging Disruption/Change in Law; or</p> <p>(e) Bullion Settlement Disruption,</p> <p>in each case in respect of that Index and day</p>
“Disruption Fallback”	means a source or method specified in a Master Confirmation Agreement to be applied in respect of a Disruption Event
“Documents”	means this document, the Trust Instrument, each Security Deed, each Metal Adjustment Agreement, each ISDA Master Agreement, each Master Confirmation Agreement, any Guarantee, each Custodian Agreement, each Metal Sale Counterparty Agreement, each Authorised Participant Agreement, the Registrar Agreement, the Services Agreement, the Administration Agreement and the Licence Agreement
“Early Termination Date”	in respect of any Metal Adjustment Contract means an “Early Termination Date” as defined in the ISDA Master Agreement governing such Metal Adjustment Contract
“EC Treaty”	means the Treaty establishing the European Community (signed in Rome on March 25, 1957), as amended by the Treaty on European Union (signed in Maastricht on February 7, 1992) and as amended by the Treaty of Amsterdam (signed in Amsterdam on October 2, 1997), as further amended from time to time
“ETFSL”	means ETF Securities Limited, a company incorporated and registered in Jersey, with registered number 88370
“Euro” or “Eur” or “€”	means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the EC Treaty
“Euro Basket Security”	means a Basket Security of a category denominated in Euro
“Euro Individual Security”	means a Currency-Hedged Metal Security of a class specified in the relevant list in paragraph 4 of Part 13 (<i>Additional Information</i>) and any Further Securities denominated in Euro under which the Issuer’s obligations to make payment and/or deliver Bullion are determined by reference to a single type of Bullion
“Euro Security” or “Euro Currency-Hedged Metal Security”	means a Euro Individual Security or a Euro Basket Security
“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 one or more types of Currency-Hedged Metal Securities either (a) a resolution passed at a meeting of the holders of the Currency-Hedged Metal Securities of such type or types duly convened and held in accordance with the provisions contained in the Trust Instrument and carried by a majority consisting of not less than 75 per cent. in number of the persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of the holders of not less than 75 per cent. by Principal Amount of such type or types of Currency-Hedged Metal Securities

or (b) a resolution in writing of holders of the Currency-Hedged Metal Securities of such type or types holding not less than 75 per cent. by Principal Amount of such type or types of Currency-Hedged Metal Securities, and where so provided for in the Trust Instrument or the Conditions holders of Basket Securities may for this purpose be treated as holders of the relevant class or classes of Individual Securities comprised therein

"FCA"	means the UK Financial Conduct Authority 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 a document constituting "final terms" relating to an issue of Currency-Hedged Metal Securities in or substantially in a 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
"Force Majeure Disruption"	means that a FX Counterparty determines that it is unable to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any hedge position relating to a Metal Adjustment Contract in connection with the relevant Index or it is unable to realise, recover or remit the proceeds of any such hedge position, due to the occurrence of a <i>force majeure</i> , act of state, act of god, man-made disaster, armed conflict, act of terrorism, riot or similar event or occurrence in the United States, the United Kingdom, Japan, Hong Kong, and any other jurisdiction notified to the Issuer by the FX Counterparty from time to time
"Foreign Exchange Rate"	for an Index and a day in respect of which that Index is calculated and published means the rate of exchange used in the calculation of such Index for that day, expressed as a number of US Dollars per Australian Dollar, a number of US Dollars per Euro, a number of US Dollars per Singapore Dollar or a number of US Dollars per Pound Sterling, as the case may be
"FSMA"	means the Financial Services and Markets Act 2000 and, where applicable, includes the Financial Services Act 2012
"Further Securities"	has the meaning given in the Conditions
"FX Counterparty"	means the counterparty to each Metal Adjustment Agreement with the Issuer. At the date of this Prospectus MSIP is the sole FX Counterparty
"FX Counterparty Enforcement Event"	in relation to any FX Counterparty has the meaning given to it in the Security Deed to which that FX Counterparty is a party

“FX Counterparty Event of Default”

means in relation to any FX Counterparty:

- (a) the failure of that FX Counterparty to make, when due, any payment or delivery required to be made by it under a ISDA Master Agreement if such failure is not remedied on or before the first Local Business Day (as defined in the relevant ISDA Master Agreement) in the case of any such payment or the first Local Delivery Day (as defined in the relevant ISDA Master Agreement) in the case of any such delivery after, in each case, notice of such failure is given to the FX Counterparty and provided that a FX Counterparty Event of Default shall not occur if the FX Counterparty demonstrates, to the reasonable satisfaction of the Issuer, that such failure to make any payment or delivery is caused by an error or omission of an administrative or operational nature; funds or assets were available to the FX Counterparty to enable it to make the relevant payment or delivery; and such payment or delivery is made within two such Local Business Days following the date on which written notice is given to the FX Counterparty; or
- (b) any other event occurring in respect of that FX Counterparty which is an Event of Default with respect to that FX Counterparty under and as defined in the ISDA Master Agreement to which that FX Counterparty is a party

“Gold Individual Security”

means an Individual Security of any class under which the Issuer's obligations to make payment and/or deliver Bullion are determined by reference to gold

“Good Delivery”

in respect of any type of Bullion means such Bullion complies with the refining standard and weights for such Bullion set by the Relevant Association

“Guarantee”

means, in respect of any FX Counterparty, any guarantee or other form of credit support given to the Issuer in respect of such FX Counterparty's obligations under the relevant Metal Adjustment Agreement, ISDA Master Agreement and Master Confirmation Agreement

“Handbook”

means in respect of a class of Individual Securities, the document which sets out the methodology for the calculation of the Index applicable to that class being, at the date of this Prospectus, the document entitled “The Morgan Stanley Precious Metal Currency Hedged (MSPM) Indices Manual” (2017 Edition) dated 10 April 2017

“Hedging Disruption/Change in Law”

has the meaning given in the Master Confirmation Agreement

“Hedging Fee”

means in respect of a class of Individual Security the per annum fee payable by the Issuer to the FX Counterparty for the provision of the Metal Adjustment Contracts pursuant to the terms of the Metal Adjustment Documentation

“Hedging Rate”

means in respect of a class of Individual Security the daily rate applied to the Metal Equivalent of a Metal Adjustment Contract of the relevant class in order to determine the Hedging Fee

“HoldCo”

means ETFS Holdings (Jersey) Limited, a company incorporated and registered in Jersey, with registered number 106817

“holding company”	has the meaning given to that term in section 1159 of the Companies Act 2006
“IBA”	means ICE Benchmark Administration
“Index”	in respect of a class of Individual Securities means such one of the MSPM Indices as relates to the same type of Bullion and Currency as does that class
“Index Business Day”	means in respect of a particular Index, a day on which that Index is scheduled to be published in accordance with the Handbook and in respect of the Individual Securities of any class means an Index Business Day in respect of the Index to which the corresponding Metal Adjustment Contracts relate
“Index Disruption”	means in respect of any Pricing Day and any Index in respect of a class of Individual Securities that the index sponsor has announced that an Adjustment Event or Market Disruption Event (each as defined in the Handbook) has occurred in respect of that Index and as a result a level for that Index has not been calculated or published on such Pricing Day
“Index Sponsor”	means Morgan Stanley & Co. LLC or any other entity which from time to time calculates and publishes (or causes to be published) an Index
“Individual Security”	means an Australian Dollar Individual Security, a Euro Individual Security, a Singapore Dollar Individual Security or a Sterling Individual Security and any Further Securities under which the Issuer’s obligations to make payment and/or deliver Bullion are determined by reference to a single type of Bullion and “Individual Securities” means all of them
“Investment Company Act”	means the Investment Company Act of 1940 of the United States
“ISDA Master Agreement”	means a 2002 ISDA Master Agreement between a FX Counterparty and the Issuer and in relation to any Metal Adjustment Agreement means the ISDA Master Agreement as defined in such Metal Adjustment Agreement and, where the context so permits, the Master Confirmation Agreement and any other confirmation supplemental thereto
“Issuer”	means ETFS Hedged Metal Securities Limited, a company incorporated and registered in Jersey with registered number 108311
“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 (<i>Désastre</i>) (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 (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 or the Security 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

“JPMC Custodian Agreements”

means the then current JPMC Subscription Unallocated Accounts Agreement, JPMC Secured Allocated Accounts Agreement and JPMC Secured Unallocated Accounts Agreement

“JPMC Metal Sale Counterparty Agreement”

means the Metal Sale Counterparty Agreement dated 28 February 2013 between the Issuer, the Security Trustee, the Trustee and JPMorgan Chase

“JPMC Secured Allocated Account”

means each account, each relating to a single metal and referring to a single Pool (or, if there is in relation to any Pool, more than one FX Counterparty, a single PMA Sub-Pool), established in the name of the Security Trustee (as legal mortgagee pursuant to the Security Deed) with JPMorgan Chase pursuant to the JPMC Secured Allocated Accounts Agreement

“JPMC Secured Allocated Accounts Agreement”

means the Secured Allocated Accounts Agreement dated 28 February 2013 between the Issuer, the Security Trustee (as legal mortgagee pursuant to the Security Deed) and JPMorgan Chase

“JPMC Secured Metal Account”

means each of the JPMC Secured Allocated Accounts and the JPMC Secured Unallocated Accounts

“JPMC Secured Unallocated Account”

means each account, each relating to a single metal and referring to a single Pool (or, if there is in relation to any Pool, more than one FX Counterparty, a single PMA Sub-Pool), established in the name of the Security Trustee (as legal mortgagee pursuant to the Security Deed) with JPMorgan Chase pursuant to the JPMC Secured Unallocated Accounts Agreement

“JPMC Secured Unallocated Accounts Agreement”	means the Secured Unallocated Accounts Agreement dated 28 February 2013, as amended, between the Issuer, the Security Trustee (as legal mortgagee pursuant to the Security Deed) and JPMorgan Chase
“JPMC Subscription Unallocated Account”	means each account, each relating to a single metal and referring to a single Pool, established in the name of the Issuer with JPMorgan Chase pursuant to the JPMC Subscription Unallocated Accounts Agreement
“JPMC Subscription Unallocated Accounts Agreement”	means the Subscription Unallocated Accounts Agreement dated 28 February 2013 between the Issuer and JPMorgan Chase
“JPMorgan Chase”	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 5JP
“JPMorgan Chase Group”	means JPMorgan Chase and its Affiliates
“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
“Licence Agreement”	means the agreement between ETFSL and MS&Co dated 28 February 2013
“Listing”	means in respect of any type of Currency-Hedged Metal Securities the admission of Currency-Hedged Metal Securities of that type to the Official List in accordance with the Listing Rules and admission of Currency-Hedged Metal Securities of that type 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 and in respect of any particular Currency-Hedged Metal Security means the admission of that Currency-Hedged Metal Security to the Official List in accordance with the Listing Rules and the admission of that Currency-Hedged Metal Security 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 Failure”	means the refusal of the UK Listing Authority to admit to the Official List or the refusal of the London Stock Exchange to admit to trading on its market for listed securities (or any of such markets if the London Stock Exchange has at any time more than one such market) any Currency-Hedged Metal Securities issued or to be issued under the Programme
“Listing Failure Date”	means, in respect of any Currency-Hedged Metal Securities issued or to be issued and the subject of a Listing Failure, the day which was or would have been that on which such Currency-Hedged Metal Securities were issued, or would have been issued in accordance with the relevant Authorised Participant Agreement, to the relevant Authorised Participant

“Listing Rules”	means the Listing Rules of the UK Listing Authority, 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 and the over-the-counter market in platinum and palladium co-ordinated by the LPPM
“London Business Day”	means a day (other than a Saturday or a Sunday) on which commercial banks generally 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 of all management and administration services in relation to the Programme, as set out in Part 4 (<i>Description of the Currency-Hedged Metal Securities</i>) under the heading “Management Fee and Daily Hedging Fee – 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
“Master Confirmation Agreement”	means a contract entitled “Master Confirmation Agreement for Metal Adjustment Contracts” between a FX Counterparty and the Issuer including any Pricing Notices as defined in such Master Confirmation Agreement, and in relation to any Metal Adjustment Agreement means the Master Confirmation Agreement as defined in such Metal Adjustment Agreement
“Maximum Bullion Class Delivery Amount”	means in respect of a class of Individual Security and Metal Adjustment Contracts means an amount in US Dollars specified as such in the relevant Final Terms
“Metal Accounts”	means each Secured Metal Account and each corresponding Subscription Unallocated Account
“Metal Adjustment Agreement”	means an agreement entitled “Metal Adjustment Agreement Relating to Metal Adjustment Contracts” between the Issuer and a FX Counterparty pursuant to which the FX Counterparty will enter into Metal Adjustment Contracts with the Issuer and for as long as

	MSIP is a FX Counterparty including the MSIP Metal Adjustment Agreement
“Metal Adjustment Contract”	means a contract between the Issuer and a FX Counterparty created in accordance with a Metal Adjustment Agreement and relating to an Index, and in relation to Individual Securities of a particular class means a corresponding Metal Adjustment Contract
“Metal Adjustment Documentation”	means any Metal Adjustment Agreement, any ISDA Master Agreement and any Master Confirmation Agreement
“Metal Delivery”	means in relation to the Redemption of any Currency-Hedged 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 Currency-Hedged Metal Security, the amount(s) of Bullion to which the Security Holder of that Currency-Hedged Metal Security is entitled on Redemption of that Currency-Hedged Metal Security on that date in accordance with Condition 5 (<i>Metal Entitlement</i>)
“Metal Equivalent”	means, as at any date and in relation to any Metal Adjustment Contract, the “Metal Equivalent” for such Metal Adjustment Contract pursuant to the terms of the Metal Adjustment Documentation governing such Metal Adjustment Contract
“Metal Future”	in relation to any Currency-Hedged Metal Securities means the futures contract specified as such in the applicable Final Terms
“Metal Sale”	means in relation to the Redemption of any Currency-Hedged Metal Securities, settlement of the Issuer’s Redemption Obligations in respect thereof by sale of Bullion to a Metal Sale Counterparty pursuant to a 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 a financial institution or other entity with which the Issuer and the Security Trustee have entered into a Metal Sale Counterparty Agreement. At the date of this Prospectus JPMorgan Chase is the sole Metal Sale Counterparty
“Metal Sale Counterparty Account”	means in relation to any Metal Sale Counterparty such unallocated Bullion account of such Metal Sale Counterparty as may be specified in or pursuant to the applicable Metal Sale Counterparty Agreement
“Metal Sale Counterparty Agreement”	means an agreement entered into by the Issuer, the Security Trustee and a financial institution or other entity providing for the sale from time to time at the request of the Security Trustee of Bullion attributable to or forming part of the Secured Property in respect of the Currency-Hedged Metal Securities of any one or more classes and for so long as JPMorgan Chase is a Metal Sale Counterparty includes the JPMC Metal Sale Counterparty Agreement
“month”	means calendar month
“Monthly Class Delivery Minimum”	means in respect of a class of Individual Security and Metal Adjustment Contracts means an amount in US Dollars specified as such in the relevant Final Terms
“Morgan Stanley Group”	means MSIP and each of its Affiliates

“MS&Co”	means Morgan Stanley & Co. LLC, a corporation established under the laws of the State of Delaware, United States, and whose principal place of business is at 1585 Broadway, New York, NY 10036, United States
“MSIP”	means Morgan Stanley & Co. International plc, a company incorporated and registered in England and Wales with number 02068222 whose registered office is situated at 25 Cabot Square, Canary Wharf, London E14 4QA, England
“MSIP ISDA Master Agreement”	means the ISDA Master Agreement between the Issuer and MSIP dated 28 February 2013
“MSIP Master Confirmation Agreement”	means the Master Confirmation Agreement between the Issuer and MSIP dated 28 February 2013
“MSIP Metal Adjustment Agreement”	means the Metal Adjustment Agreement between the Issuer and MSIP dated 28 February 2013
“MSIP Metal Adjustment Documentation”	means together the MSIP Metal Adjustment Agreement, the MSIP ISDA Master Agreement and the MSIP Master Confirmation Agreement
“MSPM Indices”	means the “MSPM Indices” calculated and published by MS&Co. in accordance with the Handbook
“MSPM Website”	has the meaning given under the heading “MSPM Indices” in Part 3 (<i>Overview of the Precious Metals Markets and the Indices</i>)
“New York Business Day”	means a day (other than a Saturday or a Sunday) on which commercial banks generally are open for the transaction of business in New York and, in relation to any Bullion Class, means a day which is also a trading day for the principal exchange on which the Metal Future for that Bullion Class is traded
“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>in relation to each type of Currency-Hedged Metal Securities, means all the Currency-Hedged 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> <ul style="list-style-type: none"> (a) Currency-Hedged Metal Securities which have been redeemed and cancelled pursuant to the Trust Instrument; and (b) Currency-Hedged Metal Securities which have been purchased and cancelled pursuant to the Trust Instrument; <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, Currency-Hedged 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) ManJer, (D) any FX Counterparty which is not also an Authorised Participant or an Affiliate of an Authorised Participant, (E) any subsidiary of the Issuer or of any such FX Counterparty falling under (D), (F) any</p>

individual Controller of the Issuer, ETFSL or ManJer or (G) any person controlled by any such persons listed in (A) to (F) above shall (unless and until ceasing to be so held) be deemed not to remain outstanding and accordingly the holders of such Currency-Hedged 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 FSMA by virtue of its not carrying on such activities in the United Kingdom, whose head office is situated outside the United Kingdom and whose ordinary business involves carrying on activities of the kind specified by any of articles 14, 21, 25, 37, 40, 45, 51, 52 and 53 or, so far as relevant to any of those articles, article 64 of the RAO (or would do so apart from any exclusion from any of those articles made by the RAO)

“Palladium Individual Security”

means an Individual Security of any class under which the Issuer's obligations to make payment and/or deliver Bullion are determined by reference to palladium

“Platinum Individual Security”

means an Individual Security of any class under which the Issuer's obligations to make payment and/or deliver Bullion are determined by reference to platinum

“PMA Sub-Pool”

means in respect of a class of Individual Securities (and in respect of Basket Securities to the extent comprised of Individual Securities of that class) each separate pool, forming part of or (if only one FX Counterparty has been appointed in respect of that class of Individual Securities) constituting the Pool to which such class relates, relating to a single FX Counterparty. Such PMA Sub-Pool will have allocated to it all Metal Adjustment Contracts applicable to the relevant Pool with that FX Counterparty and the Bullion applicable to such Metal Adjustment Contracts

“Pool”

means a separate pool relating to a particular class of Individual Securities (and Basket Securities to the extent comprised of Individual Securities of that class). If at any time in respect of any class of Individual Securities there is more than one FX Counterparty, then the Pool in respect of such class will comprise all PMA Sub-Pools relating to such class

“Post-Downgrade Daily Class Delivery Minimum”

in respect of a class of Individual Security and Metal Adjustment Contract means an amount in US Dollars specified as such in the relevant Final Terms

“Pre-Downgrade Daily Class Delivery Minimum”

in respect of a class of Individual Security and Metal Adjustment Contract means an amount in US Dollars specified as such in the relevant Final Terms

“Price Source Disruption”

in relation to any Index and any Pricing Day for a particular class of Currency-Hedged Metal Securities means either:

- (i) the Index is not published and available on the relevant display page of the Bloomberg or Reuters Monitor Money Rates service, or any successor, at 5.00 p.m. on such Pricing Day; or
- (ii) a Calculation Agent determines that the level of the Index displayed on the relevant display page of the Bloomberg or Reuters service, or any successor, on such Pricing Day is manifestly incorrect

"Pricing Day"	means, in respect of Individual Securities of any class, an Index Business Day in respect of such class which is not a day on which an Additional Disruption in respect of the Index to which that class relates has occurred and is continuing
"Principal Amount"	in respect of each Currency-Hedged Metal Security means the amount specified as such in respect of such Currency-Hedged Metal Security in the Trust Instrument and as set out in paragraph 4 of Part 13 (<i>Additional Information</i>)
"Priority Waterfall"	means the provisions described in Condition 13
"Programme"	means the programme for the issue of Currency-Hedged Metal Securities described in this document
"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 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 Currency-Hedged Metal Securities on behalf of, for the benefit of or with any assets of any such Plan or entity
"Prohibited US Person"	means a person who is (a) a US Person who is not a Qualified Purchaser, or any person who holds Currency-Hedged Metal Securities for the benefit of a US Person who is not a Qualified Purchaser, and (b) a US Person who is not a Qualified Institutional Buyer
"Prospectus"	means this base prospectus of the Issuer
"Prospectus Directive"	means Directive 2003/71/EC of the European Parliament and the European Council
"Prospectus Rules"	means the prospectus rules of the UK Listing Authority from time to time made under sections 73A and 84 of FSMA
"Qualified Institutional Buyer"	means a "qualified institutional buyer" as defined under Rule 144A of the Securities Act
"Qualified Purchaser"	means a "qualified purchaser" as defined under the Investment Company Act
"RAO"	means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (as amended, modified or re-enacted from time to time) made under FSMA
"Rating Event"	in relation to a FX Counterparty means the long term senior debt credit rating of the FX Counterparty ceasing to be rated at least BBB- by Standard & Poor's Rating Services, a division of the McGraw-Hill Companies Inc. (or any successor to the ratings business thereof), and at least Baa3 by Moody's Investors Service Inc. (or any successor to the ratings business thereof). A Rating Event will be "outstanding" following the occurrence of a Rating Event but only for such time as the aforementioned ratings remain below the aforementioned levels. A Rating Event will not be

“outstanding” at any time prior to the occurrence of a Rating Event and will not be “outstanding” following the occurrence of a Rating Event provided that the aforementioned ratings are once again at or above the aforementioned levels

“Redemption”	means the redemption of Currency-Hedged Metal Securities by the Issuer in accordance with the Conditions (and “Redeem” and “Redeemed” shall be construed accordingly)
“Redemption Fee”	means the fee payable by a Security Holder upon Redemption of Currency-Hedged Metal Securities in accordance with Condition 9 and on which more information can be found under the heading “Application Fees and Redemption Fees” in Part 4 (<i>Description of Currency-Hedged Metal Securities</i>)
“Redemption Form”	means a notice in the form prescribed from time to time by the Issuer for requesting Redemption of Currency-Hedged Metal Securities in accordance with the Conditions
“Redemption Limits”	means the limits under the Metal Adjustment Agreements on redemption of Metal Adjustment Contracts, as set out in Part 4 (<i>Description of Currency-Hedged Metal Securities</i>) under the heading “Creation Limits and Redemption Limits”
“Redemption Notice Date”	has the meaning given in the Conditions
“Redemption Obligations”	means the obligation of the Issuer on Redemption of a Currency-Hedged 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 class kept and maintained by the Registrar and “Register” shall be construed accordingly
“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 28 February 2013 between the Registrar, the Issuer and the Trustee
“Regulated Market”	means a regulated market for the purposes of EU Directive 2004/39/EC (the Markets in Financial Instruments Directive)
“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, <i>inter alia</i> , enable title to Currency-Hedged Metal Securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument
“Relevant Association”	<p>means in respect of Good Delivery:</p> <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 <p>means in respect of Fixing:</p> <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 Currency”	<p>in relation to any Currency-Hedged Metal Security or Metal Adjustment Contract, the currency in which that Currency-Hedged Metal Security or Metal Adjustment Contract is denominated being:</p> <p>(a) in the case of an Australian Dollar Currency-Hedged Metal Security or an Australian Dollar Metal Adjustment Contract, Australian Dollars;</p> <p>(b) in the case of a Euro Currency-Hedged Metal Security or a Euro Metal Adjustment Contract, Euro;</p> <p>(c) in the case of a Singapore Dollar Currency-Hedged Metal Security or a Singapore Dollar Metal Adjustment Contract, Singapore Dollars; and</p> <p>(d) in the case of a Sterling Currency-Hedged Metal Security or a Sterling Metal Adjustment Contract, Sterling</p>
“Relevant Custodian”	<p>in respect of the Redemption of Individual Securities of any class (and of Basket Securities of any category to the extent comprised of any Individual Securities of such class and any Bullion forming part of the Secured Property in respect thereof):</p> <p>(a) if each Secured Allocated Account and each Secured Unallocated Account in respect of each Pool to which such Individual Securities (and any Basket Securities to the extent they are comprised of that class of Individual Securities and any Bullion forming part of the Secured Property in respect thereof) relate is with the same Custodian, means the Custodian with which such Secured Metal Accounts are established; and</p> <p>(b) if all Secured Allocated Accounts and Secured Unallocated Accounts in respect of each Pool to which such Individual Securities (and any Basket Securities to the extent they are comprised of that class of Individual Securities and any Bullion forming part of the Secured Property in respect thereof) relate are not with the same Custodian, means the Custodian with which the Secured Metal Account(s) designated pursuant to Condition 6.1.2 is/are established</p>
“Relevant Market”	means in respect of silver, gold, platinum and palladium, the London Bullion market;
“Relevant Metal Sale Counterparty”	<p>in respect of any Metal Sale relating to Individual Securities of any class (and of Basket Securities of any category to the extent comprised of any Currency-Hedged Metal Securities of such class and any Bullion forming part of the Secured Property in respect thereof):</p> <p>(a) if there is only one Metal Sale Counterparty in respect of the Pool to which such Individual Securities (and any Basket Securities to the extent they are comprised of that class of Individual Securities and any Bullion forming part of the Secured Property in respect thereof) relate, means that Metal Sale Counterparty; and</p> <p>(b) if there is more than one Metal Sale Counterparty in respect of the Pool to which such Individual Securities (and any Basket Securities to the extent they are comprised of that class of</p>

	Individual Securities and any Bullion forming part of the Secured Property in respect thereof) relate, means the Metal Sale Counterparty designated pursuant to Condition 6.1.3
“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 an allocated Bullion account established with a Custodian in the name of the Security Trustee (as legal mortgagee pursuant to the Security Deed) pursuant to a Secured Allocated Accounts Agreement and for so long as JPMorgan Chase is a Custodian includes each JPMC Secured Allocated Account
“Secured Allocated Accounts Agreement”	means an agreement entered into between the Issuer, the Security Trustee (as legal mortgagee pursuant to the Security Deed) and a Custodian pursuant to which one or more Secured Allocated Accounts is established and operated and for so long as JPMorgan Chase is a Custodian includes the JPMC Secured Allocated Accounts Agreement
“Secured Metal Account”	means a Secured Allocated Account or a Secured Unallocated Account and in respect of any Pool or PMA Sub-Pool means the Secured Allocated Account(s) and Secured Unallocated Account(s) relating to Bullion forming part of the Secured Property in respect of such Pool or PMA Sub-Pool (as the case may be) and for so long as JPMorgan Chase is a Custodian includes each JPMC Secured Metal Account
“Secured Metal Accounts Agreements”	means each Secured Allocated Accounts Agreement and Secured Unallocated Accounts Agreement entered into by the Issuer, a Security Trustee (as legal mortgagee pursuant to a Security Deed) and a Custodian
“Secured Parties”	means in respect of any Security Deed, the Security Trustee, the Trustee, the FX Counterparty which is a party to such Security Deed, ManJer and the Security Holders
“Secured Property”	means in respect of Individual Securities of any class and Basket Securities of any category to the extent they comprise Individual Securities of that class, all Bullion credited to the Secured Metal Accounts applicable to that class, all rights of the Issuer under all Secured Metal Accounts Agreements, Metal Sale Counterparty Agreements, Metal Adjustment Agreements, ISDA Master Agreements, Master Confirmation Agreements and Metal Adjustment Contracts and any Guarantee, to the extent that they apply to Individual Securities of that class, or any part thereof, and which are subject to the security created in favour of the Security Trustee pursuant to the Security Deed as it applies in respect of such class and, in respect of any PMA Sub-Pool, all Bullion credited to the Secured Metal Accounts applicable to that PMA Sub-Pool, all rights of the Issuer under all Secured Metal Accounts Agreements, Metal Sale Counterparty Agreements, Metal Adjustment Agreements, ISDA Master Agreements, Master Confirmation Agreements and Metal Adjustment Contracts and any Guarantee allocated to such PMA Sub-Pool, or any part thereof, and which are subject to the security created in favour of the Security Trustee pursuant to the Security Deed as it applies in respect of such PMA Sub-Pool

“Secured Unallocated Account”	means an unallocated Bullion account established with a Custodian in the name of the Security Trustee (as legal mortgagee pursuant to the Security Deed) pursuant to a Secured Unallocated Accounts Agreement and for so long as JPMorgan Chase is a Custodian includes each JPMC Secured Unallocated Account
“Secured Unallocated Accounts Agreement”	means an agreement entered into between the Issuer, the Security Trustee (as legal mortgagee pursuant to the Security Deed) and a Custodian pursuant to which one or more Secured Unallocated Accounts is established and operated and for so long as JPMorgan Chase is a Custodian includes the JPMC Secured Unallocated Accounts Agreement
“Securities Act”	means the Securities Act of 1933 of the United States
“Security”	means in respect of each Pool the security constituted by the Security Deed
“Security Deed”	means in relation to each class of Individual Securities (and Basket Securities to the extent comprised of Individual Securities of that class) a security deed entered into between the Issuer, the Trustee, the Security Trustee, a FX Counterparty and ManJer in relation to the Secured Property in respect of such class, and, in respect of each Pool or PMA Sub-Pool, means the same as it applies to such Pool or PMA Sub-Pool (as the case may be) and as at the date of this Prospectus means the Security Deed dated 28 February 2013 between, the Issuer, the Trustee, the Security Trustee, MSIP and ManJer
“Security Holder”	means a registered holder of Currency-Hedged Metal Securities
“Security Holder Account”	means in relation to any Currency-Hedged 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 of more members of the Relevant Associations) specified by a Security Holder into which Bullion of the appropriate type may be deposited
“Security Trustee”	means each security trustee appointed from time to time pursuant to a Security Deed to hold the security granted by the Issuer pursuant to such Security Deed. At the date of this Prospectus The Law Debenture Trust Corporation p.l.c. is the only Security Trustee
“Services Agreement”	means the Services Agreement dated 28 February 2013 between ManJer and the Issuer providing for certain services to be provided by ManJer to the Issuer
“Settlement Date”	means: <ul style="list-style-type: none"> (a) in relation to any Application, the date two Business Days after the Application Date; and (b) in relation to any Redemption pursuant to Condition 6.2 (<i>Redemption by Authorised Participants</i>) or Condition 6.3 (<i>Redemption by Other Security Holders</i>), the date determined in accordance with Condition 6.13 (<i>Settlement Date</i>)
“Silver Individual Security”	means an Individual Security of any class under which the Issuer’s obligations to make payment and/or deliver Bullion are determined by reference to silver
“Singapore Dollars” or “S\$”	means the lawful currency of the Republic of Singapore

“Singapore Dollar Basket Security”	means a Basket Security of a category denominated in Singapore Dollars
“Singapore Dollar Individual Security”	means a Currency-Hedged Metal Security of a class specified in the relevant list in paragraph 4 of Part 13 (<i>Additional Information</i>) and any Further Securities denominated in Singapore Dollars under which the Issuer’s obligations to make payment and/or deliver Bullion are determined by reference to a single type of Bullion
“Singapore Dollar Security” or “Singapore Dollar Currency-Hedged Metal Security”	means a Singapore Dollar Individual Security or a Singapore Dollar Basket Security
“Sterling” or “Pound Sterling” or “GBP” or “£”	means the lawful currency of the United Kingdom
“Sterling Basket Security”	means a Basket Security of a category denominated in Sterling
“Sterling Individual Security”	means a Currency-Hedged Metal Security of a class specified in the relevant list in paragraph 4 of Part 13 (<i>Additional Information</i>) and any Further Securities denominated in Sterling under which the Issuer’s obligations to make payment and/or deliver Bullion are determined by reference to a single type of Bullion
“Sterling Security” or “Sterling Currency-Hedged Metal Security”	means a Sterling Individual Security or a Sterling Basket Security
“Sub-Custodians”	means sub-custodians, agents or depositories appointed by the a Custodian pursuant to a Custodian Agreement to perform any of its duties under such Custodian Agreements including the custody and safe-keeping of Bullion
“Subscription Unallocated Account”	means an unallocated Bullion account established by the Issuer with a Custodian pursuant to a Subscription Unallocated Accounts Agreement and for so long as JPMorgan Chase is a Custodian includes each JPMC Subscription Unallocated Account
“Subscription Unallocated Accounts Agreement”	means an agreement entered into between the Issuer and a Custodian pursuant to which one or more Subscription Unallocated Accounts is established and operated and for so long as JPMorgan Chase is a Custodian includes the JPMC Subscription Unallocated Accounts Agreement
“subsidiary”	has the meaning given to that term in section 1159 of the Companies Act 2006
“System”	means the system for requesting the issue and Redemption of Currency-Hedged Metal Securities and the creation and cancellation of Metal Adjustment Contracts via the secure website intended to be maintained by the Issuer for such purpose as described under the heading “Applications and Redemptions — The System” in Part 4 (<i>Description of Currency-Hedged Metal Securities</i>)
“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

“Thomson Reuters”	means Thomson Reuters Benchmark Services Limited
“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. of Fifth Floor, 100 Wood Street, London EC2V 7EX, England and any replacement trustee under the Trust Instrument
“Trust Instrument”	means the trust instrument dated 28 February 2013 between the Issuer and the Trustee constituting Currency-Hedged Metal Securities and includes the schedules thereto and the Conditions
“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 in its capacity as the competent authority for the purposes of Part VI of FSMA or any successor enactment
“Unacceptable Authorised Participant”	means an Authorised Participant in respect of which the relevant FX Counterparty has given and not withdrawn notice under the relevant Metal Adjustment Agreement that the Authorised Participant has ceased to be acceptable to such FX Counterparty
“Uncertificated” or “Uncertificated Form”	means recorded on a Register as being held in uncertificated form, title to which, by virtue of the Regulations, may be transferred by means of CREST
“United Kingdom” or “UK”	means the United Kingdom of Great Britain and Northern Ireland
“United States” or “U.S.”	means the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“Unscheduled Holiday”	means that (i) the relevant Index Business Day is not a day on which commercial banks are open for business in the principal financial centre of the currency underlying the relevant Index in respect of which the US Dollar exposure is being hedged; and/or is not a local business day on which the relevant Bullion market in the relevant delivery location is open for business in accordance with the market practice of that Bullion market and/or a day on which the Metal Future applicable to the relevant Bullion is published by 3.30 p.m. (New York time); and (ii) the market was not aware of such fact until a time later than 9.00 a.m. local time in such principal financial centre or relevant market or delivery location two local business days prior to the relevant Index Business Day
“US Dollars”, “USD” or “US\$”	means the lawful currency of the United States
“US Dollar Equivalent”	in respect of a particular quantity of Bullion in respect of a particular class of Currency-Hedged Metal Securities means the US Dollar value of that Bullion calculated by multiplying the quantity of Bullion by the mid price of the bid and ask prices of the Bullion to US Dollar exchange rate used in the calculation of the Index relating to that

	class of Currency-Hedged Metal Securities for the relevant Pricing Day
“US Person”	means a “US person” as defined in Regulation S under the Securities Act
“VAT”	means value added tax
“Volume Limit”	means in respect of all classes relating to a particular Currency and a FX Counterparty, the amount specified as such in the relevant Metal Adjustment Agreement as amended by agreement between the Issuer and that FX Counterparty
“WM/Reuters Rate”	in relation to any Currency and any day, means the WM/Reuters Closing Spot Rate for that Currency and that day produced by the WM Company, or any substitute for such rate agreed with each FX Counterparty for the purposes of the Metal Adjustment Agreements, in each case expressed as a number of US Dollars per Australian Dollar, a number of US Dollars per Euro, a number of US Dollars per Singapore Dollar or a number of US Dollars per Pound Sterling, provided that if the WM Company produces an amended or corrected WM/Reuters Closing Spot Rate for that Currency and that day by no later than 9.00 p.m. on that day, the WM/Reuters Rate for that Currency and that day shall be such amended or corrected rate
“WM Company”	means The WM Company, the trading name of The World Markets Company PLC (registered in Scotland under company number SC088378) and/or State Street Corporation and includes any successor to the business known as the WM/Reuters Spot & Forward Rates service that includes compiling and/or publishing the WM/Reuters Rate for each Currency

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

Unless the context otherwise requires, references in this document to any agreement or document includes a reference to such agreement or document, as amended, varied, novated, supplemented or replaced from time to time. Unless otherwise stated or the context otherwise requires references in this document to any statute or any provision of any statute includes a reference to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under 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 All the Directors are non-executive
Secretary of the Issuer	Joseph Roxburgh
Corporate administrator of the Issuer	R&H Fund Services (Jersey) Limited
Registered Office of the Issuer and address of directors, secretary and corporate administrator of the Issuer	The address of all the directors and of the secretary and corporate administrator 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 825200
Administrator	ETFS Management Company (Jersey) Limited Ordnance House 31 Pier Road St. Helier Jersey JE4 8PW Channel Islands
Trustee	The Law Debenture Trust Corporation p.l.c. Fifth Floor 100 Wood Street London EC2V 7EX United Kingdom
Security Trustee	The Law Debenture Trust Corporation p.l.c. Fifth Floor 100 Wood Street London EC2V 7EX United Kingdom
Custodian	JPMorgan Chase Bank, National Association, London Branch 25 Bank Street Canary Wharf London E14 5JP 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
Danish Legal Adviser to the Issuer	NJORD Advokatpartnerselskab Pilestrade 58 DK-1112 Copenhagen Denmark
Dutch Legal Advisers to the Issuer	Stibbe Strawinskylaan 2001 Postbus 75640 1077 ZZ 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
German Legal Advisers 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 Legal Advisers to the Issuer	A&L Goodbody IFSC North Wall Quay Dublin 1 Ireland
Italian Legal Advisers to the Issuer	CBA Studio Legale e Tributario Galleria San Carlo 6 20122 Milano 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 Almagro, 9-28010 Madrid Spain

**Swedish Legal
Advisers to the Issuer**

Denovo Advokatbyrå AB
Hamngatan 15
Box 7225
103 89 Stockholm

**English Legal Advisers
to the Trustee and the
Security Trustee**

Simmons & Simmons LLP
CityPoint
1 Ropemaker Street
London EC2Y 9SS
United Kingdom

**Jersey Legal Advisers
to the Trustee and the
Security Trustee**

Ogier
Ogier House
The Esplanade
St. Helier
Jersey, JE4 9WG

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 into 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 Part 13 (*Additional Information*):

1. The published audit reports and audited 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 26 April 2016; and
2. The published audit reports and audited 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 is currently making available for issue up to 15 different types of Currency-Hedged Metal Securities comprising:

- four different classes of Gold Individual Securities;
- four different classes of Palladium Individual Securities;
- three different classes of Platinum Individual Securities; and
- four different classes of Silver Individual Securities.

Currency-Hedged Metal Securities are currently denominated in four Currencies: Australian Dollars, Euro, Singapore Dollars and Pounds Sterling.

The Issuer may also create and make available for issue Basket Securities comprising any two or more of Gold Individual Securities of any class, Silver Individual Securities of any class, Platinum Individual Securities of any class and/or Palladium Individual Securities of any class in any proportions, and denominated in a particular Currency.

Currency-Hedged Metal Securities are designed to offer Australian Dollar, Euro, Singapore Dollar and Pound Sterling investors a means of investing in physical Bullion (through Individual Securities) or baskets of physical Bullion (through Basket Securities) without the necessity of trading and storing Bullion, and to hedge such exposure against exchange rate movements between the US Dollar and the Australian Dollar, Euro, Singapore Dollar or Pound Sterling, respectively.

Investors can buy and sell Currency-Hedged Metal Securities through the trading of securities listed on the London Stock Exchange and on certain other stock exchanges.

Currency-Hedged Metal Securities have an effective notional entitlement to a type of physical precious metal, the Metal Entitlement, (expressed in a quantity of the relevant precious metal) which aims (before management fees and hedging costs) to provide an Australian Dollar, Euro, Singapore Dollar or Pound Sterling investor with the same percentage return (positive or negative) that a US Dollar investor would gain from investing directly in precious metal. The currency hedge element is provided through arrangements (Metal Adjustment Contracts) with one or more FX Counterparties which give an exposure to a currency-hedged index, the level of which is expressed in a quantity of the relevant precious metal. If the level of the relevant index were to increase on a particular day then, for that day and in respect of the class of Currency-Hedged Metal Securities relating to that Index, the FX Counterparty will typically owe to the Issuer a quantity of Bullion equivalent to the level of such increase. On a fall in the relevant index then the Issuer will typically owe a quantity of Bullion to the FX Counterparty equivalent to the level of such fall.

The physical nature of the product arises because applications for and redemptions of Currency-Hedged Metal Securities are, in general, satisfied in precious metal of the relevant type, which is stored in safe custody with a Custodian. Only metal that conforms to the rules for Good Delivery of the London Bullion Market Association (LBMA) can be accepted by the Custodian. Each physical bar is segregated, individually identified and allocated.

Any amounts owing under the Metal Adjustment Contracts, to provide the currency-hedging for the Currency-Hedged Metal Securities, are also generally settled in physical precious metals by transfers to or from the Custodian so that, subject to certain minimum thresholds and daily maximum limits that apply to transfers between the Secured Accounts and the FX Counterparty, the amount of precious metal of the relevant type in safe custody should equal the aggregate Metal Entitlement of the relevant Currency-Hedged Metal Securities. The arrangements with the FX Counterparty and the details of the deliveries to be made under those arrangements (including details of these thresholds and limits) are described in more detail in Part 9 (*Description of the Metal Adjustment Documentation and Metal Adjustment Contracts*).

As a result of the Application and Redemption process and the arrangements with the FX Counterparty the Currency-Hedged Metal Securities are physically backed and maintain a direct relationship to the value of the underlying precious metal in the relevant currency.

The Metal Adjustment Contracts do not provide a pure currency hedge or “quanto”, in which the value in the relevant currency would rise or fall in direct proportion to rises and falls in the value in US Dollars of an unhedged investment throughout the day. Instead, the currency hedge provided by the Metal Adjustment Contracts only reflects the movement in the relevant exchange rate at the start of the relevant day and at the end of the relevant day. This means that investors will remain exposed to the effect of foreign exchange rate movements on any changes in value of the underlying metal that occur during that day. Further information on the Indices and how they are calculated is set out under the heading “MSPM Indices” in Part 3 (*Overview of the Precious Metals Markets and the Indices*) and illustrations of the effect of the Indices under various scenarios are provided under the heading “Effect of the Currency Hedge provided by the Indices” in Part 3 (*Overview of the Precious Metals Markets and the Indices*).

The precise rights attached to the Currency-Hedged Metal Securities, including deductions in respect of management fees and hedging costs and how they are calculated and applied, are set out in the Conditions, which are reproduced in Part 6 (*Trust Instrument and Currency-Hedged Metal Securities*), and described in more detail below and in Part 4 (*Description of Currency-Hedged 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 calculate the value of their investment?*).

Listing and Trading

All Currency-Hedged Metal Securities are fully transferable. The Issuer has applied to the UK Listing Authority for all of the Currency-Hedged 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 Currency-Hedged Metal Securities to be admitted to trading on its Main Market. However, an active secondary market on the Main Market may not develop in respect of all types of Currency-Hedged Metal Securities.

Each type of Currency-Hedged Metal Securities traded on the London Stock Exchange may have different market makers, bid/offer spreads and depth of liquidity and may be traded using different platforms. The Issuer hopes that some of the more liquid Currency-Hedged Metal Securities will be traded on the Sets-MM platform but can give no assurance as to which Currency-Hedged Metal Securities might attract the most and the least amount of trading activity.

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>.

Certain classes of Currency-Hedged Metal Securities have also been admitted to listing and/or trading on the Regulated Market (*General Standard*) (*Regulierter Markt [General Standard]*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and on the ETFplus market of Borsa Italiana S.p.A., see Part 5 (*The Programme*).

Custody of Bullion

Bullion on which Currency-Hedged Metal Securities will be secured will be held by the Custodian at its London vault premises but may be held elsewhere by the Custodian or a Sub-Custodian appointed by the 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. 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 to settle Daily Delivery Amounts.

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.

All Bullion held in the Secured Metal Accounts will be the subject of a fixed charge or legal mortgage in favour of the Security Trustee under the Security Deed to secure (*inter alia*) 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), to the FX Counterparty in respect of Metal Adjustment Contracts and to ManJer in respect of the Management Fee.

Further details of the Custodian and the arrangements for the storage of Bullion, including a summary of the terms of the Secured Metal Accounts Agreements, are set out in Part 8 (*Custody and the Custodian Agreements*) and a summary of the terms of the Security Deed is set out in Part 7 (*Particulars of the Security Deed*).

Currency Hedge, FX Counterparties and Metal Adjustment Documentation

The Currency-Hedged Metal Securities provide exposure to the relevant physical Bullion which is hedged against exchange rate movements between the US Dollar and the Relevant Currency. This hedged exposure is obtained through an exposure to the MSPM Indices. The MSPM Indices provide benchmarks for long investments in a wide range of physical precious metals with a currency hedge overlay. Movements in these indices are reflected in the Metal Entitlement by the operation of the Daily Hedging Variation.

The Issuer's obligations in respect of the Daily Hedging Variation of each class of Currency-Hedged Metal Securities will be linked to Metal Adjustment Contracts entered into with one or more FX Counterparties.

In order to become a FX Counterparty an entity must have entered into Metal Adjustment Documentation (comprising a Metal Adjustment Agreement, an ISDA Master Agreement and a Master Confirmation Agreement) with the Issuer. At the date of this Prospectus the Issuer has entered into Metal Adjustment Documentation only with MSIP. MSIP has agreed in the MSIP Metal Adjustment Documentation, subject as provided therein, to enter into Metal Adjustment Contracts.

A summary of the terms of the Metal Adjustment Documentation is set out in Part 9 (*Description of the Metal Adjustment Documentation and Metal Adjustment Contracts*) and information on MSIP is set out in Part 10 (*Particulars of the FX Counterparty*).

The Issuer may appoint additional FX Counterparties in the future. **Other Metal Adjustment Documentation may not be on the same terms as the MSIP Metal Adjustment Documentation.** It is not the Issuer's intention to enter into Metal Adjustment Documentation with other FX Counterparties for the purpose of spreading counterparty risk.

