



INSPECTORATE

08 June 2017

The Directors
ETFs Metal Securities Ltd
Ordnance House,
31 Pier Road,
St Helier,
Jersey, JE4 8PW

Dear Sirs,

Audit of Gold Bullion in respect of ETFs Physical Gold Securities

ETFs Metal Securities Ltd (the “Client”) has engaged Inspectorate International Limited (“Inspectorate”) to conduct two inspections per year of the gold bullion held on behalf of ETFs Physical Gold Securities at the vault of HSBC Bank plc, London (the “Custodian”).

It is with pleasure that we submit below our reports to the Client in accordance with the agreed procedures for the Audit Reference Date of 12 May 2017.

Name of Account	Law Debenture Trust Plc as Trustee for ETFs Physical Gold Securities
Material	London Good Delivery Gold Bars
Location	HSBC Bank plc, London
Results	As at the close of business on 12 May 2017, ETFs Physical Gold Securities held title to 11,715 London Good Delivery Gold Bars with a weight of 4,705,192.480 fine troy ounces.



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Description of Activity Over the course of the inspection, we performed procedures including but not limited to:

1. Compared the records of the Custodian to the records provided by the Administrator to verify that the gold bars are held in the name of the applicable account;
2. Reconciled the total weight of gold bullion as recorded by the Administrator to the records of the Custodian as at the Audit Reference Date;
3. Visually checked each bar for the bar number, brand and purity;
4. Weighed a random sample of gold bars, equating to approximately 2.5 percent of