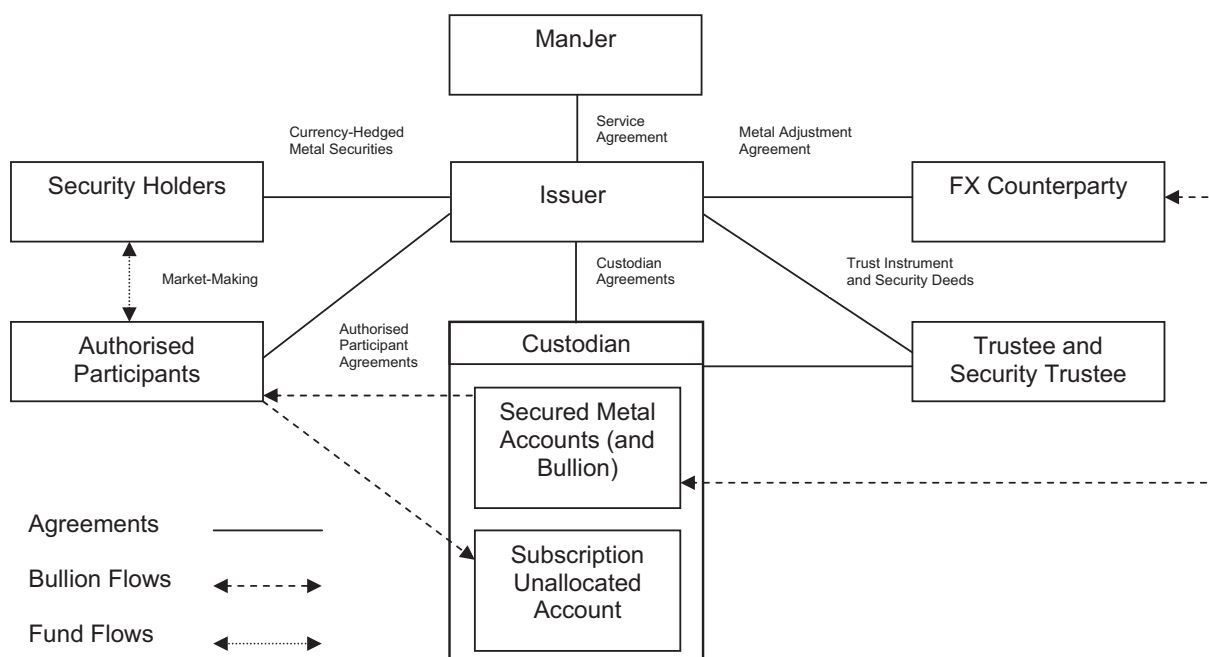
Contract Structure and Flow of Funds for Currency-Hedged Metal Securities

Currency-Hedged 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 Currency-Hedged Metal Securities. The Bullion held in the Secured Metal Accounts is the subject of fixed charges or legal mortgages under the Security Deed in favour of the Security Trustee to secure the obligations owed by the Issuer to the Trustee and the Security Holders in respect of the Currency-Hedged Metal Securities and to secure the obligations of the Issuer to the FX Counterparty in respect of the Metal Adjustment Contracts and the obligations of the Issuer to ManJer in respect of the Management Fee. Under the Secured Metal Accounts Agreements the Custodian acknowledges the Security created in favour of the Security Trustee and agrees that once Bullion is deposited in the Secured Metal Accounts, it may only be removed after approval from the Security 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) and certain prior-ranking obligations of the Issuer to other parties including the FX Counterparty and ManJer will be secured by a fixed charge or legal mortgage over the Bullion held in the Secured Metal Accounts attributable to that class, and over the rights of the Issuer in respect of those Secured Metal Accounts under the Secured

Metal Accounts Agreements and the rights of the Issuer in respect of the Metal Adjustment Documentation and the Metal Adjustment Contracts, in each case to the extent attributable to that class.

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 Currency-Hedged Metal Securities as represented by the above diagram.

Currency-Hedged Metal Securities can be bought and sold for cash on the London Stock Exchange and certain of the Currency-Hedged Metal Securities can also be bought or sold for cash on the Borsa Italiana and/or the Frankfurt Stock Exchange (being the other stock exchanges on which the Currency-Hedged Metal Securities are admitted to trading) rather than directly from the Issuer. Details of the exchanges on which a particular type of security can be traded are set out in the applicable Final Terms. Market makers provide 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 Currency-Hedged Metal Securities to those Authorised Participants on an on-going basis. Further details about the Authorised Participant Agreements are set out under the heading “Authorised Participant Agreement” in paragraph 3 of Part 13 (*Additional Information*).

Upon creation of the Currency-Hedged Metal Securities with an Authorised Participant the funds and assets flow as follows:

- The Authorised Participant must deliver Bullion with an aggregate weight equal to the Metal Entitlement of the Currency-Hedged Metal Securities into the relevant Secured Unallocated Account(s).
- Once the Bullion has been received the Issuer will create the Currency-Hedged Metal Securities and deliver them to the Authorised Participant via CREST. Further detail about the settlement of Currency-Hedged Metal Securities can be found under the heading “Settlement” in Part 5 (*The Programme*).
- The Issuer enters into corresponding Metal Adjustment Contracts whenever Currency-Hedged Metal Securities of a class are issued. Further detail about the Metal Adjustment Contracts can be found in Part 9 (*Description of the Metal Adjustment Documentation and Metal Adjustment Contracts*).

Under the Metal Adjustment Contracts, on each pricing day an amount of Bullion of the relevant type is calculated to reflect movements in the relevant Index since the preceding Pricing Day. Where this is a positive number it represents an amount of Bullion owing from the FX Counterparty to the Issuer and where this is a negative number it will represent an amount owing from the Issuer to the FX Counterparty. Such amounts are settled monthly in Bullion or, in some circumstances, on a more frequent basis, subject to certain minimum thresholds and maximum daily transfer amounts as set out under the heading “Metal Adjustment Contracts — Delivery” in Part 9 (*Description of the Metal Adjustment Documentation and Metal Adjustment Contracts*).

The Authorised Participant may then sell the Currency-Hedged Metal Securities on a stock exchange, sell the Currency-Hedged Metal Securities in off-exchange transactions (known as “OTC” or “over-the-counter” transactions) or keep the Currency-Hedged Metal Securities to hold themselves. The creation process is described in more detail in Part 4 (*Description of Currency-Hedged Metal Securities*). Each time Currency-Hedged Metal Securities are issued the Issuer will create corresponding Metal Adjustment Contracts.

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

Upon redemption of the Currency-Hedged Metal Securities with an Authorised Participant the funds and assets flow as follows:

- The Authorised Participant requesting the redemption of Currency-Hedged Metal Securities must return those Currency-Hedged Metal Securities through CREST.
- In return, the Authorised Participant will receive Bullion equivalent to the aggregate Metal Entitlement of the Currency-Hedged Metal Securities which are being redeemed through a transfer from the Secured Metal Accounts. The redemption process is described in more detail in Part 4 (*Description of Currency-Hedged Metal Securities*).
- The Issuer cancels corresponding Metal Adjustment Contracts whenever Currency-Hedged Metal Securities are redeemed.

If Security Holders who are not Authorised Participants wish to give up their holding of Currency-Hedged Metal Securities, they must generally sell them either on one of the stock exchanges on which the Currency-Hedged Metal Securities are admitted to trading or in a private transaction. Such sale would typically be for cash rather than Bullion. Generally Currency-Hedged Metal Securities will only be issued to Authorised Participants and Authorised Participants only 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

Currency-Hedged Metal Securities can be issued or redeemed at any time, subject to conditions (including not exceeding the Creation Limits and Redemption Limits), by Authorised Participants. The issue and redemption mechanism is intended to ensure that Currency-Hedged Metal Securities have sufficient liquidity and that the price at which they trade on the London Stock Exchange or other exchanges tracks the value of the relevant Bullion (before fees). Only an Authorised Participant may apply for or (unless there are at any given time no Authorised Participants or as otherwise announced by the Issuer) redeem Currency-Hedged Metal Securities — all other persons must buy and sell Currency-Hedged Metal Securities through trading on the London Stock Exchange or other relevant exchanges on which the Currency-Hedged Metal Securities are admitted to trading.

Currency-Hedged Metal Securities will only be issued upon receipt of a valid Application Form and after the relevant amount of Bullion has been transferred into the relevant Secured Unallocated Accounts. A Currency-Hedged Metal Securities will only be redeemed upon receipt of a valid Redemption Form and the delivery of the relevant Currency-Hedged Metal Securities to the Issuer on the Settlement Date, whereupon the relevant amount of Bullion will be transferred out of the relevant Secured Unallocated Account(s).

Currency-Hedged Metal Securities can only be issued or redeemed if corresponding Metal Adjustment Contracts can be created or cancelled. There are limits on the creation and cancellation of Metal Adjustment Contracts, which means that there are corresponding limits on the issue and redemption of Currency-Hedged Metal Securities.

Further details in relation to Applications and Redemptions and Creation Limits and Redemption Limits are set out under the headings “Applications and Redemptions” and “Creation Limits and Redemption Limits” in Part 4 (*Description of the Currency-Hedged Metal Securities*).

Security Structure

A security structure has been established to provide security for the payment and delivery obligations of the Issuer to the parties identified in the Priority Waterfall set out in the Security Deed. A number of such parties rank ahead of Security Holders pursuant to the Priority Waterfall, including the relevant FX Counterparty and ManJer.

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 and different currencies of denomination or having some other different characteristics.

For so long as there is only one FX Counterparty, there will be one separate Pool, representing the assets and liabilities attributable to each class of Individual Security (and the Basket Securities to the extent they comprise such Individual Securities), for each class of Individual Securities, which secures all Individual Securities of a single class and all Basket Securities to the extent they comprise such Individual Securities, as well as liabilities of the Issuer to the Trustee, the Security Trustee, the FX Counterparty under the Metal Adjustment Contracts in respect of the relevant class and ManJer in respect of the Management Fee. Each class of Individual Securities will have recourse only to the assets attributable to that class and not to the assets attributable to any other class. Thus there are initially 15 separate Pools applicable to Currency-Hedged Metal Securities.

The Currency-Hedged Metal Securities are constituted by a Trust Instrument entered into between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee for the Security 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 (*inter alios*) the Security Trustee have entered into a Security Deed. The rights and entitlements held by the Security Trustee under the Security Deed are held by the Security Trustee on trust for the Security Holders as well as itself, the Trustee, MSIP and ManJer. To the extent new FX Counterparties are appointed, the Issuer will enter into new Security Deeds in respect of such FX Counterparties.

Further details of the security structure are set out under the heading “Security Structure and Separate Pools” in Part 4 (*Description of the Currency-Hedged Metal Securities*). Further details of the Trust Instrument are set out in Part 6 (*Trust Instrument and Currency-Hedged Metal Securities*) and further details of the Security Deed are set out in Part 7 (*Particulars of the Security Deed*).

The Issuer and ManJer

The Issuer is a public company incorporated in Jersey for the purpose of issuing debt securities the price of which is related to Bullion or other types of precious metal and entering into the Documents and agreements relating to other types of Currency-Hedged Metal Securities.

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 Gold Bullion Securities Limited, ETFS Oil Securities Limited, ETFS Commodity Securities Limited, ETFS Metal Securities Limited, ETFS Metal Securities Australia Limited,

ETFS Foreign Exchange Limited, ETFS Hedged Commodity Securities Limited, Swiss Commodity 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 includes 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

ManJer will, pursuant to the Services Agreement, supply, or arrange the supply of, all management and administration services to the Issuer and will pay all the management and administration costs of the Issuer (including those of the Administrator (as defined below) and the Registrar). 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, 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, 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.

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

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 U.S.

Management Fee and Daily Hedging Fee

In return for ManJer supplying to the Issuer, or arranging the supply to the Issuer of, all management and administration services, the Issuer is liable under the Services 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 headings “Management Fee and Daily Hedging Fee — Management Fee” and “Metal Entitlement — Individual Securities — The Daily Adjustment” in Part 4 (*Description of Currency-Hedged Metal Securities*). In addition a Daily Hedging Fee will be charged by the FX Counterparty and will be reflected in the adjustments to the Metal Entitlement each day as part of the calculation of the Daily Adjustment as described in more detail under the headings “Management Fee and Daily Hedging Fee — Daily Hedging Fee” and “Metal Entitlement — Individual Securities — The Daily Adjustment” in Part 4 (*Description of Currency-Hedged 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 in Jersey, 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 Metal Securities Limited, ETFS Foreign Exchange Limited, ETFS Hedged Commodity

Securities Limited, Swiss Commodity 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\$22 billion. He is also a director of 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 Metal Securities Limited, ETFS Hedged Commodity Securities Limited, ETFS Foreign Exchange Limited, ETFS Commodity 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 Metal Securities Limited, ETFS Commodity Securities Limited, ETFS Hedged Commodity Securities Limited, Gold Bullion 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, ManJer, the Issuer, Gold Bullion Securities Limited, ETFS Commodity Securities Limited, ETFS Hedged Commodity Securities Limited, ETFS Metal Securities Limited, ETFS Oil Securities Limited, ETFS Foreign Exchange Limited, Swiss Commodity 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 Mr 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. Mr Stewart was also a director of the Issuer until June 2013 and is 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. Ms Jones 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 Graeme Ross is also a director of R&H Fund Services (Jersey) Limited, the corporate administrator of the Issuer. Mr Roxburgh is also the Secretary of the Issuer. Mr Tuckwell is also a director of and a shareholder in ETFSL and 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 taxation in the United Kingdom, Jersey, Austria, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Spain and Sweden in respect of the Programme and Currency-Hedged Metal Securities is set out in Part 12 (*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 Prospectus which contains further information relating to the Programme and Currency-Hedged Metal Securities.

PART 2

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

Entitlement on Redemption

Each Currency-Hedged Metal Security carries a right upon redemption of that security by the Issuer (“**Redemption**”) to receipt of the higher of the Principal Amount and the Metal Entitlement ($ME_{i,t}$). The Principal Amounts of the Currency-Hedged Metal Securities are set out in paragraph 4 of Part 13 (*Additional Information*). The Metal Entitlement is the amount of Bullion which the Security Holder is entitled to upon redemption. The value of a Security Holder’s investment is therefore equivalent to the amount of Bullion that they would receive upon a Redemption – generally the applicable Metal Entitlement. In normal circumstances, only Authorised Participants are able to redeem their Currency-Hedged Metal Securities directly with the Issuer.

A description of the formula used to calculate the Metal Entitlement and a description of each element of the formula are set out under ‘Calculation of the Metal Entitlement’ below. A worked example of how to calculate the Metal Entitlement is set out below under ‘Worked Example of the Calculation of the Metal Entitlement’. The formula and the method for calculating the Metal Entitlement is the same for all classes of Currency-Hedged Metal Securities.

Calculation of the Metal Entitlement

The Metal Entitlement for each class of Currency-Hedged Metal Securities on a particular day will be adjusted by applying the Daily Hedging Variation (described below) and the Daily Adjustment (described below) to the previous day’s Metal Entitlement in accordance with the following formula:

$$ME_{i,t} = ME_{i,t-1} \times (DHV_{i,t} - DA_t)$$

where:

- $ME_{i,t}$ is the Metal Entitlement for a Currency-Hedged Metal Security of the relevant class on the day on which the Metal Entitlement is calculated;
- $ME_{i,t-1}$ is the Metal Entitlement for a Currency-Hedged Metal Security of the relevant class on the previous day on which a Metal Entitlement was calculated;
- i refers to the relevant class of Currency-Hedged Metal Security;
- t refers to the day on which the Metal Entitlement is being calculated;
- $t-1$ refers to the previous day on which a Metal Entitlement was calculated;
- $DHV_{i,t}$ refers to the Daily Hedging Variation for Currency-Hedged Metal Securities of the relevant class on the day on which the Metal Entitlement is being calculated; and
- DA_t refers to the Daily Adjustment applicable to Currency-Hedged Metal Securities of the relevant class on the day on which the Metal Entitlement is being calculated.

The Daily Hedging Variation element of the formula

The Daily Hedging Variation is a number calculated each day in accordance with the formula set out in Condition 5.3. It is a positive or negative adjustment expressed in metal terms on a particular day which represents the change in the level of the index which tracks the variation in the exchange rate between US Dollars and the currency of denomination of the relevant Currency-Hedged Metal Security (the “**Index**”).

So, if on one day the level of the Index were to decrease from 10,000 oz. to 9,900 oz. the Daily Hedging Variation would be:

$$\frac{9,900}{10,000} = 0.9900$$

This fall in the Index would result from a fall in the exchange rate of the relevant currency against the US Dollar but there could also have been an increase in the level of the Index had there been an increase in the exchange rate of the relevant currency against the US Dollar. MS&Co will publish the level of each of the Indices on the MSPM Website.

The Daily Adjustment element of the formula

The Daily Adjustment is also calculated each day, using the formula set out in Condition 5.4. The effect of this formula is to determine the amounts in respect of fees attributable to a particular class of Currency-Hedged Metal Securities to be deducted on a particular day or for the period of days between the calculation and the last time the Metal Entitlement was calculated (for example, the calculation of the Daily Adjustment on a Monday would include amounts in respect of the fees which were applicable on Saturday and Sunday).

It does this by adding together the management fee (payable by the Issuer to ETFs Management Company (Jersey) Limited) and the hedging fee (payable by the Issuer to the FX Counterparty) for the relevant day(s). The management fee is converted into a daily rate by taking the management fee and dividing it by the number of days in the year.

The hedging fee for the relevant days(s) is represented by the Daily Hedging Rate. This is an amount that will be published on the website of the Issuer each day and is calculated in accordance with Condition 5.5 based on:

- the hedging fees charged by the existing FX Counterparties (at present there is only one FX Counterparty); and
- the number of Metal Adjustment Contracts outstanding with each of the FX Counterparties.

The Daily Adjustment is obtained by multiplying the sum of the daily management fee and the Daily Hedging Rate by the number of days since the last Metal Entitlement was calculated.

So, if the management fee was 0.39 per cent. per annum, the Daily Hedging Rate was 0.00044 per cent., the Metal Entitlement was last calculated yesterday and there were 365 days in the calendar year in which the calculation was being carried out, then the Daily Adjustment for today would be:

$$\left(\frac{0.39\%}{365} + 0.00044\% \right) \times 1 = 0.0015\%$$

Converting Metal Entitlement into a price

Whilst Currency-Hedged 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 Currency-Hedged 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 ("**Spot Price**") is based on the futures benchmark price adjusted by the price of a hypothetical exchange for physical transaction ("**EFP**"), which is determined in respect of a particular day and is intended to represent the cost as at that day of entering into and simultaneously exchanging a privately negotiated futures position in that Bullion for a physical position in that Bullion.

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 adjusted by the EFP (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:

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

Worked Example of the Calculation of the Metal Entitlement

In order to calculate the Metal Entitlement on a particular day (day t), if the Metal Entitlement of the ETFS EUR Daily Hedged Physical Gold securities on the previous day (day t-1) was 1oz, and on the day the Metal Entitlement is being calculated (day t) the Daily Hedging Variation is 0.9900 and the Daily Adjustment is 0.0015 per cent., then the Metal Entitlement of an ETFS EUR Daily Hedged Physical Gold security would be calculated using the formula as follows:

$$ME_{i,t} = ME_{i,t-1} \times (DHF_{i,t} - DA_t)$$

$$\begin{array}{ll} ME_{i,t-1} & 1 \\ DHF_{i,t} & 0.9900 \\ DA_t & 0.000015 \end{array}$$

So:

$$\begin{aligned} ME_{i,t} &= ME_{i,t-1} \times (DHF_{i,t} - DA_t) \\ ME_{i,t} &= 1 \times (0.9900 - 0.000015) \\ ME_{i,t} &= 1 \times (0.989985) \\ ME_{i,t} &= 0.989985 \end{aligned}$$

The Metal Entitlement of an ETFS EUR Daily Hedged Physical Gold security on day t is therefore 0.989985 oz.

The Metal Entitlement for each class of Currency-Hedged Metal Security in issue will be published on the Issuer's website along with the Daily Hedging Rate to enable an investor to calculate the Metal Entitlement for a particular day.

How the price of a Currency-Hedged Metal Security is affected by the changes in the value of the underlying Bullion

The three hypothetical scenarios in this section show how the price of a Currency-Hedged Metal Security is affected under 3 different examples of normal market conditions. These scenarios are not indicators of the actual future performance of the Currency-Hedged Metal Securities and are for illustration purposes only. The following assumptions have been made:

- An investor invests in the Currency-Hedged Metal Security for one day
- 1 Currency-Hedged Metal Security is bought from a broker at a price of €1,000
- The Spot Price of the physical gold on the day the security is bought is US\$1,000 and the EUR/USD FX rate is 1
- There are no changes in the level of fees charged on the Currency-Hedged Metal Securities during the investment period
- The Metal Entitlement on the next day (being the day the security is sold) is 0.999985

Scenario 1: Example of how the price of a Currency-Hedged Metal Security is affected if the value of the Bullion increases

On the next day (being the day the security is sold):

- The Spot Price of the physical gold increases to \$1,100.
- The Metal Entitlement is 0.999985.

The price of the Currency-Hedged Metal Security will be calculated as follows:

$$\text{Price}_{(i,t)} = S_{(i,t)} \times \text{ME}_{(i,t)}$$

$$\text{Price}_{(i,t)} = 1100 \times 0.999985$$

$$\text{Price}_{(i,t)} = \text{€}1,099.98$$

- The investor sells the Currency-Hedged Metal Security and has gained €99.98 from his/her initial investment the previous day.

Scenario 2: Example of how the price of a Currency-Hedged Metal Security is affected if the value of the Bullion decreases

On the next day (being the day the security is sold):

- The Spot Price of the physical gold decreases to \$900.
- The Metal Entitlement is 0.999985.

The price of the Currency-Hedged Metal Security will be calculated as follows:

$$\text{Price}_{(i,t)} = S_{(i,t)} \times \text{ME}_{(i,t)}$$

$$\text{Price}_{(i,t)} = 900 \times 0.999985$$

$$\text{Price}_{(i,t)} = \text{€}899.99$$

- The investor sells the Currency-Hedged Metal Security and has lost €100.01 from his/her initial investment the previous day.

Scenario 3: Example of how the price of a Currency-Hedged Metal Security is affected if the value of the Bullion remains the same

On the next day (being the day the security is sold):

- The Spot Price of the physical gold remains the same.
- The Metal Entitlement is 0.999985.

The price of the Currency-Hedged Metal Security will be calculated as follows:

$$\text{Price}_{(i,t)} = S_{(i,t)} \times \text{ME}_{(i,t)}$$

$$\text{Price}_{(i,t)} = 1000 \times 0.999985$$

$$\text{Price}_{(i,t)} = \text{€}999.98$$

- The investor sells the Currency-Hedged Metal Security and has lost €0.02 from his/her initial investment the previous day.

PART 3

OVERVIEW OF THE PRECIOUS METALS MARKETS AND THE INDICES

The underlying of the Currency-Hedged Metal Securities are (i) physical precious metals: platinum, palladium, silver and gold; and (ii) the Metal Adjustment Contracts which provide exposure to movements in the relevant Index. A description of the physical precious metals and the markets in them as well as the Indices is set out below. A description of the Metal Adjustment Contracts can be found under the heading “Metal Adjustment Contracts” in Part 9 (*Description of the Metal Adjustment Documentation and Metal Adjustment Contracts*).

Precious Metals 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 80 per cent. of total platinum and palladium mine 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 providing around 13 per cent. of total mine supply over the past five years. Recovery of platinum from autocatalysts is the other main source of supply and provided around 14 per cent. of total supply in 2016. 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 30 per cent. of total demand in 2016. Autocatalyst demand for platinum accounted for around 40 per cent. of total demand at the end of 2016, at around its 5-year average. Investment demand accounted for 8 per cent. of the total demand in 2016, down from 5 per cent. in 2015.

'000 oz	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Supply										
South Africa	5,070	4,515	4,635	4,635	4,860	4,110	4,208	3,547	4,571	4,392
Russia	915	805	785	825	835	801	736	700	670	723
North America	325	325	260	200	350	306	318	339	316	338
Zimbabwe	170	180	230	280	340	337	410	401	401	489
Others	120	115	115	110	100	126	163	156	151	161
Total Supply	6,600	5,940	6,025	6,050	6,485	5,680	5,835	5,143	6,109	6,103
Demand by Application										
Autocatalyst	4,145	3,655	2,185	3,075	3,185	3,158	3,000	3,103	3,264	3,318
Chemical	420	400	290	440	470	452	528	523	539	545
Electrical	255	230	190	230	230	176	218	225	229	235
Glass	470	315	10	385	515	153	100	212	160	242
Investment	170	555	660	655	460	450	871	277	451	620
Jewellery	2,110	2,060	2,810	2,420	2,475	2,783	3,028	2,897	2,824	2,446
Medical & Biomedical	230	245	250	230	230	223	214	214	215	217
Petroleum	205	240	210	170	210	112	159	165	142	143
Other	265	290	190	300	320	395	433	438	447	461
Total Gross Demand	8,270	7,990	6,795	7,905	8,095	7,902	8,551	8,054	8,271	8,227
Recycling										
Autocatalyst	-935	-1,130	-830	-1,085	-1,240	-1,120	-1,206	-1,272	-1,110	-1,152
Electrical	0	-5	-10	-10	-10	-22	-24	-27	-29	-32
Jewellery	-655	-695	-565	-735	-810	-895	-790	-762	-574	-738
Total Recycling	-1,590	-1,830	-1,405	-1,830	-2,060	-2,037	-2,020	-2,061	-1,713	-1,922
Total Net Demand	6,680	6,160	5,390	6,075	6,035	5,865	6,531	5,993	6,558	6,305
Movements in Stocks	-80	-220	635	-25	450	-185	-696	-850	-449	-202

Source: Johnson Matthey PGM Market Report 2017

Palladium

Russia has traditionally been the largest producer of palladium, providing on average 46 per cent. of supply over the past 10 years. However its production has declined and sales of state-held stock has dwindled down to zero. In 2016, Russia provided 41 per cent. of mine supplies while South Africa produced 38 per cent. South Africa has on average supplied 35 per cent. of production over the past 10 years. North America contributes approximately 12 per cent. of mine supply. Recovery of palladium has more than doubled over the past 11 years to account for 27 per cent. of overall supply at the end of 2016.

Autocatalysts are the largest component of palladium demand, representing close to 84 per cent. of total demand in 2016. Palladium investment demand was negative in 2015 and 2016, giving back all of the investment demand in 2014. Jewellery demand for palladium contributed 2 per cent. of total demand in 2016, down from 4 per cent. in 2006. Other industrial demand (electronics, dentistry and chemical) has fallen from 31 per cent. of total demand in 2007 to 21 per cent. of total demand in 2016.

'000 oz	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Supply										
South Africa	2,765	2,430	2,370	2,640	2,560	2,359	2,465	2,125	2,684	2,574
Russia										
Primary	3,050	2,700	2,675	2,720	2,705	2,627	2,528	2,589	2,434	2,773
Stock Sales	1,490	960	960	1,000	775	260	100	0	0	0
North America	990	910	755	590	900	811	831	912	874	894
Zimbabwe	135	140	180	220	265	266	322	327	320	392
Others	150	170	160	185	155	162	152	150	142	129
Total Supply	8,580	7,310	7,100	7,355	7,360	6,485	6,398	6,103	6,454	6,762
Demand by Application										
Autocatalyst	4,545	4,465	4,050	5,580	6,155	6,673	7,061	7,512	7,651	7,935
Chemical	375	350	325	370	440	524	440	358	439	411
Dental	630	625	635	595	540	510	457	468	475	427
Electrical	1,550	1,370	1,370	1,410	1,375	1,190	1,070	1,014	960	953
Investment	260	420	625	1,095	-565	467	-8	943	-659	-646
Jewellery	950	985	775	595	505	442	354	272	223	189
Other	85	75	70	90	110	104	109	111	133	147
Total Gross Demand	8,395	8,290	7,850	9,735	8,560	9,910	9,483	10,678	9,222	9,416
Recycling										
Autocatalyst	-1,015	-1,140	-965	-1,310	-1,695	-1,675	-1,905	-2,158	-1,891	-1,990
Electrical	-315	-345	-395	-440	-480	-443	-463	-474	-475	-481
Jewellery	-235	-130	-70	-100	-210	-194	-157	-89	-46	-20
Total Recycling	-1,565	-1,615	-1,430	-1,850	-2,385	-2,312	-2,525	-2,721	-2,412	-2,491
Total Net Demand	6,830	6,675	6,420	7,885	6,175	7,598	6,958	7,957	6,810	6,925
Movements in stocks	1,750	635	680	-530	1,185	-1,113	-560	-1,854	-356	-163

Source: Johnson Matthey PGM Market Report 2017

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 71 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. of 17 per cent. to total demand.

Exchange traded product inventory build had seen strong growth until 2009, rising more than three-fold between 2005 and 2009, before tapering and eventually seeing outflows in 2013, 2014 and 2015 as the price of gold fell by a cumulative 36 per cent. between 2013 and 2015. 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. ETP inventory resumed building in 2016 after three continuous years of outflows.

(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	3,077	3,172	3,209	3,222
Scrap	1,189	1,029	1,388	1,765	1,743	1,704	1,700	1,303	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

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 49 per cent. silver fabrication demand is industrial uses.

New mine production accounts for approximately 88 per cent. of total silver supply. Recycled silver accounts for around 14 per cent. of total supply. Recycled silver totalled 140 million ounces in 2016, marking the fourth consecutive time recycling has fallen below 200 million ounces in 10 years. The total of producer hedging, government sales and implied “net disinvestment” has been in decline but together account for the balance of total supply.

Industrial applications and jewellery demand accounted for 67 per cent. of total demand in 2016. Photography has been taking a lower share of overall silver demand falling from 11 per cent. in 2007 to 4 per cent. in 2016, while all other industrial applications have remained in the range of 45 per cent. to 51 per cent. over the past 10 years. Jewellery and silverware have remained relatively constant at 230 to 290 million ounces per annum. Investment in coins and bars has grown more than three-fold in the past 10 years rising from 62 million ounces in 2007 to 207 million ounces in 2016.

(in millions of ounces)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Supply										
Mine Production	667.7	684.7	717.3	753.0	758.3	791.7	823.7	868.6	890.8	885.8
Net Government Sales	42.5	30.5	15.6	44.2	12.0	7.4	7.9	—	—	—
Scrap	203.7	200.4	200.1	226.4	260.1	253.8	191.0	165.3	141.1	139.7
Net Hedging Supply	-24.1	-8.7	-17.4	50.4	12.2	-47.1	-34.8	16.8	7.8	-18.4
Total Supply	889.8	907.0	915.6	1,074.1	1,042.7	1,005.8	987.8	1,050.7	1,039.7	1,007.1
Demand										
Jewellery	182.3	177.6	176.9	190.0	191.5	187.4	221.8	227.9	228.3	207.0
Coins & Bars	61.6	196.6	92.9	147.7	208.4	159.2	240.6	234.0	290.7	206.8
Silverware	60.2	58.4	53.2	51.6	47.2	43.7	58.8	60.7	62.9	52.1
Industrial Fabrication	646.0	641.8	528.2	633.8	661.4	600.0	604.5	595.7	569.6	561.9
of which Electrical & Electronics	262.5	271.7	227.4	301.2	290.8	266.7	266.0	263.4	245.9	233.6
of which Brazing Alloys & Solders	58.6	61.8	53.8	61.2	63.2	61.1	63.7	66.7	61.5	55.4
of which Photography	117.0	98.2	76.4	67.5	61.2	54.2	50.5	48.5	46.6	45.2
of which Photovoltaic	—	—	—	—	75.8	58.2	55.9	51.8	57.2	76.6
of which Ethylene Oxide	7.9	7.4	4.8	8.7	6.2	4.7	7.7	5.0	10.2	10.2
of which Other Industrial	200.0	202.7	165.8	195.2	164.1	155.0	160.8	160.5	148.4	141.0
ETP Inventory Build	54.8	101.3	156.9	129.5	-24.0	55.3	2.5	1.5	-17.7	47.0
Exchange Inventory Build	21.5	-7.1	-15.3	-7.4	12.2	62.2	8.8	-5.3	12.6	79.8
Total Demand	1,026.4	1,168.6	992.8	1,145.2	1,096.7	1,107.8	1,137.0	1,114.5	1,146.4	1,154.6
Net Balance	-136.6	-261.6	-77.2	-71.1	-54.0	-102.0	-149.2	-63.8	-106.7	-147.5

Source: World Silver Survey 2017

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.

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 market 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 London basis (meaning the metal is physically held in vaults in London) or on a loco Zurich basis (meaning the metal is physically held in vaults in Zurich) or is transferred into accounts established in London or Zurich. 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 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, 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. 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. and 3:00 p.m.

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 on 14 August 2014. On 11 July 2014, the LBMA announced that a solution offered by CME and 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 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, LME began administering the operation of electronic platinum bullion price fixing systems that replicates electronically the manual London platinum and palladium fix processes previously employed by the London Platinum and Palladium Fixing Company Limited 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. and 2:00 p.m.

	Platinum	Palladium	Silver	Gold
Fixing times (approximate)	09.45 14.00	09.45 14.00	12.00	10.30 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 initial Custodian is a member of both Relevant Associations. The Issuer believes that presently the Custodian and its affiliated entities are one of the largest precious metal clearers in the market. The clearing members of both Relevant 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 Security Trustee and for consistency with the terms of the Programme.

Historic Precious Metal Prices

Each of the LPPM, LBMA and LME publishes on its website (<http://www.lppm.org.uk/>, <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: June 2012 to June 2017.

	PM Basket	Gold	Silver	Palladium	Platinum	Equity ⁽¹⁾	Bond ⁽²⁾
PM Basket	1.00	0.95	0.87	0.70	0.87	0.18	0.18
Gold		1.00	0.85	0.48	0.79	0.04	0.22
Silver			1.00	0.48	0.79	0.09	0.09
Palladium				1.00	0.53	0.36	0.12
Platinum					1.00	0.26	0.01
Equity						1.00	-0.10
Bond							1.00

(1) S&P Total Return

(2) US Tracker 1-10 Yrs Bond Index

Source: Bloomberg

MSPM Indices

The Metal Entitlement of the Currency-Hedged Metal Securities is calculated by reference to certain MSPM Indices calculated and published by MS&Co. These Indices provide benchmarks for long investments in a wide range of physical precious metals with a currency hedge overlay.

The Indices are designed as tradable benchmarks for the daily performance of precious metals in various currencies. Each index consists of a position in a currency forward which is rolled daily using forward contracts. The profit and loss from the rolling of the forward contracts is translated into metal terms using a spot price obtained by taking an appropriate futures benchmark for that precious metal and adjusting by a Exchange for Physical (as described below). The methodology which MS&Co uses in order to calculate the Indices is set out in the Handbook which, at the date of this Prospectus, is available at <http://www.ms.com/mspm> (the "**MSPM Website**").

"Exchange for Physical" is a value determined in respect of a particular day and is intended to represent the cost as of such day of entering into and simultaneously exchanging a privately negotiated futures position in a particular type of Bullion for a physical position in that Bullion (an "Exchange for Physical

Transaction”). The Exchange for Physical value is determined by MS&Co (or one or more of its Affiliates) in its discretion taking into account such market and other factors that it or its employees considers relevant to determining such value in respect of the particular day.

The MSPM Indices currently consist of 16 tradable indices – four different precious metals each in four different currencies. The MSPM Website provides simulated historical values of each of the Indices on a daily basis beginning in 13 August 2002 using the calculation methodology set out in the Handbook by way of an Excel file enabling users to calculate historic performance and volatility.

As at the date of this Prospectus, the following Indices are available:

- Morgan Stanley GBP Daily Hedged Physical Gold; and
- Morgan Stanley EUR Daily Hedged Physical Gold.

The Indices were first published in June 2012 using simulated historical data calculated back to 2002 (the “**Initial Calculation Date**”). On the Initial Calculation Date the level of each Index was set at 10,000 and has been and is to be increased or decreased each day pursuant to the calculation methodology set out in the Handbook.

The Indices were created by and are calculated and disseminated on a real time basis by or for MS&Co using an objective and systematic methodology that uses generally available data sources that reflect actual quotes or trades by market participants.

The MSPM Indices Committee currently comprises senior employees of the Index Sponsor and representatives from sales and trading, strats, legal and compliance teams and is responsible for overseeing the methodology and calculation of the Indices, monitoring the effectiveness of the Indices as a measure of the performance of the spot price of physical precious metals in the relevant currencies and determining the need for changes in the composition or methodology of any Index. The MSPM Indices Committee also reviews any significant market events and conditions that may affect the Indices and may recommend that MS&Co revises the methodology or makes changes to the Indices as it reasonably determines necessary in response to such events or conditions. All decisions with respect to the composition, calculation and operation of the Indices will be made by MS&Co after consultation with the MSPM Indices Committee.

The Manual gives MS&Co as Index Sponsor a broad discretion to make modifications and adjustments to the MSPM Indices as tradeable benchmarks. Any modifications, adjustments or other changes implemented by MS&Co which are reflected in the Handbook and which affect the Indices will be notified to Security Holders through a RIS made as soon as reasonably practicable after the change is notified to the Issuer.

MS&Co is expected to use commercially reasonable efforts to calculate and transmit for publication an official closing level for each Index at or at a reasonable time after 6.30 p.m. London time on any Index Business Day.

Description of the operation of the currency hedge overlay

The Indices are total return indices which reflect, in physical precious metal terms, the performance of an unfunded position in forward contracts which are rolled on a daily basis.

The “Daily Currency Exposure” is equivalent to the daily price change from investing in one uncollateralised forward contract comprising the following two elements:

- the daily change in the rate of exchange of a Currency against the US Dollar
- an interest rate differential reflecting the difference between (i) the interbank benchmark interest rate applicable to the currency which is being hedged against the US Dollar; and (ii) the interbank benchmark interest rate applicable to US Dollars.

The extent to which the full value of either the rate of exchange between a Currency and the US Dollar or the interest rate differential is reflected in currency forward prices will depend on the liquidity and convertibility of the relevant Currency.

Calculation of the Indices in physical precious metal terms

The closing level of each Index is determined as a quantity in troy ounces of the applicable precious metal (or fine troy ounces in the case of gold). In order to determine the closing settlement level of the Index on each day the proceeds from the forward contracts are converted into quantities of physical precious metals. This conversion is done at a spot price for the relevant physical precious metal. The spot price is determined by taking a common benchmark futures position for that precious metal and undertaking an Exchange for Physical Transaction.

MS&Co will periodically publish on the MSPM Website details of the historic price at which the Exchange for Physical Transactions are carried out in respect of each Index. Such publication will not occur daily.

Effect of the Currency Hedge provided by the Indices

Generally, on a day when there is a positive correlation between the relevant foreign exchange rate (expressed in US Dollars) and the spot price of the relevant physical precious metal (i.e. they both move in the same direction) then the MSPM Index (in the relevant currency) will underperform the spot price of the relevant physical precious metal on such day. The hypothetical examples in Table 1 demonstrates the difference in performance between the MSPM Index and the corresponding spot price when both the spot price of the precious metal (in this case gold) and the foreign exchange rate (in this case the Euro to Dollar exchange rate) move in the same direction. The example also compares the performance of the MSPM Index with the return if a pure quanto hedging strategy were used:

Table 1

Scenario A: Both the foreign exchange rate and the gold spot price increase

	EUR/USD FX Rate	Gold Spot Price	ME (in oz)	Morgan Stanley EUR Gold Index ⁽¹⁾	Quanto Euro hedged index ⁽²⁾
	1.1000	1,000	1.00000		100.00
Level at close Day T-1	1.1000	1,000	1.00000	100.00	100.00
Level at close Day T	1.2000	1,100	1.08264	109.17	110.00
% change	9.09%	10.0%	8.3%	9.2%	10.0%

Scenario B: Both the foreign exchange rate and the gold spot price decrease

	EUR/USD FX Rate	Gold Spot Price	ME (in oz)	Morgan Stanley EUR Gold Index ⁽¹⁾	Quanto Euro hedged index ⁽²⁾
	1.1000	1,000	1.00000		100.00
Level at close Day T-1	1.1000	1,000	1.00000	100.00	100.00
Level at close Day T	1.0000	900	0.89899	89.00	90.00
% change	-9.09%	-10.0%	-10.1%	-11.0%	-10.0%

(1) assuming assumed that T-2 values were identical to T-1, that there was no spread on the EFP and that S/N level was equal to zero

(2) performance of the quanto strategy is equal to the performance of the gold spot price

In each of the scenarios above the Index would have underperformed a *quanto* strategy which over that same period should generate a performance equal to that of the gold spot price (i.e. a 10 per cent. increase).

Generally, on a day when there is a negative correlation between the relevant foreign exchange rate (expressed in US Dollars) and the physical precious metal spot price (i.e. they move in opposing directions) the MSPM Index (in the relevant currency) will outperform the corresponding physical precious metal spot price on such day. The hypothetical example in Table 2 demonstrates the difference in performance between the MSPM Index and the corresponding precious metal spot price (in this case the spot price of physical gold) and the foreign exchange rate (in this case the Euro to US Dollar foreign exchange rate) move in opposite directions. The example also compares the performance of the MSPM Index versus the return if a pure *quanto* hedging strategy were used.

Table 2

Scenario C: The foreign exchange rate decreases and the gold spot price increase

	EUR/USD FX Rate	Gold Spot Price	ME (in oz)	Morgan Stanley EUR Gold Index ⁽¹⁾	Quanto Euro hedged index ⁽²⁾
	1.1000	1,000	1.00000		100.00
Level at close Day T-1	1.1000	1,000	1.00000	100.00	100.00
Level at close Day T	1.0000	1,100	0.91736	111.00	110.00
% change	-9.09%	10.0%	-8.3%	11.0%	10.0%

Scenario D: The foreign exchange rate increases and the gold spot price decrease

	EUR/USD FX Rate	Gold Spot Price	ME (in oz)	Morgan Stanley EUR Gold Index ⁽¹⁾	Quanto Euro hedged index ⁽²⁾
	1.1000	1,000	1.00000		100.00
Level at close Day T-1	1.1000	1,000	1.00000	100.00	100.00
Level at close Day T	1.2000	900	1.10101	90.83	90.00
% change	9.09%	-10.0%	10.1%	-9.2%	-10.0%

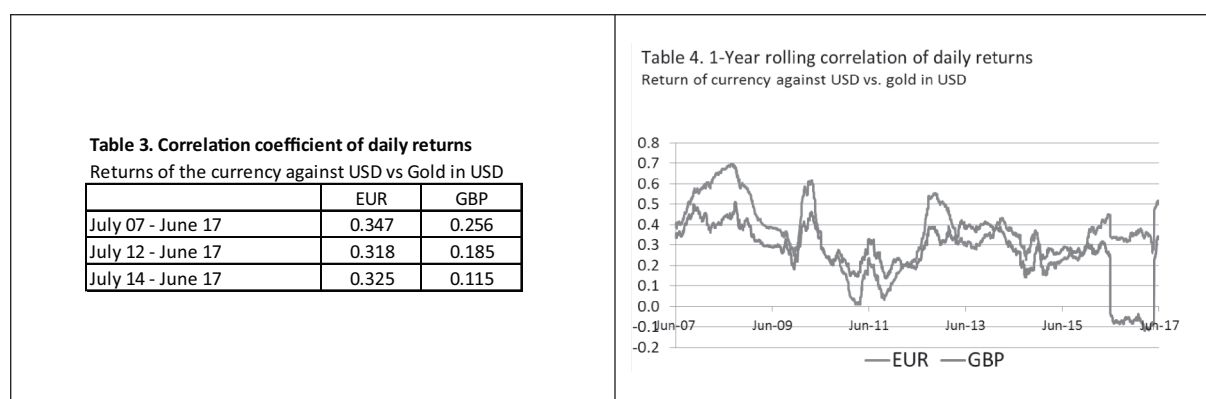
(1) assuming assumed that T-2 values were identical to T-1, that there was no spread on the EFP and that S/N level was equal to zero

(2) performance of the quanto strategy is equal to the performance of the gold spot price

In both Scenarios C and D the MSPM Index would have out-performed a *quanto* strategy which over that same period should generate a performance equal to that of the gold spot price (i.e. a 10 per cent. increase or a 10 per cent. decrease).

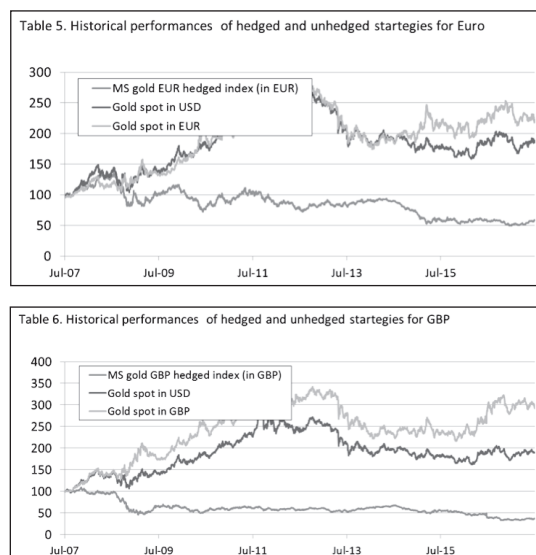
Historical correlation coefficients

Table 3 and Table 4 shows the historical correlations between the performance of each of the Euro and Pound Sterling foreign exchange rates (in each case expressed against the US Dollar) and the return of the US Dollar spot price of gold.



The tables above show that the correlation between the performance of the Euro and Pound Sterling against the US Dollar and the performance of the US Dollar gold spot price have generally been positive which implies that over the periods above Euro and Pound Sterling Currency-Hedged Indices would have been expected to underperform the corresponding US Dollar gold spot price on a particular day.

Tables 5 and 6 below show (based on back-tested data) the performance of the Morgan Stanley Euro and Pound Sterling Gold Index against the gold spot price in each of US Dollars and Pounds Sterling between July 2007 and June 2017. The difference in performances between the unhedged strategy and the hedged one are in line with the expectations. In particular, as shown in Tables 3 and 4 Euro has experienced a higher correlation against gold than Pound Sterling has. As a result the Euro hedged strategy has more significantly underperformed the gold spot price in US Dollars.



The Indices are the exclusive property of MS&Co. MS&Co and the MS&Co index names are service mark(s) of MS&Co or its Affiliates and have been licensed for use for certain purposes by the Issuer.

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PART 4

DESCRIPTION OF CURRENCY-HEDGED METAL SECURITIES

The following is a description of the rights attaching to Currency-Hedged Metal Securities. The legally binding Conditions of Currency-Hedged Metal Securities are set out in Part 6 (Trust Instrument and Currency-Hedged Metal Securities) of this Prospectus. Copies of the Trust Instrument, by which Currency-Hedged Metal Securities are constituted, are available for inspection as set out in paragraph 7 of Part 13 (Additional Information) under the heading "Documents Available for Inspection".

A Currency-Hedged Metal Security is an undated secured limited recourse debt obligation of the Issuer, which entitles a Security Holder (provided it is an Authorised Participant or in certain other limited circumstances) to require the redemption of the Currency-Hedged Metal Security and on the Settlement Date receive an amount of Bullion equal to the Metal Entitlement on the Pricing Day on which the applicable Redemption Form is received or deemed received. A Security Holder who is not an Authorised Participant may only require the redemption of a Currency-Hedged 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.

Currency-Hedged Metal Securities also aim to minimise the impact of exchange rate movements on an Australian Dollar, Euro, Singapore Dollar or Pound Sterling investor's return by hedging on a daily basis the equivalent US Dollar value of the Bullion against exchange rate movements between the US Dollar and the Australian Dollar, Euro, Singapore Dollar or Pound Sterling, respectively. The Metal Entitlement of each Individual Security will be adjusted on each Pricing Day by, *inter alia*, the Daily Hedging Variation, being an amount reflecting the daily movement in an index tracking the variation in the exchange rate between United States dollars and the Currency of denomination of the Individual Security. The Issuer's obligations in respect of the Daily Hedging Variation of each type of Currency-Hedged Metal Securities will be supported by Metal Adjustment Contracts entered into with one or more FX Counterparties pursuant to one or more Metal Adjustment Agreements. The initial FX Counterparty is MSIP.

The Daily Hedging Variation will be calculated on each Pricing Day and the quantity of Bullion held by the Issuer will be adjusted to reflect the Daily Hedging Variation by the operation of the Aggregate Delivery Amount under the terms of the Metal Adjustment Contracts.

The Currency-Hedged Metal Securities will (save in respect of unsettled Daily Delivery Amounts) be backed by physical Bullion in a vault (i.e. each Currency-Hedged Metal Security will be secured by "allocated" Bullion which complies with the "Good Delivery" standard set by the Relevant Association), other than amounts held on a temporary basis in unallocated form for settlement purposes as well as rights, in certain circumstances, under arrangements with FX Counterparties to provide a currency hedging overlay.

Metal Entitlement

Individual Securities

There is a separate Metal Entitlement for each class of Gold Individual Securities which, as at 19 March 2013 (being the day dealings in Gold Individual Securities first commenced on the London Stock Exchange), was fixed at 0.01 fine troy oz.

As at 14 August 2017, the Metal Entitlement for the classes of Gold Individual Securities in issue was as follows:

	Metal Entitlement
EUR Hedged Physical Gold	0.008083380
GBP Hedged Physical Gold	0.007882546

For the other classes of Gold Individual Securities and all other classes of Individual Securities in each Bullion Class there will be a separate Metal Entitlement which on the day dealings in the Individual Securities in each Bullion Class first commence on the London Stock Exchange will be as follows:

Bullion Class of Security	Initial Metal Entitlement
Gold Individual Securities	0.01 fine troy oz
Palladium Individual Securities	0.01 troy oz
Platinum Individual Securities	0.01 troy oz
Silver Individual Securities	0.10 troy oz

The Metal Entitlement is adjusted on each Pricing Day by the Daily Hedging Variation (which adjusts for the currency hedging overlay) and reduced by the Daily Adjustment (which deducts the Management Fee and the Daily Hedging Fee). Whenever new securities are issued and existing securities redeemed, this will be done at the then prevailing Metal Entitlement, thereby ensuring that all Individual Securities of the same class have the same Metal Entitlement and are fully fungible.

The Metal Entitlement is adjusted daily by the Daily Adjustment and the Daily Hedging Variation as follows:

$$ME_{i,t} = ME_{i,t-1} \times (DHV_{i,t} - DA_t)$$

where:

$ME_{i,t}$ is the Metal Entitlement for Individual Securities of class i for day t;

$ME_{i,t-1}$ is the Metal Entitlement for Individual Securities of class i on the previous day t-1;

i refers to the relevant class of Individual Security;

t refers to the applicable Pricing Day;

t-1 refers to the Pricing Day prior to day t;

$DHV_{i,t}$ refers to the Daily Hedging Variation for Individual Securities of class i on day t calculated as described under the heading “Daily Hedging Variation” below and in accordance with the formula set out in Condition 5.3; and

$DA_{i,t}$ refers to the Daily Adjustment applicable to Individual Securities of class i on day t calculated as described under the heading “Daily Adjustment” below and in accordance with the formula set out in Condition 5.4.

The Metal Entitlement is calculated by the Issuer on each Pricing Day to nine decimal places with 0.0000000005 troy ounces (or fine troy ounces in the case of gold) rounded upwards, and will be published on the Issuer’s Website.

Daily Hedging Variation

The Daily Hedging Variation is designed to provide the hedge in the exposure of the relevant Currency of a class of Individual Security against the US Dollar by reflecting the movement in the relevant Index on each Pricing Day. The Daily Hedging Variation is calculated on each Pricing Day by applying the formula set out in Condition 5.3.

The Daily Hedging Variation will be calculated by the Issuer on each Pricing Day. The Daily Hedging Variation is settled between the Issuer and the FX Counterparty by the operation of the Daily Delivery Amount as described under the headings “Metal Adjustment Contracts — Daily Delivery Amount and Aggregate Delivery Amount” and “Metal Adjustment Contracts — Delivery” in Part 9 (*Description of the Metal Adjustment Documentation and Metal Adjustment Contracts*).

The Daily Adjustment

The Daily Adjustment reduces the Metal Entitlement each day to reflect the Management Fee and the Daily Hedging Fee and is calculated by the Issuer by applying the formula set out in Condition 5.4.

The Daily Adjustment is an amount calculated by the Issuer on each Pricing Day to five decimal places with 0.000005 being rounded upwards.

Basket Securities

The Issuer may create and make available for issue Basket Securities comprising any two or more of Gold Individual Securities of any class, Silver Individual Securities of any class, Platinum Individual Securities of any class and Palladium Individual Securities of any class, in any proportions, and denominated in a particular Currency.

When available for issue, the Metal Entitlement of the Basket Securities will be the aggregate of the Metal Entitlements of the Individual Securities of which they are comprised. The initial Metal Entitlement for any category of Basket Securities and the Individual Securities of which they are comprised will be set out in the relevant Final Terms.

Publication of Metal Entitlement

The Issuer will arrange for publication on the Issuer's Website at <http://www.ETFSecurities.com> of the current Metal Entitlement, Management Fee and Hedging Fee for each type of Currency-Hedged Metal Security in issue.

Management Fee and Daily Hedging Fee

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 in a Bullion Class is as follows:

Bullion Class of Security	Management Fee rate (basis points per annum)
Gold Individual Securities	39
Palladium Individual Securities	49
Platinum Individual Securities	49
Silver Individual Securities	49

The Management Fee for Basket Securities will be the aggregate of the Management Fee for the Individual Securities 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 Currency-Hedged Metal Security is aggregated and payable in Bullion to ManJer on a monthly basis.

Daily Hedging Variation and Hedging Rate

The Daily Hedging Variation is calculated on each Pricing Day by applying the formula set out in Condition 5.3 to the Hedging Rate.

The Hedging Fee in respect of each class of Individual Securities is payable monthly in US Dollars to the FX Counterparty and is determined by applying the Daily Hedging Rate to the Metal Equivalent of a Metal Adjustment Contract of the relevant class.

The Hedging Rate varies per class of Individual Security and for each class will be set out in the applicable Final Terms. As at 14 August 2017, the Hedging Rates for certain classes of Individual Securities are as follows:

Class of Individual Security	Hedging Rate (basis points per annum)
ETFS EUR Daily Hedged Physical Gold	16
ETFS GBP Daily Hedged Physical Gold	26

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

Authorised Participants

Only Authorised Participants can request the Issuer to create or redeem Currency-Hedged Metal Securities, save where, as noted elsewhere in this document, 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 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 it is: (a) a securities house or other market professional approved by the Issuer (in its absolute discretion); (b) an Authorised Person, an Exempt Person or an Overseas Person; and (c) not a UCITS Fund. An Authorised Participant must also have entered into: (a) 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 Currency-Hedged Metal Securities and (b) a Direct Agreement with MSIP and/or another FX Counterparty (except in the case of a FX Counterparty or an Affiliate which has entered into an Authorised Participant Agreement with the Issuer).

An Authorised Participant Agreement has been entered into with Morgan Stanley Securities Limited, Jane Street Financial Limited and Virtu Financial Ireland Limited, the terms of which are summarised in paragraph 3 of Part 13 (*Additional Information*).

Under the Metal Adjustment Agreement, the FX Counterparty has the right to give notice (with immediate effect) that an Authorised Participant has ceased to be acceptable to it in certain circumstances, including if it deems such person to be unacceptable to it as an Authorised Participant for credit, compliance, general business policy or reputational reasons. As a result of any exercises of such right there could at any time be no Authorised Participants.

The Issuer will use its reasonable endeavours to ensure that at all times for the duration of the Programme after the date three months following Listing there are at least two Authorised Participants and until then at least one Authorised Participant. In the event that at any time there are no Authorised Participants, Security Holders will be permitted to redeem Currency-Hedged Metal Securities respectively held by them directly from the Issuer.

Applications and Redemptions

Business Days

Platinum Individual Securities and Palladium Individual Securities (and any Basket Security comprised of, *inter alia*, Platinum Individual Securities or Palladium Individual 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 New York Business Days, *provided that*, the London Business Days and the New York Business Days are days on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in both London and New York.

Silver Individual Securities and Gold Individual Securities (and any Basket Security comprised only of Silver Individual Securities and Gold Individual Securities) are created and redeemed based on a day count using days which are London Business Days, *provided that*, the London Business Days are days on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in both London and New York.

Application Processes

Currency-Hedged Metal Securities may be created at any time during the period of 12 months from the date of this document. There is no minimum number of Currency-Hedged Metal Securities that may be applied for but Applications and Redemptions are subject to the Creation Limits and Redemption Limits set out under the heading "Creation Limits and Redemption Limits" below. Only Authorised Participants may lodge an Application Form.

Payment for Currency-Hedged Metal Securities must be made by the Authorised Participant depositing an amount of Bullion equal to the aggregate Metal Entitlement of the Currency-Hedged Metal Securities applied for, calculated as at the Application 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 11.00 a.m.; and (ii) the clearing cut-off time set by the LBMA for silver and gold, currently 4.00 p.m. on the Settlement Date for Platinum Individual Securities and Palladium Individual Securities, and by 11.00 a.m. on the Settlement Date for Gold Individual Securities or Silver Individual Securities.

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

An application received by the Issuer by 11.00 a.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 Currency-Hedged Metal Securities in their CREST account within two Business Days (T+2). Deposits should be made as unallocated Bullion loco London.

A Currency-Hedged Metal Security will only be issued 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. Such newly issued Currency-Hedged Metal Securities will be fungible with all existing Currency-Hedged Metal Securities of the same type and will be backed by the same assets.

Once in the relevant Secured Unallocated Account, the Custodian will then allocate all the Bullion by transferring such Bullion to the relevant Secured Allocated Account; allocation is generally expected to be completed the same day.

Bullion held in the Subscription Unallocated Accounts in respect of valid Applications will not be subject to the security created by the Security Deed 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.

A Currency-Hedged Metal Security will be cancelled on redemption when an amount of Bullion equal to the value of the Metal Entitlement has been transferred from the Secured Metal Accounts to the Security Holder on the applicable Settlement Date.

Redemption Processes

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 part of its holding of Currency-Hedged Metal Securities. Payment for redemptions shall be made by the Custodian, on approval of the Security Trustee, by withdrawing Bullion from the applicable Secured Allocated Account in an amount equal to the aggregate Metal Entitlement of the Currency-Hedged Metal Securities being redeemed, calculated as at the Redemption Notice 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 corresponding Secured Unallocated Account before being transferred to the Authorised Participant's account on the Settlement Date.

A Security Holder must deposit the Currency-Hedged 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 Currency-Hedged Metal Securities. Redemption Forms lodged with the Issuer by 2.00 p.m. on a Business Day (day T) with the Currency-Hedged 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 2.00 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 Currency-Hedged 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 Currency-Hedged Metal Securities being Redeemed to the Issuer by either depositing them into an appropriate CREST account 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 Currency-Hedged Metal Securities to the Issuer by agreement with the Issuer). Redemption Forms will not be treated as having been lodged until the Currency-Hedged 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 Security Trustee will request a Metal Sale Counterparty to purchase Bullion pursuant to a Metal Sale Counterparty Agreement in an amount equal to the aggregate Metal Entitlement of the Currency-Hedged Metal Securities being redeemed, calculated as at the Redemption Notice Date (rounded down to the nearest 0.001 troy ounce, or fine troy ounce in the case of gold). The Bullion will be sold to the Metal Sale Counterparty 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.

None of the Security Trustee, the Trustee and 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 Security Trustee and/or 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 Currency-Hedged 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 Currency-Hedged Metal Securities*).

The System

The Issuer intends to implement a system (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 required by the Custodian Agreements, the Metal Adjustment Documentation, 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 will be made and all Redemptions 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 — Redemption Processes” above.

Creation Limits and Redemption Limits

The number of Metal Adjustment Contracts which can be created or cancelled at any time under each Metal Adjustment Agreement (and therefore on the issue or redemption of corresponding Currency-Hedged Metal Securities) is subject to the Creation Limits and Redemption Limits, which consist of Daily Creation Limits, Daily Cancellation Limits and Volume Limits and will apply to all Currency-Hedged Metal Securities of a type which is denominated in a particular Currency. Unless otherwise agreed by a FX Counterparty, Metal Adjustment Contracts of a particular class may not be created or cancelled

under the relevant Metal Adjustment Agreement on a day to the extent that the aggregate of all Metal Adjustment Contracts relating to that Currency which are created or cancelled under that Metal Adjustment Agreement on that day would exceed the specified limits for such Currency, or to the extent the Volume Limits would be exceeded.

The Issuer will reject Application Forms or Redemption Forms to the extent that the acceptance of such would cause the Creation Limit or Redemption Limit to be exceeded, unless a FX Counterparty agrees with the Issuer that corresponding Metal Adjustment Contracts will be created or terminated notwithstanding that the Creation Limit or Redemption Limit or Volume Limit would be exceeded. For the purposes of the Creation Limits and Redemption Limits, Application and Redemption Forms are dealt with in strict time priority by reference to the date and time of their receipt.

As at the date of this Prospectus, the Creation Limits, Redemption Limits and Volume Limits which apply to each Currency Class are as follows:

Currency of denomination	Volume Limit	Daily Creation Limit and Daily Cancellation Limit
Australian Dollars	US\$2,000,000,000	US\$100,000,000
Euro	US\$2,000,000,000	US\$100,000,000
Singapore Dollars	US\$50,000,000	US\$20,000,000
Sterling	US\$2,000,000,000	US\$100,000,000

The Creation Limits, Redemption Limits and Volume Limits may be amended by written agreement of the Issuer and the relevant FX Counterparty. If they are amended, the Issuer will make an announcement by RIS.

Daily Class Delivery Minimum and Maximum Bullion Class Delivery Amount

As described under the heading “Metal Adjustment Contracts — Delivery” in Part 9 (*Description of the Metal Adjustment Documentation and Metal Adjustment Contracts*), circumstances may arise where, as a result of the operation of the Maximum Bullion Class Delivery Amount and/or the Daily Class Delivery Minimum, the FX Counterparty has at any particular time unsettled delivery obligations to the Issuer in respect of a particular type of Bullion. If at such time Redemption requests are made and in the event of either or both of the following applying:

- (i) a high level of Redemption requests in respect of any class of Individual Securities (and Basket Securities comprised (*inter alia*) of Individual Securities of that class) as a proportion of the relevant class as a whole; or
- (ii) the amount of Bullion in respect of which the FX Counterparty has unsettled delivery obligations to the Issuer, as a result of the operation of the Maximum Bullion Class Delivery Amount and/or the Daily Class Delivery Minimum or otherwise, representing a significant proportion of the aggregate Metal Entitlement of the Individual Securities of that class,

the Issuer may be unable to satisfy all valid Redemption Forms in respect of the relevant type of Currency-Hedged Metal Securities, in which case under the Conditions the Issuer may satisfy valid Redemption Forms (in the order of delivery to the Issuer) to the extent it is able to do so and defer settlement of the others until it is able to satisfy them.

Compulsory Redemptions

There are circumstances in which Currency-Hedged Metal Securities can be compulsorily redeemed by the Issuer, either in whole or in part, as set out fully in the Conditions and subject to the Redemption Limits set out above.

The Issuer may, at any time, at its discretion, upon not less than (i) 30 days’ notice or (ii) one day’s notice in the event that Metal Adjustment Documentation is terminated or a Compulsory Cancellation Date is nominated in respect of one or more Metal Adjustment Contracts, in either case by RIS announcement to the Security Holders, redeem all or some only of the Currency-Hedged Metal Securities, or all or some only of the Currency-Hedged Metal Securities of any one or more type. Where the Issuer elects to nominate a Compulsory Redemption Date in accordance with (ii) above, if the notice given is greater than seven days, such notice may be withdrawn until the date not later than seven days

prior to the nominated Compulsory Redemption Date provided there remains in effect at least one Metal Adjustment Agreement pursuant to which corresponding Metal Adjustment Contracts may subsequently be created. If a FX Counterparty Event of Default or an Issuer Insolvency Event has occurred and is occurring, the Trustee may at any time, at its discretion, and shall if so directed by the requisite number of Security Holders in accordance with Condition 7.2, upon not less than two Business Days' notice to the Issuer and by RIS announcement to the Security Holders, require the Issuer to redeem, in the context of an Issuer Insolvency Event, all Currency-Hedged Metal Securities or, in the context of a FX Counterparty Event of Default, those Currency-Hedged Metal Securities that are attributable to the Pools, PMA Sub-Pool or PMA Sub-Pools which include rights against that particular FX Counterparty, whereupon the Issuer will exercise its rights to redeem such Currency-Hedged Metal Securities.

Subject to certain conditions, Currency-Hedged Metal Securities may also be automatically redeemed by the Issuer if a FX Counterparty elects to enforce the Security if a FX Counterparty Enforcement Event in relation to such FX Counterparty has occurred and is continuing.

The Conditions provide that upon Redemption of an Individual Security, a Security Holder will receive an amount equal to the Metal Entitlement of such Individual Security but may, in certain circumstances, elect to receive on redemption in lieu an amount in cash in US Dollars equal to the product of the Principal Amount and the Foreign Exchange Rate in respect of the Index to which the relevant class relates on the relevant Pricing Day, **provided that**, such Security Holder has delivered the Currency-Hedged 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 delivering such Currency-Hedged Metal Securities to the Issuer by agreement with the Issuer).

As each type of Currency-Hedged Metal Security is a limited recourse security as described in Condition 3, it is in the interests of the Security Holders of each type to ensure that the value of the Metal Entitlement for each relevant class of Individual Securities does not fall below its Principal Amount. The Issuer will aim to avoid the value of a class of Individual Security falling below its Principal Amount by the following measures: (i) the Issuer may where necessary, seek the sanction of Security Holders by Extraordinary Resolution to reduce the Principal Amount of a class of Individual Security to a level less than the value of the Metal Entitlement; and/or (ii) if on any Pricing Day the value of the Metal Entitlement of any class of Individual Security falls to 2.5 times the Principal Amount of such Individual Security or below, the Issuer may, at any time for so long as the value of the Metal Entitlement remains below such amount and during the period 60 days thereafter, upon not less than two days' notice by RIS announcement, elect to redeem the Individual Securities of that class. The right pursuant to (ii) above will cease once an Extraordinary Resolution is passed to reduce the Principal Amount such that the value of the Metal Entitlement is more than 2.5 times the Principal Amount, subject to any further fall in the value of the Metal Entitlement of any class of Individual Securities to 2.5 times the Principal Amount or below.

If the value of the Metal Entitlement of a class of Individual Security falls below its Principal Amount, the Issuer may suspend Redemptions of that class of Currency-Hedged Metal Security and may terminate any such suspension (giving notice in each case via RIS announcement) for a period of 30 days, and thereafter provided that notice of a meeting has been issued convening a meeting for a date not more than 30 days after the date of the notice for the purpose of considering an Extraordinary Resolution which will have the effect of reducing the Principal Amount to a level less than the value of the Metal Entitlement, the suspension to expire when the meeting (or any adjournment thereof) concludes or, if the Extraordinary Resolution is passed and makes alternative provision, in accordance with the Extraordinary Resolution. Any suspension will not affect any Redemption the Pricing Day for which had passed before the suspension commenced, but any Redemption Form lodged on a Business Day when the right to Redeem Individual Securities of that class is suspended will be invalid.

Under each set of Metal Adjustment Documentation, each FX Counterparty has the right to terminate some or all of the Metal Adjustment Contracts of a particular class if as a consequence of a Hedging Disruption/Change in Law it is unable to maintain the hedging positions which (acting reasonably) it attributes to the hedging of its obligations in connection with the Metal Adjustment Documentation or Metal Adjustment Contracts of one or more classes. In such a case, or in the event that all or some of the corresponding Metal Adjustment Contracts are terminated under the terms of the Disruption Fallback attributable to a Disruption Event or an Early Termination Date has been set in relation to such corresponding Metal Adjustment Contract(s), the Issuer has and will exercise the right by RIS

announcement to nominate a Business Day to be a Compulsory Redemption Date for all or some of the Currency-Hedged Metal Securities of that class corresponding to such Metal Adjustment Contracts. Where less than all of the Currency-Hedged Metal Securities of a particular class are to be redeemed, the redemptions will apply to all Security Holders holding Currency-Hedged Metal Securities of that class, *pro rata* to their holdings.

The Issuer may, at any time by not less than seven nor more than 14 days' written notice, redeem any Currency-Hedged Metal Securities held by Prohibited US Persons or Prohibited Benefit Plan Investors, held by 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.

MSIP have agreed to supply Metal Adjustment Contracts to the Issuer from 28 February 2013. If the Metal Adjustment Documentation is terminated in accordance with its terms, then the Metal Adjustment Contracts with it will expire and unless they are replaced by Metal Adjustment Contracts with another FX Counterparty the Issuer will elect to redeem some or all of the outstanding Currency-Hedged Metal Securities.

Where a compulsory redemption occurs, the Metal Entitlement of the Currency-Hedged Metal Securities to be redeemed will be calculated and settled in the normal way as set out under the headings "Metal Entitlement" and "Applications and Redemptions — Redemption Processes" above.

Application Fees and Redemption Fees

Application Fees and Redemption Fees will only be payable on the issue and redemption of Currency-Hedged Metal Securities and not by investors who buy and sell Currency-Hedged Metal Securities on the secondary market, including the London Stock Exchange.

The Issuer will charge Authorised Participants an Application Fee of £500 (including any applicable VAT) (or such other amount as may be accepted by the Issuer, either generally or on any particular occasion) for each Application, regardless of the number of Currency-Hedged Metal Securities being issued or the currency of denomination of such Currency-Hedged Metal Securities.

The Issuer will also charge Authorised Participants a Redemption Fee of £500 (including any applicable VAT) (or such other amount as may be accepted by the Issuer, either generally or on any particular occasion) for each Redemption Form, regardless of the number of Currency-Hedged Metal Securities being redeemed or the currency of denomination of such Currency-Hedged Metal Securities. In the event of a compulsory redemption or a Security Holder who is not an Authorised Participant submitting a Redemption Form in circumstances where there is no Authorised Participant, as described above, 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 11 (*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 a RIS.

Right to Satisfy Applications and Redemptions by Transfer

Notwithstanding the provisions above, the Issuer may, in its discretion, elect to satisfy Application Forms and Redemption Forms by transfer of the appropriate number of Currency-Hedged Metal Securities to one or more Applicants from the Security Holder(s) seeking redemption. For this purpose, a Security Holder seeking redemption will be deemed to have authorised the Issuer to transfer such Security Holder's Currency-Hedged Metal Securities as are the subject of the Redemption Form to a third party, on such Security Holder's behalf, provided that the amount payable by the Authorised Participant shall still be an amount equal to the aggregate Metal Entitlement of the Currency-Hedged Metal Securities applied for, calculated as at the Application Date (plus the Application Fee) and the amount receivable by the Security Holder shall still be an amount equal to the aggregate Metal Entitlement of such Currency-Hedged Metal Securities as at the Redemption Notice Date (less the Redemption Fee) and the relevant Settlement Date will be the date of the transfer.

Consolidation and Division of Currency-Hedged Metal Securities

Circumstances may arise where the Issuer might wish to effect a consolidation or division of a particular type of Currency-Hedged Metal Security.

For example, if a class of Individual Security benefited from Metal Adjustment Contracts from two or more different FX Counterparties and one of them (the “**Lower Credit**”) had, for example, a significant credit rating downgrade, it may be necessary or desirable, in order to ensure that the value of the Currency-Hedged Metal Securities reflects the value of the Bullion attributable thereto and the relevant Metal Adjustment Contracts, for the Metal Adjustment Contracts from the Lower Credit to be excluded from that class. If in respect of any class of Individual Securities there were more than one FX Counterparty, then, from and including the date of the first Metal Adjustment Contract in respect of such class, in respect of such class there would be a separate PMA Sub-Pool in respect of each FX Counterparty. The exclusion of the Lower Credit could therefore be effected by transferring the assets of the PMA Sub-Pool to which the Lower Credit was applicable into a new Pool and the Issuer creating and issuing new Currency-Hedged Metal Securities secured by that new Pool on a one-for-one basis with the Metal Entitlement for both classes being adjusted accordingly. Investors of the affected class would then hold two Individual Securities for each one they held previously and the Metal Entitlement would be split between the two. For example, if the PMA Sub-Pool to which the Lower Credit was applicable comprised 30 per cent. of the aggregate Metal Entitlement of the affected class, then the Metal Entitlement of the existing class following the division would be 70 per cent. of the Metal Entitlement prior to the division and the Metal Entitlement for the new class would be 30 per cent.

The Issuer has the right under the Trust Instrument at any time to effect either a consolidation or division of all of the Currency-Hedged Metal Securities of any type into Currency-Hedged Metal Securities of the same type but with a proportionately larger or smaller Metal Entitlement and Principal Amount and to transfer the assets of any PMA Sub-Pool into a new Pool representing a new class of Currency-Hedged Metal Securities, and need not obtain Listing for any new types of Currency-Hedged Metal Securities.

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 and different currencies of denomination or having some other different characteristics.

If there is only one FX Counterparty, there will be one separate Pool, representing the assets and liabilities attributable to each class of Individual Security (and the Basket Securities to the extent they comprise such Individual Securities), for each class of Individual Securities, which secures all Individual Securities of a single class and all Basket Securities to the extent they comprise such Individual Securities, as well as liabilities of the Issuer to, *inter alios*, the FX Counterparty under the Metal Adjustment Contracts in respect of the relevant class.

If in respect of any class of Individual Securities an additional FX Counterparty is appointed then an additional PMA Sub-Pool will be created within the relevant Pool attributable to such additional FX Counterparty. Bullion and Metal Adjustment Contracts will thereafter be allocated to the relevant PMA Sub-Pools in such manner as may be agreed between the Issuer and the FX Counterparties.

Each class of Individual Securities will have recourse only to the Pool (comprising, where there is more than one FX Counterparty in respect of the class, each PMA Sub-Pool relating to such class) attributable to that class and not to the assets attributable to any other class. A single Pool secures all Currency-Hedged Metal Securities of a single class.

On the issue of any Currency-Hedged Metal Securities, the Bullion representing the Metal Entitlement thereof, and the corresponding Metal Adjustment Contracts, will be allocated to the Pool in respect of such class of Individual Securities or (in the case of an issue 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 Currency-Hedged Metal Securities, the Bullion required to settle the Issuer’s Redemption Obligations will be transferred from the Secured Metal Accounts attributable to that Pool and the corresponding Metal Adjustment Contracts will be cancelled.

If in respect of any class of Individual Securities there is more than one FX Counterparty, Applications for and requests for Redemptions of Currency-Hedged Metal Securities will be allocated to one FX Counterparty or another and on an Application therefor the Bullion representing the Metal Entitlement of the Currency-Hedged Metal Securities applied for, and the corresponding Metal Adjustment Contracts, will be allocated to the PMA Sub-Pool in respect of such class of Individual Securities and such FX Counterparty or (in the case of an Application for Basket Securities) the PMA Sub-Pools in respect of the classes of Individual Securities of which the Basket Securities are comprised and that FX Counterparty.

On a Redemption of Currency-Hedged Metal Securities in respect of which there is more than one FX Counterparty, the Bullion required to settle the Issuer's Redemption Obligations, and the Metal Adjustment Contracts to be cancelled will likewise be taken from the PMA Sub-Pool(s) applicable to the FX Counterparty to which the Redemption has been allocated.

Security

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

In addition, the Issuer and, *inter alios*, the Security Trustee have entered into a single Security Deed in respect of all the Pools but, to the extent further FX Counterparties are appointed, will enter into an additional Security Deed in respect of each FX Counterparty. The rights and entitlements held by the Security Trustee under the Security Deed in respect of any particular Pool or PMA Sub-Pool are held by the Security Trustee on trust for, *inter alios*, the Security Holders of that particular class of Currency-Hedged Metal Securities, the FX Counterparty (or, in the case of a PMA Sub-Pool, the applicable FX Counterparty) and ManJer, which will rank ahead of the Security Holders, as described below.

Under the terms of the Security Deed, the Issuer has in respect of each Pool (or if there is in respect of any Pool more than one FX Counterparty, each PMA Sub-Pool) granted to the Security Trustee a fixed charge or legal mortgage over all Bullion held in the Secured Metal Accounts and assigned to the Security Trustee by way of security its contractual rights under the Secured Metal Accounts Agreements, the Metal Adjustment Documentation and the Metal Adjustment Contracts, in each case insofar as it relates to the relevant Pool (or the relevant PMA Sub-Pool, as the case may be) to secure the obligations owed by the Issuer to the Security Trustee, the Security Holders and the FX Counterparty and ManJer.

Individual Securities of any class (and Basket Securities to the extent comprised of Individual Securities of that class) will have recourse only to the Secured Property of the Pool(s) attributable to that class and not to the Secured Property of any Pool attributable to any other class. The principal assets to be included in each Pool are Bullion held in the Secured Metal Accounts attributable to that class and the Metal Adjustment Contracts to the extent attributable to that class.

If the amounts received from the relevant Secured Property are insufficient to make payment of all amounts due in respect of the relevant Pool (including all amounts ranking prior to those due to Security Holders under the Trust Instrument and the Security Deed, which includes the claims of the FX Counterparty in respect of the Metal Adjustment Documentation and the claims of ManJer), 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 Currency-Hedged Metal Securities will be extinguished.

Under the terms of the Trust Instrument, it is agreed that the Security Holders, or the Security Trustee on their behalf, will not, in relation to Currency-Hedged Metal Securities, institute against, or join any person in instituting against, the Issuer any bankruptcy, suspension of payments, moratorium of any indebtedness, winding-up, re-organisation, 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) in relation to the Issuer 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 Currency-Hedged Metal Securities issued by the Issuer are repaid, 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 PMA Sub-Pool or any other assets of the Issuer.

The Issuer may issue other types of securities but any such securities will have recourse only to the Secured Property of the Pool(s) attributable to such new type and not to the assets attributable to any other type.

Further details of the Trust Instrument are set out in Part 6 (*Trust Instrument and Currency-Hedged Metal Securities*). Further details of the Security Deed are set out in Part 7 (*Particulars of the Security Deed*).

PART 5

THE PROGRAMME

Overview of the Programme

Currency-Hedged Metal Securities are being made available by the Issuer for subscription only to Authorised Participants. Only Authorised Participants may apply for and/or redeem Currency-Hedged Metal Securities (except that a Security Holder who is not an Authorised Participant may request redemption of Currency-Hedged 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 on such day).

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

Passporting

The Issuer has requested the FCA to provide the competent authority in Austria, the *Österreichische Finanzmarktaufsicht* (Austrian Financial Market Authority), the competent authority in Denmark, the *Finanstilsynet* (Financial Supervisory Authority), the competent authority in Finland, the *Finanssivalvonta* (Finnish Financial Supervisory Authority), the competent authority in France, the *Autorité des Marchés Financiers* (Authority for the Financial Markets), the competent authority in Germany, the *Bundesanstalt für Finanzdienstleistungsaufsicht* (the Federal Financial Supervisory Authority), the competent authority in Ireland, the Central Bank of Ireland, the competent authority in Italy, the *Commissione Nazionale per le Società e la Borsa* (the Italian CONSOB), the competent authority in the Netherlands, the *Autoriteit Financiële Markten* (Authority for the Financial Markets), the competent authority in Norway, the *Kredittilsynet* (Norwegian Financial Supervisory Authority), the competent authority in Spain, the *Comisión Nacional del Mercado de Valores* (Securities Market Commission), and the competent authority in Sweden, the *Finansinspektionen* (Financial Supervisory Authority), with certificates 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 member states with such certificates whether for the purposes of making a public offer in such EEA member states or for admission to trading of all or any Currency-Hedged Metal Securities on a regulated market therein or both.

Listing

The Currency-Hedged Metal Securities specified in paragraph 6(f) of Part 13 (*Additional Information*) have been admitted to listing on the Regulated Market (General Standard) (*Regulierter Markt [General Standard]*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) since 21 March 2013.

The Currency-Hedged Metal Securities specified in paragraph 6(f) of Part 13 (*Additional Information*) have been admitted to listing on the ETFplus market of the Borsa Italiana since 17 May 2013.

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 Currency-Hedged Metal Securities should complete the Application Form in accordance with the instructions thereon and send it to the Issuer.

As described under the heading “Applications and Redemptions — The System” in Part 4 (*Description of Currency-Hedged 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 Custodian Agreements, the Metal Adjustment Documentation, the Authorised Participant Agreements and the Conditions for the purposes of such Applications and Redemptions. Once this system becomes 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 Currency-Hedged Metal Securities in Certificated Form, certificates in respect of the Currency-Hedged Metal Securities will be dispatched within ten Business Days of the Currency-Hedged Metal Securities being issued. For those Applicants who desire to hold their Currency-Hedged Metal Securities in Uncertificated Form, the relevant CREST account will be credited on the day on which the Currency-Hedged Metal Securities are issued against payment. The Issuer considers it preferable that Currency-Hedged Metal Securities be held in Uncertificated Form. Notwithstanding any other provision in this document, the Issuer reserves the right to issue any Currency-Hedged 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 delivering 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;
- (e) it understands that Currency-Hedged Metal Securities are direct, limited recourse obligations of the Issuer alone; and
- (f) it understands that the obligations of the Issuer under Currency-Hedged Metal Securities are not guaranteed by the Trustee, the Security Trustee, ManJer or any affiliate of the Issuer, JPMorgan Chase or any of its affiliates, MSIP or any other member of the Morgan Stanley Group or any other FX Counterparty or Custodian.

Further details on new issues are set out in Part 4 (*Description of Currency-Hedged Metal Securities*).

Subscription for Currency-Hedged Metal Securities

All Bullion being used to apply for Currency-Hedged Metal Securities must be deposited into the applicable Subscription Unallocated Account(s).

Bullion held in a Subscription Unallocated Account in respect of a valid Application 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 corresponding 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 Currency-Hedged Metal Securities applied for, such excess Bullion shall be returned to the relevant Applicant as soon as practicable.

The Currency-Hedged 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

The Issuer is a participating issuer in, and the Currency-Hedged 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 the Currency-Hedged Metal Securities are issued in Uncertificated Form, settlement of transactions in the Currency-Hedged Metal Securities will take place within the CREST system.

Settlement and Delivery on the Frankfurt Stock Exchange

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

Type of Global Bearer Certificate	ISIN Code
ETFS EUR Daily Hedged Physical Gold	DE000A1RX996

A non-binding English language translation of the conditions of the Global Bearer Certificates is set out in Part 11 (*Global Bearer Certificates*) 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 Currency-Hedged 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 accounts assigned to the Currency-Hedged Metal Securities (the "**Safe Custody Account**") will be designated "Clearstream Banking Aktiengesellschaft (Clearstream) — Special Safe Custody Account for ETFS Currency-Hedged Metal Securities Global Bearer Certificate" followed by the name and type of Currency-Hedged Metal Security concerned.

In accordance with the conditions governing each 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 and type of Currency-Hedged Metal Securities corresponding to his co-ownership share or any portion thereof in the Global Bearer Certificate of the same type; and
- any registered holder of Currency-Hedged Metal Securities of any relevant class will be entitled, at his expense, to have his Currency-Hedged Metal Securities delivered to the Custodian for crediting to the Safe Custody Account against a corresponding co-ownership share in the Global Bearer Certificate of the relevant type.

Whenever the number of Currency-Hedged Metal Securities represented by the Global Bearer Certificate of any type changes (as a result, for example, of deliveries to the Safe Custody Account, withdrawals from the Safe Custody Account or issues or redemptions of Currency-Hedged Metal Securities), Clearstream will amend the relevant 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 Currency-Hedged Metal Securities in the Safe Custody Account will be held by Clearstream at the disposal of HSBC Trinkaus & Burkhardt AG (the "**Bank**") of Königsallee 21/23, 40212 Düsseldorf, Federal Republic of Germany. 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, D60487 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 Currency-Hedged 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

All Currency-Hedged Metal Securities traded on 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 Borsa Italiana S.p.A. For those persons Monte Titoli S.p.A. will maintain its own record of holders ("**Italian sub-register**"). All Currency-Hedged 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. Marketmakers 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 Currency-Hedged 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 Currency-Hedged Metal Securities held through Monte Titoli S.p.A., the Issuer will treat Monte Titoli S.p.A. as the single security holder of such Currency-Hedged 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 Currency-Hedged Metal Securities.

Registers

The Registrar will maintain the Registers in Jersey.

UCITS and CIS

United Kingdom

The Issuer has been advised that:

- (a) the Currency-Hedged Metal Securities do not constitute units in a collective investment scheme; and
- (b) the Currency-Hedged 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.

Prospective investing UCITS Schemes would need to satisfy themselves that an investment in the Currency-Hedged 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 Currency-Hedged 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 order 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 order, 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 Issuer 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 CURRENCY-HEDGED METAL SECURITIES

The issue of up to 1,000,000,000 Currency-Hedged Metal Securities of each type in the form of Individual Securities or Basket Securities of the Issuer (each having the Principal Amount stated in paragraph 4 of Part 13 (*Additional Information*)) was authorised pursuant to a resolution of the Board passed on 26 November 2012. The Currency-Hedged Metal Securities will be constituted by the Trust Instrument, which is governed by Jersey law, and secured by the Security Deed, which is 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 the Currency-Hedged 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 Currency-Hedged Metal Securities*). The conditions of issue of each class of Currency-Hedged Metal Securities are set out in the Trust Instrument.

The following are the conditions applicable to the Currency-Hedged Metal Securities.

“The Conditions

The Currency-Hedged Metal Securities are undated, limited recourse, secured debt securities of ETFS Hedged Metal Securities Limited and are constituted by, are issued subject to and have the benefit of, a trust instrument dated 28 February 2013, as amended by a supplemental trust instrument dated 18 September 2014, between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee for the holders of Currency-Hedged Metal Securities.

The Security Holders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of, all the provisions of the Trust Instrument and each Security Deed (each 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:

“Acceptable Credit Rating” means a long term senior debt credit rating of at least BBB- from Standard & Poor’s Rating Services, a division of the McGraw-Hill Companies Inc. (or any successor to the ratings business thereof), and of at least Baa3 from Moody’s Investors Service Inc. (or any successor to the ratings business thereof);

“Additional Disruption” means, in respect of any Index Business Day which would otherwise be a Pricing Day for a particular class of Currency-Hedged Metal Securities and in respect of an Index, a Calculation Agent determines that such Index Business Day is either (i) an “Unscheduled Holiday” in respect of such Index, as defined in any Master Confirmation Agreement, or (ii) a day on which a “Force Majeure Disruption” (as defined in any Master Confirmation Agreement) has occurred and is continuing in respect of such Index;

“Administration Agreement” means the Administration Agreement dated on or about the date of the Trust Instrument 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;

“Application” means an offer by an Authorised Participant to the Issuer to subscribe for Currency-Hedged Metal Securities;

“Application Date” means the date on which a valid Application is received or deemed received by the Issuer;

“Australian Dollar” or **“AUD”** or **“A\$”** means the lawful currency of Australia;

“Australian Dollar Basket Security” means a Basket Security of a category denominated in Australian Dollars specified as such in Schedule 6 (*Types of Currency-Hedged Metal Securities*) to the Trust Instrument and any Further Securities denominated in Australian Dollars of a category that comprises two or more classes of Australian Dollar Individual Securities in any proportion;

“Australian Dollar Individual Security” means an Individual Security of a class denominated in Australian Dollars specified as such in Schedule 6 (*Types of Currency-Hedged Metal Securities*) to the Trust Instrument and any Further Securities denominated in Australian Dollars under which the Issuer’s obligation to make payment and/or deliver Bullion are determined by reference to a single type of Bullion;

“Australian Dollar Security” or **“Australian Dollar Currency-Hedged Metal Security”** means an Australian Dollar Individual Security or an Australian Dollar Basket Security;

“authenticated computer instruction” means a computer instruction within the meaning of the Regulations that is authenticated for the purposes of the Regulations;

“Authorised Participant” means a person which has entered into an Authorised Participant Agreement with the Issuer in relation to Currency-Hedged Metal Securities which has not been terminated 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; (c) is not a UCITS Fund; and (d) (except in the case of an FX Counterparty or an Affiliate which has entered into an Authorised Participant Agreement with the Issuer) has entered into a corresponding Direct Agreement with at least one FX Counterparty, and which is not an Unacceptable Authorised Participant in respect of that FX Counterparty, **provided that** a person can be an Authorised Participant in respect of one FX Counterparty but not another;

“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 Currency-Hedged Metal Securities and if such agreement is subject to conditions precedent, provided that such conditions have been satisfied;

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

“Basket Security” means a Currency-Hedged Metal Security of a category specified in the relevant list in Schedule 6 (*Types of Currency-Hedged Metal Securities*) to the Trust Instrument, and a Currency-Hedged Metal Security of any other category that may be created and constituted from time to time that comprises any two or more of Gold Individual Securities of any class, Silver Individual Securities of any class, Platinum Individual Securities of any class and Palladium Individual Securities of any class, and denominated in a particular Currency, and **“Basket Securities”** means all of them;

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

“Bullion Class” means all of the Individual Securities (and Basket Securities to the extent comprised of Individual Securities of such class) of a class under which the Issuer’s obligations to make payment or deliver Bullion are determined by reference to a single type of Bullion;

“Bullion Settlement Disruption” in respect of any Index means an event which constitutes “Bullion Settlement Disruption” in respect of Metal Adjustment Contracts relating to such Index pursuant to the terms of Metal Adjustment Documentation with any FX Counterparty;

“Bullion Settlement Disruption Day” in respect of an Index means a day on which an event, beyond the control of the parties to an ISDA Master Agreement and as a result of which a delivery of Bullion required under a Metal Adjustment Contract linked to such Index cannot be effected, has occurred and is continuing;

“Business Day” means a day which is both a London Business Day and a New York Business Day;

“Calculation Agent” means in respect of any FX Counterparty or the Metal Adjustment Documentation entered into with any FX Counterparty, the calculation agent appointed pursuant to such Metal Adjustment Documentation;

“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, in relation to Individual Securities, a type of Individual Securities denominated in a particular Currency 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 Currency-Hedged Metal Securities means the second Business Day following a Compulsory Redemption Date in respect of such type of Currency-Hedged 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 Currency-Hedged 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” means a Redemption of Currency Hedged Metal Securities pursuant to Condition 7.1 (*Compulsory Redemption by the Issuer*), Condition 7.2 (*Compulsory Redemption by the Trustee on FX Counterparty Event of Default or Issuer Insolvency Event*), Condition 7.3 (*Compulsory Redemption on Enforcement of Security by FX*), Condition 7.4 (*Compulsory Redemption on a fall in Value Relative to Principal Amount*) or Condition 7.7 (*Compulsory Redemption for Cause*);

“Compulsory Redemption Date” means in relation to any Redemption pursuant to Condition 7.1 (*Compulsory Redemption by the Issuer*), Condition 7.2 (*Compulsory Redemption by the Trustee on FX Counterparty Event of Default or Issuer Insolvency Event*), Condition 7.3 (*Compulsory Redemption on Enforcement of Security by FX Counterparty*) or Condition 7.4 (*Compulsory Redemption on a fall in Value Relative to Principal Amount*) the date specified by the Issuer or the Trustee as such in accordance with that Condition and in relation to any Redemption pursuant to Condition 7.7 (*Compulsory Redemption for Cause*) the date specified by the Issuer as such in accordance with that Condition, **provided that** if the date so specified is not a Pricing Day, the Compulsory Redemption Day shall be the first Pricing Day following the date so specified;

“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 7.11.2;

“Conditions” means these terms and conditions on and subject to which Currency-Hedged Metal Securities are issued 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;

“corresponding Metal Adjustment Contract” means in respect of any class of Individual Securities (or any category of Basket Securities to the extent comprised of Individual Securities of such class) a Metal Adjustment Contract of the Class (as defined in the relevant Metal Adjustment Agreement) which corresponds (by reason of being linked to the same Index) to such class of Individual Securities and in respect of any number of Individual Securities of such class means a number (which need not be a whole number and may be less than one) of corresponding Metal Adjustment Contracts having an aggregate Metal Equivalent equal to the aggregate Metal Entitlement of such number of such Individual Securities;

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

“Currency” each of the four currency denominations of Currency Hedged Metal Securities (and their corresponding Metal Adjustment Contracts) provided for in the Trust Instrument and any further denomination that may be provided for pursuant to the Trust Instrument, being Australian Dollars in respect of Australian Dollar Currency Hedged Metal Securities, Euro in respect of Euro Currency Hedged Metal Securities, Singapore Dollars in respect of Singapore Dollar Currency Hedged Metal Securities and Sterling in respect of Sterling Currency Hedged Metal Securities, and **“Currencies”** will be construed accordingly;

“Currency-Hedged Metal Security” or **“Metal Security”** means an undated limited recourse secured debt security of the Issuer of any of the types specified in the Trust Instrument created pursuant to and constituted by the Trust Instrument (including any Further Securities) and includes Individual Securities and Basket Securities, and **“Currency Hedged Metal Securities”** or **“Metal Securities”** means all of them;

“Custodian” means (i) a financial institution or other entity with which the Issuer and the Security Trustee have established Secured Metal Accounts, and (ii) in respect of any Pool or the Individual Securities to which such Pool relates, a financial institution or other entity with which the Issuer and the Security Trustee have established Secured Metal Accounts relating to Bullion forming part of the Secured Property in respect of such Pool, in each case being a member of each Relevant Association which provides custody and transfer facilities in respect of Bullion;

“Custodian Agreements” means each Subscription Unallocated Account Agreement entered into by the Issuer and a Custodian and each Secured Allocated Account Agreement and each

Secured Unallocated Account Agreement entered into by the Issuer, a Security Trustee (as legal mortgagee pursuant to a Security Deed) and a Custodian;

“Daily Adjustment” in respect of a class of Individual Securities and a Pricing Day is the value determined in accordance with Condition 5.4;

“Daily Hedging Rate” in respect of a class of Individual Securities and a Pricing Day is the value determined in accordance with Condition 5.5;

“Daily Hedging Variation” in respect of a class of Individual Securities and a Pricing Day is the value determined in accordance with Condition 5.3;

“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 Currency-Hedged Metal Securities when due, and such failure to make or procure payment of cash or delivery of Bullion is not remedied on or before:

- (a) in the case of a failure caused in whole or in part by a FX Counterparty failing to comply with its obligations to the Issuer in respect of any corresponding Metal Adjustment Contracts, the fourth Pricing Day; and
- (b) in any other case, the second Business Day,

in each case after receipt of notice requiring remedy of the same,

“Direct Agreement” means an agreement entered into between an FX Counterparty and an Authorised Participant or a person proposed by the Issuer to become an Authorised Participant;

“Disruption Event” in respect of any Index and day means (a) Price Source Disruption, (b) Index Disruption, (c) Additional Disruption, (d) Hedging Disruption/Change in Law or (e) Bullion Settlement Disruption, in each case in respect of that Index and day;

“Disruption Fallback” means a source or method specified in a Master Confirmation Agreement to be applied in respect of a Disruption Event;

“Documents” means the Trust Instrument, each Security Deed, each Metal Adjustment Agreement, each ISDA Master Agreement, each Master Confirmation Agreement, any Guarantee, each Custodian Agreement, each Metal Sale Counterparty Agreement, each Authorised Participant Agreement, the Registrar Agreement, the Services Agreement, the Administration Agreement, the Licence Agreement and the Prospectus;

“EC Treaty” means the Treaty establishing the European Community (signed in Rome on March 25, 1957), as amended by the Treaty on European Union (signed in Maastricht on February 7, 1992) and as amended by the Treaty of Amsterdam (signed in Amsterdam on October 2, 1997), as further amended from time to time;

“Early Termination Date” in respect of any Metal Adjustment Contract means an “Early Termination Date” as defined in the ISDA Master Agreement governing such Metal Adjustment Contract;

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

“Euro” or **“Eur”** or **“€”** means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the EC Treaty;

“Euro Basket Security” means a Basket Security of a category denominated in Euros specified as such in Schedule 6 (*Types of Currency-Hedged Metal Securities*) to the Trust Instrument and any Further Securities denominated in Euros of a category that comprises two or more classes of Euro Individual Securities in any proportion;

“Euro Individual Security” means an Individual Security of a class denominated in Euros specified as such in Schedule 6 (*Types of Currency-Hedged Metal Securities*) to the Trust

Instrument and any Further Securities denominated in Euros under which the Issuer's obligation to make payment and/or deliver Bullion are determined by reference to a single type of Bullion;

"Euro Security" or **"Euro Currency-Hedged Metal Security"** means a Euro Individual Security or a Euro Basket Security;

"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 one or more types of Currency-Hedged Metal Securities either (a) a resolution passed at a meeting of the holders of the Currency-Hedged Metal Securities of such type or types duly convened and held in accordance with the provisions contained in the Trust Instrument and carried by a majority consisting of not less than 75 per cent. in number of the persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of the holders of not less than 75 per cent. by Principal Amount of such type or types of Currency-Hedged Metal Securities or (b) a resolution in writing of holders of the Currency-Hedged Metal Securities of such type or types holding not less than 75 per cent. by Principal Amount of such type or types of Currency-Hedged Metal Securities, and where so provided for in the Trust Instrument or these Conditions holders of Basket Securities may for this purpose be treated as holders of the relevant type or types of Individual Securities comprised therein;

"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 Terms" in respect of any type of Currency Hedged Metal Security means the final terms in respect of Currency Hedged Metal Securities of that type issued by the Issuer in substantially the form set out in an annex to the Prospectus;

"Foreign Exchange Rate" for an Index and a day in respect of which that Index is calculated and published means the rate of exchange used in the calculation of such Index for that day, expressed as a number of US Dollars per Australian Dollar, a number of US Dollars per Euro, a number of US Dollars per Singapore Dollar or a number of US Dollars per Pound Sterling, as the case may be;

"FSMA" means the Financial Services and Markets Act 2000 and, where applicable, includes the Financial Services Act 2012;

"Further Securities" means securities issued by the Issuer in accordance with Condition 15 (*Further Securities; Other Pools; Transfer to New Pools; Consolidation and Division*);

"FX Counterparty" means the counterparty to each Metal Adjustment Agreement with the Issuer and for so long as the MSIP Metal Adjustment Agreement remains in force includes MSIP;

"FX Counterparty Enforcement Event" in relation to any FX Counterparty has the meaning given to it in the Security Deed to which that FX Counterparty is a party;

"FX Counterparty Event of Default" means in relation to any FX Counterparty:

- (a) the failure of that FX Counterparty to make, when due, any payment or delivery required to be made by it under a ISDA Master Agreement if such failure is not remedied on or before the first Local Business Day (as defined in the relevant ISDA Master Agreement) in the case of any such payment or the first Local Delivery Day (as defined in the relevant ISDA Master Agreement) in the case of any such delivery after, in each case, notice of such failure is given to the FX Counterparty and provided that a FX Counterparty Event of Default shall not occur if the FX Counterparty demonstrates, to the reasonable satisfaction of the Issuer, that such failure to make any payment or delivery is caused by

an error or omission of an administrative or operational nature; funds or assets were available to the FX Counterparty to enable it to make the relevant payment or delivery; and such payment or delivery is made within two such Local Business Days following the date on which written notice is given to the FX Counterparty; or

- (b) any other event occurring in respect of that FX Counterparty which is an Event of Default with respect to that FX Counterparty under and as defined in the ISDA Master Agreement to which that FX Counterparty is a party;

“FX Counterparty Potential Event of Default” means in relation to any FX Counterparty any event which, with the giving of notice or the lapse of time or both, would constitute a FX Counterparty Event of Default in relation to such FX Counterparty;

“Gold Individual Security” means an Individual Security of any class under which the Issuer's obligations to make payment and/or deliver Bullion are determined by reference to gold;

“Good Delivery” in respect of any type of Bullion means such Bullion complies with the refining standard and weights for such Bullion set by the Relevant Association;

“Guarantee” means, in respect of any FX Counterparty, any guarantee or other form of credit support given to the Issuer in respect of such FX Counterparty's obligations under the relevant Metal Adjustment Agreement, ISDA Master Agreement and Master Confirmation Agreement;

“Guarantor” means in respect of any FX Counterparty, any entity providing a Guarantee;

“Handbook” means in respect of a class of Individual Securities, the document which sets out the methodology for the calculation of the Index applicable to that class being, at the date of the Trust Instrument, the document entitled “The Morgan Stanley Precious Metal Currency Hedged (MSPM) Indices Manual” (2013 Edition) dated February 2013;

“Hedge Positions” in relation to any FX Counterparty means any purchase, sale, entry into or maintenance of one or more foreign exchange positions or contracts or Bullion positions or contracts or any other instruments or arrangements (howsoever described), in each case by such FX Counterparty in order to hedge, individually (in whole or in part) or on a portfolio basis, a Metal Adjustment Contract;

“Hedging Disruption/Change in Law” in relation to any FX Counterparty and any Metal Adjustment Contract with such FX Counterparty means in relation to such Metal Adjustment Contract that:

- (a) (i) due to the adoption, enactment, ratification or promulgation of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority of any applicable law or regulation (including any action taken by a taxing authority), the FX Counterparty determines acting in good faith and in a commercially reasonable manner that it has become impossible or impracticable for the FX Counterparty to hold, acquire or dispose of any Hedge Position relating to such Metal Adjustment Contract and in consequence a “Hedging Disruption/Change in Law” (as defined for the purpose of such Metal Adjustment Contract) occurs in relation to such Metal Adjustment Contract;
- (b) the FX Counterparty determines acting in good faith and in a commercially reasonable manner that it is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Hedge Position relating to such Metal Adjustment Contract, or (ii) realise, recover or remit the proceeds of any such transaction(s) or Hedge Position and in consequence a “Hedging Disruption/Change in Law” (as defined for the purpose of such Metal Adjustment Contract) occurs in relation to such Metal Adjustment Contract; or
- (c) the FX Counterparty gives notice pursuant to the terms of the Metal Adjustment Documentation governing such Metal Adjustment Contract that it will incur a materially increased cost in performing its obligations under such Metal Adjustment Contract (including, without limitation, due to any increase in tax liability, decrease in tax benefit or

other adverse effect on its tax position) and in consequence a “Hedging Disruption/Change in Law” (as defined for the purposes of such Metal Adjustment Contract) has occurred in relation to such Metal Adjustment Contract;

“**Index**” means in respect of a class of Individual Securities, the index specified as applicable to such class in the Trust Instrument;

“**Index Business Day**” means in respect of any Index a day on which such Index is scheduled to be published in accordance with the Handbook and in respect of the Individual Securities of any class means an Index Business Day in respect of the Index to which the corresponding Metal Adjustment Contracts relate;

“**Index Disruption**” means in respect of any Pricing Day and any Index in respect of a class of Individual Securities that the Index Sponsor has announced that an Adjustment Event or Market Disruption Event (each as defined in the Handbook) has occurred in respect of that Index and as a result a level for that Index has not been calculated or published on such Pricing Day;

“**Index Sponsor**” means Morgan Stanley & Co. LLC or any other entity which from time to time calculates and publishes (or causes to be published) an Index;

“**Individual Security**” means a Currency-Hedged Metal Security of a class specified in the relevant list in Schedule 6 (*Types of Currency-Hedged Metal Securities*) to the Trust Instrument, and a Currency-Hedged Metal Security of any other class that may be created and constituted from time to time under which the Issuer’s obligation to make payment and/or deliver Bullion are determined by reference to a single type of Bullion, and denominated in any Currency, and “**Individual Securities**” means all of them;

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

“**ISDA Master Agreement**” means a 2002 ISDA Master Agreement between a FX Counterparty and the Issuer and in relation to any Metal Adjustment Agreement means the ISDA Master Agreement as defined in such Metal Adjustment Agreement and, where the context so permits, the Master Confirmation Agreement and any other confirmation supplemental thereto;

“**Issuer**” means ETFS Hedged Metal Securities Limited, a company incorporated and registered in Jersey with registered number 108311;

“**Issuer Event of Default**” means:

- (a) the failure by the Issuer to make, when due, any payment or delivery required to be made by it under a ISDA Master Agreement if such failure is not remedied on or before the first Local Business Day (as defined in the relevant ISDA Master Agreement) in the case of any such payment or the first Local Delivery Day (as defined in the relevant ISDA Master Agreement) in the case of any such delivery after, in each case, notice of such failure is given to the Issuer and provided that an Issuer Event of Default shall not occur if such Issuer demonstrates, to the reasonable satisfaction of the FX Counterparty, that such failure to make any payment or delivery is caused by an error or omission of an administrative or operational nature; funds or assets were available to the Issuer to enable it to make the relevant payment or delivery; and such payment or delivery is made within two such Local Business Days following the date on which written notice is given to the Issuer; or
- (b) any other event occurring in respect of the Issuer which is an Event of Default with respect to the Issuer under and as defined in any ISDA Master Agreement;

“**Issuer Potential Event of Default**” means any event which, with the giving of notice or the lapse of time or both, would constitute an Issuer Event of Default;

“**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 or the Security 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 the London Gold Market Fixing Ltd. and the London Silver Market Fixing Ltd.;

"LBMA Value Date" means in relation to the Redemption of any Currency-Hedged Metal Securities the second Business Day following the applicable Metal Sale Date, Compulsory Metal Sale Date or Compulsory Redemption Date (as the case may be, and in 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";

"Liability" any loss, damage, cost, charge, claim, demand, expense, judgement, action, proceeding or other liability whatsoever (including, without limitation, in respect of Taxes) 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;

"Licence Agreement" means the index license agreement between the Index Sponsor and ETFSL dated on or about the date of the Trust Instrument in relation to the Indexes;

"Listing" means in respect of any type of Currency Hedged Metal Securities, the admission of Currency-Hedged Metal Securities of that type to the Official List in accordance with the Listing Rules and the admission of Currency Hedged Metal Securities of that type 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 and in respect of any particular Currency Hedged Metal Security means the admission of that Currency Hedged Metal Security to the Official List in accordance with the Listing Rules and the admission of that Currency Hedged Metal Security 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 Failure" means the refusal of the UK Listing Authority to admit to the Official List or the refusal of the London Stock Exchange to admit to trading on its market for listed securities (or

any of such markets if the London Stock Exchange has at any time more than one such market) any Currency Hedged Metal Securities issued or to be issued under the Programme;

“Listing Failure Date” means in respect of any Currency Hedged Metal Security issued and to be issued and the subject of a Listing Failure, the day which was or would have been that on which such Currency-Hedged Metal Securities were issued, or would have been issued in accordance with the relevant Authorised Participant Agreement, to the relevant Authorised Participant;

“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 and the over-the-counter market in platinum and palladium co-ordinated by the LPPM;

“London Business Day” means a day (other than a Saturday or a Sunday) on which commercial banks generally 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 Currency-Hedged Metal Securities the second Business Day following the applicable Metal Sale Date, Compulsory Metal Sale Date or Compulsory Redemption Date (as the case may be, and in 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 is specified by the LPPM as the relevant “value date”;

“Main Market” means the Main Market of the London Stock Exchange;

“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 or successor 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;

“Master Confirmation Agreement” means a contract entitled “Master Confirmation Agreement for Metal Adjustment Contracts” between a FX Counterparty and the Issuer including any Pricing Notices as defined in such Master Confirmation Agreement, and in relation to any Metal Adjustment Agreement means the Master Confirmation Agreement as defined in such Metal Adjustment Agreement;

“Metal Adjustment Agreement” means an agreement entitled “Metal Adjustment Agreement Relating to Metal Adjustment Contracts” between the Issuer and an FX Counterparty pursuant to which the FX Counterparty will enter into Metal Adjustment Contracts with the Issuer;

“Metal Adjustment Contract” means a contract between the Issuer and an FX Counterparty created in accordance with a Metal Adjustment Agreement and relating to an Index, and in relation to Individual Securities of a particular class means a corresponding Metal Adjustment Contract;

“Metal Adjustment Documentation” means any Metal Adjustment Agreement, any ISDA Master Agreement and any Master Confirmation Agreement;

“Metal Delivery” means in relation to the Redemption of any Currency-Hedged 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 Currency-Hedged Metal Security, the amount(s) of Bullion to which the Security Holder of that Currency-Hedged Metal Security is entitled on Redemption of that Currency-Hedged Metal Security of that class on that date in accordance with Condition 5 (*Metal Entitlement*);

“Metal Equivalent” means, as at any date and in relation to any Metal Adjustment Contract, the “Metal Equivalent” for such Metal Adjustment Contract pursuant to the terms of the Metal Adjustment Documentation governing such Metal Adjustment Contract;

“Metal Future” in relation to any Currency-Hedged Metal Securities means the futures contract specified as such in the applicable Final Terms;

“Metal Sale” means in relation to the Redemption of any Currency-Hedged Metal Securities, settlement of the Issuer’s Redemption Obligations in respect thereof by sale of Bullion to a Metal Sale Counterparty pursuant to a 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 a financial institution or other entity with which the Issuer, the Security Trustee and the Trustee have entered into a Metal Sale Counterparty Agreement;

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

“Metal Sale Counterparty Agreement” means an agreement entered into by the Issuer, the Security Trustee and a financial institution or other entity providing for the sale from time to time at the request of the Security Trustee of Bullion attributable to or forming part of the Secured Property in respect of the Currency-Hedged Metal Securities of any one or more classes;

“Metal Sale Date” means, with respect to a Redemption pursuant to Condition 6 (*Redemption of Currency-Hedged Metal Securities*) of any Currency-Hedged 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;

“month” means calendar month;

“MSIP” means Morgan Stanley & Co. International plc, a company incorporated and registered in England and Wales with number 02068222 whose registered office is situated at 25 Cabot Square, Canary Wharf, London E14 4QA, England;

“MISP Metal Adjustment Agreement” means the Metal Adjustment Agreement between the Issuer and MSIP dated 28 February 2013;

“New York Business Day” means a day (other than a Saturday or a Sunday) on which commercial banks generally are open for the transaction of business in New York and, in relation to any Bullion Class, means a day which is also a trading day for the principle exchange on which the Metal Future for that Bullion Class is traded;

“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 Currency-Hedged Metal Securities, all the Currency-Hedged 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) Currency-Hedged Metal Securities which have been redeemed and cancelled pursuant to the Trust Instrument; and
- (b) Currency-Hedged 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 the Trust Instrument, Currency-Hedged 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) ManJer, (D) any FX Counterparty which is not also an Authorised Participant or an Affiliate of an Authorised Participant, (E) any subsidiary of the Issuer or of any such FX Counterparty falling under (D), (F) any individual Controller of the Issuer, ETFSL or ManJer or (G) any person controlled by any such persons listed in (A) to (F) above, shall (unless and until ceasing to be so held) be deemed not to remain outstanding and accordingly the holders of such Currency-Hedged Metal Securities shall for such purposes 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, whose head office is situated outside the United Kingdom and whose ordinary business involves carrying on activities of the kind specified by any of articles 14, 21, 25, 37, 40, 45, 51, 52 and 53 or, so far as relevant to any of those articles, article 64 of the RAO (or would do so apart from any exclusion from any of those articles made by the RAO);

“Palladium Individual Security” means an Individual Security of any class under which the Issuer’s obligations to make payment and/or deliver Bullion are determined by reference to palladium;

“Platinum Individual Security” means an Individual Security of any class under which the Issuer’s obligations to make payment and/or deliver Bullion are determined by reference to platinum;

“PMA Sub-Pool” means in respect of a class of Individual Securities (and in respect of Basket Securities to the extent comprised of Individual Securities of that class) each separate pool, forming part of or (if only one FX Counterparty has been appointed in respect of that class of Individual Securities) constituting the Pool to which such class relates, relating to a single FX Counterparty. Such PMA Sub-Pool will have allocated to it all Metal Adjustment Contracts applicable to the relevant Pool with that FX Counterparty and the Bullion applicable to such Metal Adjustment Contracts;

“Pool” means a separate pool relating to a particular class of Individual Securities (and Basket Securities to the extent comprised of Individual Securities of that class). If at any time in respect of any class of Individual Securities there is more than one FX Counterparty, then the Pool in respect of such class will comprise all PMA Sub-Pools relating to such class;

“Price Source Disruption” in relation to any Index and any Pricing Day for a particular class of Currency-Hedged Metal Securities means either (i) the Index is not published and available on the relevant display page of the Bloomberg or Reuters Monitor Money Rates service, or any successor, at 5.00 p.m. on such Pricing Day; or (ii) a Calculation Agent determines that the level of the Index displayed on the relevant display page of the Bloomberg or Reuters service, or any successor, on such Pricing Day is manifestly incorrect;

“Pricing Day” means, in respect of Individual Securities of any class, an Index Business Day in respect of such class which is not a day on which an Additional Disruption in respect of the Index to which that class relates has occurred and is continuing;

“Principal Amount” means in respect of each Currency-Hedged Metal Security the amount specified in the relevant list in the Schedule 6 (*Types of Currency-Hedged Metal Securities*) of the Trust Instrument;

“Priority Waterfall” means the provisions described in Condition 13 (*Application of Security*);

“Programme” means the programme for the issue of Currency-Hedged 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 Currency-Hedged Metal Securities on behalf of, for the benefit of or with any assets of any such Plan or entity;

“**Prohibited US Person**” means a person who is (a) a US Person who is not a Qualified Purchaser, or any person who holds Currency-Hedged Metal Securities for the benefit of a US Person who is not a Qualified Purchaser, and (b) a US Person who is not a Qualified Institutional Buyer;

“**Prospectus**” means the base prospectus of the Issuer in relation to the Programme;

“**Qualified Institutional Buyer**” has the meaning given thereto by Rule 144A under the Securities Act;

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

“**RAO**” means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2007 made under the FSMA;

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

“**Redemption Fee**” means the fee payable by a Security Holder on the redemption of Currency-Hedged 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 Currency-Hedged Metal Securities;

“**Redemption Notice Date**” means a Business Day on which a valid Redemption Form is received provided that a Redemption Form received after 2.00 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 Currency-Hedged 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;

“**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 between the Issuer, the Registrar and the Trustee dated on or about the date of the Trust Instrument;

“**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 Currency-Hedged 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 Currency**” in relation to any Currency-Hedged Metal Security, the currency in which that Currency-Hedged Metal Security is denominated being:

- (a) in the case of an Australian Dollar Currency Hedged Metal Security, Australian Dollars;
- (b) in the case of a Euro Currency Hedged Metal Security, Euro;

- (c) in the case of a Singapore Dollar Currency Hedged Metal Security, Singapore Dollars; and
- (d) in the case of a Sterling Currency Hedged Metal Security, Sterling;

“Relevant Custodian” in respect of the Redemption of Individual Securities of any class (and of Basket Securities of any category to the extent comprised of any Individual Securities of such class and any Bullion forming part of the Secured Property in respect thereof):

- (a) if each Secured Allocated Account and each Secured Unallocated Account in respect of the Pool to which such Individual Securities (and any Basket Securities to the extent they are comprised of that class of Individual Securities and any Bullion forming part of the Secured Property in respect thereof) relate is with the same Custodian, means the Custodian with which such Secured Metal Accounts are established; and
- (b) if all Secured Allocated Accounts and all Secured Unallocated Accounts in respect of the Pool to which such Individual Securities (and any Basket Securities to the extent they are comprised of that class of Individual Securities and any Bullion forming part of the Secured Property in respect thereof) relate are not with the same Custodian, means the Custodian with which the Secured Metal Account(s) designated pursuant to Condition 6.1.2 is/are established;

“Relevant Market” means in respect of silver, gold, platinum and palladium, the London Bullion market;

“Relevant Metal Sale Counterparty” in respect of any Metal Sale relating to Individual Securities of any class (and of Basket Securities of any category to the extent comprised of any Currency-Hedged Metal Securities of such class and any Bullion forming part of the Secured Property in respect thereof):

- (a) if there is only one Metal Sale Counterparty in respect of the Pool to which such Individual Securities (and any Basket Securities to the extent they are comprised of that class of Individual Securities and any Bullion forming part of the Secured Property in respect thereof) relate, means that Metal Sale Counterparty; and
- (b) if there is more than one Metal Sale Counterparty in respect of the Pool to which such Individual Securities (and any Basket Securities to the extent they are comprised of that class of Individual Securities and any Bullion forming part of the Secured Property in respect thereof) relate, means the Metal Sale Counterparty designated pursuant to Condition 6.1.3;

“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 Allocated Account” means an allocated Bullion account established with a Custodian in the name of the Security Trustee (as legal mortgagee pursuant to a Security Deed) pursuant to a Secured Allocated Accounts Agreement;

“Secured Allocated Accounts Agreement” means an agreement entered into between the Issuer, the Security Trustee (as legal mortgagee pursuant to a Security Deed) and a Custodian pursuant to which one or more Secured Allocated Accounts is established and operated;

“Secured Metal Account” means a Secured Allocated Account or a Secured Unallocated Account and in respect of any Pool or PMA Sub-Pool means the Secured Allocated Account(s) and Secured Unallocated Account(s) relating to Bullion forming part of the Secured Property in respect of such Pool or PMA Sub-Pool (as the case may be);

“Secured Metal Accounts Agreements” means each Secured Allocated Accounts Agreement and Secured Unallocated Accounts Agreement entered into by the Issuer, a Security Trustee (as legal mortgagee pursuant to a Security Deed) and a Custodian;

“Secured Parties” means in respect of any Security Deed, the Security Trustee, the Trustee, the FX Counterparty which is a party to such Security Deed, the Security Holders and ManJer;

“Secured Property” means in respect of Individual Securities of any class and Basket Securities of any category to the extent they comprise Individual Securities of that class, all Bullion credited to the Secured Metal Accounts applicable to that class, all rights of the Issuer under all Secured Metal Accounts Agreements, Metal Sale Counterparty Agreements, Metal Adjustment Agreements, ISDA Master Agreements, Master Confirmation Agreements and Metal Adjustment Contracts and any Guarantee, to the extent that they apply to Individual Securities of that class, or any part thereof, and which are subject to the security created in favour of the Security Trustee pursuant to each Security Deed as it applies in respect of such class and, in respect of any PMA Sub-Pool, all Bullion credited to the Secured Metal Accounts applicable to such PMA Sub-Pool, all rights of the Issuer under all Secured Metal Accounts Agreements, Metal Sale Counterparty Agreements, Metal Adjustment Agreements, ISDA Master Agreements, Master Confirmation Agreements and Metal Adjustment Contracts and any Guarantee allocated to such PMA Sub-Pool, or any part thereof, and which are subject to the security created in favour of the Security Trustee pursuant to the Security Deed as it applies in respect of such PMA Sub-Pool;

“Secured Unallocated Account” means an unallocated Bullion account established with a Custodian in the name of the Security Trustee (as legal mortgagee pursuant to a Security Deed) pursuant to a Secured Unallocated Accounts Agreement;

“Secured Unallocated Accounts Agreement” means an agreement entered into between the Issuer, the Security Trustee (as legal mortgagee pursuant to a Security Deed) and a Custodian pursuant to which one or more Secured Unallocated Accounts is established and operated;

“Securities Act” means the United States Securities Act of 1933;

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

“Security Deed” means in relation to each class of Individual Securities (and Basket Securities to the extent comprised of Individual Securities of that class) a security deed entered into between the Issuer, the Trustee, the Security Trustee, an FX Counterparty and ManJer in relation to the Secured Property in respect of such class, and, in respect of each Pool or PMA Sub-Pool, means the same as it applies to such Pool or PMA Sub-Pool (as the case may be);

“Security Holder” means a registered holder of Currency-Hedged Metal Securities;

“Security Holder Account” means in relation to any Currency-Hedged 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;

“Security Trustee” means a security trustee appointed pursuant to a Security Deed to hold the security granted by the Issuer under such Security Deed;

“Services Agreement” means the Services Agreement dated on or about the date of the Trust Instrument between ManJer and the Issuer providing for certain services to be provided by ManJer to the Issuer in relation to the Currency-Hedged 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 6.13 (*Settlement Date*);

“Silver Individual Security” means an Individual Security of any class under which the Issuer’s obligations to make payment and/or deliver Bullion are determined by reference to silver;

“Singapore Dollar” or **“SGD”** or **“S\$”** means the lawful currency of the Republic of Singapore;

“Singapore Dollar Basket Security” means a Basket Security of a category denominated in Singapore Dollars specified as such in Schedule 6 (*Types of Currency-Hedged Metal Securities*)

to the Trust Instrument and any Further Securities denominated in Singapore Dollars of a category that comprises two or more classes of Singapore Dollar Individual Securities in any proportion;

“Singapore Dollar Individual Security” means an Individual Security of a class denominated in Singapore Dollars specified as such in Schedule 6 (*Types of Currency-Hedged Metal Securities*) to the Trust Instrument and any Further Securities denominated in Singapore Dollars under which the Issuer’s obligation to make payment and/or deliver Bullion are determined by reference to a single type of Bullion;

“Singapore Dollar Security” or **“Singapore Dollar Currency-Hedged Metal Security”** means a Singapore Dollar Individual Security or a Singapore Dollar Basket Security;

“Sterling” or **“Pound Sterling”** or **“GBP”** or **“£”** means the lawful currency of the United Kingdom;

“Sterling Basket Security” means a Basket Security of a category denominated in Sterling specified as such in Schedule 6 (*Types of Currency-Hedged Metal Securities*) to the Trust Instrument and any Further Securities denominated in Sterling of a category that comprises two or more classes of Sterling Individual Securities in any proportion;

“Sterling Individual Security” means an Individual Security of a class denominated in Sterling specified as such in Schedule 6 (*Types of Currency-Hedged Metal Securities*) to the Trust Instrument and any Further Securities denominated in Sterling under which the Issuer’s obligation to make payment and/or deliver Bullion are determined by reference to a single type of Bullion;

“Sterling Security” or **“Sterling Currency-Hedged Metal Security”** means a Sterling Individual Security or a Sterling Basket Security;

“Subscription Unallocated Account” means an unallocated Bullion account established by the Issuer with a Custodian pursuant to a Subscription Unallocated Accounts Agreement;

“Subscription Unallocated Accounts Agreement” means an agreement entered into between the Issuer and a Custodian pursuant to which one or more Subscription Unallocated Accounts is established and operated;

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

“T+2 Implementation Date” means the date specified as such in or determined as such in accordance with a notice given by the Issuer to the Security Holders not less than 5 days prior thereto;

“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;

“Termination Event” means in respect of the Metal Adjustment Documentation with any FX Counterparty:

- (a) an Illegality (as defined in the ISDA Master Agreement with that FX Counterparty);
- (b) a Force Majeure Event (as defined in the ISDA Master Agreement with that FX Counterparty);
- (c) a Tax Event (as defined in the ISDA Master Agreement with that FX Counterparty);
- (d) a Tax Event Upon Merger (as defined in the ISDA Master Agreement with that FX Counterparty);
- (e) a Credit Event Upon Merger (as defined in the ISDA Master Agreement with that FX Counterparty);

- (f) a breach by the Issuer or the FX Counterparty of certain specified obligations under the Metal Adjustment Agreement with that FX Counterparty where the other party thereto gives notice of such breach and the same constitutes an Additional Termination Event under and in accordance with the ISDA Master Agreement with that FX Counterparty;
- (g) the Metal Adjustment Agreement with that FX Counterparty ceases to be in full force and effect prior to the satisfaction of all obligations of a party to that Metal Adjustment Agreement pursuant thereto without the prior written consent of the other party thereto, or a party thereto disclaims, repudiates or rejects in whole or in part, or challenges the validity of that Metal Adjustment Agreement;
- (h) if the terms of the Security Deed to which that FX Counterparty is a party are altered or amended in any way without the prior written consent of the FX Counterparty in a way that has an adverse effect on the FX Counterparty's position or interests under the application of monies provisions of that Security Deed; or
- (i) if, following the occurrence of a Defaulted Obligation, an Issuer Insolvency Event or a FX Counterparty Enforcement Event, the Security Trustee is validly directed or validly instructed, in accordance with the terms of the Security Deed to which the FX Counterparty is a party, to enforce the security constituted by the Security Deed or takes any action to enforce such security;

"Trust Instrument" means the trust instrument dated 28 February 2013 between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee for the Security Holders constituting Currency-Hedged Metal Securities and includes the Schedules thereto and these Conditions;

"Trustee" means The Law Debenture Trust Corporation p.l.c. of Fifth Floor, 100 Wood Street, London EC2V 7EX, England and any replacement trustee under the Trust Instrument;

"Trustee Consent Documents" means each ISDA Master Agreement, each Master Confirmation Agreement, each Metal Adjustment Agreement (but excluding the schedules to any Metal Adjustment Agreement save schedules 2 and 3), Metal Adjustment Contracts created thereunder, any Guarantee any Secured Metal Account Agreement and any Metal Sale Counterparty Agreement;

"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;

"Unacceptable Authorised Participant" means an Authorised Participant in respect of which the relevant FX Counterparty has given and not withdrawn notice under the relevant Metal Adjustment Agreement that the Authorised Participant has ceased to be acceptable to such FX Counterparty;

"Uncertificated" or **"Uncertificated Form"** means recorded on the Register as being held in uncertificated form, title to which, by virtue of the Regulations, may be transferred by means of CREST;

"Uncertificated Notice of Meeting" means a notice of meeting in the form of an authenticated computer instruction and/or other instruction or notification, which is sent by means of CREST;

"United Kingdom" or **"UK"** means the United Kingdom of Great Britain and Northern Ireland;

"United States" or **"U.S."** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

“**US Dollars**” or “**US\$**” means the lawful currency of the United States;

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

“**VAT**” means value added tax.

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

1.2.1 words in the singular shall also include the plural and vice versa.

1.2.2 words in the masculine gender shall also include the feminine gender and vice versa;

1.2.3 any reference to a person or persons include reference to any individual corporation, partnership, joint venture, association, public body, governmental authority or other entity;

1.2.4 all references to any statute or any provision of any statute 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 shall be deemed also to refer to any statutory instrument, order, regulation or other subordinate legislation made thereunder;

1.2.5 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;

1.2.6 any reference to these Conditions or to any agreement, deed, prospectus or other document includes a reference to these Conditions, or, as the case may be, such agreement, deed, prospectus or other document, as amended, varied, novated, supplemented or replaced from time to time; and

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

2. STATUS OF CURRENCY-HEDGED METAL SECURITIES

- 2.1 Currency-Hedged Metal Securities constitute undated limited recourse secured debt obligations of the Issuer secured as set out in Condition 3 (*Security and Limited Recourse*). The Currency-Hedged Metal Securities of each type rank *pari passu* among themselves and the Individual Securities of each class of which each Basket Security is comprised rank *pari passu* with all other Individual Securities of the same class. Each Currency-Hedged Metal Security has a Principal Amount and without prejudice to the provisions of Condition 6 (*Redemption of Currency-Hedged 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 in US Dollars equal to the product of the Principal Amount and the Foreign Exchange Rate in respect of the Index to which the relevant class relates on the relevant Pricing Day 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.
- 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 specified in the relevant list in the Schedule 6 (*Types of Currency-Hedged Metal Securities*) of the Trust Instrument. Each Basket Security may be surrendered in accordance with the provisions of the Trust Instrument in exchange for such Individual Securities.
- 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 Currency-Hedged Metal Securities of each type and otherwise in accordance with the provisions of the Trust Instrument.

2.5 Currency-Hedged 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 to the Security Holders in respect of each class of Individual Security (and any category of Basket Securities to the extent that the Metal Entitlement of such Basket Securities is calculated by reference to Individual Securities of that class), together with, *inter alia*, the obligations of the Issuer to the FX Counterparty or FX Counterparties in respect of that class, are secured pursuant to the relevant Security Deeds by (i) a first fixed charge or legal mortgage to the Security Trustee for the benefit of itself and the Secured Parties of its rights, title and interest, present and future, in and to the Bullion credited to the Secured Metal Accounts forming part of the Secured Property; (ii) an assignment to the Security Trustee for the benefit of the Secured Parties of its present and future rights, title and interest in each Secured Metal Accounts Agreement, each Metal Sale Counterparty Agreement, each Metal Adjustment Agreement, each Master Confirmation Agreement, each ISDA Master Agreement and each Guarantee, in each case to the extent it relates to the relevant class; and (iii) a first ranking floating charge in favour of the Security Trustee for the benefit of the Secured Parties over all the Issuer's rights, title and interest, present and future, in and to the Secured Property attributable to that class. On any distribution by the Security Trustee of the proceeds of enforcement of the Secured Property in respect of any Pool or PMA Sub-Pool, in accordance with the Priority Waterfall the claims of the Security Holders in respect of the Individual Securities of any class (and of the Basket Securities to the extent the Metal Entitlement of such Basket Securities is calculated by reference to Individual Securities of such class) rank after the claims of the Trustee and the Security Trustee and after the claims of the relevant FX Counterparty and ManJer in respect of the relevant Pool or (if there is more than one FX Counterparty in respect of the relevant Pool), in respect of the proceeds of enforcement of the Secured Property in respect of each PMA Sub-Pool, after the claims of the Trustee, the Security Trustee, the relevant FX Counterparty and ManJer in respect of the relevant PMA Sub-Pool. Individual Securities of the same class (and Basket Securities to the extent the Metal Entitlement of such Basket Securities is calculated by reference to Individual Securities of that class) are secured by reference to the same Pool and each PMA Sub-Pool forming part of that Pool.

3.2 The Trustee (on behalf of the Security Holders of Individual Securities of any class (and any category of Basket Securities to the extent the Metal Entitlement of such Basket Securities is calculated by reference to Individual Securities of that class)) and the Security Holders of any class of Individual Securities (and any category of Basket 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 Pool for that class and any sums derived therefrom. If, the Security Trustee or the Trustee (or any other secured party) having realised the Secured Property of such Pool, the net proceeds of realisation of such Secured Property available (after the payment or delivery of all prior ranking claims in accordance with the relevant Security Deed(s)) are insufficient to make all payments and deliveries and meet all obligations in respect of such Currency-Hedged Metal Securities which,

but for the effect of this Condition, would then be due in respect of the relevant class from the Issuer to the holders of such Currency-Hedged Metal Securities, (a) the obligations of the Issuer in respect of such Currency-Hedged Metal Securities shall be satisfied by delivery to the Security Holder of the Relevant Proportion of the Bullion held for that Pool and of any such net proceeds of realisation (in each case after satisfaction of prior claims), 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 of such class) outstanding, and (b) none of the Trustee, the Security Trustee, any Security Holder in respect of any such Currency-Hedged Metal Securities or any person acting on behalf of any of them shall be entitled to take any further steps against the Issuer to recover any further sums payable or amounts deliverable under or in respect of these Conditions or interest thereon in respect of such Individual Securities or such Basket Securities to the extent that the Metal Entitlement thereof is so calculated, no debt shall be owed by the Issuer to any such person in respect of any such further sums or amounts or interest thereon and the indebtedness of the Issuer in respect of such further sums or amounts or interest thereon shall be unconditionally extinguished. Furthermore none of the Trustee, the Security Trustee, any Security Holder or any person acting on behalf of any of them 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) in relation to the Issuer (except for the appointment of a receiver and manager pursuant to a 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, 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.

- 3.3 The obligations of the Issuer under, and in connection with, these Conditions are solely corporate obligations of the Issuer. Neither the Trustee, the Security Trustee nor any Security Holder shall have any recourse against any shareholder, director, officer or agent of the Issuer for any claim, loss, liability or expense suffered or incurred by it under, or in connection with, these Conditions.

4. FORM AND TRANSFER

- 4.1 Currency-Hedged Metal Securities are in registered form and are individually transferable.
- 4.2 Currency-Hedged 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 Currency-Hedged Metal Securities in Uncertificated Form. A Security Holder may request that his Currency-Hedged Metal Securities be held in Certificated Form, in which case such Currency-Hedged 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 in Jersey as the Trustee may agree, Registers showing the date of issue and all subsequent transfers and changes of ownership of all outstanding Currency-Hedged 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 Currency-Hedged Metal Securities, it is authorised to execute any document or instrument necessary to convert Currency-Hedged 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. On first issue of an Individual Security of any class, the Metal Entitlement of the Individual Securities of that class shall be calculated in accordance with Condition 5.2 commencing from the Pricing Day after the Application Date for such first Individual Securities of that class to be issued on the basis that on such Application Date such Metal Entitlement is the amount set against the name of the class of Individual Securities in Schedule 6 (*Types of Currency-Hedged Metal Securities*) to the Trust Instrument.
- 5.2 The Metal Entitlement for each class of Individual Securities will be calculated on each Pricing Day from the Pricing Day after the Application Date in respect of the first Individual Security of that class to be issued to nine decimal places with 0.0000000005 troy ounces (or fine troy ounces in the case of gold) rounded upwards as follows:

$$ME_{i,t} = ME_{i,t-1} \times (DHV_{i,t} - DA_t)$$

where:

$ME_{i,t}$ is the Metal Entitlement for Individual Securities of class i for Pricing Day t with an initial value as provided in Condition 5.1;

$ME_{i,t-1}$ is the Metal Entitlement for Individual Securities of class i for Pricing Day t-1;

i refers to the relevant class of Individual Security;

t refers to the applicable Pricing Day;

t-1 refers to the Pricing Day prior to Pricing Day t;

$DHV_{i,t}$ refers to the Daily Hedging Variation for Individual Securities of class i on Pricing Day t calculated in accordance with Condition 5.3; and

$DA_{i,t}$ refers to the Daily Adjustment applicable to Individual Securities of class i on Pricing Day t calculated in accordance with Condition 5.4.

- 5.3 The Daily Hedging Variation in respect of each class of Individual Securities for any Pricing Day shall be the amount (expressed as a decimal) determined in accordance with the following formula:

$$DHV_{i,t} = \frac{IM_{i,t}}{IM_{i,t-1}}$$

where:

$DHV_{i,t}$ refers to the Daily Hedging Variation for Individual Securities of class i on Pricing Day t;

i refers to the relevant class of Individual Security;

t refers to the applicable Pricing Day;

t-1 refers to the Pricing Day prior to Pricing Day t;

$IM_{i,t}$ is the closing settlement level in metal terms of the Index applicable to Individual Securities of class i for Pricing Day t, *provided that*, if such Pricing Day is a day in

respect of which Price Source Disruption or Index Disruption has occurred in relation to such Index, Condition 5.6 shall apply; and

$IM_{i,t-1}$ is the closing settlement level in metal terms of the Index applicable to Individual Securities of class i for Pricing Day t-1, *provided that*, if such Pricing Day is a day in respect of which Price Source Disruption or Index Disruption has occurred in relation to such Index, Condition 5.6 shall apply.

- 5.4 The Daily Adjustment in respect of each class of Individual Securities for any Pricing Day shall be the amount (expressed as a decimal and calculated to five decimal places with 0.000005 rounded upwards) determined in accordance with the following formula:

$$DA_{i,t} = \left(\frac{MF_{i,t}}{D} + DHR_{i,t} \right) \times N_{i,t}$$

where:

$DA_{i,t}$ refers to the Daily Adjustment applicable to Individual Securities of class i on Pricing Day t;

i refers to the relevant class of Individual Security;

t refers to the applicable Pricing Day;

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

N is the number of calendar days between the Pricing Day prior to Pricing Day t and Pricing Day t;

D is the number of calendar days in the calendar year in which Pricing Day t falls; and

$DHR_{i,t}$ refers to the Daily Hedging Rate for Individual Securities of class i on Pricing Day t calculated in accordance with Condition 5.5.

- 5.5 The Daily Hedging Rate in respect of each class of Individual Securities for any Pricing Day shall be the amount (expressed as a decimal and calculated to five decimal places with 0.000005 rounded upwards) determined in accordance with the following formula:

$$DHR_{i,t} = \frac{\sum_{u=1}^n HT_{u,i,t-1} \times \frac{HR_{u,i,t}}{D}}{\sum_{u=1}^n HT_{u,i,t-1}}$$

where:

$DHR_{i,t}$ refers to the Daily Hedging Rate for Individual Securities of class i on Pricing Day t;

i refers to the relevant class of Individual Security;

t refers to the applicable Pricing Day;

t-1 refers to the Pricing Day prior to Pricing Day t;

D is the number of calendar days in the calendar year in which Pricing Day t falls;

n refers to the number of FX Counterparties with whom the Issuer has entered into a Metal Adjustment Agreement in respect of class i as at Pricing Day t;

u refers to a particular FX Counterparty;

$HT_{u,i,t-1}$ is the total number of Metal Adjustment Contracts that have been entered into with FX Counterparty u in respect of Individual Securities of class i on Pricing Day t-1; and

$HR_{u,i,t}$ the per annum Hedging Rate applicable to Metal Adjustment Contracts of class i on Pricing Day t under the Metal Adjustment Agreement with FX Counterparty u expressed as a decimal (so that 30 basis points per annum is expressed as 0.0030 and 40 basis points per annum is expressed as 0.0040).

- 5.6 If, in consequence of Price Source Disruption or Index Disruption in respect of the Index applicable to the Individual Securities of any class and of any Pricing Day, a value calculated by the Calculation Agent in respect of any corresponding Metal Adjustment Contracts is used in place of the closing settlement level of the Index for that Pricing Day for the purposes of calculating the Metal Equivalent of such corresponding Metal Adjustment Contracts, then:
- 5.6.1 if there is only one FX Counterparty in respect of such corresponding Metal Adjustment Contracts, such value shall be used in place of the closing settlement level of the Index for that Pricing Day in Condition 5.3; or
- 5.6.2 if there is more than one FX Counterparty in respect of such corresponding Metal Adjustment Contracts, a weighted (by Metal Equivalent) average of the value used (whether a value determined by a Calculation Agent or the actual closing settlement level of the Index for that Pricing Day) for the purposes of calculating the Metal Equivalent of all the Metal Adjustment Contracts corresponding to Individual Securities of that class (and Basket Securities to the extent composed of Individual Securities of that class) shall be used in place of the closing settlement level of the Index for that Pricing Day in Condition 5.3, with the intent that the aggregate Metal Equivalent of all such corresponding Metal Adjustment Contracts should remain the same as the aggregate Metal Entitlement of all such Individual Securities on such Pricing Day as it was on the preceding Pricing Day.
- 5.7 Each Basket Security shall be comprised of such proportion of any two or more of Gold Individual Securities of any class, Silver Individual Securities of any class, Platinum Individual Securities of any class and Palladium Individual Securities of any class, and denominated in any Currency, the Currency and proportions of Individual Securities of such classes being as specified in the Final Terms relating to the first issue of Basket Securities of that category. The Metal Entitlement of a Basket Security of any category is equal to the sum of the Metal Entitlements of the number of Individual Securities of each class of which it is comprised.

6. REDEMPTION OF CURRENCY-HEDGED METAL SECURITIES

6.1 Redemption Entitlement

- 6.1.1 Each Currency-Hedged Metal Security shall carry a right on redemption to delivery in Bullion on the applicable Settlement Date 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)) calculated as at the applicable Redemption Notice Date provided that if such Currency-Hedged Metal Security is to be Redeemed by Metal Sale, such Currency-Hedged 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 Relevant Metal Sale Counterparty in accordance with the relevant 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 6.12 (*Metal Sale*) after deduction of the Redemption Fee in accordance with Condition 9 (*Redemption Fee*).
- 6.1.2 If in respect of any Pool there is more than one Secured Allocated Account and more than one Secured Unallocated Account, for the purposes of Redemption of any Individual Securities (and any Basket Securities to the extent they are comprised of that class of Individual Securities) to which that Pool relates, the Issuer may designate from which such Secured Metal Account(s) Bullion shall be transferred and shall notify the Security Trustee in writing of such designation.
- 6.1.3 If in respect of any Pool there is more than one Metal Sale Counterparty then for the purposes of any Metal Sale in respect of the Individual Securities (and any Basket

Securities to the extent that they are comprised of that class of Individual Securities) to which that Pool relates, the Issuer may designate to which such Metal Sale Counterparty Bullion shall be sold and shall notify the Security Trustee in writing of such designation.

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 Currency-Hedged Metal Securities by delivery of Bullion in accordance with Condition 6.11 (*Delivery of Bullion upon Redemption*) by lodging with the Issuer a valid 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 Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged Metal Securities will be effected by a Metal Sale in accordance with Condition 6.12 (*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 6.12.1(a) applies, Redemption will be effected by delivery of Bullion in accordance with Condition 6.11 (*Delivery of Bullion upon Redemption*). A Security Holder desiring to Redeem Currency-Hedged Metal Securities pursuant to this Condition must deliver the Currency-Hedged 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 delivering such Currency-Hedged Metal Securities to the Issuer by agreement with the Issuer). Redemption Forms will not be treated as having been lodged until the Currency-Hedged 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 Currency-Hedged Metal Securities to be Redeemed;
 - 6.4.2 must relate to only one type of Individual Security or Basket Security;
 - 6.4.3 must be signed by, or by an authorised signatory on behalf of, the Security Holder; and
 - 6.4.4 except where Metal Sale applies, must specify the Security Holder 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 Currency-Hedged Metal Securities, the Issuer shall do all things necessary to give effect to the

Redemption Form as required by this Condition 6 (*Redemption of Currency-Hedged 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;
- 6.6.2 in the case of a Redemption Form lodged by an Authorised Participant if it is received by the Issuer at any time other than between 8.00 a.m. and 2.00 p.m. on a Pricing Day unless the Issuer agrees to treat such Redemption Form as being received at 8.00 a.m. on the next following Pricing Day pursuant to Condition 6.9;
- 6.6.3 to the extent that the number of Individual Securities of that class (including Basket Securities to the extent comprised of that class) or including any other class or classes to be Redeemed would result in a Redemption Limit being exceeded, and the relevant FX Counterparty does (or FX Counterparties do) not agree to that Redemption Limit being exceeded (in which event such Redemption Form will not be capable of being invalidated under this Condition 6.6.3 in respect of the greatest number of Individual Securities of the relevant class or classes (and Basket Securities to the extent comprised of Individual Securities of such class or classes) that would not result in the Redemption Limit being exceeded);
- 6.6.4 if it relates to the Redemption of any Currency Hedged Metal Securities that are the subject of a Listing Failure;
- 6.6.5 if it is invalid pursuant to Condition 6.15.3, Condition 6.16.3, Condition 6.17.3 or Condition 6.18.3;
- 6.6.6 if it does not satisfy each and all of Conditions 6.4.1 to 6.4.4;
- 6.6.7 where notice has been given pursuant to Condition 7.1 (*Compulsory Redemption by the Issuer*), Condition 7.2 (*Compulsory Redemption by the Trustee on FX Counterparty Event of Default or Issuer Insolvency Event*) or Condition 7.4 (*Compulsory Redemption on a fall in Value Relative to Principal Amount*) to redeem such Currency-Hedged Metal Securities compulsorily or a Compulsory Redemption Date is to occur under Condition 7.3 (*Compulsory Redemption on Enforcement of Security by FX Counterparty*), 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 third London Business Day prior to the Compulsory Redemption Date;
 - (b) where notice has been given under Condition 7.2 or Condition 7.4, the date on which notice was given; or
 - (c) where a Compulsory Redemption Date is to occur under Condition 7.3, the Notification Date.

and no Currency-Hedged Metal Securities of the relevant type shall be Redeemed in respect of or under that Redemption Form;

- 6.6.8 to the extent that any of the following events has occurred and is continuing, namely:
 - (a) an Issuer Event of Default or an Issuer Potential Event of Default;
 - (b) an event which is or, with the giving of notice or the lapse of time or both, would become a Termination Event in respect of the Issuer in relation to the Metal Adjustment Contracts of the class(es) corresponding to the Currency-Hedged Metal Securities to be Redeemed;
 - (c) a FX Counterparty Event of Default or a FX Counterparty Event of Default in respect of any FX Counterparty with Metal Adjustment Contracts of the class(es) corresponding to the Currency-Hedged Metal Securities to be Redeemed;

- (d) an event which is or, with the giving of notice or the lapse of time or both, would become a Termination Event in respect of any FX Counterparty in relation to the Metal Adjustment Contracts of the class(es) corresponding to the Currency-Hedged Metal Securities to be Redeemed; or
- (e) a Disruption Event (other than Price Source Disruption) in respect of the Pricing Day on which the Redemption Form is received or deemed received and the Index relating to the Metal Adjustment Contracts of the class(es) corresponding to the Currency-Hedged Metal Securities to be Redeemed,

and (A) the Issuer does not (in the case of any event mentioned in (c) or (d) above) agree with a FX Counterparty or (B) the relevant FX Counterparty (being the FX Counterparty to whom a Cancellation Notice (as defined in the Metal Adjustment Agreement) has been delivered under a Metal Adjustment Agreement for the purposes of the Redemption intended to be effected pursuant to such Redemption Form, as determined in its absolute discretion by the Issuer) does not (in the case of an event mentioned in (a), (b) or (e) above), agree to the cancellation of the corresponding Metal Adjustment Contracts and to meet its obligations under such Metal Adjustment Contracts notwithstanding such event.

- 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 Currency-Hedged Metal Securities. The Issuer shall not be obliged to Redeem pursuant to a Redemption Form any Currency Hedged Metal Securities where the relevant FX Counterparty has not confirmed the cancellation of corresponding Metal Adjustment Contracts in accordance with the provisions of the relevant Metal Adjustment Documentation.
- 6.8 If the Issuer in its absolute discretion considers it necessary or desirable to do so in relation to any Redemption Form for the purpose of arranging (in aggregate) the cancellation of corresponding Metal Adjustment Contracts in accordance with Metal Adjustment Documentation with two or more FX Counterparties or to enable such Redemption Form to be settled in part in accordance with Condition 10 (*Satisfaction of Redemption Forms by Transfer*), or both, the Issuer may determine that the Redemption Form be deemed to comprise two or more deemed Redemption Forms, such deemed Redemption Forms relating to, in aggregate, the same numbers and types of Currency Hedged Metal Securities as those to which the original Redemption Form related; and these Conditions shall apply to such deemed Redemption Form accordingly. If the Issuer determines to exercise its right to deem a Redemption Form to comprise two or more deemed Redemption Forms it shall notify the Security Holder giving that Redemption Form of that fact as soon as reasonably possible.
- 6.9 Where a Redemption Form is received by the Issuer on a Pricing Day after 2.00 p.m., the Issuer may (but shall not be obliged to) agree to treat that Redemption Form as being received at 8.00 a.m. on the next following Pricing Day.
- 6.10 The Issuer may change or vary the procedures for the lodgement of Redemption Forms on five days' prior notice by RIS announcement and these Conditions shall be modified in respect of Redemptions to the extent of any such variation.
- 6.11 **Delivery of Bullion upon Redemption**
 - 6.11.1 Where Currency-Hedged Metal Securities are required to be redeemed by delivery of Bullion, the Issuer shall direct the Security Trustee to instruct the Relevant Custodian to transfer Bullion attributable to or forming part of the Secured Property in respect of such Currency-Hedged Metal Securities in an amount equal to the Metal Entitlement of such Currency-Hedged Metal Securities, calculated as at the Redemption Notice 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.
 - 6.11.2 From the relevant Settlement Date, all title to and risks in such Bullion shall pass to the holder of such Currency-Hedged Metal Securities. None of the Security Trustee, the Trustee and the Issuer shall be responsible or liable for any failure by the Relevant

Custodian to effect a delivery of Bullion in accordance with the instructions of the Security Trustee as directed by 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 in satisfaction of all claims of such Security Holder in respect of the Currency-Hedged Metal Securities to be redeemed and the Security Holder shall have no further claims against the Issuer or the Secured Property.

- 6.11.3 The obligations of the Issuer in respect of Currency-Hedged Metal Securities being Redeemed shall be satisfied by transferring the Metal Entitlement in accordance with the provisions of this Condition 6.11. Where an amount due under a Metal Adjustment Contract in respect of a Security Holder's Metal Entitlement is received in cash rather than Bullion, payment of such cash to the Security Holder shall be deemed to satisfy the obligations of the Issuer in respect of the proportionate part of the Metal Entitlement.

6.12 Metal Sale

6.12.1 Metal Sale will apply:

- (a) if through no fault of the Issuer any Bullion to which the holder of such Currency-Hedged Metal Security is entitled on Redemption is not successfully delivered and is not claimed by such holder by the thirtieth calendar day after that on which attempted delivery was made (in which event, subject to Condition 6.12.2(a), the Metal Entitlement will be calculated as of such thirtieth calendar day or, if such day is not a Business Day, the next Business Day thereafter); 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.

6.12.2 If in accordance with Condition 6.3 (*Redemption by Other Security Holders*) or Condition 6.12.1(a), Metal Sale is applicable to a Redemption of Currency-Hedged Metal Securities, the Issuer will direct the Security Trustee:

- (a) (on behalf of the Issuer) to 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 6.12.1(a), the first Business Day after the expiry of the period of 30 days therein referred to) to the Relevant 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 Currency-Hedged Metal Securities equal to the aggregate Metal Entitlement of the Currency-Hedged Metal Securities being redeemed, calculated as at the Redemption Notice Date (or, in the case of Metal Sale pursuant to Condition 6.12.1(a), the thirtieth calendar day (or, if such day is not a Business Day, the next Business Day thereafter) therein referred to), rounded down to the nearest 0.001 troy ounce (or fine troy ounce in the case of gold), for settlement on the Settlement Date (or, in the case of Metal Sale pursuant to Condition 6.12.1(a), the third Business Day after the thirtieth calendar day therein referred to). If such third Business Day is not an LPPM Value Date or an LBMA Value Date or the Relevant Custodian determines that de-allocation of the relevant Bullion will not be completed on such third Business Day, the proviso to Condition 6.13 (*Settlement Date*) shall apply to such third Business Day in both this paragraph (a) and Condition 6.12.1(a) as it applies to a Settlement Date;
- (b) to instruct the Relevant Custodian (on behalf of the Issuer) to deliver such Bullion from the Secured Metal Accounts to the relevant 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 Security Trustee; and

- (c) to remit such proceeds in US Dollars (less any Redemption Fee in accordance with Condition 9 (*Redemption Fee*), which the Security Trustee will pay to such account of the Issuer as the Issuer may direct and less the Security Trustee's fees and the Trustee's fees and expenses (if any)) to the relevant Security Holder through CREST or, in the case of Currency-Hedged 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 6.12.1(a)) to the Security Holder having delivered the Currency-Hedged 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 Currency-Hedged Metal Securities to the Issuer by agreement with the Issuer). If the Security Holder fails to deposit the Currency-Hedged Metal Securities into an appropriate CREST account and give correct delivery free of payment instructions in CREST or otherwise so deliver the Currency-Hedged Metal Securities to the Issuer, the Issuer may retain the proceeds otherwise payable until the Security Holder has so deposited or delivered the Currency-Hedged 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.

6.12.3 If Metal Sale applies the holder of the Currency-Hedged 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 Security Trustee's and Trustee's fees and expenses (if any)) in full settlement of the Issuer's Redemption Obligations in respect of such Currency-Hedged Metal Securities;
- (b) that none of the Issuer, the Trustee and the Security Trustee make any 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 none of the Issuer, the Trustee and the Security Trustee shall be liable for any failure by the Relevant 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 direct the Security Trustee to the extent practicable to 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 Currency-Hedged Metal Securities to be Redeemed and the Security Holder shall have no further claims against the Issuer or the Secured Property.

6.13 Settlement Date

In relation to any Redemption pursuant to this Condition 6, the Settlement Date (on which Redemption shall be effective) shall be (i) in the case of a Redemption in respect of which the Redemption Notice Date is prior to the T+2 Implementation Date, the third Business Day following such Redemption Notice Date or (ii) in the case of a Redemption in respect of which the Redemption Notice Date is on or after the T+2 Implementation Date, the second Business Day following such Redemption Notice Date, provided in each case that:

- 6.13.1 in the case of the Redemption of Platinum Individual Securities and Palladium Individual Securities (and any Basket Securities comprised only of one or both of such classes of Currency-Hedged Metal Securities) by Metal Sale, if such day is not an LPPM Value Date, the Settlement Date will be the next LPPM Value Date;
- 6.13.2 in the case of the Redemption of Silver Individual Securities and Gold Individual Securities (and any Basket Securities comprised only of one or both of such classes of

Currency-Hedged Metal Securities) by Metal Sale, if such day is not an LBMA Value Date, the Settlement Date will be the next LBMA Value Date;

- 6.13.3 in the case of the Redemption of any category of Basket Securities comprised partly of Platinum Individual Securities and/or Palladium Individual Securities and partly of Silver Individual Securities and/or Gold Individual 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; and
 - 6.13.4 if the Relevant Custodian determines that de-allocation of the relevant Bullion will not be completed on the date which would, but for this Condition 6.13.4, be the Settlement Date, the Settlement Date will be such later date on which de-allocation is completed.
- 6.14 Notwithstanding Condition 6.13 (*Settlement Date*), if the Issuer is unable to satisfy all valid Redemption Forms in respect of any type of Currency-Hedged Metal Securities because a FX Counterparty has unsettled obligations in respect of Bullion of the relevant type (whether or not such obligations are then due for settlement), the Issuer may satisfy valid Redemption Forms to the extent it is able to do so and defer settlement of the others until it is able to satisfy them, and for this purpose shall satisfy Redemption Forms in the order of delivery to the Issuer.

6.15 Suspension of Redemptions while Value below Principal Amount

If on any Pricing Day the value of the Metal Entitlement (determined on such reasonable basis as the Issuer shall consider appropriate) of a Currency-Hedged Metal Security of any type is below the Principal Amount of a Currency-Hedged Metal Security of that type, the Issuer may at any time and from time to time while the value of the Metal Entitlement of a Currency-Hedged Metal Security of that type is below such Principal Amount determine to suspend the right to Redeem the Currency-Hedged Metal Securities of that type and, subject as provided in this Condition 6.15, may terminate any such suspension. The following provisions shall apply where the Issuer determines to exercise its powers under this Condition:

- 6.15.1 the Issuer shall give notice of such suspension and of the termination of any such suspension via an RIS as soon as practicable, but failure to give such notices shall not prevent the exercise of such powers;
- 6.15.2 any such suspension may continue in the discretion of the Issuer for a period of up to 30 days, and may continue thereafter provided that notice of a meeting has been issued convening a meeting for a date not more than 30 days after the date of the notice for the purpose of considering an Extraordinary Resolution which will have the effect of reducing the Principal Amount to a level less than the value of the Metal Entitlement (determined on such reasonable basis as the Issuer shall consider appropriate) of a Currency-Hedged Metal Security of the relevant type, in which event the suspension will cease when the meeting (or any adjournment thereof) concludes or, if the Extraordinary Resolution is passed and makes alternative provision, in accordance with the Extraordinary Resolution;
- 6.15.3 any suspension shall not affect any Redemption the Redemption Notice Date for which had passed before the suspension commenced, but any Redemption Form lodged or deemed received on a Business Day when the right to Redeem Currency-Hedged Metal Securities of that type is suspended pursuant to this Condition shall be invalid; and
- 6.15.4 if the right to Redeem Currency-Hedged Metal of any type or types is suspended pursuant to this Condition as at 6.30 p.m. on the second Business Day prior to a Compulsory Redemption Date for that type pursuant to Condition 7.1 (*Compulsory Redemption by the Issuer*) or Condition 7.3 (*Compulsory Redemption on Enforcement of Security by FX Counterparty*), then notwithstanding that a number of Currency-Hedged Metal Securities of that type or types may have been specified pursuant to that Condition which is not all of those Currency-Hedged Metal Securities, such Compulsory Redemption Date shall be a Compulsory Redemption Date for all of the Currency-Hedged Metal Securities of that type or types.

6.16 Suspension of Redemptions while Division of Pool being considered

If the Issuer is considering exercising its power under Condition 15.3 to divide any Pool, or has determined to exercise such power, it may determine to suspend the right to Redeem the Individual Securities of the class attributable to such Pool (and any Basket Securities comprised of Individual Securities of that class) and, subject as provided in this Condition 6.16, may terminate any such suspension. The following provisions shall apply where the Issuer determines to exercise its powers under this Condition:

- 6.16.1 the Issuer shall give notice of such suspension and of the termination of any such suspension via an RIS as soon as practicable, but failure to give such notices shall not prevent the exercise of such powers;
- 6.16.2 any such suspension may continue in the discretion of the Issuer for a period of up to 30 days but (without prejudice to Condition 7.6 (*Redemption Forms Not to be Effective Once Notice of Compulsory Redemption Given*)) shall terminate when either the Issuer has determined to divide such Pool and such division has become effective or the Issuer has announced via an RIS that it has determined not to divide such Pool; and
- 6.16.3 any suspension shall not affect any Redemption the Redemption Notice Date for which had passed before the suspension commenced, but any Redemption Form lodged or deemed received on a Business Day when the right to Redeem Currency-Hedged Metal Securities of that type is suspended pursuant to this Condition shall be invalid.

6.17 Suspension of Redemptions during Bullion Settlement Disruption

If any day is a Bullion Settlement Disruption Day in respect of any Index, the Issuer may determine to suspend the right to Redeem the Individual Securities of the class to which such Index relates (and any Basket Securities comprised of Individual Securities of that class) and, subject as provided in this Condition 6.17, may terminate any such suspension. The following provisions shall apply where the Issuer determines to exercise its powers under this Condition:

- 6.17.1 the Issuer shall give notice of such suspension and of the termination of any such suspension via an RIS as soon as practicable, but failure to give such notices shall not prevent the exercise of such powers;
- 6.17.2 any such suspension may continue in the discretion of the Issuer for a period of up to ten Pricing Days but (without prejudice to Condition 7.6 (*Redemption Forms Not to be Effective Once Notice of Compulsory Redemption Given*)) shall terminate on the first Pricing Day following the commencement of such suspension which is a Bullion Business Day and not a Bullion Settlement Disruption Day; and
- 6.17.3 any suspension shall not affect any Redemption the Redemption Notice Date for which had passed before the suspension commenced, but any Redemption Form lodged or deemed received on a Business Day when the right to Redeem Currency-Hedged Metal Securities of that type is suspended pursuant to this Condition shall be invalid.

6.18 Suspension of Redemptions during FX Counterparty Event of Default

If there is a FX Counterparty Event of Default in respect of any FX Counterparty with which the Issuer has Metal Adjustment Contracts corresponding to any class of Individual Securities, the Issuer may determine to suspend the right to Redeem the Individual Securities of such class (and any Basket Securities comprised of Individual Securities of that class) and, subject as provided in this Condition 6.18, may terminate any such suspension. The following provisions shall apply where the Issuer determines to exercise its powers under this Condition:

- 6.18.1 the Issuer shall give notice of such suspension and of the termination of any such suspension via an RIS as soon as practicable, but failure to give such notices shall not prevent the exercise of such powers;
- 6.18.2 any such suspension may continue in the discretion of the Issuer for a period of up to 30 Pricing Days but (without prejudice to Condition 7.6 (*Redemption Forms Not to be Effective Once Notice of Compulsory Redemption Given*)) shall terminate when either the

Issuer has determined to divide such Pool and such division has become effective or the Issuer has announced via an RIS that it has determined not to divide such Pool; and

- 6.18.3 any suspension shall not affect any Redemption the Redemption Notice Date for which had passed before the suspension commenced, but any Redemption Form lodged or deemed received on a Business Day when the right to Redeem Currency-Hedged Metal Securities of that type is suspended pursuant to this Condition shall be invalid.

7. COMPULSORY REDEMPTION BY THE ISSUER OR TRUSTEE

7.1 Compulsory Redemption by the Issuer

The Issuer may at any time:

- 7.1.1 (upon not less than one day's notice in the case of (a) below and upon not less than 30 days' notice in the case of (b) below) by RIS announcement nominate a Business Day to be a Compulsory Redemption Date for all or some only of the Currency-Hedged Metal Securities, or all or some only of the Currency-Hedged Metal Securities of any one or more type, on which such Currency-Hedged Metal Securities shall be Redeemed, if:
- (a) notice is given by either party thereto terminating a Metal Adjustment Agreement or nominating a Compulsory Cancellation Date thereunder in respect of one or more Metal Adjustment Contracts created thereunder; or
 - (b) the Issuer elects to Redeem all or some only of the Currency-Hedged Metal Securities, or all or some only of the Currency-Hedged Metal Securities of any one or more type;
- 7.1.2 by RIS announcement nominate a Business Day to be a Compulsory Redemption Date for all or some only of the Currency-Hedged Metal Securities of any one or more type, if an Early Termination Date has been set in relation to a corresponding Metal Adjustment Contract under an ISDA Master Agreement (provided that such Compulsory Redemption Date shall be no earlier than such Early Termination Date); and
- 7.1.3 by RIS announcement nominate a Business Day to be a Compulsory Redemption Date for all or some only of the Currency-Hedged Metal Securities of any one or more type if, as the result of an Index Disruption, Additional Disruption or Hedging Disruption/Change in Law, all or some of the corresponding Metal Adjustment Contracts are terminated under the terms of the Disruption Fallback applicable to such Disruption Event,

and where the Issuer elects to Redeem some only of the Currency-Hedged Metal Securities of any type, the Issuer shall Redeem from each Security Holder in accordance with Condition 7.11 (*Compulsory Redemptions*) a number of Currency-Hedged Metal Securities of such type held by such Security Holder calculated on a *pro rata* basis (in the case of Basket Securities such number by reference to the Individual Securities of which they are comprised as if a holder of Basket Securities were the holder of the Individual Securities of which they are comprised and any balancing Individual Securities also Redeemed) to holdings on the relevant Register as at the Compulsory Redemption Date in proportion to the number of such Currency-Hedged Metal Securities held by such Security Holder relative to those held by all other Security Holders and, where such calculation would not give rise to a whole number, rounded up to the nearest whole number,

provided that (i) notice given under paragraph 7.1.1(a) of greater than seven days may be withdrawn until the date not later than seven days prior to the date nominated to be the Compulsory Redemption Date so long as there remains in effect at least one Metal Adjustment Agreement pursuant to which subsequent to that date corresponding Metal Adjustment Contracts in relation to such Currency-Hedged Metal Securities (or in relation to the same class or classes as the Individual Securities of which Currency-Hedged Metal Securities of that type or types are comprised) may be created and (ii) the Compulsory Redemption Date nominated in any notice given under paragraph 7.1.1(a) or under Condition 7.1.2 or Condition 7.1.3 may be amended by further such notice if the occurrence of another event or events within the scope of paragraph 7.1.1(a) or under Condition 7.1.2 or Condition 7.1.3 would result in Metal Adjustment Contracts

corresponding to the type of Currency-Hedged Metal Securities which were the subject of the original notice being so terminated with effect on a date prior to the Compulsory Redemption Date nominated in the original notice.

Any nomination of a Compulsory Redemption Date by the Issuer under this Condition 7.1 in relation to less than all of the Currency-Hedged Metal of a particular type is subject to Condition 6.15 (*Suspension of Redemptions while Value below Principal Amount*).

7.2 Compulsory Redemption by the Trustee on FX Counterparty Event of Default or Issuer Insolvency Event

If a FX Counterparty Event of Default or 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 affected Currency-Hedged Metal Securities (as a whole) then outstanding or by an Extraordinary Resolution of the Security Holders holding affected Currency-Hedged Metal Securities (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 affected Currency-Hedged 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 Date in respect of such Currency-Hedged Metal Securities. For this purpose “affected Currency-Hedged Metal Securities” means, in the context of an Issuer Insolvency Event, all of them, and, in the context of a FX Counterparty Event of Default, those Currency-Hedged Metal Securities that are attributable to the Pool or Pools which include rights against that particular FX Counterparty.

7.3 Compulsory Redemption on Enforcement of Security by FX Counterparty

If:

- 7.3.1 an FX Counterparty Enforcement Event in relation to any FX Counterparty (the “**Relevant FX Counterparty**”) has occurred and is continuing; and
- 7.3.2 the Relevant FX Counterparty has instructed the Security Trustee in writing to enforce its security under the Security Deed to which the Relevant FX Counterparty is a party; and
- 7.3.3 the Security Trustee has notified the Trustee that it has received such notice and has been indemnified and/or secured and/or pre-funded to its satisfaction in accordance with the provisions of such Security Deed (the date of such notice, the “**Notification Date**”),

a Compulsory Redemption Date shall automatically occur on the Pricing Day falling 20 Pricing Days from the Notification Date in respect of all types of Currency-Hedged Metal Securities in respect of which the Issuer has corresponding Metal Adjustment Contracts with the Relevant FX Counterparty, **provided that**, if in respect of any class of Individual Securities there are corresponding Metal Adjustment Contracts with at least one FX Counterparty that is not a Relevant FX Counterparty, only such number of Currency-Hedged Metal Securities of each type (in the case of Basket Securities such number by reference to the Individual Securities of which they are comprised as if a holder of Basket Securities were the holder of the Individual Securities of which they are comprised) as correspond to the Metal Adjustment Contracts with the Relevant FX Counterparty shall be Redeemed pursuant to this Condition 7.3 and accordingly a number of Currency-Hedged Metal Securities of such type held by each Security Holder shall be Redeemed in accordance with Condition 7.11 (*Compulsory Redemptions*), calculated on a *pro rata* basis (in the case of Basket Securities such number by reference to the Individual Securities of which they are comprised as if a holder of Basket Securities were the holder of the Individual Securities of which they are comprised and any balancing Individual Securities also Redeemed) to holdings on the relevant Register as at the Compulsory Redemption Date in proportion to the number of such Currency-Hedged Metal Securities held by such Security Holder relative to those held by all other Security Holders and, where such calculation would not give rise to a whole number, rounded up to the nearest whole number.

Any Compulsory Redemption Date occurring under this Condition 7.3 in relation to less than all of the Currency-Hedged Metal of a particular type is subject to Condition 6.15 (*Suspension of Redemptions while Value below Principal Amount*).

7.4 Compulsory Redemption on a fall in Value Relative to Principal Amount

If on any Pricing Day the value of the Metal Entitlement (determined on such reasonable basis as the Issuer shall consider appropriate) of a Currency-Hedged Metal Security of any type falls to 2.5 times the Principal Amount of such Currency-Hedged Metal Security or below, the Issuer may at any time, for so long as such value continues to be less than 2.5 times the Principal Amount of such Currency-Hedged Metal Security and during the period 60 days thereafter, upon not less than two days' notice by RIS announcement nominate a Business Day to be a Compulsory Redemption Date in respect of that type of Currency-Hedged Metal Security. The right to nominate a Business Day to be a Compulsory Redemption Date pursuant to this Condition 7.4 shall cease if an Extraordinary Resolution is passed which has the effect of reducing the Principal Amount to a level less than two-fifths of the value of the Metal Entitlement (determined on such reasonable basis as the Issuer shall consider appropriate) of a Currency-Hedged Metal Security of the relevant type, but this is without prejudice to any subsequent nomination pursuant to this Condition if on any Pricing Day the value of the Metal Entitlement (determined on such reasonable basis as the Issuer shall consider appropriate) of a Currency-Hedged Metal Security of that type falls to 2.5 times the Principal Amount (as so reduced) of such Currency-Hedged Metal Security or below.

7.5 Compulsory Redemption Not to Apply where Certain Notices Given

If in respect of any Currency Hedged Metal Securities a Compulsory Redemption Date is nominated by the Issuer and, prior to the Compulsory Redemption Date, the Issuer has either:

- (a) determined to divide a Pool to which outstanding corresponding Metal Adjustment Contracts created under that Metal Adjustment Agreement are attributable by allocating all such Metal Adjustment Contracts to the New Pool in accordance with Condition 15.3; or
- (b) announced by an RIS its intention to do so or that it is considering doing so,

the Issuer may determine that the Redemption shall not apply to the Currency-Hedged Metal Securities attributable to that Pool but shall apply (*mutatis mutandis*) to the New Individual Securities and New Basket Securities attributable to such new Pool and otherwise on the basis of this Condition 7. If in the case of paragraph (b) such division shall not have become effective within 30 days of such announcement, this Condition shall cease to have effect. The Issuer shall give notice of any determination made pursuant to this Condition 7.5 via an RIS as soon as practicable, but failure to give any such notice shall not prevent the exercise of its powers hereunder.

7.6 Redemption Forms Not to be Effective Once Notice of Compulsory Redemption Given

If a Metal Adjustment Agreement has been terminated, or notice of an Early Termination Date thereunder by reason of a FX Counterparty Event of Default has been given, then no further Redemption Forms in respect of Currency-Hedged Metal Securities attributable to a Pool to which outstanding Metal Adjustment Contracts created under that Metal Adjustment Agreement are attributable, given on or after the date of such termination or given or deemed given after the date of such notice shall be effective unless and until whichever occurs earlier of:

- (a) the Issuer has determined to divide such Pool as referred to in Condition 7.5 (*Compulsory Redemption Not to Apply where Certain Notices Given*) and such division has become effective; and
- (b) the Issuer has announced by an RIS that Redemption Forms given after, or on or after, the date specified in such announcement will be effective, the date determined in accordance with such announcement. Any such announcement may be general or subject to conditions and any Redemption Form which would not be effective in the absence of such announcement shall not be effective if it is not in accordance with such conditions.

7.7 Compulsory Redemption for Cause

The Issuer may, in its absolute discretion, at any time give written notice to a Security Holder that any Currency-Hedged 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 Date in respect of such Currency-Hedged Metal Securities, if:

- 7.7.1 the Issuer required the Security Holder in accordance with Condition 11 (*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 11 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
- 7.7.2 the Issuer required the Security Holder in accordance with Condition 11 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 11 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
- 7.7.3 the Issuer considers (in its sole discretion) (a) that such Currency-Hedged 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 Currency-Hedged Metal Securities, or (b) that the ownership or holding or continued ownership or holding of those Currency-Hedged 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 7.7.1(i) or sub-paragraph 7.7.2(i) so failed to provide such a certification, or in the case of sub-paragraph 7.7.1(ii) or sub-paragraph 7.7.2(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 Currency-Hedged Metal Securities held by it, a notice given by the Issuer under this Condition shall relate only to those Currency-Hedged Metal Securities (and not any other Currency-Hedged Metal Securities held by that Security Holder).

- 7.8 If a Security Holder which is the subject of a notice under Condition 7.7 (*Compulsory Redemption for Cause*) provides to the Issuer at least one Business Day prior to the Compulsory Redemption Date specified pursuant to Condition 7.7 proof required by the Issuer that its Currency-Hedged Metal Securities have been transferred to a person that is not a Prohibited Benefit Plan Investor or a Prohibited US Person, then the Currency-Hedged Metal Securities referred to in that notice shall not be Redeemed under these Conditions.
- 7.9 If a Security Holder which is the subject of a notice under Condition 7.7 (*Compulsory Redemption for Cause*) does not provide to the Issuer at least one Business Day prior to the Compulsory Redemption Date specified pursuant to Condition 7.7 proof required by the Issuer that its Currency-Hedged Metal Securities have been transferred to a person that is not a Prohibited Benefit Plan Investor or a Prohibited US Person, then the Currency-Hedged 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 Currency-Hedged Metal Securities.
- 7.10 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. 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 Currency-Hedged Metal Securities, or any other grounds save that such powers shall have been exercised in good faith.

7.11 Compulsory Redemptions

7.11.1 If notice is given to Redeem Currency-Hedged Metal Securities compulsorily pursuant to Condition 7.1 (*Compulsory Redemption by the Issuer*), Condition 7.2 (*Compulsory Redemption by the Trustee on FX Counterparty Event of Default or Issuer Insolvency Event*), Condition 7.3 (*Compulsory Redemption on Enforcement of Security by FX Counterparty*), Condition 7.4 (*Compulsory Redemption on a fall in Value Relative to Principal Amount*) or Condition 7.7 (*Compulsory Redemption for Cause*):

- (a) Currency-Hedged Metal Securities the Security Holder of which is an Authorised Participant; and
- (b) Currency-Hedged Metal Securities the Security Holder of which has, on or prior to the Compulsory Redemption Date, certified that it is not a UCITS Fund and specified 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,

shall be Redeemed by Metal Delivery. All other Currency-Hedged Metal Securities to be so Redeemed shall be Redeemed by Metal Sale.

7.11.2 In relation to any Compulsory Redemption, 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 Date (in the case of Redemption pursuant to Condition 7.2, Condition 7.3, Condition 7.4 or Condition 7.7), provided that:

- (a) in the case of Redemption pursuant to Condition 7.2, Condition 7.3, Condition 7.4 or Condition 7.7, 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 Currency-Hedged 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 Date shall be treated as having been postponed to the immediately following Business Day;
- (b) in the case where only Platinum Individual Securities and/or Palladium Individual Securities (and any Basket Securities comprised only of one or both of Platinum Individual Securities and/or Palladium Individual 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;
- (c) in the case where only Silver Individual Securities and/or Gold Individual Securities (and any Basket Securities comprised only of one or both of Platinum Individual Securities and/or Palladium Individual 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;
- (d) 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; and
- (e) if the Relevant Custodian determines that de-allocation of the relevant Bullion will not be completed on the date which would, but for this paragraph (e), be the Compulsory Settlement Date, the Compulsory Settlement Date will be such later date on which de-allocation is completed.

7.11.3 In relation to any Compulsory Redemption to be effected by Metal Delivery in accordance with these Conditions, the provisions of Condition 6.11 (*Delivery of Bullion upon Redemption*) shall apply save that references in that Condition to the Redemption Notice Date shall be replaced by references to the Compulsory Redemption Date and references in that Condition to the Settlement Date shall be replaced by references to the Compulsory Settlement Date.

- 7.11.4 In relation to any Compulsory Redemption to be effected by Metal Sale in accordance with these Conditions, the Issuer will direct the Security Trustee:
- (a) (on behalf of the Issuer) to 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 Date (in the case of Redemption pursuant to Condition 7.2, Condition 7.3, Condition 7.4 or Condition 7.7) to the Relevant 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 Currency-Hedged Metal Securities being Redeemed equal to the aggregate Metal Entitlement of such Currency-Hedged Metal Securities, calculated as at the Compulsory Redemption 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) to instruct the Relevant 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 Security Trustee; and
 - (c) to remit such proceeds in US Dollars (less any Redemption Fee in accordance with Condition 9 (*Redemption Fee*) which the Security Trustee will pay to such account of the Issuer as the Issuer may direct and less any fees and expenses of the Security Trustee and Trustee incurred in connection with such sale (if any)) to the relevant Security Holder through CREST or, in the case of Currency-Hedged 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 7.7 to the Security Holder having delivered the Currency-Hedged 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 Currency-Hedged Metal Securities to the Issuer by agreement with the Issuer). If the Security Holder fails to deposit the Currency-Hedged Metal Securities into an appropriate CREST account and give correct delivery free of payment instructions in CREST or otherwise so deliver the Currency-Hedged Metal Securities to the Issuer, the Issuer may retain the proceeds otherwise payable until the Security Holder has so deposited or delivered the Currency-Hedged 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.
- 7.11.5 The provisions of Condition 6.12.3 shall apply to Redemption by Metal Sale pursuant to Condition 7.1, Condition 7.2, Condition 7.3, Condition 7.4 or Condition 7.7 as they do to Redemption by Metal Sale pursuant to Condition 6 (*Redemption of Currency-Hedged Metal Securities*).
- 7.11.6 Notwithstanding Condition 7.11.2, if the Issuer is unable to satisfy its Redemption Obligations in full in respect of the Compulsory Redemption of any type of Currency-Hedged Metal Securities because a FX Counterparty has unsettled obligations in respect of Bullion of the relevant type (whether or not such obligations are then due for settlement), the Issuer may elect to defer settlement until it is able to satisfy its Redemption Obligations in full or may elect to satisfy such Redemption Obligations in part and defer settlement of the balance on such basis as it may in its absolute discretion determine.

8. SETTLEMENT AND REDEMPTION OBLIGATIONS

- 8.1 Where a Redemption Form has been lodged for the Redemption of Currency-Hedged Metal Securities, the Security Holder which holds those Currency-Hedged Metal Securities which are the subject of that Redemption must, by 8.00 a.m. on the Settlement Date, deposit the Currency-Hedged 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 Currency-Hedged 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. Once a valid Redemption Form is lodged in respect of Currency-Hedged Metal Securities, the Currency-Hedged 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 Currency-Hedged Metal Securities.
- 8.2 Subject as provided in Condition 6.3 (*Redemption by Other Security Holders*), failure by a Security Holder to deposit those Currency-Hedged Metal Securities into an appropriate CREST account, give correct instructions shall not invalidate the Redemption of those Currency-Hedged Metal Securities. Where settlement of a Redemption of Currency-Hedged Metal Securities is delayed due to the failure of the Security Holder to deposit the Currency-Hedged Metal Securities in question into an appropriate CREST account or give correct instructions or otherwise deliver such Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged Metal Securities.
- 8.3 Where Individual or Basket Securities are Redeemed in accordance with Condition 6 (*Redemption of Currency-Hedged Metal Securities*) or Condition 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 27 (*Payment Provisions*), to cancel the entry in the Register in respect of those Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged Metal Securities being redeemed.
- 9.3 On a Redemption of Currency-Hedged 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 Currency-Hedged 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 11 (*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 Currency-Hedged 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. SATISFACTION OF REDEMPTION FORMS BY TRANSFER

The Issuer may in its absolute discretion elect to satisfy Redemption Forms by transfer of the appropriate number of Currency Hedged Metal Securities to one or more Authorised Participant(s) from Security Holder(s) seeking Redemption, and for that purpose the Issuer may authorise any person on behalf of the Security Holder to execute one or more instruments of transfer in respect of the relevant number(s) of Currency Hedged Metal Securities provided that the amount of Bullion to be delivered to the Security Holder shall still be an amount equal to the relevant Metal Entitlement (less the Redemption Fee) and the relevant Settlement Date will be the date of the transfer(s).

11. ENQUIRIES AS TO STATUS OF SECURITY HOLDERS

- 11.1 The Issuer may at any time, without any requirement to state a reason, give notice to a Security Holder requiring that Security Holder:
 - 11.1.1 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 Currency-Hedged Metal Securities in respect of which it is a Prohibited Benefit Plan Investor or Prohibited US Person); and
 - 11.1.2 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 Currency-Hedged 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 Currency-Hedged Metal Securities held by it, specifying the number and type of Currency-Hedged 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).
- 11.2 The Issuer may provide to any FX Counterparty copies of any enquiries made by it under this Condition 11 and any responses received from the Security Holder.

- 11.3 The Issuer shall be entitled, save to the extent that it has made enquiry under this Condition 11, to assume that none of the Currency-Hedged Metal Securities are held by Prohibited US Persons or Prohibited Benefit Plan Investors.

12. ENFORCEMENT

- 12.1 The Trustee may at any time:

12.1.1 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, itself take such action and/or instruct the Security Trustee to 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 each relevant Security Deed in respect of the relevant Currency-Hedged Metal Securities to which such Defaulted Obligation relates;

12.1.2 if an Issuer Insolvency Event has occurred and is continuing, 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 Currency-Hedged Metal Securities (as a whole) then outstanding or an Extraordinary Resolution of the Security Holders holding Currency-Hedged Metal Securities (as a single class), the Trustee having first been indemnified and/or secured and/or funded to its satisfaction, itself take such action and/or instruct the Security Trustee to 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 each relevant Security Deed in respect of all outstanding Currency-Hedged Metal Securities; and

12.1.3 if a FX Counterparty Event of Default has occurred and is continuing and as a result either any Redemption Form in respect of Currency-Hedged Metal Securities of any type given on any of 30 continuous Pricing Days would have been invalid pursuant to Condition 6.6.8(c) or the Issuer has suspended Redemptions in relation to such class for a period of 30 continuous Pricing Days pursuant to Condition 6.18 (*Suspension of Redemptions during FX Counterparty Event of Default*), 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 Currency Hedged Metal Securities (as a whole) then outstanding or if so directed by an Extraordinary Resolution of the Security Holders holding affected Currency Hedged Metal Securities (as a single class), 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, itself take such action and/or instruct the Security Trustee to 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 these presents and the security constituted by each relevant Security Deed in respect of all outstanding affected Relevant Securities and for this purpose and Condition 12.4 “affected” Currency Hedged Metal Securities means, in the context of a FX Counterparty Event of Default, those Currency Hedged Metal Securities that are attributable to the Pool or Pools which include rights against the particular FX Counterparty.

- 12.2 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 seven calendar 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 Business Day until the date one month from such Business Day (inclusive) during which each Security Holder will be entitled to redeem all (but not some only) of the Currency-Hedged 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.

- 12.3 In the event that at any time during the Breach Redemption Period the right to Redeem Currency-Hedged Metal Securities of any type pursuant to Condition 6.2 (*Redemption by Authorised Participants*) or Condition 6.3 (*Redemption by Other Security Holders*) is suspended pursuant to Condition 6.15 (*Suspension of Redemptions while Value below Principal Amount*) or Condition 6.16 (*Suspension of Redemptions while Division of Pool being considered*), then the right to Redeem Currency-Hedged Metal Securities of that type pursuant to Condition 12.2 shall be suspended in like manner and the provisions of Condition 6.15 or Condition 6.16 (as the case may be) shall apply *mutatis mutandis*. Upon the suspension ceasing under Condition 6.15 or Condition 6.16 (as the case may be), the right to Redeem Currency-Hedged Metal Securities of that type pursuant to Condition 12.2 shall resume and the Breach Redemption Period in respect of that type shall continue until the date one month from the date on which the suspension so ceased.
- 12.4 If an Issuer Insolvency Event and/or a FX Counterparty Event of Default is occurring at the same time as a Defaulted Obligation, a Security Holder holding affected Currency-Hedged Metal Securities to whom a Defaulted Obligation is owed will not be entitled to require the Trustee to take action in accordance with Condition 12.1.1 or Condition 12.1.3 (as the case may be) until the expiry of 30 calendar days from the occurrence of the Issuer Insolvency Event and/or FX Counterparty Event of Default, nor shall he be so entitled if, during such period of 30 calendar days, the Trustee has elected, or been required, to take action in accordance with Condition 12.1.2 or the Security Trustee has elected, or been directed, to take action in accordance with equivalent provisions of the Security Deed. For this purpose “affected” Currency-Hedged Metal Securities means, in the context of an Issuer Insolvency Event, all of them.
- 12.5 Subject to Condition 12.7, only the Trustee or the Security Trustee may take action pursuant to Condition 12.1 or the Security Deeds. Where the Security Trustee has elected or been directed to enforce the Issuer’s obligations under the Trust Instrument pursuant to any of the security constituted by any 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 pursuant to any Security Deed or the Security Trustee announces its intention to enforce such security will be Redeemed in the normal manner.
- 12.6 If the Trustee takes any action pursuant to Condition 12.1 or instructs the Security Trustee to take any action pursuant to Condition 12.1, or if the Security Trustee takes any action pursuant to the equivalent provision of a Security Deed, in each case with respect to any Currency-Hedged Metal Securities to which a Defaulted Obligation relates, it shall give notice to the Issuer that such Currency-Hedged Metal Securities in respect of which such action is taken are, and they shall become, due and payable.
- 12.7 No Security Holder will be entitled to proceed directly against the Issuer unless the Trustee and/or the Security 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 or the Security Trustee (as the case may be) is entitled to exercise against or in relation to the Issuer on such Security Holder’s behalf.
- 12.8 Each Security Deed shall provide that, if a FX Counterparty Enforcement Event has occurred and is continuing which relates to a PMA Sub-Pool and if the relevant Security Trustee is so directed in writing by the FX Counterparty to which such PMA Sub-Pool relates, but subject to the Security Trustee having first been indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing, such Security Trustee shall take such proceedings and/or other action as it may think fit against or in relation to the Issuer or any other person to enforce the security constituted by that Security Deed in respect of such PMA Sub-Pool.

13. APPLICATION OF SECURITY

- 13.1 Each Security Deed shall provide that all monies and other property received by the Security Trustee pursuant to the realisation of Secured Property in respect of a Pool or (in the case of a Pool comprising more than one PMA Sub-Pool, a PMA Sub-Pool) in relation to a particular class of Currency Hedged Metal Securities shall be held by the Security Trustee upon trust, to apply them in accordance with the following provisions:
- 13.1.1 FIRST in payment or satisfaction of all amounts then due to the Security Trustee and the Trustee and unpaid (including to its attorneys, managers, agents, delegates or other person appointed by the Security Trustee and the Trustee) under the Security Deed and the Trust Instrument in respect of such Pool or, as the case may be, such PMA Sub-Pool (as determined by the Security Trustee in its absolute discretion), and to payment of any remuneration and expenses of any receiver and the costs of realisation of the security constituted by the Security Deed then unpaid (for the avoidance of doubt, excluding any Redemption Obligations owed to the Trustee under the Trust Instrument)
- 13.1.2 SECONDLY in or towards payment or discharge of all amounts then due and payable or deliverable by the Issuer to the relevant FX Counterparty under the relevant Metal Adjustment Agreement, the relevant ISDA Master Agreement or the relevant Master Confirmation Agreement;
- 13.1.3 THIRDLY in or towards payment or performance of all amounts then due and unpaid or undelivered by the Issuer under the Services Agreement to ManJer (or any Affiliate of the Issuer or any other person with which the Issuer has entered into a Services Agreement);
- 13.1.4 FOURTHLY in or towards payment or performance *pari passu* and rateably of all amounts then due and unpaid or undelivered and all obligations due to be performed and unperformed in respect of the Currency Hedged Metal Securities of that class; and
- 13.1.5 FIFTHLY, subject as provided in the Security Deed, in payment or delivery of the balance (if any) to the Issuer (without prejudice to, or liability in respect of, any question as to how such payment or delivery to the Issuer shall be dealt with as between the Issuer and any other person).

14. RESTRICTIONS

- 14.1 So long as any Currency-Hedged Metal Securities of a particular type are outstanding, the Issuer covenants in the Trust Instrument, *inter alia*:
- 14.1.1 not to incur or permit to subsist in respect of any Pool any indebtedness for borrowed money other than Currency-Hedged Metal Securities or Further Securities or as required pursuant to the terms of any Metal Adjustment Documentation, 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;
- 14.1.2 other than as permitted under the applicable Security Deed or with the prior written consent of the Security Trustee, 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;
- 14.1.3 save as permitted by Condition 15 (*Further Securities; Other Pools; Transfer to New Pools; Consolidation and Division*), not to undertake any business save for the issue and redemption of Currency-Hedged Metal Securities, the acquisition and disposal of Bullion, entering into Metal Adjustment Contracts, entering into the Documents (and any other contracts contemplated thereunder), entering into all other necessary documents and performing its obligations and exercising its rights thereunder;
- 14.1.4 enforce its rights under the Documents and comply with its obligations thereunder, except that the Issuer is not under an obligation to close out or terminate an ISDA Master Agreement upon the occurrence of a FX Counterparty Event of Default;

- 14.1.5 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;
 - 14.1.6 not to issue any Individual or Basket Securities of any type unless it has entered into corresponding Metal Adjustment Contracts having an aggregate Metal Equivalent equal to, and has received physical Bullion in an aggregate amount equal to, the Metal Entitlement calculated as at the Application Date;
 - 14.1.7 simultaneously with or promptly following the redemption of any Individual or Basket Securities of any type, to cancel a corresponding number of Metal Adjustment Contracts;
 - 14.1.8 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 or any part thereof;
 - 14.1.9 to undertake any business so as to seek to minimise the impact of taxation for Security Holders; and
 - 14.1.10 to procure that the property (including, without limitation, the Secured Metal Accounts) attributable to each Pool or PMA Sub-Pool (as applicable) is at all times maintained in a manner so that it is readily distinguishable from the property attributable to any other Pool or PMA Sub-Pool (as applicable) or the assets attributable to any pool to which any other class of securities of the Issuer is attributable.
- 14.2 Notwithstanding the foregoing, the Issuer may:
- 14.2.1 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
 - 14.2.2 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).

15. FURTHER SECURITIES; OTHER POOLS; TRANSFER TO NEW POOLS; CONSOLIDATION AND DIVISION

- 15.1 Subject to its ability to create corresponding Metal Adjustment Contracts, 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 will 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 Currency-Hedged Metal Securities when in Certificated Form may be surrendered in accordance with the provisions of the Trust Instrument). Any such additional class of Individual Securities shall have recourse only to the Pool attributable to such class of Individual Securities and not to any other Pool. Other such securities created and issued by the Issuer as described in this Condition 15.1 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 or be denominated in a different currency. Other such securities created and issued by the Issuer as described in this Condition 15.1 may be created and issued subject to different terms and conditions in lieu of the provisions of the Trust Instrument (including but not limited to different pricing mechanisms or different currencies), to be determined by the Issuer. If other securities created by the Issuer as described in this Condition 15.1 are subject to different terms and conditions in lieu of the provisions 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.

- 15.2 The Issuer shall not accept Applications for, or issue, Individual Securities of a new class, or Basket Securities (the amount due 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) as described in Condition 15.1 unless it has first (a) created corresponding Metal Adjustment Contracts under the terms of a Metal Adjustment Agreement and (b) executed and delivered to the Trustee a Security Deed, or a deed amending an existing Security Deed, creating security in respect of the Secured Property attributable to the applicable Pool.
- 15.3 Unless prohibited by the relevant Security Deed, the Issuer may at any time (without the consent of the Security Holders and without giving prior notice) determine to divide any Pool (the “**Existing Pool**”) by allocating some of the Secured Property attributable to that existing Pool to a new Pool (the “**New Pool**”). If it determines to do so, the following shall apply:
- 15.3.1 if:
- (a) the Issuer wishes to divide the Pool by transferring to the New Pool all (and not merely some) of the Metal Adjustment Contracts attributable to the existing Pool with any one FX Counterparty, it shall transfer all the assets attributable to the relevant PMA Sub-Pool;
 - (b) the Issuer wishes to divide the Pool in some other manner it shall allocate Bullion and Metal Adjustment Contracts in such manner that (i) the aggregate Metal Equivalent of the Metal Adjustment Contracts retained in the Existing Pool (such Metal Adjustment Contracts, the “**Existing Metal Adjustment Contracts**”) upon such division becoming effective shall be equal to the aggregate Metal Entitlement of the Individual Securities (and Basket Securities to the extent comprised of such Individual Securities) attributable to the Existing Pool (such Individual Securities and Basket Securities to such extent, the “**Existing Metal Securities**”) and equal to the amount of Bullion of the relevant type credited to the Secured Metal Accounts attributable to the Existing Pool immediately after such division taking into account amounts of such Bullion the subject of unsettled obligations (whether or not such obligations are then due for settlement) of or to an FX Counterparty in respect of the Existing Metal Adjustment Contracts and (ii) the sum of the aggregate Metal Entitlement of the Existing Metal Securities and of the New Individual Securities (as defined in Condition 15.3.2) (and New Basket Securities (as defined in Condition 15.3.3) to the extent comprised of such New Individual Securities) (such New Individual Securities and New Basket Securities to such extent, the “**New Metal Securities**”) immediately upon such division becoming effective is equal to the aggregate Metal Entitlement of the Existing Metal Securities immediately prior to such division becoming effective.
- 15.3.2 prior to or on the transfer becoming effective, the Issuer shall create undated limited recourse secured individual securities (“**New Individual Securities**”) of a new class referable to the same Index and otherwise on the same terms as the Individual Securities attributable to the Existing Pool (the “**Existing Individual Securities**”), each having a principal amount and Metal Entitlement determined in accordance with Condition 15.3.4 constituted by an instrument or deed on the same terms (*mutatis mutandis*) as the Trust Instrument (save that there shall be no obligation to procure Listing of the New Individual Securities) and on terms that such New Individual Securities shall have recourse only to the assets attributable to the New Pool, and (subject as provided in Condition 15.3.6) shall issue such New Individual Securities to the Security Holders of the Existing Individual Securities outstanding immediately prior to the transfer becoming effective on the basis of one New Individual Security for each Existing Individual Security then held. For this purpose (but subject as provided in Condition 15.3.6) any Individual Security in respect of which a Defaulted Obligation has occurred and is continuing shall be treated as outstanding;
- 15.3.3 prior to or on the transfer becoming effective, the Issuer shall also create new classes of undated limited recourse secured basket securities (“**New Basket Securities**”), each on the same terms as the existing categories of Basket Securities (“**Existing Basket Securities**”) which comprise Existing Individual Securities, each having a principal

amount determined in accordance with Condition 15.3.4 constituted by an instrument or deed on the same terms (*mutatis mutandis*) as the Trust Instrument (save that there shall be no obligation to procure Listing of the New Basket Securities of any category) and on terms that such New Basket Securities shall have recourse only to the assets attributable to the New Pools to which they are attributable, such New Basket Securities being capable when in Certificated Form of surrender in exchange for the New Individual Securities of which they are comprised (being New Individual Securities corresponding to the Existing Individual Securities of which the Existing Basket Securities to which that category of New Basket Securities corresponds are comprised) and by reference to which the Metal Entitlement of such New Basket Securities is calculated, and (subject as provided in Condition 15.3.6) shall issue such New Basket Securities to the Security Holders of the Existing Basket Securities outstanding immediately prior to the transfer becoming effective on the basis of one New Basket Security for each Existing Basket Security then held. For this purpose (but subject as provided in Condition 15.3.6) any Basket Security in respect of which a Defaulted Obligation has occurred and is continuing shall be treated as outstanding;

- 15.3.4 the principal amount and Metal Entitlement of each New Individual Security shall (subject as provided in Condition 15.3.6) be the proportion of the principal amount and Metal Entitlement respectively, of each Existing Individual Security outstanding immediately prior to the transfer becoming effective (including any calculation of the Metal Entitlement for that day in accordance with Condition 5 (*Metal Entitlement*)) that the aggregate Metal Equivalent of the corresponding Metal Adjustment Contracts transferred to the New Pool bears to the aggregate Metal Equivalent of the corresponding Metal Adjustment Contracts that formed part of the Existing Pool immediately prior to the transfer becoming effective (including any calculation of the Metal Equivalent for that day in accordance with the terms of such Metal Adjustment Contracts), and on the creation and issue of the New Metal Securities becoming effective the principal amount and Metal Entitlement of each Existing Individual Security and the principal amount of each Existing Basket Security shall be reduced accordingly and the principal amount of each New Basket Security determined accordingly;
- 15.3.5 the Issuer shall enter into a deed with the Security Trustee amending the Security Deed with the Security Trustee in relation to the assets attributable to the New Pool to secure the New Individual Securities (and the New Basket Securities to the extent that they comprise New Individual Securities) in the same manner (*mutatis mutandis*) as under the Security Deed in relation to the Existing Pool, and the Security Trustee shall release the property to be transferred from the Existing Pool to the New Pool;
- 15.3.6 any valid Redemption Form received or deemed received prior to (and being in respect of Currency-Hedged Metal Securities which have not by then been Redeemed and in respect of which settlement has not been made in accordance with Condition 8 (*Settlement and Redemption Obligations*)):
 - (a) in a case where in respect of the Existing Metal Securities notice of a Compulsory Redemption Date has been given under Condition 7.2 (*Compulsory Redemption by the Trustee on FX Counterparty Event of Default or Issuer Insolvency Event*) or Condition 7.4 (*Compulsory Redemption on a fall in Value Relative to Principal Amount*) prior to such division becoming effective, the date on which such notice of a Compulsory Redemption Date was given;
 - (b) in a case where in respect of the Existing Metal Securities a Compulsory Redemption Date is to occur under Condition 7.3 (*Compulsory Redemption on Enforcement of Security by FX Counterparty*) prior to such division becoming effective, the Notification Date;
 - (c) in a case where in respect of the relevant Existing Metal Securities notice of a Compulsory Redemption Date has been given under Condition 7.1.1(a), Condition 7.1.2 or Condition 7.1.3 prior to such division becoming effective, the date on which notice of the Compulsory Redemption Date was given;

- (d) in any other case where in respect of the relevant Existing Metal Securities, notice of a Compulsory Redemption Date has been given prior to such division becoming effective, the Compulsory Redemption Date; and
- (e) in any other case, the date on which such division becomes effective,

and in each case being valid notwithstanding Condition 6.6.7, Condition 6.6.8 and Condition 7.6 (*Redemption Forms Not to be Effective Once Notice of Compulsory Redemption Given*), shall have effect as if given in respect either of the Existing Metal Securities or of the New Metal Securities dependent upon the FX Counterparty (the “**Relevant Counterparty**”) to whom a Cancellation Notice (as defined in the Metal Adjustment Agreement) (the “**Relevant Cancellation Notice**”) had been delivered under a Metal Adjustment Agreement for the purposes of the Redemption intended to be effected pursuant to such Redemption Form as determined in its absolute discretion by the Issuer. Accordingly:

- (A) for the purposes of the calculations to be made in accordance with Condition 15.3.4, Metal Adjustment Contracts the subject of all Relevant Cancellation Notices shall be excluded, and the principal amounts and Metal Entitlements referred to therein shall be calculated as though all such Metal Adjustment Contracts had been terminated;
- (B) for the purposes of the calculations to be made in accordance with Condition 15.3.4, Metal Adjustment Contracts that have been created for the purposes of an Application that has not been completed by the issue of Currency-Hedged Metal Securities shall be excluded, and the principal amounts and Metal Entitlements referred to therein shall be calculated as though all such Metal Adjustment Contracts had not been created;
- (C) each Security Holder from whom such a Redemption Form in respect of Existing Individual Securities was received or deemed received shall not be issued New Individual Securities as provided in Condition 15.3.2 and instead each of the Existing Individual Securities to which such Redemption Form relates shall be divided into Existing Individual Securities or New Individual Securities as are attributable to the Pool to which Metal Adjustment Contracts with the Relevant Counterparty are attributable immediately following the transfer becoming effective, each such Existing Individual Security ranking *pari passu* with and having the same principal amount and Individual Entitlement as the other Existing Individual Securities of that class as reduced in accordance with Condition 15.3.4 and each such New Individual Security ranking *pari passu* with and having the same principal amount and Metal Entitlement as the other New Individual Securities of that class, and each such Security Holder shall hold upon such division becoming effective such number as nearly as practicable (rounded down to the nearest whole number) of Existing Individual Securities or New Individual Securities (as the case may be) as has the same aggregate principal amount as had the Existing Individual Securities in respect of which the Redemption Form related immediately prior to the division becoming effective; and
- (D) each Security Holder from whom such a Redemption Form in respect of Existing Basket Securities was received or deemed received shall not be issued New Basket Securities as provided in Condition 15.3.3 and instead each of the Existing Basket Securities to which such Redemption Form relates shall be divided into Existing Basket Securities or New Basket Securities as are attributable to the Pools to which Metal Adjustment Contracts with the Relevant Counterparty are attributable immediately following the transfer becoming effective, each such Existing Basket Security ranking *pari passu* with, having the same principal amount as, and comprising the same numbers of Existing Individual Securities of each class as, the other Existing Basket Securities of that category as reduced (in the case of the principal amount) in accordance with Condition 15.3.4 and each such New Basket Security ranking *pari passu* with, having the same principal amount as, and comprising the same numbers of new

Individual Securities of each class as, the other New Basket Securities of that class, and each such Security Holder shall hold upon such division becoming effective such number as nearly as practicable (rounded down to the nearest whole number) of Existing Basket Securities or New Basket Securities (as the case may be) as has the same aggregate principal amount as had the Existing Basket Securities in respect of which the Redemption Form related immediately prior to the division becoming effective.

- 15.4 Without prejudice to the foregoing, the Issuer may consolidate or divide all of the Currency-Hedged Metal Securities of any type into Currency-Hedged 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.
- 15.5 Whenever as a result of consolidation of Currency-Hedged Metal Securities a Security Holder would become entitled to a fraction of a Currency-Hedged Metal Security the Issuer will Redeem such fraction of a Currency-Hedged Metal Security. In such circumstances the provisions of Condition 7.11 (*Compulsory Redemptions*) shall apply in respect of the aggregate fractions of Currency-Hedged Metal Securities to be redeemed *mutatis mutandis* as though the Redemption were pursuant to Condition 7.1 (*Compulsory Redemption by the Issuer*) and the date on which the consolidation becomes effective the Compulsory Redemption Date.

16. ISSUER'S ABILITY TO PURCHASE CURRENCY-HEDGED METAL SECURITIES

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

17. LISTING

The Issuer covenants in the Trust Instrument to use its best endeavours to obtain and, so long as any of the Currency-Hedged Metal Securities remain outstanding, maintain a Listing for the Currency-Hedged 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 Currency-Hedged Metal Securities on such other stock exchange as it may (with the prior written approval of the Trustee) decide.

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

- 18.1 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 any Security Deed, or determine that any Defaulted Obligation, FX Counterparty Event of Default 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:

- 18.1.1 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
- 18.1.2 with respect to an Issuer Insolvency Event or a FX Counterparty Event of Default 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 Currency-Hedged 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.

- 18.2 Security Holders in respect of any type or types of Currency-Hedged Metal Securities have power by Extraordinary Resolution, *inter alia*, to sanction the release of the Issuer from the payment of moneys payable and delivery of Bullion due 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, except in the case of an adjourned meeting, at least fourteen calendar days' notice (exclusive 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, including any meeting which is being convened for the purpose of passing an Extraordinary Resolution, 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 calendar days' notice (exclusive as aforesaid) should be given unless the day, time and place for the adjourned meeting is specified in the notice convening the original meeting.
- 18.3 For the purposes of these Conditions, where calculation of the percentage holdings of Security Holders by Principal Amount is required, every A\$1.00, €1.00, S\$1.00 and £1.00 of Principal Amount attributable to a Currency-Hedged Metal Security shall be regarded as having an equal value.

19. EXERCISE OF DISCRETIONS

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

20. PRESCRIPTION

The Trust Instrument does not provide for any prescription periods.

21. REMOVAL, RETIREMENT OR REPLACEMENT OF TRUSTEE

- 21.1 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.
- 21.2 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.

22. GOVERNING LAW AND JURISDICTION

- 22.1 The Conditions, the Currency-Hedged Metal Securities and the Trust Instrument are governed by the laws of Jersey. Each Security Deed is governed by the laws of England.
- 22.2 In the Trust Instrument the Issuer irrevocably agrees for the benefit of the Trustee and the Security Holders that the courts of Jersey are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Instrument. In each Security Deed the Issuer irrevocably agrees for the benefit of (*inter alios*) the Security Trustee, the Trustee and the Security Holders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with such Security Deed.
- 22.3 Notwithstanding the submission by the Issuer to the jurisdiction of the Jersey courts contained in the Trust Instrument and the submission by the Issuer to the jurisdiction of the English courts contained in each Security Deed, nothing prevents the Trustee or the Security Trustee from commencing proceedings in any other competent jurisdiction.

23. 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) and the Security Trustee (or any director, officer or employee of such Security 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) and no Security Trustee (and no director, officer or employee of such Security Trustee), in execution of the trusts and powers under the Trust Instrument or the Security Deed, 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, wilful misconduct, gross negligence or default of another director, officer or employee or Trustee or Security Trustee.

24. AMENDMENTS TO CONDITIONS

24.1 These Conditions may be amended as set out herein or by written agreement between the Issuer and the Trustee. Subject to Condition 24.2, 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 calendar days following such announcement, save that a reduction in the Management Fee or the Hedging Rate may take effect on announcement.

24.2 Notwithstanding Condition 24.1:

24.2.1 no announcement of an amendment to the Conditions to which Condition 25.2.4, Condition 25.2.10 or Condition 25.4 applies unless the Trustee otherwise requires and such amendment may take effect immediately;

24.2.2 in the case of an amendment to the Conditions to which Condition 25.2.2 applies, such amendment may take effect the later of ten calendar days from announcement and 30 calendar days following announcement of the identity of the proposed Transferee or new FX Counterparty;

24.2.3 in the case of an amendment to the Conditions to which Condition 25.2.3 applies, such amendment may take effect ten calendar days from announcement; and

24.2.4 in the case of an amendment to the Conditions to which any of Condition 25.2.6 to Condition 25.2.9 applies, such amendment shall take effect on announcement unless otherwise specified in or pursuant to the relevant resolution.

25. AMENDMENTS TO DOCUMENTS

25.1 Pursuant to the Trust Instrument, the Issuer covenants that subject as provided therein (as described in this Condition 25) and subject to Condition 6.10 it will not amend, vary, modify or supplement any of the Trustee Consent Documents without the prior written consent of the Trustee save where, in respect of a Metal Adjustment Agreement, ISDA Master Agreement or Master Confirmation Agreement, that amendment is at the election of the relevant FX Counterparty to elect to amend the terms of the Metal Adjustment Agreement so as to be on terms no less favourable to the relevant FX Counterparty than the relevant terms of another Metal Adjustment Agreement, ISDA Master Agreement or Master Confirmation Agreement entered into between the Issuer and another FX Counterparty and to include at the Issuer's option any commercial terms agreed to by such other FX Counterparty.

25.2 The Issuer may, without prejudice to Condition 25.4, by supplemental agreement or supplemental instrument or deed, as applicable, amend these Conditions, the Trust Instrument or any Security Deed or amend, vary, modify, supplement or novate any of the Trustee Consent Documents (in respect of Condition 25.2.1, Condition 25.2.2, Condition 25.2.5, Condition 25.2.6, Condition 25.2.7, Condition 25.2.8 and Condition 25.2.9 in each case without the consent of the Trustee or the Security Trustee), and the Trustee agrees in the Trust Instrument, and each Security Trustee will agree in each Security Deed, to join in a supplemental agreement or supplemental instrument or deed as applicable accordingly, if one or more of the following applies:

25.2.1 if the amendment is to substitute as debtor under a Metal Adjustment Agreement, ISDA Master Agreement, Master Confirmation Agreement or Guarantee another person having an Acceptable Credit Rating;

- 25.2.2 if the amendment or novation is (A) to effect the transfer of any Metal Adjustment Agreement, ISDA Master Agreement and Master Confirmation Agreement, or any or any part of any Metal Adjustment Contract (or any position constituting any or any part of such Metal Adjustment Contract) to any FX Counterparty or other person (the “**Transferee**”) or to make amendments consequent upon such transfer or (B) to effect the appointment of a new FX Counterparty (a “**new FX Counterparty**”), **provided that**:
- (a) (where such transferee is not a FX Counterparty immediately prior to such amendment and novation) the Transferee or new FX Counterparty, as the case may be, has an Acceptable Credit Rating or has a Guarantor with an Acceptable Credit Rating;
 - (b) such amendment or novation would not affect the Metal Entitlement or Principal Amount of any Currency-Hedged Metal Securities;
 - (c) in the case of a transfer, prior to the transfer becoming effective in respect of any class of Metal Adjustment Contracts, and in the case of the appointment of a new FX Counterparty, prior to entering into Metal Adjustment Contracts of any class with such new FX Counterparty, Secured Metal Accounts have been opened with a Custodian in respect of that class and that new FX Counterparty; and
 - (d) in the case of a transfer, prior to the transfer becoming effective in respect of any class of Metal Adjustment Contracts, and in the case of the appointment of a new FX Counterparty, prior to entering into Metal Adjustment Contracts of any class with such new FX Counterparty, the Issuer has executed and delivered to the Trustee a Security Deed granting to a Security Trustee for (*inter alios*) the Trustee security over such Secured Metal Accounts and the Issuer’s rights under the relevant Metal Adjustment Agreement, ISDA Master Agreement and Master Confirmation Agreement in each case to the extent applicable to such class and such FX Counterparty (in or substantially in the same form as the Security Deed entered on or about the date of the Trust Instrument) as security for the payment or discharge of the obligations of the Issuer to (*inter alios*) the Trustee, the FX Counterparty and the Security Holders from time to time in respect of the applicable class of Currency-Hedged Metal Securities;
- 25.2.3 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;
- 25.2.4 in the opinion of the Trustee, the amendment is of a formal, minor or technical nature or to correct a manifest or proven error;
- 25.2.5 the amendment is to substitute a different index for one or more of the Indices and consequential changes, **provided that** (i) corresponding amendments and changes have been agreed with each of the FX Counterparties which have Metal Adjustment Contracts outstanding that refer to the relevant Index or Indices, (ii) the amendment and changes so agreed have the consequence that at the time of the substitution of the index there is no change to the aggregate Metal Entitlement of the Currency-Hedged Metal Securities of the relevant type and (iii) the amendment and changes do not take effect until at least 30 calendar days have elapsed after they are announced to Security Holders in an RIS announcement;
- 25.2.6 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;
- 25.2.7 Condition 25.2.6 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);

- 25.2.8 Condition 25.2.6 and Condition 25.2.7 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 Currency-Hedged Metal Securities differently and the terms of the amendment are authorised by separate Extraordinary Resolutions of the holders of each type of Currency-Hedged 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 Currency-Hedged Metal Security affected holding not less than 75 per cent. by Principal Amount of the Currency-Hedged 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;
- 25.2.9 Condition 25.2.6 to Condition 25.2.8 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 Currency-Hedged Metal Securities (as a whole); or
- 25.2.10 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 Currency-Hedged Metal Securities) or any Listing Rules or to rectify any inconsistency, technical defect, manifest error or ambiguity in the terms of such document.
- 25.3 In the case of an amendment to a Metal Adjustment Agreement, Master Confirmation Agreement or ISDA Master Agreement (other than an amendment or novation made pursuant to Condition 25.2.2), the amendment may not take effect for at least 30 calendar days (or five Business Days if the amendment is to be made pursuant to an obligation in the Metal Adjustment Agreement to negotiate in good faith following notice being given by either party thereto of the occurrence of a Material Adverse Change (as defined therein)) following publication of a notice thereof through a RIS and the Issuer shall not agree to any such amendment unless it does not take effect until such period has elapsed.
- 25.4 The restrictions imposed by Condition 25.2 and Condition 25.3 shall not apply to any amendment to the terms of a Metal Adjustment Agreement, ISDA Master Agreement or Master Confirmation Agreement which, under the terms thereof, is automatic or at the election of the relevant FX Counterparty in the circumstances described in Condition 25.1.
- 25.5 The Issuer shall notify all Security Holders of a proposed amendment as referred to in Condition 25.2.1 by publishing a notice on a RIS at least ten calendar days' prior to such amendment becoming effective.
- 25.6 Without prejudice to Condition 24, the Issuer shall notify all Security Holders of a proposed amendment as referred to in Condition 25.2.2 by publishing a notice on a RIS at least ten calendar days' prior to such amendment becoming effective.
- 25.7 The Issuer shall notify all Security Holders of a proposed amendment as referred to in Condition 25.2.6 to Condition 25.2.9 (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.
- 25.8 No notice need be given of any amendment as referred to in Condition 25.2.4, Condition 25.2.10 or Condition 25.4 unless the Trustee otherwise requires.
- 25.9 The Issuer may at any time in its sole discretion determine in respect of any Pool that a specified financial institution or other entity, not being already a Custodian in respect of such Pool but being

a member of the Relevant Association in respect of Individual Securities to which such Pool relates and which provides custody and transfer facilities in respect of Bullion of the relevant type, shall be appointed as a Custodian. Upon such determination being made the Trustee agrees in the Trust Instrument that it will, as soon as practicable following a request by the Issuer to do so, enter into:

25.9.1 a Secured Allocated Account Agreement;

25.9.2 a Secured Unallocated Account Agreement; and

25.9.3 if so requested by the Issuer, a Metal Sale Counterparty Agreement,

each with the Issuer and such financial institution or other entity in a form substantially equivalent to a then existing such agreement to which the Issuer, the Trustee and a Custodian are then or have been party (in respect of that Pool or any other Pool) or in such other form as the Issuer may reasonably require.

25.10 The Issuer shall give notice to the Security Holders by publishing a notice on a RIS promptly after, or prior to, entering into any Secured Allocated Account Agreement, Secured Unallocated Account Agreement or Metal Sale Counterparty Agreement as referred to in Condition 25.9 and (save where in respect of such Pool there is no other Custodian) no Bullion shall be credited to any Secured Metal Account maintained pursuant to any such Custodian Agreement until the expiry of 30 calendar days from the date of such publication.

26. NOTICES

26.1 Except as provided below, all notices required or permitted to be given to Security Holders, the Issuer, the Trustee or the Security Trustee under the Trust Instrument or pursuant to any other Document must be in writing in English.

26.2 Except as provided herein or in the Trust Instrument or other Document (as the case may be), all notices required or permitted to be given to a Security Holder under the Trust Instrument or pursuant to any other Document 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.

26.3 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 Currency-Hedged 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.

26.4 Any Redemption Form 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: primarymarket@etfsecurities.com

26.5 Any Redemption Form given 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.

26.6 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 26.7.

- 26.7 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 Hedged 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.

- 26.8 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:

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

26.8.2 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.

27. PAYMENT PROVISIONS

- 27.1 All monies payable by the Issuer in respect of Currency-Hedged 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.
- 27.2 All monies payable by the Issuer on the Redemption of any Currency-Hedged 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 sub-division 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.
- 27.3 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 THE SECURITY DEED

The Issuer will enter into a separate Security Deed in respect of each FX Counterparty with the Security Trustee, the Trustee, ManJer and that FX Counterparty. Each Security Deed will secure the Secured Liabilities (as defined below) for the benefit of the Secured Parties and, where there is more than one FX Counterparty, will create separate PMA Sub-Pools attributable to the relevant FX Counterparty only. The Secured Parties in respect of each Security Deed will include (i) the Security Holders of each class of Currency-Hedged Metal Securities in respect of which the FX Counterparty to which that Security Deed relates is a FX Counterparty; (ii) the FX Counterparty which is a party to that Security Deed; and (iii) ManJer.

As at the date of this Prospectus, the Issuer has entered into one Security Deed in respect of MSIP.

The Security 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.

The particulars of the Security Deed as set out below are taken from the Security Deed 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 Currency-Hedged Metal Securities) under the heading "Security Structure and Separate Pools".

The Security Deed with MSIP contains, and each further Security Deed will contain, *inter alia*, provisions to the following effect:

1. Assignment and Charge

The Issuer, as security for the payment or discharge of all sums owing by the Issuer to the Security Trustee, the Trustee, the FX Counterparty or the Security Holders from time to time under the applicable type of Currency-Hedged Metal Securities, the Trust Instrument, the Security Deed, the applicable class of Metal Adjustment Contracts or the Metal Adjustment Agreement to the extent it relates to such class or to ManJer or any Affiliate or successor of ManJer or any other person under the Services Agreement (the "**Secured Liabilities**"):

- (a) *Fixed Charge*: assigns by way of first fixed charge or legal mortgage to the Security Trustee for the benefit of itself and the Secured Parties all its rights, title and interest, present and future, in and to the Bullion held in the Secured Metal Accounts forming part of the Secured Property, insofar as it relates to the relevant PMA Sub-Pool;
- (b) *Floating Charge*: charges by way of first ranking floating charge to the Security Trustee for the benefit of the Secured Parties all the Issuer's rights, title and interest, present and future, in and to the Secured Property insofar as it relates to the relevant PMA Sub-Pool; and
- (c) *Assignment by way of Security*: assigns absolutely to the Security Trustee for the benefit of the Secured Parties all of its present and future rights, title and interest in each Secured Metal Accounts Agreement, each Metal Sale Counterparty Agreement, each Metal Adjustment Agreement, each ISDA Master Agreement, each Master Confirmation Agreement and any Guarantee (the "**Assigned Agreements**"), in each case to the extent that it relates to the relevant PMA Sub-Pool, *provided that*, such assignment shall take effect subject to any set-off or close-out netting expressly permitted under any relevant Metal Adjustment Documentation between the amounts payable under such Metal Adjustment Documentation, *provided further that*, subject to certain conditions, the Issuer may in certain circumstances continue to exercise certain of its powers under the Assigned Agreements.

2. Enforcement

- (a) The Security created by the Security Deed shall become enforceable if (and only if):
- (i) a Defaulted Obligation;
 - (ii) a FX Counterparty Event of Default;
 - (iii) an Issuer Insolvency Event; or
 - (iv) a FX Counterparty Enforcement Event,
- has occurred and is continuing.
- (b) The Security Trustee may at any time:
- (i) after the occurrence of a Defaulted Obligation, at its discretion, and shall, if so directed in writing by the Trustee in accordance with the Trust Instrument or by the relevant Security Holder to whom such Defaulted Obligation is owed, the Security 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 in respect of the relevant Currency-Hedged Metal Securities to which such Defaulted Obligation relates;
 - (ii) if an Issuer Insolvency Event has occurred and is continuing, at its discretion, and shall if so directed in writing by the Trustee in accordance with the Trust Instrument or by Security Holders holding not less than 25 per cent. by Principal Amount of the Currency-Hedged Metal Securities (as a whole) then outstanding or if so directed by an Extraordinary Resolution of the Security Holders holding Currency-Hedged Metal Securities (as a single class), the Security 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 obligations of the Issuer under the Trust Instrument and the security constituted by the Security Deed in respect of all outstanding relevant Currency-Hedged Metal Securities;
 - (iii) if a FX Counterparty Event of Default has occurred and is continuing and as a result either any Redemption Form in respect of Currency-Hedged Metal Securities of any type given on any of 30 continuous Pricing Days would have been invalid pursuant to Condition 6.6.8(c) or the Issuer has suspended Redemptions in relation to such class for a period of 30 continuous Pricing Days pursuant to Condition 6.18, at its discretion, and shall if so directed in writing by the Trustee in accordance with the Trust Instrument or by Security Holders holding not less than 25 per cent. by Principal Amount of the Currency-Hedged Metal Securities (as a whole) then outstanding or if so directed by an Extraordinary Resolution of the Security Holders holding affected Currency-Hedged Metal Securities (as a single class), the Security 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 obligations of the Issuer under the Trust Instrument and the security constituted by the Security Deed in respect of all outstanding Currency-Hedged Metal Securities of the relevant class that are attributable to the Pool or Pools which include rights against the particular FX Counterparty; and
 - (iv) if a FX Counterparty Enforcement Event has occurred and is continuing, and if it is so directed in writing by the FX Counterparty, the Security Trustee first having 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 the Security.

The Security Deed, for so long as MSIP is the only FX Counterparty, relates separately to each Pool to which the Individual Securities of each class (and Basket Securities to the extent comprised of Individual Securities of such class) relate and accordingly the Trustee may exercise its powers referred to above in respect of one or more Pools and need not do so, or do so simultaneously, in respect of all Pools.

- (c) Where a FX Counterparty Event of Default and/or an Issuer Insolvency Event is occurring at the same time as a Defaulted Obligation, a holder of affected relevant Currency-Hedged Metal Securities to whom a Defaulted Obligation is owed will not be entitled to require the Security Trustee to take action as described in paragraph (b)(i) until the expiry of 30 days from the occurrence of the FX Counterparty Event of Default and/or Issuer Insolvency Event, nor shall he be so entitled if, during such period of 30 days, the Security Trustee has elected, or been required, to take action as described in paragraph (b)(ii). For this purpose “affected” Currency-Hedged Metal Securities means, in the context of an Issuer Insolvency Event, all of them.

3. Allocations

All receipts and deliveries of Bullion in respect of any PMA Sub-Pool shall be made to or from the Secured Metal Accounts relating to such PMA Sub-Pool.

Upon:

- (a) the occurrence or designation of an Early Termination Date (as defined in the Metal Adjustment Documentation) under the ISDA Master Agreement; or
- (b) in any other circumstances (if any) where a transfer or delivery to or from the FX Counterparty has been or is required to be made of an amount expressed to be payable or deliverable by reference to a Bullion Class or all Bullion Classes or classes (so that the amount is not expressed to be payable or deliverable in respect of a single class or PMA Sub-Pool),

then any Physical Early Termination Amount (as defined in the Metal Adjustment Documentation) or Cash Early Termination Amount (as defined in the Metal Adjustment Documentation) for the relevant Bullion Class or any other amount payable or deliverable in respect of that Bullion Class or all Bullion Classes shall be allocated to each PMA Sub-Pool on the basis of the Bullion Close-out Amount (as defined in the Metal Adjustment Documentation) and Bullion Undelivered Amount (as defined in the Metal Adjustment Documentation) for the Metal Adjustment Contracts attributable to such PMA Sub-Pool or any other termination or close-out amount in respect of such Metal Adjustment Contracts, in each case before such amounts were aggregated or netted for the purposes of calculating any such Physical Early Termination Amount or Cash Early Termination Amount or other amount. Any other costs or receipts not calculated by reference to any single class, Pool or PMA Sub-Pool shall be allocated to each PMA Sub-Pool on such basis as the Issuer considers to be equitable or, if the Issuer is the Defaulting Party under the ISDA Master Agreement or an Issuer Insolvency Event has occurred and is continuing, as the FX Counterparty considers to be equitable (which in either case in relation to costs, fees, expenses and taxes relating to enforcement or protection of rights due under the ISDA Master Agreement (“**ISDA Enforcement Claims**”) shall be on the basis that (i) if such ISDA Enforcement Claims are claimed by the FX Counterparty they shall only be allocated to the PMA Sub-Pools against which an ISDA Enforcement Claim is made; (ii) if such ISDA Enforcement Claims are claimed by the Issuer they shall only be allocated to the PMA Sub-Pools in respect of which an ISDA Enforcement Claim is made; and (iii) in either case such ISDA Enforcement Claim shall be allocated to such PMA Sub-Pools *pro rata* to the amount of such ISDA Enforcement Claim).

4. Certificates and Information

Upon:

- (a) the occurrence or designation of an Early Termination Date (as defined in the Metal Adjustment Documentation) under the ISDA Master Agreement (other than where the Issuer is the Defaulting Party under the ISDA Master Agreement); and
- (b) in any other circumstances (other than if an Issuer Insolvency Event has occurred and is continuing) where a transfer or delivery to or from the FX Counterparty has been or is required to be made of an amount expressed to be payable or deliverable by reference to a Bullion Class or all Bullion Classes or classes (so that the amount is not expressed to be payable or deliverable in respect of a single class or PMA Sub-Pool),

then the Issuer undertakes that it will deliver a certificate to the Security Trustee, which shall be prepared so as to reflect allocations to be made as described above.

Where the Issuer is the Defaulting Party under the ISDA Master Agreement or if an Issuer Insolvency Event has occurred, the FX Counterparty undertakes in the Security Deed to deliver similar information to the Security Trustee. If, for whatever reason, the Issuer or the FX Counterparty (as applicable) fail to give the required certificate or information to the Security Trustee, ManJer undertakes in the Security Deed to procure the provision to the Security Trustee of the necessary information and advice, at ManJer's own cost and expense.

5. Application of Security

At any time after the Security has become enforceable, the Security Trustee may collect, sell, or otherwise deal with the Secured Property in such manner as the Security Trustee thinks fit, and may take such actions or proceedings in connection therewith as it considers appropriate. All property or monies received by the Security Trustee pursuant to the realisation of Secured Property shall be held by the Security Trustee upon trust, to apply them in accordance with the following Priority Waterfall:

FIRST in payment or satisfaction of all amounts then due to the Security Trustee and the Trustee and unpaid (including to its attorneys, managers, agents, delegates or other person appointed by the Security Trustee or the Trustee) under the Security Deed and the Trust Instrument (as determined by the Security Trustee in its absolute discretion), and to payment of any remuneration and expenses of any receiver and the costs of realisation of the security constituted by the Security Deed then unpaid (for the avoidance of doubt, excluding any Redemption Obligations owed to the Trustee under the Trust Instrument);

SECONDLY in or towards payment or discharge of all amounts then due and payable or deliverable by the Issuer to the relevant FX Counterparty under the relevant Metal Adjustment Documentation with that FX Counterparty;

THIRDLY in or towards payment or performance of all amounts then due and unpaid or undelivered by the Issuer under the Services Agreement to ManJer (or any Affiliate or successor of ManJer or any other person with which the Issuer has entered into a Services Agreement);

FOURTHLY in or towards payment or performance *pari passu* and rateably of all amounts then due and unpaid and undelivered and all obligations due to be performed and unperformed in respect of the relevant Currency-Hedged Metal Securities of that class; and

FIFTHLY, subject as provided in the Security Deed, in payment or delivery of the balance (if any) to the Issuer (without prejudice to, or liability in respect of, any question as to how such payment or delivery to the Issuer shall be dealt with as between the Issuer and any other person).

6. Security Trustee's Retirement and Removal

A Security Trustee may retire at any time on giving not less than three months' prior written notice to the Issuer without giving any reason and without being responsible for any Liabilities incurred by reason of such retirement. The Security Holders by Extraordinary Resolution of the Security Holders (as a single class) or the FX Counterparty by notice in writing may appoint or remove

any Security Trustee. Any person appointed as Security Trustee by Extraordinary Resolution under the Security Deed must have first been consented to in writing by the relevant FX Counterparty.

7. Liability

Save in the case of fraud, wilful misconduct or gross negligence, the Security Trustee has no liability under the Security Deed for a breach of trust and save in such circumstances, the Security Trustee is not, in execution of the trusts and powers under the Security Deed, 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 Security Trustee.

The Security Trustee is not liable for the acts, defaults or misconduct of any receiver or similar officer of any part of the Secured Property by reason of it making or consenting to the appointment of such receiver or similar officer under the Security Deed, or the terms on which such appointment is made.

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

The Security Trustee is not responsible for any liability which may be suffered by any person as a result of the lack of or inadequacy of any insurance of any of the property created by the Documents.

If and to the extent that, in order to give any instructions to the Custodian pursuant to the Security Deed, the Security Trustee requires information from any other person, then the Security Trustee will take such steps as appear to it to be reasonable to obtain such information as soon as it appears to it to be reasonable. Subject thereto, the Security Trustee will not be obliged to give such instructions until it has obtained such information or such other information as may appear to it to be a reasonable substitute.

Without prejudice to its obligation to submit all necessary instructions to the Custodian under the Security Deed, the Security Trustee shall not be under any obligation to monitor or procure that receipts and deliveries of Bullion in respect of any PMA Sub-Pool are made to or from the Secured Metal Accounts relating to such PMA Sub-Pool or that any Physical Early Termination Amount or Cash Early Termination Amount is allocated as described in the Security Deed and the Security Trustee may rely absolutely upon any certificate, information or advice given to it as described above and any certificate or information provided to it.

8. Governing Law

The Security Deed and any non-contractual obligations arising out of or in relation to the Security Deed is governed by and construed in accordance with English law. Notwithstanding the submission to the jurisdiction of the English courts contained in the Security Deed, nothing prevents the Security Trustee from commencing proceedings in any other court of competent jurisdiction.

PART 8

CUSTODY AND THE CUSTODIAN AGREEMENTS

Storage and Insurance of Bullion

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

As at the date of this document the Sub-Custodians directly appointed by the Custodian are Brink's Limited, Loomis UK Limited, Johnson Matthey, Royston and Malca Amit UK Limited.

The Custodian (or one of its affiliates) may make such insurance arrangements from time to time in connection with its custodial obligations with respect to Bullion held by it as it considers appropriate and will be responsible for all costs, fees and expenses (including any relevant taxes) in relation to such insurance arrangements. The Custodian has 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 Security 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 Security Trustee will require any 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 Custodian maintains group insurance policies that cover all metals held in its and its Sub-Custodians' 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 Custodian has agreed to charge a fee for its services under the Custodian Agreements based on the aggregate amounts of Bullion held in the relevant Secured Allocated Accounts (with no minimum fee), calculated daily and payable monthly in arrears in Bullion relating to the same kind of Bullion as that to which the Secured Allocated Account relates.

The Custodian Agreements are for an initial fixed term of five years from 28 February 2013 and will continue thereafter unless any of the Issuer (in respect of the Subscription Unallocated Accounts Agreement only), the Security Trustee (in respect of the Secured Metal Accounts Agreements only) or the Custodian gives 90 days' prior written notice, or immediately in certain circumstances.

The 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 Custodian Agreements.

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

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

The Custodian and any of its affiliates may from time to time purchase or sell Currency-Hedged 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 Custodian and indemnities in favour of the Custodian which are restricted to exclude matters arising by reason of loss or damage arising as a direct result of fraud, negligence or wilful default by the Custodian in the performance of its duties. The Custodian may make use of Sub-Custodians and depositories in the exercise of its functions.

The Custodian does not warrant the contents of this Prospectus, nor is it involved in the management, administration or net asset value calculation of the Currency-Hedged 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 Custodian is a member of both the LBMA and the LPPM and thus any VAT charged to the Custodian under the Programme is reclaimable. The processes designed by the Custodian for the benefit of the Issuer means that Currency-Hedged Metal Securities should not accrue any future irrecoverable VAT charges, although if the rules for VAT or importation were changed, it is possible that Currency-Hedged 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 European Union, 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 Custodian (and not the Issuer the Trustee or the Security Trustee) is liable for any VAT.

The Custodian Agreements

The Secured Metal Accounts have been established pursuant to the terms of the Secured Metal Accounts Agreements. The following is a summary of these documents and the Subscription Unallocated Accounts Agreement. As this relates to the Custodian Agreements the following provisions are drafted in legal language. Explanation of how they relate to Security Holders can be found throughout the Prospectus including in Part 1 (*General*) and Part 4 (*Description of Currency-Hedged Metal Securities*).

1. SECURED METAL ACCOUNTS

- (a) The Custodian will open and maintain the Secured Metal Accounts in the name of the Security Trustee (as legal mortgagee pursuant to the security granted by the Security Deed and in its capacity as Security Trustee for the Secured Parties). The Secured Metal Accounts will each 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 and will be denominated according to the Pool or PMA Sub-Pool to which they relate.

- (b) The Custodian will provide reports by fax or by e-mail (at the option of the Security Trustee) to the Security Trustee by the close of each Business Day (only if there have been any changes). The Custodian retains the right to reverse recording errors with retrospective effect.
- (c) The Custodian acknowledges that, pursuant to each Security Deed, the Issuer has secured or will secure by way of first legal mortgage to the Security Trustee for the benefit of itself, and the other Secured Parties all its rights, title and interest, present and future, in and to all Bullion held in or credited to the Secured Metal Accounts and assigned by way of security all the rights of the Issuer in respect of the Secured Metal Accounts, including the rights of the Issuer in the Secured Metal Accounts Agreements.

2. SUBSCRIPTION UNALLOCATED ACCOUNTS

- (a) The Custodian will open and maintain the Subscription Unallocated Accounts in the name of the Issuer. The Subscription Unallocated Accounts will each evidence and record the withdrawals of Bullion from and deposits of Bullion to that account. Each Subscription Unallocated Account will be denominated in respect of platinum, palladium and silver in troy ounces and in respect of gold in fine troy ounces and will be denominated according to the Pool or PMA Sub-Pool to which they relate.
- (b) The Custodian will provide reports by fax or by email (at the option of the Issuer) to the Issuer by the close of each Business Day (only if there have been any changes). The Custodian retains the right to reverse recording errors with retrospective effect.

3. 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 that on which the Security Trustee (in the case of the relevant Secured Allocated Account from which such deposit is to be made) or the Issuer (in the case of the relevant Subscription Unallocated Account from which such deposit is to be made) wishes the Custodian to credit to such Secured Unallocated Account Bullion debited from the relevant Secured Allocated Account or the relevant Subscription Unallocated Account.

Notice of an intended deposit into the relevant Subscription Unallocated Account must be given by the Issuer to the Custodian no later than 2.00 p.m. (London time) one Business Day prior to that on which the Issuer wishes the Custodian to credit to the corresponding Secured Unallocated Account Bullion debited from such Subscription Unallocated Account.

4. WITHDRAWALS

The Custodian may amend the procedures for withdrawing Bullion from the Secured Metal Accounts only 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. The process of de-allocation of Bullion may involve minimal adjustments to the weight of Bullion to be withdrawn to adjust such weight to the whole bars available.

5. INSTRUCTIONS

The Issuer, the Security Trustee and the Custodian have agreed that only the Security Trustee shall have the right to give instructions to the Custodian for withdrawal of Bullion from the Secured Metal Accounts.

If, in the Custodian's opinion, any instructions are unclear or ambiguous, the Custodian will use reasonable endeavours (taking into account any relevant time constraints) to obtain clarification of those instructions from, in the case of a Subscription Unallocated Account, the Issuer or, in the case of a Secured Metal Account, the Security 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.

In the case of the Subscription Unallocated Accounts Agreements, only the Issuer may give instructions to the Custodian for the withdrawal of Bullion from a Subscription Unallocated Account.

6. CUSTODY SERVICES

The Custodian is appointed as the custodian of the Bullion credited to the Metal Accounts in accordance with the Custodian Agreements and any applicable rules of the Relevant Association which apply to the Custodian and subject to the Security. The Custodian will segregate Bullion in each Secured Allocated Account from the Bullion in each other Secured Allocated Account and from any 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. The Custodian will identify in its books the Security Trustee as the legal mortgagee of the Bullion credited to the Secured Metal Accounts and the Issuer as the legal owner of the Bullion credited to the Subscription Unallocated Accounts.

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

7. SUB-CUSTODIANS

The Custodian may appoint Sub-Custodians solely for the temporary custody and safekeeping of Bullion until transported to the relevant vault premises. The Secured Allocated Accounts Agreement requires the 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 (or any further delegate of such 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 Custodian has currently appointed to perform such duties are Brink's Limited, Loomis UK Limited, Johnson Matthey, Royston and Malca Amit UK Limited.

The Custodian is not liable in contract, tort or otherwise for any loss, damage or expense arising directly or indirectly from any act or omission, or insolvency, of any Sub-Custodian or any further delegate of such Sub-Custodian unless the appointment of that Sub-Custodian was made by the Custodian negligently or in bad faith.

8. FEES AND EXPENSES

The Custodian has agreed to charge a fee for its services under the Custodian Agreements at a rate based on the aggregate value of Bullion held in each 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 relating to the same kind of Bullion and having the same denomination as that (or one of those) to which the Secured Allocated Account relates.

In addition, the Issuer is required to procure the payment to the Custodian on demand of all costs, charges and expenses (including any relevant taxes other than 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 Custodian in connection with the performance of its duties and obligations under the Custodian Agreements or otherwise in connection with the Bullion credited to the Metal Accounts.

9. VALUE ADDED TAX

All sums payable under the Custodian Agreements by the Issuer to the Custodian shall be deemed to be inclusive of VAT, if and to the extent VAT is properly chargeable.

10. SCOPE OF RESPONSIBILITY

- (a) *General:* The Custodian will use reasonable care in the performance of its duties under the Custodian Agreements and will only be responsible for any loss or damage suffered as a direct result of any negligence, fraud or wilful default on its part in the performance of its duties, and in which case its 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 Custodian, provided that the

Custodian notifies the Company and the Security Trustee (in respect of the Secured Metal Accounts) promptly after any discovery of such lost or damaged Bullion.

The Custodian is 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 Custodian Agreement.

- (b) *Insurance*: The Custodian (or one of its affiliates) will make such insurance arrangements from time to time in connection with its custodial obligations under the Custodian Agreements as it considers appropriate, and it will be responsible for all costs, fees and expenses (including any relevant taxes) in relation thereto. The Issuer may, subject to confidentiality restrictions, review these insurance coverage arrangements from time to time upon reasonable notice.
- (c) *Force majeure*: The Custodian will not be liable for any delay in performance, or for the non-performance of any of its obligations under the Custodian Agreements by reason of any cause beyond the Custodian's reasonable control. This includes any 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; provided, however, that, where possible, the Custodian will use all reasonable efforts to bring such an event to an end as soon as possible.
- (d) *Indemnity*: The Issuer shall indemnify and keep indemnified the Custodian (on an after tax basis) against all costs and expenses, damages, liabilities and losses (other than VAT) which the Custodian may suffer or incur, directly or indirectly in connection with the Custodian Agreements except to the extent that such sums are due directly to the negligence, wilful default or fraud of the Custodian.

11. TERMINATION

The Custodian Agreements shall have a fixed initial term of five years from 28 February 2013 and, following the expiry of that term, may be terminated by either the Security Trustee (in respect of the Secured Metal Accounts Agreements only), the Issuer (in respect of the Subscription Unallocated Accounts Agreement only) or the Custodian giving to the other party or parties not less than 90 days' written notice unless any of the following circumstances occur in which case any Custodian Agreement may be terminated immediately upon written notice as follows:

- (i) by the Security Trustee (in the case of the Secured Metal Accounts Agreements) or the Issuer (in the case of the Subscription Unallocated Accounts Agreement), if the Custodian ceases to offer the services contemplated by the relevant Custodian Agreement to its clients or proposes to withdraw from the bullion custody business;
- (ii) by the Security Trustee (in the case of the Secured Metal Accounts Agreements) or the Issuer (in the case of the Subscription Unallocated Accounts Agreement) or the Custodian, if it becomes unlawful for the Custodian to be a party to the relevant Custodian Agreement or to offer its services to the Issuer on the terms contemplated by such agreement or it becomes unlawful for the Security Trustee (in the case of the Secured Metal Accounts Agreements only) or the Issuer to receive such services or to be a party to such agreement;
- (iii) by the Custodian, if there is any event or circumstance which, in the Custodian's sole view, indicates the Issuer's insolvency or impending insolvency;
- (iv) by the Security Trustee (in the case of the Secured Metal Accounts Agreements) or the Issuer (in the case of the Subscription Unallocated Accounts Agreement), if there is any event which, in the Security Trustee's or the Issuer's (as the case may be) sole view, indicates the Custodian's insolvency or impending insolvency; or
- (v) by the Security Trustee (in the case of the Secured Metal Accounts Agreements) or the Issuer (in the case of the Subscription Unallocated Accounts Agreement) or by the Custodian, if any of the other Custodian Agreements cease 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 Metal Accounts within six months of the termination date specified in the termination notice, the Custodian will be entitled to sell such Bullion and account to the Security Trustee or the Issuer (as applicable) for the proceeds after deducting any amounts due to the Custodian under the Custodian Agreements. Termination shall not affect rights and obligations then outstanding under the Custodian Agreements which shall continue to be governed by the Custodian Agreements until all obligations have been fully performed.

12. GOVERNING LAW AND JURISDICTION

Each Custodian Agreement and any non-contractual disputes or claims arising in connection with each Custodian Agreement are governed by, and will be construed in accordance with, English law and the parties agree 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 and for these purposes the parties irrevocably subject to the non-exclusive jurisdiction of the English courts.

PART 9

DESCRIPTION OF THE METAL ADJUSTMENT DOCUMENTATION AND METAL ADJUSTMENT CONTRACTS

Each class of Currency-Hedged Metal Securities will be linked to corresponding Metal Adjustment Contracts between the Issuer and one or more FX Counterparties. A description of certain of the terms of the Metal Adjustment Contracts is set out under the heading “Metal Adjustment Contracts” below. Where Currency-Hedged Metal Securities are issued or Redeemed the Issuer will effect an increase or reduction in the number of the relevant Metal Adjustment Contracts as described below. In order to enter into a Metal Adjustment Contract, a FX Counterparty must have entered into Metal Adjustment Documentation with the Issuer. At the date of this Prospectus, the Issuer has entered into Metal Adjustment Documentation with MSIP.

Metal Adjustment Documentation

MSIP Metal Adjustment Agreement

The Issuer has entered into an English law governed Metal Adjustment Agreement with MSIP under which, subject to the provisions thereof and the payment of the Hedging Fee, the Issuer can create and cancel on a continuous basis, subject to the Daily Creation Limits, the Daily Cancellation Limits and the Volume Limits and certain other conditions, any class of Metal Adjustment Contract.

The MSIP Metal Adjustment Agreement continues in full force and effect, subject to termination in accordance therewith, and as more fully described below.

Compulsory Cancellation of Metal Adjustment Contracts

A compulsory cancellation date (a “**Compulsory Cancellation Date**”) will occur (or be deemed to occur) in respect of any or all classes of Metal Adjustment Contracts where:

- the Issuer or MSIP gives not less than 6 months’ notice, on or after the date which is two and a half years after the Effective Date, of a Compulsory Cancellation Date in respect of all Metal Adjustment Contracts to which MSIP is a party;
- the Issuer gives at least 30 Business Days’ notice of a Compulsory Cancellation Date in respect of any class of Metal Adjustment Contract where all Currency-Hedged Metal Securities of such class are to be Redeemed;
- the Issuer gives at least two Business Days’ notice of a Compulsory Cancellation Date in respect of any class of Metal Adjustment Contract where all Currency-Hedged Metal Securities of such class are to be Redeemed pursuant to Condition 7.4 (*Compulsory Redemption on a fall in Value Relative to Principal Amount*);
- an Early Termination Date occurs or is designated by either MSIP or the Issuer in respect of one or more classes of Metal Adjustment Contract pursuant to the terms of the MSIP ISDA Master Agreement; or
- the Issuer gives at least 30 Business Days’ notice of a Compulsory Cancellation Date in respect of the remaining Currency-Hedged Metal Securities of a class in connection with which MSIP has already designated an Early Termination Date for some but not all of the Metal Adjustment Contracts of that class.

Where notice of a Compulsory Cancellation Date has been given:

- no Metal Adjustment Contract of the relevant class may be created on or after the date on which notice of such Compulsory Cancellation Date is received by the other party;
- no further Cancellation Notices may be given in respect of the relevant class of Metal Adjustment Contract on or after the date on which notice of such Compulsory Cancellation Date is received by the other party;

- all existing Metal Adjustment Contracts of the relevant class or classes will be cancelled from the Compulsory Cancellation Date.

Termination

The MSIP Metal Adjustment Agreement will terminate following payment or satisfaction in full by both the Issuer and MSIP of all amounts owed in respect of all Metal Adjustment Contracts closed following a Compulsory Cancellation Date in respect of all classes, and satisfaction in full of all obligations owed under the MSIP Metal Adjustment Agreement.

Amendments

MSIP may elect to amend the MSIP Metal Adjustment Agreement if the Issuer enters into or amends a Metal Adjustment Agreement with another Metal Adjustment Contract Counterparty so as to be on terms no less favourable than that other Metal Adjustment Agreement as so entered into or amended and for this purpose the consent of the Trustee will not be required.

MSIP ISDA Master Agreement

The Issuer has entered into an English law governed 2002 ISDA Master Agreement and schedule thereto with MSIP. The MSIP ISDA Master Agreement will govern each Metal Adjustment Contract entered into pursuant to the MSIP Metal Adjustment Agreement. The economic terms will be set out in a Master Confirmation Agreement, as supplemented by a pricing notice for each Metal Adjustment Contract.

Events of Defaults and Termination Events

The occurrence of an Event of Default or Termination Event under the MSIP ISDA Master Agreement would allow the non-defaulting or non-affected party to terminate the Metal Adjustment Contracts governed by the MSIP ISDA Master Agreement.

The Events of Default in Sections 5(a)(i) to (viii) and Termination Events in Sections 5(b)(i) to (v) of the standard form 2002 ISDA Master Agreement apply to both the Issuer and MSIP subject to certain amendments. There are differences between the “bankruptcy” event of default under the MSIP ISDA Master Agreement as it applies to the Issuer as compared to the definition of “Issuer Insolvency Event” which may result in an event of default occurring under the MSIP ISDA Master Agreement with respect to the Issuer in circumstances which would not constitute an Issuer Insolvency Event.

Certain Additional Termination Events apply in respect of the Issuer, including:

- if there is a breach by the Issuer of its obligations under certain provisions of the MSIP Metal Adjustment Agreement and MSIP gives the Issuer written notice of such breach and it is not (where capable of remedy) remedied within ten calendar days;
- if the Issuer disclaims, repudiates or rejects in whole or in part, or challenges the validity of the MSIP Metal Adjustment Agreement;
- if the terms of the MSIP Security Deed are amended in any way without the consent of MSIP and such amendment has an adverse effect on MSIP’s position in the Priority Waterfall; and
- the occurrence of a Bullion Settlement Disruption (as specified in the MSIP Master Confirmation Agreement).

Pursuant to an additional payments agreement (the “**Additional Payments Agreement**”) between ManJer, MSIP and the Issuer, ManJer also pays to MSIP an amount each month (each an “**Additional Amount**”), calculated and payable as set out in the Additional Payments Agreement.

If any Additional Amount has not been paid in full within three months, then an Additional Termination Event will occur under the MSIP ISDA Master Agreement further to which MSIP will have the right to terminate all outstanding Metal Adjustment Contracts between MSIP and the Issuer.

In addition, there are provisions which provide for the automatic occurrence of an Early Termination Date where the Security Trustee has been instructed to take enforcement action against the PMA Sub-Pools applicable to MSIP.

On the occurrence of an Early Termination Date, the (or each) party specified under the MSIP ISDA Master Agreement as the “Determining Party” will calculate an Early Termination Amount separately for each Bullion Class. Such Early Termination Amount will comprise a Physical Early Termination Amount and a Cash Early Termination Amount. The Physical Early Termination Amount will be calculated on the basis of (I) the sum of (a) outstanding accrued obligations under Metal Adjustment Contracts of the relevant Bullion Class to deliver amounts in the relevant Bullion (“**Bullion Denominated Obligations**”) owing to the Determining Party plus (b) the amount of the losses or costs of the Determining Party in respect of future Bullion Denominated Obligations that are or would be incurred (expressed as a positive quantity) or gains of the Determining Party that are or would be realised (expressed as a negative quantity) in replacing, or in providing for the Determining Party the economic equivalent of, the material terms of such future Bullion Denominated Obligations and any option rights in respect thereof less (II) outstanding accrued Bullion Denominated Obligations owing to the party which is not the Determining Party.

The Cash Early Termination Amount under the MSIP ISDA Master Agreement is calculated in a broadly similar manner except that it relates to cash payment obligations under the relevant Metal Adjustment Contracts instead of Bullion delivery obligations.

MSIP Master Confirmation Agreement

As of the Effective Date, the Issuer has entered into an English law governed Master Confirmation Agreement with MSIP for the purpose of facilitating the process of creating and confirming Metal Adjustment Contracts.

Priority

In the event of any inconsistency between the MSIP ISDA Master Agreement (including the Master Confirmation Agreement) and the Metal Adjustment Agreement the terms of the MSIP ISDA Master Agreement (including the Master Confirmation Agreement) shall prevail.

Calculation Agent

MSIP shall act as calculation agent in respect of the Metal Adjustment Contracts under its own Metal Adjustment Documentation.

Hedging Disruption/Change in Law Termination

If MSIP determines that a Hedging Disruption/Change in Law has occurred in respect of a Metal Adjustment Contract on any Pricing Day, MSIP may notify the Issuer. The Aggregate Delivery Amount in respect of such Pricing Day will be deliverable in respect of such Metal Adjustment Contract and following such settlement each party will be discharged from all obligations for delivery of any further Aggregate Delivery Amounts in respect of such Metal Adjustment Contract.

Hedging Disruption/Change in Law has the meaning given to such term in the Master Confirmation Agreement but includes:

- any change of law or interpretation that results in it being impossible or impractical for MSIP to hold, acquire or dispose of any hedge position relating to a class or classes of Metal Adjustment Contract;
- where MSIP determines it is unable, after using commercially reasonable efforts, to acquire, maintain or dispose of any hedge position or realise, recover or remit the proceeds of any hedge position relating to the Metal Adjustment Contract; and
- where MSIP will incur a materially increased cost in relation to a Metal Adjustment Contract and the Issuer does not agree to MSIP’s proposal to restructure the Metal Adjustment Contract to take account of such increased cost.

Additional Disruption, Index Disruption or Bullion Settlement Disruption

If on any Pricing Day in respect of any class of Metal Adjustment Contract:

- an Additional Disruption has been continuing for two or, in certain circumstances, five, consecutive Index Business Days in respect of the relevant Index;

- an Index Disruption is occurring in respect of the relevant Index and has continued for a period of five consecutive Pricing Days,

the Aggregate Delivery Amount as determined on that Pricing Day will become due for Delivery and following such Delivery each party will be discharged from all obligations for delivery or payment of any further Aggregate Delivery Amounts in respect of such Metal Adjustment Contract.

Such final Aggregate Delivery Amount will be calculated by MSIP in accordance with the provisions of the Master Confirmation Agreement.

In the case of an Additional Disruption, no Daily Delivery Amount will be determined in respect of a Pricing Day on which an Additional Disruption is outstanding except the final Aggregate Delivery Amount if the relevant Metal Adjustment Contract is to be discharged as described above. As there will be no Index level available in respect of the Pricing Day applicable for such final Aggregate Delivery Amount, the Calculation Agent will have considerable discretion as to the calculation of the Aggregate Delivery Amount due in respect of such Pricing Day.

Irrespective of whether a Metal Adjustment Contract is discharged further to an Index Disruption as described above, in respect of a Pricing Day whilst an Index Disruption is outstanding, the Calculation Agent will have considerable discretion as to the calculation of the Aggregate Delivery Amount due in respect of such Pricing Day.

Bullion Settlement Disruption

Bullion Settlement Disruption shall have the meaning given to such term in the Master Confirmation Agreement but includes where an Aggregate Delivery Amount cannot be physically delivered in accordance with the Metal Adjustment Documentation on account of there being a disruption in the relevant Bullion market and this continues for five consecutive days which (in the absence of such disruption) would have been days on which a delivery could have been effected. The occurrence of a Bullion Settlement Disruption will result in an Additional Termination Event occurring under the ISDA Master Agreement in respect of the affected Metal Adjustment Contracts, an early termination of such Metal Adjustment Contracts and a cash payment being due either to or from the Issuer calculated in accordance with the early termination provisions of the ISDA Master Agreement.

Metal Adjustment Contracts

Metal Adjustment Contracts are designed to provide the Issuer with exposure to movement in the Indices to provide the currency-hedging element required to back the Currency-Hedged Metal Securities and are entered into on an unfunded basis. Each Metal Adjustment Contract has a Metal Equivalent in troy ounces (or fine troy ounces in the case of gold) but is adjusted on each Pricing Day in the same manner as is the Metal Entitlement of the corresponding Currency-Hedged Metal Securities. In the ordinary course, the Metal Equivalent of a Metal Adjustment Contract should always equal the Metal Entitlement of the corresponding Currency-Hedged Metal Securities.

Each class of Metal Adjustment Contract will be referenced to the same Index as the equivalent class of Currency-Hedged Metal Security and a Daily Delivery Amount (as further described below) will be calculated (in an amount of the relevant type of Bullion) in respect of each Pricing Day depending on the change in the level of the relevant Index since the previous Pricing Day. Daily Delivery Amounts are settled between the parties on a periodic basis as further described under the heading "Delivery" below.

Creation and Cancellation of Metal Adjustment Contracts

Whenever Currency-Hedged Metal Securities of a class are issued or redeemed, the Issuer will always create or cancel, as the case may be, corresponding Metal Adjustment Contracts in accordance with provisions of the relevant Metal Adjustment Agreement.

If the Issuer receives one or more valid Application Forms or Redemption Forms in respect of a class of Currency-Hedged Metal Securities, the Issuer will send to the relevant FX Counterparty a Creation Notice or Cancellation Notice requesting the creation or cancellation, as the case may be, of the corresponding Metal Adjustment Contracts. The Issuer will, in accordance with the provisions of the relevant Metal Adjustment Agreement, contact the FX Counterparty by telephone to seek confirmation of acceptance by the FX Counterparty of such Creation Notice or Cancellation Notice. The FX Counterparty will confirm such Creation Notice or Cancellation Notice provided that it complies with

certain formalities (set out in the Metal Adjustment Agreement) as to form, quantum, procedure, timing and substance. Following such confirmation, the corresponding Metal Adjustment Contract will be created in accordance with the provisions of the relevant Metal Adjustment Agreement.

Elections

Upon an Application Form being lodged for new Currency-Hedged Metal Securities:

- the Issuer will only issue new Currency-Hedged Metal Securities if it can create corresponding Metal Adjustment Contracts under the Metal Adjustment Agreement; and
- the Issuer may in its absolute discretion elect to satisfy such Application by the transfer of the appropriate number and class of Currency-Hedged Metal Securities from one or more Security Holders seeking redemption. In that event, to the extent of the number and class of Currency-Hedged Metal Securities transferred, no Metal Adjustment Contracts will be created.

Daily Delivery Amount and Aggregate Delivery Amount

Subject to the provisions of the relevant Metal Adjustment Agreement a Daily Delivery Amount is calculated in respect of each Metal Adjustment Contract on each Pricing Day depending on the change in the level of the relevant Index since the preceding Pricing Day.

The Daily Delivery Amount will be an amount in ounces of the relevant type of Bullion determined using the following formulae (rounded to five decimal places with 0.000005 being rounded up):

$$DDA_{i,t} = NS_{i,t-1} \times \left(\frac{IM_{i,t}}{IM_{i,t-1}} - 1 \right) + \sum_{\tau=T}^{t-1} NU_{\alpha(i,T),\tau} \times \left(\frac{IM_{i,t-1}}{IM_{i,\tau}} - 1 \right)$$

where:

$DDA_{i,t}$ is the Daily Delivery Amount on day t in respect of Metal Adjustment Contracts of Class i;

i refers to the relevant class of Metal Adjustment Contract;

t refers to the applicable Pricing Day;

t-1 refers to the Pricing Day prior to day t;

T refers to a day upon which a Binding Creation Notice (as defined in the Metal Adjustment Agreement) is received;

τ represents each Pricing Day from and including T until but not including t;

α represents a number of Metal Adjustment Contracts;

$NS_{i,t-1}$ the aggregate Metal Equivalent of the Metal Adjustment Contracts of Class i backing Currency-Hedged Metal Securities of class i outstanding on day t-1 (the “**Notional Settled**”) determined as set out below;

$IM_{i,t}$ is the closing settlement level in ounces of Bullion of the Index applicable to a Metal Adjustment Contract of Class i for day t;

$IM_{i,t-1}$ is the closing settlement level in ounces of Bullion of the Index applicable to a Metal Adjustment Contract of Class i for day t-1;

$IM_{i,T+1}$ is the closing settlement level in ounces of Bullion of the Index applicable to a Metal Adjustment Contract of Class i for Pricing Day T+1;

$IM_{i,T}$ is the closing settlement level in ounces of Bullion of the Index applicable to a Metal Adjustment Contract of Class i for Pricing Day τ ; and

$NU_{\alpha(i,T),\tau}$ is the aggregate Metal Equivalent on Pricing Day t of the Metal Adjustment Contracts of Class i backing Currency-Hedged Metal Securities of class i for which an Application was received on day T and which for which day t is the Settlement Date (the “**Notional Unsettled**”) determined as set out below.

Notional Settled

The Notional Settled in respect of a Class of Metal Adjustment Contracts on Pricing Day $t-1$ shall be an amount in ounces of the Bullion relevant to that Class calculated in accordance with the following formula (rounded to five decimal places with 0.000005 being rounded up):

$$NS_{i,t-1} = SES_{i,t-1} \times MEQ_{i,t-1}$$

where:

$NS_{i,t-1}$ is the aggregate Metal Equivalent of the Metal Adjustment Contracts of Class i backing Currency-Hedged Metal Securities of class i outstanding on day $t-1$;

i refers to the relevant Class of Metal Adjustment Contracts;

$t-1$ in respect of particular Pricing Day t , refers to the immediately preceding Pricing Day;

$SES_{i,t-1}$ is the number of Metal Adjustment Contracts of Class i outstanding on Pricing Day $t-1$ less such number of Metal Adjustment Contracts of Class i for which a Binding Cancellation Notice (as defined in the Metal Adjustment Agreement) has been received prior to Pricing Day $t-1$; and

$MEQ_{i,t-1}$ is the Metal Equivalent for Metal Adjustment Contracts of Class i for day $t-1$.

Notional Unsettled

The Notional Unsettled in respect of a Class of Metal Adjustment Contracts on any Pricing Day τ shall be an amount in ounces of the Bullion relevant to that Class calculated in accordance with the following formula (rounded to 5 decimal places with 0.000005 being rounded up):

$$NU_{\alpha(i,T),\tau} = \alpha_{i,T} \times MEQ_{i,t}$$

where:

$NU_{\alpha(i,T),\tau}$ is the aggregate Metal Equivalent on Pricing Day τ of the Metal Adjustment Contracts of Class i backing Currency-Hedged Metal Securities of class i for which an Application was received on day T and which for which day t is the Settlement Date;

$\alpha_{i,T}$ on Pricing Day t , is the number of Currency-Hedged Metal Securities corresponding to Metal Adjustments Contracts of Class i in respect of which a Binding Creation Notice was received on T , and for which day t is the Settlement Date;

$MEQ_{i,t}$ is the Metal Equivalent on Pricing Day t for Metal Adjustment Contracts of Class i ;

i refers to the relevant Class of Metal Adjustment Contract;

t refers to the applicable Pricing Day;

T refers to a day on which a Binding Creation Notice is received; and

τ represents each Pricing Day from and including T until but not including t .

If the level of the relevant Index:

- increases from the preceding Pricing Day, the Daily Delivery Amount will be a positive amount;
- decreases from the preceding Pricing Day, the Daily Delivery amount will be a negative amount.

Subject to the provisions of the relevant Metal Adjustment Agreement, an Aggregate Delivery Amount is also calculated on each Pricing Day in respect of each class of Metal Adjustment Contracts being the sum of:

- (i) the Daily Delivery Amount for such class of Metal Adjustment Contracts on that Pricing Day; and
- (ii) the unsettled Aggregate Delivery Amount (if any) carried forward from the previous Pricing Day.

Both the Daily Delivery Amount and the Aggregate Delivery Amount can be either positive or negative numbers.

Delivery

For each class of Metal Adjustment Contract, the Aggregate Delivery Amount will become due and deliverable in full (subject to the Maximum Bullion Class Delivery Amount):

- on any Pricing Day when the Aggregate Delivery Amount on that Pricing Day is equal to or in excess of the Daily Class Delivery Minimum for such class; or
- on the last Pricing Day of any calendar month on which the Aggregate Delivery Amount on that Pricing Day is equal to or in excess of the Monthly Class Delivery Minimum for such class.

If the Aggregate Delivery Amount is a positive number, it will represent an amount of Bullion owing from the FX Counterparty to the Issuer. If the Aggregate Delivery Amount is a negative number, it will represent an absolute amount of Bullion owing from the Issuer to the FX Counterparty.

Delivery of the Aggregate Delivery Amount will take place within two Business Days (or such other settlement period as may be specified for the relevant Bullion class in the Metal Adjustment Agreement) of the Aggregate Delivery Amount becoming due provided that if such day is a Bullion Settlement Disruption Day for that class then Delivery will be the next Business Day on which the market operated by the Relevant Association for the Bullion type to which such class relates is open for the transaction of business which is not a Bullion Settlement Disruption Day. An Additional Termination Event will be determined to have occurred without any notice or further action being required in the event of five consecutive Bullion Settlement Disruption Days. All settlements of Aggregate Delivery Amounts will be by transfers to or from the applicable Secured Unallocated Account. Any transfers to a FX Counterparty in settlement of the Aggregate Delivery Amount will be made on the instruction of the Security Trustee.

In respect of any class of Metal Adjustment Contracts, to the extent that the Aggregate Delivery Amount which becomes due is in excess of the Maximum Bullion Class Delivery Amount applicable to that class, then an amount of Bullion equal to the Maximum Bullion Class Delivery Amount will be delivered as described above and any excess will be carried forward and included in the calculation of the Aggregate Delivery Amount for that class of Metal Adjustment Contract on the next Pricing Day.

Upon cancellation of any Metal Adjustment Contracts pursuant to any Compulsory Cancellation of a class of Metal Adjustment Contracts, the relevant Daily Class Delivery Minimum and Monthly Class Delivery Minimum will not apply and the Aggregate Delivery Amount in respect of the applicable class of Metal Adjustment Contracts will be deliverable forthwith, subject to the applicable Maximum Bullion Class Delivery Amount.

The Aggregate Delivery Amount will always be settled by way of Delivery of the relevant type of Bullion other than:

- (at the option of the FX Counterparty) upon termination of a class of Metal Adjustment Contracts, as a result of an Early Termination Date under the MSIP ISDA Master Agreement where the applicable Early Termination Amount is due from the Issuer to the FX Counterparty;
- where the Compulsory Cancellation is as a result of the insolvency of the FX Counterparty; or
- where the Compulsory Cancellation is as a result of a Bullion Settlement Disruption;

in which circumstances, the US Dollar Equivalent of the Early Termination Amount (or such portion thereof as is received pursuant to close-out under the ISDA Master Agreement or in the course of relevant insolvency proceedings) will be payable in cash.

As at the date of this Prospectus, the applicable amounts and Metal Future in respect of Metal Adjustment Contracts relating to gold are as follows:

Class	Pre-Downgrade Daily Class Delivery Minimum (USD)	Post-Downgrade Daily Class Delivery Minimum (USD)	Monthly Class Delivery Minimum (USD)	Maximum Bullion Class Delivery Amount (USD)¹	Metals Future
GBP Daily Hedged Physical Gold	5,000,000	1,000,000	1,000,000	250,000,000	COMEX Gold
EUR Daily Hedged Physical Gold	5,000,000	1,000,000	1,000,000	250,000,000	COMEX Gold

1 The Maximum Bullion Class Delivery Amount is a single value which applies to all Currency-Hedged Metal Securities in the relevant Bullion Class. The values indicated in this column should not be interpreted as applying on a per class basis or being in any way cumulative.

PART 10

PARTICULARS OF THE FX COUNTERPARTY

At the date of this Prospectus Morgan Stanley & Co. International plc (MSIP) is the sole FX Counterparty.

Neither MSIP nor any other member of the Morgan Stanley Group has structured the Currency-Hedged Metal Securities or provided any advice or information in respect of Currency-Hedged Metal Securities (subject to a limited exception for information provided by MSIP in relation to itself) nor accepts any responsibility in respect of this Prospectus or any other disclosure document or advertising materials in connection with the Currency-Hedged Metal Securities.

The information on MSIP in this Prospectus is based upon information made available to the Issuer by MSIP. The Issuer confirms that such information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by MSIP, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has not made any independent verification of information contained in this Prospectus provided to it by MSIP, relating to MSIP or any other member of the Morgan Stanley Group.

MSIP is a public limited company incorporated under the laws of England and Wales with number 02068222, and whose registered office is at 25 Cabot Square, Canary Wharf, London, E14 4QA. The principal activity of MSIP is the provision of financial services to corporations, governments and financial institutions. MSIP is authorised by the U.K. Prudential Regulation Authority and regulated by the U.K. Financial Conduct Authority and the U.K. Prudential Regulation Authority.

Debt securities of MSIP are admitted to trading on the Main Market of the London Stock Exchange plc, which is part of its Regulated Market for listed securities (being securities admitted to the Official List (as maintained by the U.K. Financial Conduct Authority in accordance with section 74(1) of FSMA)).

The arrangements entered into by MSIP with the Issuer in relation to the Metal Adjustment Contracts do not preclude or restrict the ability of MSIP, MS&CO or any other member of the Morgan Stanley Group from entering into any contracts or entering into any transactions with the Issuer, any Authorised Participant or any other person in the ordinary course of its business or otherwise. In addition, members of the Morgan Stanley Group trade in currency markets and may do so whether or not such trading could have an adverse effect on the Metal Entitlement of the Currency-Hedged Metal Securities.

PART 11

GLOBAL BEARER CERTIFICATES

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 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 the Global Bearer Certificates and the English translation below, the former shall always prevail.

Model Form of Global Bearer Certificate (non-binding translation)

Global Bearer Certificate for

- registered [see Annex 1] [class of Individual/category of Basket] Securities
- of

ETFS Hedged Metal Securities Limited

Ordinance House, 31 Pier Road, 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 • [see Annex 1] [class of Individual/category of Basket] Securities (hereinafter referred to as “**Notes**”) of ETFS Hedged Metal Securities Limited, Jersey, Channel Islands (hereinafter referred to as the “**Company**”) constituted by a Trust Instrument dated 28 February 2013 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 of the Company, 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
(non-binding translation)**

**Conditions of the Certificate
(non-binding translation)**

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] [class of Individual/category of Basket] Securities (hereinafter referred to as "**Notes**") of ETFS Hedged Metal Securities Limited, Jersey, Channel Islands, (hereinafter referred to as the "**Company**") constituted by a Trust Instrument dated 28 February 2013 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 the Bundesanzeiger.
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.

PART 12

TAXATION

1. UK Taxation

(a) General

The following paragraphs summarise certain limited aspects of the UK taxation treatment of holding Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged Metal Securities (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.

(b) 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.

(c) Withholding Tax

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

(d) 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 Currency-Hedged 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 Currency-Hedged 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.

(e) Capital Gains Tax (Individuals)

Provided the Currency-Hedged Metal Securities are not treated as “deeply discounted securities” for UK tax purposes, any transfer or redemption of a Currency-Hedged Metal Security by a Security Holder who is a UK Individual will, subject to the offshore fund rules mentioned below, be a disposal of that Currency-Hedged Metal Security for UK capital gains tax purposes, which may, subject to any available exemption or relief, give rise to a chargeable gain or allowance loss for those purposes.

Subject to this, it is expected that the Currency-Hedged Metal Securities will not be treated as “deeply discounted securities” for UK tax purposes. Investors are, however, advised to consult their own tax advisers in this connection.

The Issuer may be treated as an “offshore fund” for UK tax purposes, and accordingly, Currency-Hedged Metal Securities may be treated as investments in an “offshore fund” for UK tax purposes. If this is the case, and the Currency-Hedged 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 Currency-Hedged Metal Securities 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 ETFS GBP Daily Hedged Physical Gold and ETFS EUR Daily Hedged Physical Gold classes of Currency-Hedged Metal Securities have been accepted for entry into the “reporting fund” regime with effect from 1 January 2013. Whilst it is expected that certification as a “reporting fund” will be maintained in respect of such classes for all periods, this cannot be guaranteed. The Issuer reserves the right to seek approval as a reporting fund for any class.

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 Currency-Hedged Metal Securities. It is not expected that any such reportable income will arise in respect of any of the Currency-Hedged Metal Securities.

A copy of the annual report required to be made to investors under the reporting fund rules will be provided on the following website: http://etfsecurities.com/en/document/etfs_document.asp.

(f) **Income Tax (Individuals)**

If the Currency-Hedged 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 Currency-Hedged Metal Securities will be subject to UK income tax and not to UK capital gains tax. As noted above, it is expected that the Currency-Hedged Metal Securities will not be treated as “deeply discounted securities” for UK purposes.

(g) **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 “**2006 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 within the statement of total return (under the heading of “net capital gains/losses” or “other 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 2006 Regulations treats all capital profits, gains and losses (determined in accordance with UK generally accepted accounting practice, as described above) arising in respect of 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 2006 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 Currency-Hedged Metal Securities, will be exempt from tax.

(h) **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, Currency-Hedged Metal Securities in Uncertificated Form.

In the case of Currency-Hedged 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 Currency-Hedged Metal Securities.

The redemption of Currency-Hedged Metal Securities will not give rise to stamp duty or SDRT.

(i) **Inheritance Tax (Individuals)**

For the purposes of inheritance tax, a Currency-Hedged 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 Currency-Hedged Metal Security on a gift of that Currency-Hedged Metal Security by, or on 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.

(j) **VAT**

The acquisition and transfer of Currency-Hedged Metal Securities by a Security Holder will be exempt from VAT. Where a Security Holder is entitled to redeem Currency-Hedged Metal Securities (which will be in very limited circumstances) no VAT should arise where redemption is in cash. Where the redemption is in Bullion no VAT should arise either, unless the Security Holder requires delivery outside the “black box”, in which event VAT may be chargeable.

(k) **Common Reporting Standard**

Drawing extensively on the intergovernmental approach to implementing US FATCA, 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, tax authorities in participating CRS jurisdictions will obtain from reporting financial institutions, and automatically exchange with other tax authorities in participating jurisdictions in which the investors of the reporting financial institutions are tax resident on an annual basis, financial account and personal 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 implemented 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 a Security Holder to liability for any resulting penalties or other charges and/or mandatory termination of its interest in the Issuer.

2. Jersey Taxation

(a) **General**

The following paragraphs summarise certain limited aspects of the Jersey taxation treatment of holding Currency-Hedged Metal Securities. The statements are intended only as a general guide. They are based on current Jersey law and practice, possibly with retrospective effect. The statements are intended only as a general guide, and should be treated with appropriate caution. A prospective investor should consult a tax adviser as to the tax consequences relating to its particular circumstances resulting from the purchase, holding, sale and redemption of the Currency. Hedged Metal Securities and the receipt of payments thereon.

(b) **Income Tax**

The Issuer will be regarded as resident in Jersey under the Income Tax (Jersey) Law 1961 (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 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 Currency-Hedged Metal Securities. Redemption payments (other than to residents of Jersey) will not be subject to withholding for or on account of Jersey tax.

(c) **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 Currency-Hedged Metal Securities. In the event of the death of an individual sole holder of Currency-Hedged Metal Securities, duty at rates of up to 0.75 per cent. of the value of the Currency-Hedged 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 Currency-Hedged Metal Securities held by the deceased individual sole holder thereof.

(d) **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:

- (i) register as a taxable person pursuant to the GST Law;
- (ii) charge goods and services tax in Jersey in respect of any supply made by it; or
- (iii) (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.

(e) **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 US source income and certain payments of proceeds from the sale of property that could give rise to US 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 Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged Metal Securities held by one or more holders and/or may reduce the redemption proceeds payable to any holder of Currency-Hedged Metal Securities.

(f) **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 implemented the CRS by the Taxation (Implementation) (International Tax Compliance) (Common Reporting Standard) (Jersey) Regulations. 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.

Holders of the Currency-Hedged Metal Securities 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 Currency-Hedged Metal Securities.

(g) **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

(a) **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 Currency-Hedged Metal Securities. It does not claim to fully describe all Austrian tax consequences of the acquisition, ownership, disposition or redemption of the Currency-Hedged 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 Currency-Hedged Metal 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 Currency-Hedged 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 investment income (limited exceptions apply in relation to certain investment income, mainly interest on bank accounts, for which the applicable rate remains at 25 per cent.). Loss compensation rules were also amended. Prospective investors are advised to consult their own professional advisors in this regard.

(b) **Taxation of capital gains or redemption gains upon disposal or redemption of the Currency-Hedged Metal Securities**

Individual Investors

Under the tax regime that applies to most types of investment income (*Einkünfte aus Kapitalvermögen*) including income derived from the Currency-Hedged Metal Securities, capital gains upon the disposal or redemption of Currency-Hedged Metal Securities are subject to a 27.5 per cent. flat tax rate. If the Currency-Hedged 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 Currency-Hedged 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 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**").

For Currency-Hedged Metal Securities acquired and sold or redeemed before 31 March 2012, capital gains might have been subject to the full progressive tax rate of up to 50 per cent. This applied in any event when the holding period did not exceed one year.

Capital gains realised upon Currency-Hedged Metal Securities es acquired and sold or redeemed after 31 March 2012 were always taxable at 25 per cent. (until 31 December 2015) or 27.5 per cent. (from 1 January 2016) regardless of the holding period.

Generally, loss compensation is possible within the class of investment income. Losses derived from the disposal or redemption of the Currency-Hedged Metal Securities can though not 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 Currency-Hedged Metal Securities as a business asset, losses from a sale or redemption of the Currency-Hedged 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 2015: 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 (AEOL) 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 AEOL-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 non-transparent asset structures (*steuerlich intransparente Vermögensstrukturen*) may further be subject to the Tax Treaty and exempt from AEOL. 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.

For the purpose of the above outlined principles it is assumed that the Currency-Hedged Metal Securities are securitised, 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 securitised 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 Currency-Hedged 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 Currency-Hedged Metal Securities in their income tax returns pursuant to the Austrian Income Tax Act. In this case the income from the Currency-Hedged 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 realisation of the income based on a respective application for Currency-Hedged 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 Currency-Hedged Metal Securities held as business assets, exit tax arises upon relocation but generally may be paid over seven years.

The redemption of Currency-Hedged 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, although this can only occur in very limited circumstances. 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 Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged Metal Securities in their income tax returns pursuant to the Austrian Income Tax Act. In this case the income from the Currency-Hedged Metal Securities is subject to a flat income tax rate of 27.5 per cent. pursuant to section 27a subpara 1 Austrian Income Tax Act.

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 Currency-Hedged 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.

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 Currency-Hedged Metal Securities are subject to this general 25 per cent. taxation. The redemption of Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged Metal Securities have to be held in a custodial account with a credit institution.

Losses from the disposal or redemption of Currency-Hedged 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 Currency-Hedged Metal Securities as non-business 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 Currency-Hedged 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. Income from the disposition, redemption, exercise or settlement of the Currency-Hedged Metal Securities is not subject to the Special Income Tax Rate of 27.5 per cent. Instead, on such income an interim tax (*Zwischensteuer*) at a rate of 25 per cent. 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.

(c) Other taxes

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 Currency-Hedged Metal Securities.

However, on 5 May 2014 the Ministers of Finance of 10 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 Micro and Commodity Securities in the future.

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 (*Stiftungseingangssteuer*). 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.. 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 Currency-Hedged Metal Securities may trigger income tax at the level of the transferor.

VAT

The acquisition or disposal of the Currency-Hedged Metal Securities is not subject to Austrian VAT.

However, the redemption of Currency-Hedged Metal Securities by delivery of an amount of physical precious metal equal to the Metal Entitlement in fact results in the import of 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.

Application of the Austrian Investment Fund Act

There is a risk that Currency-Hedged 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 organised 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 an 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 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 per cent. applies. Capital gains on a disposal of units in foreign investment funds are taxed by means of the 27.5 per cent. withholding tax or are taxed at the Special Income Tax Rate of 27.5 per cent. In addition, on non-investment income the progressive tax rate is applicable. Please also discuss this issue with your personal tax advisor if you are considering investing in Currency-Hedged Metal Securities.

(d) 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 European Union 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.

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.

4. Taxation in Denmark

(a) Introduction

This is a brief summary of relevant principles in Danish tax legislation intended for Danish holders of Currency-Hedged 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 Currency-Hedged Metal Securities. It does not deal with the tax consequences applicable to all categories of investors, i.e. for professional dealers in securities special rules may apply.

The summary is based on Danish tax legislation effective on 31 July 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 Currency-Hedged Metal Securities.

(b) The general rule

Financial instruments, including Currency-Hedged 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 Currency-Hedged 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 is deductible (certain exceptions may apply).

(c) Security Holders liable to corporate tax

The general rule mentioned in section 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).

(d) **Individuals holding Currency-Hedged Metal Securities**

The general rule mentioned in section 2 applies to individuals holding Currency-Hedged Metal Securities

Calculated profit is subject to taxation as capital income at a tax rate of 42 per cent.

Opposite to security holders liable to corporate tax, Individuals can 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.

In addition hereto, certain exceptions apply regarding deduction of losses.

Other rules apply if an individual is deemed a professional investor (in Danish referred to as a "*Pengenæringsdrivende*").

(e) **Investors holding Currency-Hedged Metal Securities via a pension scheme**

The investor shall generally be subject to taxation on the same base as individuals holding Currency-Hedged Metal Securities directly, cf. section 4.

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*").

(f) **Individuals covered by the business tax scheme**

It is possible for an individual to hold Currency-Hedged Metal Securities through the business tax scheme (in Danish: "*Virksomhedsskatteordningen*").

(g) **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 Currency-Hedged Metal Securities.

(h) **VAT**

A transfer of Currency-Hedged Metal Securities is not subject to Danish value added tax.

(i) **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.

(j) **Common Reporting Standard**

In Denmark, the Common Reporting Standard ("**CRS**") applies (in Danish: "*CRS-Aftalen*").

The agreement was implemented 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 hers Currency-Hedged Metal Securities.

5. Taxation in Finland

(a) 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 Currency-Hedged Metal Securities. The summary does not fully cover all aspects of Finnish tax law that may be of relevance to the Currency-Hedged Metal Securities. The summary is based on Finnish tax law as of the date of this Prospectus (rates as at 31 July 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 Currency-Hedged 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 Currency-Hedged Metal Securities. Only a tax advisor is able to adequately assess the individual tax situation of a specific investor.

(b) Tax on income and capital gains

Resident individuals

Individuals and death estates who sell their Currency-Hedged Metal Securities, are subject to capital gains taxation at the rate of 30 per cent. and 34 per cent. for taxable capital income exceeding €30,000. The taxable capital gain on disposal of Currency-Hedged 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 Currency-Hedged 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 2016 are deductible only from capital gains (but not from other capital income) arising during the year of disposal and the five following years. A capital gain is tax exempt if the aggregate income derived from disposals of assets during the tax year is less than €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 from the Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged Metal Securities are then taxed as other income of the company. Capital losses from the disposal and/or redemption of the Currency-Hedged 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*.

(c) **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 Currency-Hedged Metal Securities.

(d) **Inheritance and gift taxes**

A transfer of the Currency-Hedged 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.

(e) **Value added tax**

No Finnish value added tax will be payable by a Security Holder in consideration for the issue or transfer of Currency-Hedged Metal Securities.

If upon redemption (which will be in very limited circumstances) a Security Holder requires physical delivery, and Bullion is transferred into Finland, Finnish VAT may become payable upon the transfer of Bullion into Finland (unless the Bullion is brought into a bonded or a tax warehouse). Platinum, palladium and silver are subject to 24 per cent. VAT. Investment gold is zero rated.

(f) **Other taxes or duties**

No Finnish registration tax, transfer tax, stamp duty or any other similar tax or duty will be payable in Finland by a holder of Currency-Hedged Metal Securities.

(g) **Organization 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. The first information exchanges will begin in 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. 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 Currency-Hedged 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 will 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.

6. Taxation in France

(a) General

The following summary describes the main French taxes applicable to the holding of the Currency-Hedged Metal Securities by a French investor residing in France for tax purposes following an offer of the Currency-Hedged 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 Currency-Hedged Metal Securities. In some cases, different rules may be applicable. Furthermore, the tax rules may be amended in the future (and possibly implemented with 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 Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged Metal Securities. Only a tax adviser is able to adequately assess the individual tax situation of a specific investor.

(b) Investors residing in France

Taxation of individuals

Taxation of capital gains (applicable at the time of the disposal of the Currency-Hedged Metal Securities)

Capital gains derived from the disposal of the Currency-Hedged Metal Securities should be subject to 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 in respect of high revenues may also be applicable at a progressive rate (3 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 Currency-Hedged 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 in the following ten years, subject to filing obligations.

Taxation of bond redemption premium ("Prime de remboursement") (in case of redemption of the Currency-Hedged Metal Securities by the Issuer)

Bond redemption income received by an individual having his tax residence in France should be treated for tax purposes as interest payments subject to personal income tax at the standard progressive rate, whose maximum applicable rate is currently 45 per cent.

Personal income tax is payable in two steps. Subject to certain exceptions, a 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. 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 his/her 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.

French investors who are French tax resident individuals are urged to consult with their usual tax advisor on the way the 24 per cent. levy and the 15.5 per cent. social security contributions are collected where the paying agent is not located in France.

Taxation of companies subject to French corporate income tax

Taxation of capital gains (applicable at the time of the disposal of the Currency-Hedged Metal Securities)

Capital gains from the disposal of the Currency-Hedged Metal Securities should be subject to corporate income tax at the standard rate of 33⅓ 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 Currency-Hedged Metal Securities by the Issuer)

Bond redemption premiums are taxed at the above-mentioned standard corporate income tax rate (or at a reduced rate applicable to small companies where the relevant conditions are met). Furthermore, Article 238 septies E of the French general tax code may 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 collected only upon disposal or redemption on maturity.

(c) 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 Currency-Hedged Metal Securities are not subject to capital gains tax in France. The same applies to companies, provided that the Currency-Hedged Metal Securities are not recorded in a permanent establishment or in a fixed base in France.

(d) Value Added Tax

No French value added tax will be payable by a Security Holder in consideration for the issue or transfer of Currency-Hedged Metal Securities.

If upon redemption (which will be in very limited circumstances) a Security Holder requires physical delivery, and Bullion is transferred into France, 20 per cent. VAT may become payable upon the transfer of Bullion into France (unless the Bullion is brought into a bonded or a tax warehouse). Platinum, palladium and silver are subject to 20 per cent. VAT. Investment gold is zero rated.

(e) 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 in this regulation.

7. Taxation in Germany

(a) 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, redeeming or selling

Currency-Hedged Metal Securities. The summary does not fully cover all aspects of German tax law that may be of relevance to the Currency-Hedged 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 Currency-Hedged Metal Securities should consult their tax advisors with regard to any tax consequences that may be involved in acquiring, holding, selling or otherwise transferring the Currency-Hedged Metal Securities. Only a tax advisor is able to adequately assess the individual tax situation of a specific investor.

(b) Taxation of capital gains

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 of Metal Securities.

The German Ministry of Finance on 22 December 2009 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 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, which 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. Securities which provide for a short exposure or an embedded leverage may therefore qualify as a Derivative Instrument (*Termingeschäft*).

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 “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 Currency-Hedged 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 the Currency-Hedged 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 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 €801 for individuals and €1602 for married couples subject to German joint taxation will be deductible. If the Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged Metal Securities are held as business assets, all capital gains from the sale or redemption of the Currency-Hedged 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.

(c) **Applicability of the Investment Tax Act (*Investmentsteuergesetz*)**

The Issuer believes that there exist good arguments that investors in Currency-Hedged 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 are considered an investment fund (*Investmentfonds*) if (i) such vehicle is a collective investment vehicle and (ii) such vehicle holds certain qualified assets (as defined in the German Investment Tax Act). As the Issuer believes that the criteria of “principle of risk diversification” and certain other criteria of a collective investment vehicle are not fulfilled, Currency-Hedged Metal Securities should not be treated as a 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 also “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 investment vehicles. Investors should therefore carefully analyse any changes to the application or interpretation of the German Investment Tax Act. If the German tax administration were to take a different view to that of the Issuer and were to treat Currency-Hedged 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.

(d) **Gift or inheritance tax**

A transfer of the Currency-Hedged 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 its 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) the Currency-Hedged Metal Securities constitute business assets attributable to a permanent establishment or a permanent representative in Germany.

(e) **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 the Currency-Hedged Metal Securities, the Global Bearer Certificates or any interest therein. No net asset tax is currently levied in Germany.

(f) **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 Currency-Hedged Metal 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.

8. Taxation in Ireland

(a) General

The following summary outlines certain aspects of Irish tax law and practice regarding the ownership and disposition of Currency-Hedged Metal Securities. This summary deals only with Currency-Hedged 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.

(b) 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 Currency-Hedged 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 Currency-Hedged Metal Securities were secured on Irish situated assets which it is understood will not be the case. The mere offering of the Currency-Hedged 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 Currency-Hedged Metal Securities in Ireland on behalf of a Security Holder, will be obliged to operate a withholding tax.

(c) Taxation of Income

Unless exempted, an Irish resident or ordinarily resident Security Holder and a non-resident Security Holder holding Currency-Hedged 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.

(d) Taxation of Capital Gains

Irish resident or ordinarily resident Security Holders and non-resident Security Holders holding Currency-Hedged 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 Currency-Hedged Metal Securities. Reliefs and allowances may be available in computing the Security Holder's liability.

(e) Stamp Duty

Transfers of Currency-Hedged 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.

(f) **Capital Acquisitions Tax**

A gift or inheritance comprising of Currency-Hedged Metal Securities will be within the charge to capital acquisitions tax if either (i) the donor or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the donor is domiciled in Ireland irrespective of his residence or that of the donee/successor) or (ii) if the Currency-Hedged Metal Securities are regarded as property situated in Ireland. The Currency-Hedged Metal Securities could only be considered property situated in Ireland if the register of Currency-Hedged 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.

(g) **Offshore Fund Taxation**

While a holding of Currency-Hedged 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 which 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 (c) and (d) above). As recommended above, Security Holders should obtain independent tax advice in relation to the tax implications of holding and disposing of Currency-Hedged Metal Securities.

(h) **Value Added Tax**

In Ireland value added tax is not applicable to the issue, transfer or otherwise dealing in securities.

If upon redemption (which will be in very limited circumstances) a Security Holder requires physical delivery, and Bullion is transferred into Ireland, Irish VAT may become payable upon the transfer of Bullion into Ireland (unless the Bullion is brought into a bonded or a tax warehouse). Platinum, palladium and silver are subject to 23 per cent. VAT. Investment in gold is VAT exempt.

(i) **Provision of Information**

Generally

Security Holders should be aware that where any interest or other payment on Currency-Hedged 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.

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.

9. Taxation in Italy

(a) 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 Currency-Hedged 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 Currency-Hedged 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 could apply retroactively and could affect the continued validity of this summary. Because it is a general summary, holders of Currency-Hedged Metal Securities should consult their own tax advisors as to the Italian or other tax consequences of the purchase, holding and disposition of Currency-Hedged 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 within the Italian territory as defined under Article 162 of Presidential Decree no. 917 of 22 December 1986.

(b) Tax on income and capital gains

Provided the Currency-Hedged 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 proceeds received from a redemption or sale of the Currency-Hedged Metal Securities over the sum paid by such a holder on their subscription or purchase:

- (i) proceeds from the sale or redemption of the Currency-Hedged Metal Securities received by a Security Holder which is (a) an Italian resident corporation or similar commercial entity, (b) an Italian individual engaged in entrepreneurial activities to which the Currency-Hedged Metal Securities are effectively connected, or (c) a permanent establishment in Italy of a non-Italian resident to which the Currency-Hedged Metal Securities are effectively connected, as well as unrealised gains reported in the statutory financial statements, may have to be included in the relevant holder's taxable income and are therefore subject to the general Italian corporate tax regime (corporate income tax, IRES, is 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 Security Holder, such proceeds may also have to be included in its taxable base for regional income tax in productive activities (*IRAP*, currently applicable at a rate of 3.9 per cent.; the *IRAP* rate may be increased in certain Italian regions; the *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 Currency-Hedged Metal Securities are effectively connected, and by certain other non commercial entities upon the sale for consideration or redemption of the Currency-Hedged 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 Currency-Hedged Metal Securities and other financial instruments triggering a capital gain 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 Currency-Hedged 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 Currency-Hedged 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 separate taxation of each capital gain is allowed subject to: (a) the Currency-Hedged Metal Securities being deposited with an Italian bank, a *Società di Intermediazione Mobiliare* (SIM) or with certain 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 Currency-Hedged Metal Securities holder. The financial intermediary, also 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 Currency-Hedged 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 Currency-Hedged Metal Securities holder. Under the *Risparmio Amministrato* regime, where a sale or redemption of Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged 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 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 a 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 Currency-Hedged Metal Securities;
- (v) the increase or decrease in the fair market value of the Currency-Hedged 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 and hedge funds, with the exception of Italian real estate investment funds, are not subject to taxation at the fund's level;

- (vi) the increase or decrease in the fair market value of the Currency-Hedged 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 article 17 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 Currency-Hedged Metal Securities are effectively connected are not subject to income tax in Italy on the proceeds realised on the sale of the Currency-Hedged Metal Securities, provided that:
 - the Currency-Hedged Metal Securities have not been deposited in Italy; or
 - the Currency-Hedged Metal Securities have been deposited in Italy and are traded on a regulated market; or
 - the Currency-Hedged Metal Securities have been deposited in Italy but are not traded on a regulated market and the beneficial owner of proceeds from the relevant Currency-Hedged 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 Currency-Hedged Metal Securities described above has been confirmed by the Italian tax authority decision No. 72/E of 12 July 2010 dealing with the Italian tax treatment of investment in secured exchange commodities (“ETC”). 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 quoted, the Currency-Hedged 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, interest and other proceeds deriving from “atypical securities” issued by non-Italian resident issuers will be 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 (b)(i) above.

(c) 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 on the transfer of assets (such as the Currency-Hedged Metal Securities) and rights by reason of death or gift.

As regards the inheritance and gift tax to be paid on the transfer of the Currency-Hedged 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 €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 €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;

- (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 €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 Currency-Hedged 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 Currency-Hedged 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.

(d) **Value Added Tax**

No Italian Value Added Tax will be payable by a holder of Currency-Hedged Metal Securities in consideration for the issue or transfer of Currency-Hedged Metal Securities.

If upon redemption a Security Holder requires physical delivery (which will be in limited circumstances), and Bullion is transferred into Italy, Italian VAT may become payable upon the transfer of Bullion into Italy (unless the Bullion is brought into a bonded or a tax warehouse). Platinum, palladium and silver are subject to 22 per cent. VAT. Investment gold is zero rated.

(e) **Securities and Registration Transfer 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 Currency-Hedged Metal Securities is not subject to Italian transfer tax.

Contracts related to the transfer of Currency-Hedged 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.

(f) **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 Currency-Hedged Metal Securities deposited therewith. The stamp duty applies at 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 Currency-Hedged Metal Securities held. The stamp duty can be no lower than €34.20. If the client is not an individual, the stamp duty cannot be higher than €14,000.

(g) **Wealth Tax on securities deposited abroad**

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding the Currency-Hedged 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 Currency-Hedged 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).

(h) **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 will be made 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 holders of Currency-Hedged Metal Securities hold the Currency-Hedged Metal Securities through an Italian financial institution (as meant in the Ministerial Decree of 28 December 2015 implementing Law 95/2015), they 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.

10. Netherlands Taxation

(a) General

The information set out below is a general summary of certain material Netherlands tax consequences of the acquisition, ownership and transfer of Currency-Hedged Metal Securities and certain Netherlands value added tax aspects of the transfer and redemption of the Currency-Hedged 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 Currency-Hedged 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 continued 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 made 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*).

Because it is a general summary, prospective holders of Currency-Hedged Metal Securities should consult their own tax advisors as to the Netherlands or other tax consequences of the acquisition, ownership, transfer and redemption of Currency-Hedged 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 Currency-Hedged Metal Securities may include an individual who or an entity that does not have the legal title to the Currency-Hedged Metal Securities, but to whom nevertheless the Currency-Hedged Metal Securities are attributed based either on such individual or entity holding a beneficial interest in the Currency-Hedged 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.

(b) **Withholding tax**

Payments of the Issuer with regard to the Currency-Hedged 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.

(c) **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 Currency-Hedged Metal Securities, who:

- (i) is an individual and for whom the income or capital gains derived from Currency-Hedged 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 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 Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged Metal Securities are attributable or deemed attributable; or
- (ii) the holder derives income or capital gains from the Currency-Hedged 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 Currency-Hedged Metal Securities that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If conditions (i) and (ii) mentioned above do not apply, a holder of Currency-Hedged 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 derived from the Currency-Hedged Metal Securities. This deemed return is calculated by multiplying the individual's yield basis (*rendementsgrondslag*) insofar as this exceeds a certain threshold (*heffingvrij vermogen*) by the progressive statutory rates of return, which range from 2.87 per cent. to 5.39 per cent. 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 Currency-Hedged 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).

Entities

A holder of Currency-Hedged Metal Securities that 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 Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged Metal Securities are attributable or deemed attributable;
- (ii) in the case of a Non-Dutch Resident who is an individual, such individual does not derive income or capital gains from Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged Metal Securities or payments in respect of Currency-Hedged 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 Currency-Hedged Metal Securities or payments in respect of Currency-Hedged 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 Currency-Hedged Metal Securities. In case such holder of a Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged Metal Security, provided such holder is entitled to the benefits of such treaty for the avoidance of double taxation.

(d) **Gift or inheritance tax**

No Netherlands gift or inheritance tax will be levied on the transfer of Currency-Hedged 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 Currency-Hedged 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 a 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.

(e) **Value added tax**

No Netherlands value added tax will be payable by a holder of Currency-Hedged Metal Securities in consideration for the issue of Currency-Hedged Metal Securities (other than value added taxes on fees payable in respect of services not exempt from Netherlands value added tax). In addition, the transfer of debentures and other securities, such as the Currency-Hedged Metal Securities, is generally not subject to Netherlands value added tax, provided that the Currency-Hedged Metal Securities at such time do not constitute a document establishing title to the Bullion, in which case Netherlands value added tax (at the general rate of 21 per cent.) would be payable to the extent the Currency-Hedged Metal Securities are supplied to or imported in the Netherlands for value added tax purposes.

The physical delivery of gold to a holder of Currency-Hedged Metal Securities on redemption (which can only occur in very limited circumstances) may in principle be exempt from Netherlands value added tax, provided that the gold qualifies as investment gold within the meaning of Article 28j of The Netherlands Value Added Tax Act 1968 (*Wet op de omzetbelasting 1968*). The physical delivery of platinum, palladium, silver and gold (other than investment gold) to a holder of Currency-Hedged Metal Securities on redemption (which can only occur in very limited circumstances) is in principle subject to Netherlands value added tax (at the general rate of 21 per cent.) to the extent these metals are supplied or imported in the Netherlands for value added tax purposes. A Netherlands value added tax rate of zero per cent. may apply if the platinum, palladium, silver or gold (other than investment gold), as the case may be, are and remain in a bonded warehouse (*douane-entrepot*) in the Netherlands.

(f) **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 Currency-Hedged Metal Securities in respect of or in connection with the acquisition, ownership or transfer of the Currency-Hedged Metal Securities.

(g) **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 Currency-Hedged 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.

11. Taxation in Norway

(a) General

The following summary of certain Norwegian tax issues that may arise as a result of acquiring, holding and redeeming Currency-Hedged Metal Securities is based on the 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 Currency-Hedged Metal Securities, nor does it cover the specific rules where Currency-Hedged 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. Furthermore, Norwegian tax legislation may to some extent be amended with retroactive effect. It is recommended that prospective applicants for Currency-Hedged Metal Securities consult their own tax advisors for information with respect to the special tax consequences that may arise as a result of acquiring holding and redeeming Currency-Hedged 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.

(b) Taxation on realisation

Holders of Currency-Hedged Metal Securities who are Norwegian resident corporations or individuals, and who sell or redeem their Currency-Hedged Metal Securities are subject to capital gains taxation in Norway. Correspondingly, losses may be deducted.

The tax liability applies irrespective of how long the Currency-Hedged Metal Securities have been owned and the number of Currency-Hedged 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 currently 24 per cent. as of 2017 (proposed reduced to 23 per cent. in 2018).

The capital gain or loss is calculated per Currency-Hedged Metal Security and equals the remuneration received in respect of the Currency-Hedged Metal Security less the purchase price and acquisition and realisation costs for the Currency-Hedged Metal Security.

If the Norwegian holder owns Currency-Hedged Metal Securities acquired at different points in time, the Currency-Hedged Metal Securities that were acquired first will be regarded as the first to be disposed of, on a first-in, first-out basis (the FIFO principle).

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 Currency-Hedged 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.

(c) **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 Security Holders on Redemption of Currency-Hedged Metal Securities.

(d) **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 Currency-Hedged Metal 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.

(e) **Stamp duty**

There is currently no stamp duty or other charges in Norway on the purchase, sale or realisation of Currency-Hedged Metal Securities.

(f) **Inheritance tax**

Norway does not impose inheritance tax on inheritance or gifts. However, the heir acquires the donor's tax input value of the Currency-Hedged Metal 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 Currency-Hedged Metal Securities. However, gifts distributed to persons other than heirs according to law or testament, will be able to revalue the received Currency-Hedged Metal Securities to market value.

(g) **Value Added Tax**

Transactions regarding Currency-Hedged Metal Securities are exempt from Norwegian value added tax.

If the Security Holder elects physical delivery of precious metals, and subsequently imports 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.

(h) **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, tax authorities in participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with other participating tax authorities in which the investors of the reporting financial institution 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 2017. Both Jersey and Norway 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 Securities.

12. Taxation in Spain

(a) General

A brief summary is provided below of the Spanish tax regime applicable to the investments arising in respect of the Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged 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 (including but not limited to the application of the tax regime to participants in tax haven Collective Investment Institutions), could lead to the application of tax treatment radically different from that described herein.

Holders of and potential investors in Currency-Hedged Metal Securities should consult their own tax advisors as to the Spanish or other tax consequences of the purchase, holding and disposition of Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged 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 and Cooperatives, which may be subject to specific rules.

(b) Taxation of income from Currency-Hedged Metal Securities

Natural or legal persons resident in Spain

Personal Income Tax: Natural persons

The income obtained by individual holders of the Currency-Hedged 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 Currency-Hedged 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 ("**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 Currency-Hedged Metal Securities, will be subject to a 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 2016, income included in the savings income taxable base will be taxed 19 per cent. (applicable to the first 6,000 Euros), at a 21 per cent. tax rate (applicable to the following 44,000 Euros) and at a 23 per cent. (applicable to the remaining amounts).

Corporate Income Tax: Entities

The tax regime for Spanish-resident entities holders of Currency-Hedged 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 Currency-Hedged 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.

Natural or legal persons not resident in Spain

The income obtained from the purchase, holding and disposition by holders of Currency-Hedged 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 ("**Non-Residents Income Tax Law**").

Income obtained through a permanent establishment

The income from the Currency-Hedged 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 realised by investors residing outside Spain and without a permanent establishment within the Spanish territory (individuals and legal entities) would not be considered as Spanish-source income and, therefore, would not be subject to taxation and withholding tax in Spain under the Non-Residents Income Tax Law.

(c) **Value Added Tax**

No Spanish value added tax will be payable by a Security Holder in consideration for the issue or transfer of Currency-Hedged Metal Securities.

If upon redemption (which will be in very limited circumstances) a Security Holder requires physical delivery, and Bullion is transferred into Spain, Spanish VAT may become payable upon the transfer of Bullion into Spain (unless the Bullion is brought into a bonded or a tax warehouse). Platinum, palladium and silver, in principle, are subject to 21 per cent. VAT. Investment gold is zero rated.

(d) **Transfer Tax**

The purchase, holding and disposition of the Currency-Hedged Metal Securities would not be taxed under the Spanish Transfer Tax.

(e) **Inheritance and Gift Tax**

The transfer of the Currency-Hedged 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 Currency-Hedged Metal Securities. No taxation would arise in Spain on the acquisition of the Currency-Hedged Metal Securities by non-Spanish entities without a permanent establishment in the Spanish territory.

(f) **Net Wealth Tax**

The ownership of Currency-Hedged Metal Securities would be subject to the Net Wealth Tax ("NWT") pursuant to the Royal Decree 13/2011, of September 16 that has restored temporarily for 2011 and 2012 the Spanish NWT regulated by Law 19/1991, of June 6 (hereinafter "**Net Wealth Tax Law**"), subject to the application of any relevant double tax treaties. Pursuant to Royal Decree-Law 3/2016, of December 2, this restoration has been extended to the year 2017.

Only natural persons holding Currency-Hedged Metal Securities would be subject to the NWT.

Ownership of Currency-Hedged Metal Securities by natural persons resident in Spain

Under article 5 of the NWT Law, 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 Currency-Hedged Metal Securities by individuals resident for tax purposes in Spain will be subject to taxation under the NWT 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 Currency-Hedged Metal Securities by natural persons not resident in Spain

Non-Spanish residents would not be subject to the NWT on the holding of the Currency-Hedged Metal Securities.

(g) **The European Savings Directive**

On 10 November 2015 the European Union Commission announced that the Directive 2003/48/EC would be repealed with effect from 1 January 2016 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 1 January 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).

(h) **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 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, 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 Currency-Hedged Metal Securities.

The Issuer would have the obligation to provide certain information about Security Holders to the Jersey tax authorities. This information may be subsequently provided by the Jersey tax authorities to the Spanish tax authorities.

13. Taxation in Sweden

(a) **General**

The following summary of certain tax issues that may arise as a result of holding Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged 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 Currency-Hedged Metal Securities consult their own tax advisers for information with respect to the special tax consequences that may arise as a result of holding Currency-Hedged 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.

(b) **Taxation of individuals resident in Sweden**

Capital gains and losses

Individuals and the estates of deceased Swedish individuals who sell their Currency-Hedged 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 Currency-Hedged Metal Securities. The acquisition cost is calculated according to the so called average method. This means that the costs of acquiring all Currency-Hedged 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 Currency-Hedged 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.

Gains or losses on currency exchange rate fluctuations may arise in relation to Currency-Hedged Metal Securities where the sales proceeds received are in a foreign currency. However, no special calculations are required if the sales proceeds are exchanged into SEK within 30 days from the time of disposal. In such case, the exchange rate on the date of exchange shall be used when calculating the value of the sales proceeds. The exchange rate on the date of acquisition is generally used when determining the acquisition cost for tax purposes.

(c) **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 Currency-Hedged 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 Currency-Hedged Metal Securities is fully 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.

(d) **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 Currency-Hedged Metal Securities.

(e) **Inheritance and gift taxes**

No Swedish gift or inheritance tax will be levied on the transfer of Currency-Hedged Metal Securities by way of gift or in the event of death of a Security Holder.

(f) **Value added tax**

No Swedish value added tax will be payable by a Security Holder in consideration for the issue of Currency-Hedged Metal Securities.

If upon redemption (which will be in very limited circumstances) a Security Holder requires physical delivery, and Bullion is transferred into Sweden, Swedish VAT may become payable upon the transfer of Bullion into Sweden (unless the Bullion is brought into a bonded or a tax warehouse). Platinum, palladium and silver are subject to 25 per cent. VAT. Investment gold is zero rated.

(g) **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 Currency-Hedged Metal Security.

(h) **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 13

ADDITIONAL INFORMATION

1. Incorporation and Share Capital of Issuer

- (a) The Issuer was incorporated as a public limited company in Jersey on 6 June 2011 under the Companies (Jersey) Law 1991 (as amended) (the “**Law**”). The Issuer was incorporated as “ETFS Hedged Metal Securities Australia Limited” but changed its name to “ETFS Hedged Metal Securities Limited” pursuant to a special resolution dated 18 July 2012. The Issuer operates under the Law and secondary legislation made thereunder. The Issuer is registered in Jersey under number 108311.
- (b) 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.
- (c) The Issuer does not have any subsidiary undertakings.
- (d) All of the Issuer’s issued ordinary shares are owned by HoldCo.

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. The summaries below are drafted in legal language. However, details on how each of the agreements impacts on Security Holders are contained throughout this Prospectus, including in Part 1 (*General*) and Part 4 (*Description of Currency-Hedged Metal Securities*).

- (a) the Trust Instrument dated 28 February 2013 and a first supplemental trust instrument dated 18 September 2014, a summary of the principal terms of which is set out in Part 6 (*Trust Instrument and Currency-Hedged Metal Securities*);
- (b) the Security Deed dated 28 February 2013, a summary of the principal terms of which is set out in Part 7 (*Particulars of the Security Deed*);
- (c) the Subscription Unallocated Accounts Agreement, the Secured Allocated Accounts Agreement and the Secured Unallocated Accounts Agreement, each dated 28 February 2013, as amended from time to time, between the Issuer and JPMorgan Chase and, in the case of the Secured Metal Accounts Agreements only, the Security Trustee, a summary of the principal terms of which is set out in Part 8 (*Custody and the Custodian Agreements*);
- (d) the Metal Sale Counterparty Agreement between the Issuer, the Security Trustee and JPMorgan Chase as the metal sale counterparty under which, for the purposes of effecting Metal Sales in relation to the Redemption of Currency-Hedged Metal Securities, the Metal Sales Counterparty agrees, at the request of the Security Trustee (which may be acting at the direction of the Issuer) or of the Issuer, to purchase such amount of Bullion attributable to or forming part of the Secured Property in respect of such Currency-Hedged Metal Securities as the Security Trustee or the Issuer (as applicable) 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 Security Trustee or the Issuer (as applicable) to such account or accounts as the Security Trustee or the Issuer (as applicable) may nominate for value on the standard Settlement Date. The Metal Sale Counterparty Agreement will terminate automatically if the Secured Allocated Accounts Agreement is terminated;
- (e) the MSIP Metal Adjustment Documentation dated 28 February 2013 between, *inter alios*, the Issuer and MSIP, a summary of the principal terms of which is set out in Part 9 (*Description of the Metal Adjustment Documentation and the Metal Adjustment Contracts*);

- (f) an Authorised Participant Agreement between the Issuer, ETFSL and Morgan Stanley & Co. International plc, dated 2 February 2015, a summary of the principal terms of which is set out in paragraph 3 below;
- (g) an Authorised Participant Agreement between the Issuer, ETFSL and Jane Street Financial Limited dated 20 June 2016, a summary of the principal terms of which is set out in paragraph 3 below;
- (h) an Authorised Participant Agreement between the Issuer, ETFSL and Virtu Financial Ireland Limited dated 3 March 2017, a summary of the principal terms of which is set out in paragraph 3 below;
- (i) the Services Agreement dated 28 February 2013 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 Hedging Fee, the fees and expenses of the Custodian, the fees and expenses of the Registrar and any administrator and the fees and expenses of the Trustee and the Security Trustee in relation to their respective roles under the Trust Instrument and the Security Deed) and the Issuer agrees to pay to ManJer the Management Fee and the Hedging Fee and a processing fee representing the Application Fees and Redemption Fees which the Issuer has received (including by way of set-off). ManJer has delegated to ETF Securities (UK) Limited, an affiliate company registered in England and Wales with registered number 7443535 and whose registered office is at 4th Floor, 3 Lombard Street, London, EC3V 9AA, certain of its duties and functions under the Services Agreement, including the provision of additional marketing and back-office support functions.
- (j) the Administration Agreement dated 28 February 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, with the prior approval of the Issuer 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

- (k) the Registrar Agreement dated 28 February 2013 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, with the Issuer's approval 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 later be proved to be forged or otherwise defective or erroneous (except in respect of any Loss incurred by the Issuer 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 Service (as defined in the Registrar Agreement) by Euroclear UK & Ireland Limited or as a result of any timetable changes in connection with the provision of the CREST Service 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 reasonably considers are required in order for it to comply with the CREST Requirements (as defined in the Registrar Agreement).

3. Authorised Participant Agreement

The Authorised Participant as at the date of this document is the person who has entered into an Authorised Participant Agreement with the Issuer as described in paragraph 2(f) above.

The summary below is drafted in legal language. However, details on how the Authorised Participant Agreement impacts on Security Holders are contained throughout this Prospectus, including in Part 1 (*General*) and Part 4 (*Description of Currency-Hedged Metal Securities*).

Pursuant to the terms of the Authorised Participant Agreement, the Authorised Participant represents, warrants and undertakes to the Issuer that:

- (a) 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 Currency-Hedged 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 Currency-Hedged Metal Securities to the public in that Relevant Member State:
 - (i) if the final terms in relation to the Currency-Hedged Metal Securities specify that an offer of those Currency-Hedged Metal Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Currency-Hedged Metal Securities which has been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Directive or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State in accordance with the Prospectus Directive, *provided that* any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer in accordance with the Prospectus Directive, during the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and *provided further that* the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
 - (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
 - (iii) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive (as defined below), 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
 - (iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Currency-Hedged Metal Securities referred to in paragraphs (ii) to (iv) require the Issuer or the Authorised Participant to publish prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Currency-Hedged Metal Securities to the public**” in relation to any Currency-Hedged 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 Currency-Hedged Metal Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Currency-Hedged Metal Securities, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU;

- (b) 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 the FSMA) received by it in connection with the issue or sale of any Currency-Hedged Metal Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or any Affiliate of the Issuer;
- (c) it has complied and will comply with all applicable provisions of the 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 Currency-Hedged Metal Securities in, from or otherwise involving the United Kingdom; and
- (d) neither it nor any of its Affiliates (including any person acting on behalf of it or any of its Affiliates):
 - (i) has knowingly offered or sold or will knowingly offer or sell Currency-Hedged Metal Securities within the United States, to a US Person, to a Prohibited US Person or to a Prohibited Benefit Plan Investor, whether before, on or after the relevant Application Date; or
 - (ii) has engaged or will engage in any “directed selling efforts” with respect to Currency-Hedged Metal Securities.

Terms used in this paragraph 3(d) have the meanings given to them by Regulation S under the Securities Act of 1933 of the United States.

Further restrictions on offers and sales of Currency-Hedged Metal Securities and on the distribution of this Prospectus are set out in paragraph 9 of Part 13 (*Additional Information*).

The Authorised Participant Agreements may be terminated by any party thereto at any time upon thirty days’ prior written notice to the other parties.

The Issuer may enter into agreements with institutions to act as Authorised Participants and/or market-makers which may include commitments to make markets on varying terms, but which may include commitments to maintain particular maximum spreads and minimum lot sizes.

4. ISINs and Principal Amounts of the Currency-Hedged Metal Securities

15 classes of Individual Securities are specifically described in this Prospectus. The ISINs and Principal Amounts (which are also the minimum denominations) of such Individual Securities are or will be as follows:

Class of Australian Dollar Individual Security	ISIN	Principal Amount
ETFS AUD Daily Hedged Physical Gold	JE00B84LH366	A\$1.75
ETFS AUD Daily Hedged Physical Palladium	JE00B85TG434	A\$0.75
ETFS AUD Daily Hedged Physical Platinum	JE00B76WLJ47	A\$1.75
ETFS AUD Daily Hedged Physical Silver	JE00B978NM29	A\$0.50
Class of Euro Individual Security	ISIN	Principal Amount
ETFS EUR Daily Hedged Physical Gold	JE00B8DFY052	€1.25
ETFS EUR Daily Hedged Physical Palladium	JE00B8RL7660	€0.75
ETFS EUR Daily Hedged Physical Silver	JE00B9GQFM16	€0.25
Class of Singapore Dollar Individual Security	ISIN	Principal Amount

ETFS SGD Daily Hedged Physical Gold	JE00B85GB275	S\$2.25
ETFS SGD Daily Hedged Physical Palladium	JE00B96TVD34	S\$1.00
ETFS SGD Daily Hedged Physical Platinum	JE00B95RXG57	S\$2.25
ETFS SGD Daily Hedged Physical Silver	JE00B8LS5K35	S\$0.50

Class of Sterling Individual Security	ISIN	Principal Amount
ETFS GBP Daily Hedged Physical Gold	JE00B7VG2M16	£1.25
ETFS GBP Daily Hedged Physical Palladium	JE00B96HH061	£0.50
ETFS GBP Daily Hedged Physical Platinum	JE00B8GJM227	£1.25
ETFS GBP Daily Hedged Physical Silver	JE00B84GRH50	£0.25

Individual Securities may also be issued under this Prospectus in respect of any metal and denominated in any Currency, provided that the Issuer can create corresponding Metal Adjustment Contracts relating to such metal and Currency under a Metal Adjustment Agreement. Basket Securities may also be issued under this Prospectus of any category comprising such proportion of any two or more of Gold Individual Securities of any class, Silver Individual Securities of any class, Platinum Individual Securities of any class and Palladium Individual Securities of any class, and denominated in a particular Currency. To the extent that this Prospectus does not provide full details of such type or types of Currency-Hedged Metal Securities, such additional details (including the name, ISIN number and Principal Amount thereof, the applicable type of Bullion and Currency and, in the case of Basket Securities, the identity of the classes of Individual Securities of which such Basket Securities are comprised and the proportions of Individual Securities of such classes of which such Basket Securities are comprised) will be specified in the applicable Final Terms or a supplementary prospectus supplemental hereto.

As referred to in Part 4 (*Description of the Currency-Hedged Metal Securities*) and Condition 15 the Issuer has the right under the Trust Instrument at any time to consolidate or divide all of the Currency-Hedged Metal Securities of any class into Currency-Hedged Metal Securities of the same class but with a proportionately larger or smaller Principal Amount and Metal Entitlement. Consolidated or divided Currency-Hedged 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 Currency-Hedged 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 information given under the heading “Precious Metals Market Overview — Platinum Group Metals” in Part 3 (*Overview of the Precious Metals Market and the Indices*) has been sourced from Platinum 2017 published by Johnson Matthey.

The statements under the heading “Precious Metals Market Overview — Platinum” in Part 3 (*Overview of the Precious Metals Markets and the Indices*) have been sourced from Platinum 2017 published by Johnson Matthey.

The table under the heading “Precious Metals Market Overview — Platinum” in Part 3 (*Overview of the Precious Metals Markets and the Indices*) has been sourced from Platinum 2017 published by Johnson Matthey.

The statements under the heading “Precious Metals Market Overview — Palladium” in Part 3 (*Overview of the Precious Metals Markets and the Indices*) have been sourced from Platinum 2017 published by Johnson Matthey.

The table under the heading “Precious Metals Market Overview — Palladium” in Part 3 (*Overview of the Precious Metals Markets and the Indices*) has been sourced from the Platinum 2017, published by Johnson Matthey.

The statements under the heading “Precious Metals Market Overview — Silver” in Part 3 (*Overview of the Precious Metals Markets and the Indices*) have been sourced from the World Silver Survey 2017, published by Thomson Reuters GFMS.

The table under the heading “Precious Metals Market Overview — Silver” in Part 3 (*Overview of the Precious Metals Markets and the Indices*) has been sourced from the World Silver Survey 2017, published by Thomson Reuters GFMS.

The statements under the heading “Precious Metals Market Overview — Gold” in Part 3 (*Overview of the Precious Metals Markets and the Indices*) have been sourced from Gold Survey 2017 published by Thomson Reuters GFMS and World Gold Council (<http://www.gold.org>).

The table under the heading “Precious Metals Market Overview — Gold” in Part 3 (Overview of the Precious Metals Markets and the Indices) has been sourced from Gold Survey 2017 published by Thomson Reuters GFMS and World Gold Council (<http://www.gold.org>).

The statements under the heading “Precious Metals Market Overview — The Precious Metals Market — Good Delivery” in Part 3 (*Overview of the Precious Metals Markets and the Indices*) 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 “Precious Metals Market Overview — The Precious Metals Market — Good Delivery” in Part 3 (*Overview of the Precious Metals Markets and the Indices*) 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 chart under the heading “Precious Metals Market Overview — Correlation of Precious Metals with Other Asset Classes — Five Year Correlations” in Part 3 (*Overview of the Precious Metals Markets and the Indices*) has been sourced from Bloomberg LP.

To the extent that the information referred to above has been sourced from a third party, such information 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.

None of the documents or websites referred to above are incorporated into or form part of this Prospectus and no other documents, including the contents of any websites or web pages referred to in this Prospectus, form part of this Prospectus for the purposes of the Prospectus Directive or the Prospectus Rules.

6. General

- (a) The Issuer’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 years ended 31 December 2015 and 31 December 2016 as published by the Issuer through the Regulatory News Service of the London Stock Exchange on 26 April 2016 and 16 March 2017 respectively are incorporated in this document by reference and 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 Part 13 (*Additional Information*). The annual audited accounts of the Issuer will generally be published within 4 months of year end, currently 31 December each year. Half-yearly unaudited accounts will generally be published within 4 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>.
- (b) 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 is converted into US Dollars at rates quoted by independent sources. The valuation of the assets and liabilities of the Issuer attributable to any Pool is determined under the supervision of the Board. The Bullion held in the name of the Security Trustee at the accounts of the Custodian, as adjusted under the corresponding Metal Adjustment Contracts, constitutes an asset of the Issuer. For the purposes of the valuation of the Issuer’s assets, the Bullion is valued at the Metal Entitlement.

The Currency-Hedged Metal Securities in issue constitute a liability of the Issuer. For the purposes of the Issuer’s financial statements, the Currency-Hedged Metal Securities are valued at the current market price that they are quoted at on a stock exchange as at the date of valuation. The actual contractual issue and redemption of Currency-Hedged Metal Securities

occurs at the Metal Entitlement calculated in accordance with the formula in this Prospectus so that any gains or losses on the liability represented by the Currency-Hedged Metal Securities are matched by gains or losses attributable to the Bullion (as adjusted under the corresponding Metal Adjustment Contracts). This results in a difference between the value of the Bullion (as adjusted by the corresponding Metal Adjustment Contracts) and the Currency-Hedged Metal Securities in issue which shows as either a profit or a loss in the accounts. This gain or loss would be reversed on a subsequent redemption of the Currency-Hedged Metal Securities.

- (c) There has been no material adverse change in the financial or trading position or prospects of the Issuer since the date of its last published audited financial statements on 31 December 2016.
- (d) There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during a period of 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.
- (e) All Currency-Hedged 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 (a Regulated Market). Applications have been made to the UK Listing Authority for all Currency-Hedged Metal Securities issued within 12 months from the date of this document to be admitted to the Official List and to the London Stock Exchange for all such Currency-Hedged Metal Securities to be admitted to trading on the Main Market.
- (f) The ETFs EUR Daily Hedged Physical Gold Individual Securities have been admitted to listing on the Regulated Market (General Standard) (*Regulierter Markt [General Standard]*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) since 21 March 2013 and on the ETF plus market of the Borsa Italiana since 17 May 2013.
- (g) The Issuer intends to publish annual financial statements each year and Final Terms as required by Listing Rules and Transparency Rules. Each Pricing Day the Issuer will publish Metal Entitlements on its website as described under the heading "Worked Example of the Calculation of the Metal Entitlement" in Part 2 (*How does a Security Holder calculate the Value of their Investment?*). Save as aforesaid, the Issuer does not intend to provide post-issuance information.
- (h) The securitised assets backing the issue, being the Bullion and corresponding Metal Adjustment Contracts backing each Currency-Hedged Metal Security have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Currency-Hedged Metal Securities as physical Bullion may be transferred to any third party (including on payment of fees to ManJer or redemption to any Security Holder).
- (i) ManJer may make payments by way of commission, distribution fee or otherwise out of the Management Fee to distributors, intermediaries and others (who may be Authorised Participants and/or market-makers, the Custodian, the FX Counterparty or any of their respective affiliates or any other person).

7. Documents Available for Inspection

For the duration of the Programme or so long as any Currency-Hedged Metal Securities remain outstanding, copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer:

- (a) the Memorandum and Articles of Association of the Issuer;
- (b) the Trust Instrument;
- (c) the Security Deed;
- (d) the Custodian Agreements;
- (e) the Metal Sale Counterparty Agreement;

- (f) the MSIP Metal Adjustment Agreement, the MSIP ISDA Master Agreement and the MSIP Master Confirmation Agreement;
- (g) the Services Agreement;
- (h) the Administration Agreement;
- (i) the Registrar Agreement;
- (j) the Authorised Participant Agreements;
- (k) the agreement between the Issuer, Clearstream Banking Aktiengesellschaft and HSBC Trinkaus & Burkhardt AG dated on or about 6 March 2013, including the form of Global Bearer Certificates and text of the conditions of the Global Bearer Certificates; and
- (l) the annual audited accounts and half-yearly unaudited accounts of the Issuer.

Copies of this Prospectus and the documents listed at (a) – (l) above are available free of charge from ETFS Management Company (Jersey) Limited, Ordinance 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 Currency-Hedged 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 Currency-Hedged 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

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 Currency-Hedged 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 ERISA, United States Internal Revenue Code and other considerations. These restrictions, which will remain in effect until the Issuer determines in its sole discretion to remove them, may adversely affect the ability of holders of Currency-Hedged Metal Securities to trade them.

Currency-Hedged Metal Securities have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States. Currency-Hedged Metal Securities are being offered and sold only outside the United States to non-US Persons in reliance on the exemption from registration provided by Regulation S of the Securities Act.

The Issuer has not been and does not intend to become registered as an investment company under the Investment Company Act and related rules. Currency-Hedged Metal Securities and any beneficial interest therein may not be reoffered, resold, pledged or otherwise transferred in the United States or to US Persons. If the Issuer determines that any Security Holder is a Prohibited US Person, the Issuer may redeem the Currency-Hedged Metal Securities held by that Security Holder in accordance with the provisions of the Conditions under the heading “Compulsory Redemption by the Issuer or the Trustee” (Condition 7).

The Currency-Hedged Metal Securities may not be purchased with plan assets of a Prohibited Benefit Plan Investor. If the Issuer determines that any Security Holder is a Prohibited Benefit Plan Investor, the Issuer may redeem the Currency-Hedged Metal Securities held by that Security Holder in accordance with the provisions of the Conditions under the heading “Compulsory Redemption by the Issuer or the Trustee” (Condition 7).

Further restrictions on offers and sales of Currency-Hedged Metal Securities and on the distribution of this Prospectus are set out in paragraph 3 of Part 13 (*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 Currency-Hedged Metal Securities in any of Austria, 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 the 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 Currency-Hedged 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 Currency-Hedged Metal Securities.

In the event of a public offer in one or more Public Offer Jurisdictions, the Currency-Hedged 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

INHABER-SAMMELZERTIFIKAT

für

- [siehe Anhang 1] [Klasse der Individual-Securities/Kategorie der Basket-Securities]
Namensschuldverschreibungen

der

ETFS Hedged Metal Securities Limited

Ordinance House, 31 Pier Road, 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] Namensschuldverschreibungen (im Folgenden "**Schuldverschreibungen**" genannt) der ETFS Hedged Metal Securities Limited, Jersey, Channel Islands (im Folgenden "**Gesellschaft**" genannt). Die durch den Treuhandvertrag vom 28 Februar 2013 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 Clearstream die Auslieferung und Registrierung einer seinem Miteigentumsanteil entsprechenden Stückzahl von [Klasse der •] Schuldverschreibungen der Gesellschaft auf seinen Namen oder den Namen eines von ihm benannten Dritten in das maßgebliche Schuldverschreibungsregister der Gesellschaft, 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

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 Hedged Metal Securities Limited, Jersey, Channel Islands, England, (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 vom 28 Februar 2013 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.
7. Die Clearstream ist berechtigt, die Citibank N.A., London, England, (im Folgenden "Verwahrer" genannt) in ihrer Funktion als Verwahrer oder die Vidacos Nominees Ltd., 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 a.m. 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 im Bundesanzeiger.
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.

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.

ANNEX 3

FORM OF FINAL TERMS

Pro Forma Final Terms for an issue by ETFS Hedged Metal Securities Limited under the Programme for the Issue of ETFS Currency-Hedged Metal Securities. This form of Final Terms is used when ETFS Currency-Hedged 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 HEDGED METAL SECURITIES LIMITED

(Incorporated and registered in Jersey under the Companies (Jersey) Law 1991 (as amended) with registered number 108311)

(the “Issuer”)

Programme for the Issue of ETFS Currency-Hedged Metal Securities

Issue of

[number] [type] [Individual/Basket] Securities

(the “ETFS Currency-Hedged Metal Securities”)

These Final Terms (as referred to in the base prospectus (the “Prospectus”) dated 22 August 2017 in relation to the above Programme) relate to the issue of the ETFS Currency-Hedged Metal Securities referred to above. The ETFS Currency-Hedged Metal Securities have the terms provided for in the trust instrument dated 28 February 2013 (as may be amended from time to time) between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee constituting the ETFS Currency-Hedged 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 Currency-Hedged Metal Securities are as follows:

Issuer:	ETFS Hedged Metal Securities Limited
Issue Date:	[•]
Class or category of ETFS Currency-Hedged Metal Securities to which these Final Terms apply:	[•]
ISIN:	[•]
Price per ETFS Currency-Hedged Metal Security:	[•] troy ounces Platinum/ [•] troy ounces Palladium/ [•] troy ounces Silver/ [•] fine troy ounces Gold

Aggregate number of ETFS Currency-Hedged Metal Securities to which these Final Terms apply:	[•]
Maximum number/amount of Currency-Hedged Metal Securities that may be issued of the class being issued pursuant to these Final Terms:	[•]
Post-Downgrade Daily Class Delivery Minimum:	[•]
Pre-Downgrade Daily Class Delivery Minimum:	[•]
Monthly Class Delivery Minimum:	[•]
Maximum Bullion Class Delivery Amount:	[•]
Hedging Rate:	[•]
Exchange[s] on which Currency-Hedged Metal Securities are admitted to trading:	[London Stock Exchange] [Frankfurt Stock Exchange] [Borsa Italiana S.p.A.]
[These Final Terms relate to the first issue of a class of Individual Security not specifically described in the Prospectus in respect of which the following particulars apply:	
Applicable type of Bullion:	[•]
Currency:	[•]
Name of applicable Index	[•]
Initial Metal Entitlement	[•]
Principal Amount	[•]
[These Final Terms relate to the first issue of a category of Basket Security, the Currency and proportion of each class comprised in which is not specifically set out in the Prospectus, which particulars are set out below:	
Currency:	[•]
Proportion of Gold Individual Securities of the class denominated in that Currency of which a basket Security of this category is comprised:	[•]
Proportion of Palladium Individual Securities of the class denominated in that Currency of which a basket Security of this category is comprised:	[•]
Proportion of Platinum Individual Securities of the class denominated in that Currency of which a basket Security of this category is comprised:	[•]

Proportion of Silver Individual Securities of the class denominated in that Currency of which a basket Security of this category is comprised:

[•]

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 Currency-Hedged Metal Securities to the public under the Programme for the Issue of ETFS Currency-Hedged Metal Securities. This form of Final Terms is used when ETFS Currency-Hedged Metal Securities are being offered to the public in one or more member states.

FINAL TERMS

Dated [•] 201[•]

ETFS HEDGED METAL SECURITIES LIMITED

(Incorporated and registered in Jersey under the Companies (Jersey) Law 1991 (as amended) with registered number 108311)

(the “Issuer”)

Programme for the Issue of ETFS Currency-Hedged Metal Securities

Issue of

[number] [type] [Individual/Basket] Securities

(the “ETFS Currency-Hedged Metal Securities”)

These Final Terms (as referred to in the base prospectus (the “Prospectus”) dated 22 August 2017 in relation to the above Programme) relate to the issue of the ETFS Currency-Hedged Metal Securities referred to above. The ETFS Currency-Hedged Metal Securities have the terms provided for in the trust instrument dated 28 February 2013 (as may be amended from time to time) between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee constituting the ETFS Currency-Hedged 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 Currency-Hedged Metal Securities may be made by the Issuer or by [•] (each a “**Permitted Offeror**”) other than pursuant to Article 3(2) of the Prospectus Directive in [•] (“**Public Offer Jurisdictions**”) during the period from [•] until [•] (the “**Offer Period**”).

The particulars in relation to this issue of ETFS Currency-Hedged Metal Securities are as follows:

Issuer:	ETFS Hedged Metal Securities Limited
Issue Date:	[•]
Class or category of ETFS Currency-Hedged Metal Securities to which these Final Terms apply:	[•]
ISIN:	[•]
Price per ETFS Currency-Hedged Metal Security:	[•] troy ounces Platinum/ [•] troy ounces Palladium/ [•] troy ounces Silver/ [•] fine troy ounces Gold
Aggregate number of ETFS Currency-Hedged Metal Securities to which these Final Terms apply:	[•]
Maximum number/amount of Currency-Hedged Metal Securities that may be issued of the class being issued pursuant to these Final Terms:	[•]
Post-Downgrade Daily Class Delivery Minimum:	[•]
Pre-Downgrade Daily Class Delivery Minimum:	[•]
Monthly Class Delivery Minimum:	[•]
Maximum Bullion Class Delivery Amount:	[•]
Hedging Rate:	[•]
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:	[•]
/These Final Terms relate to the first issue of a class of Individual Security not specifically described in the Prospectus in respect of which the following particulars apply:	
Applicable type of Bullion:	[•]
Currency:	[•]
Name of applicable Index	[•]
Initial Metal Entitlement	[•]
Principal Amount	[•]/
/These Final Terms relate to the first issue of a category of Basket Security, the Currency and proportion of each class comprised in which is not specifically set out in the Prospectus, which particulars are set out below:	
Currency:	[•]
Proportion of Gold Individual Securities of the class denominated in that Currency of which a basket Security of this category is comprised:	[•]

Proportion of Palladium Individual Securities of the class denominated in that Currency of which a basket Security of this category is comprised:	[•]
Proportion of Platinum Individual Securities of the class denominated in that Currency of which a basket Security of this category is comprised:	[•]
Proportion of Silver Individual Securities of the class denominated in that Currency of which a basket Security of this category is comprised:	[•]
Terms and Conditions of the Offer	
Offer Price:	[•]
Conditions to which the offer is subject:	[•]
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 Currency-Hedged Metal Securities:	[•]
Manner in and date on which results of the offer are to be made public:	[•]
Categories of potential investors to which the Currency-Hedged Metal Securities are offered and 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:	[•]
Exchange[s] on which Currency-Hedged Metal Securities are admitted to trading:	[London Stock Exchange] [Frankfurt Stock Exchange] [Borsa Italiana S.p.A.]

Date

Time

ANNEX

FORM OF ISSUE SPECIFIC SUMMARY

(Issuer to annex form of issue specific summary to the Final Terms)

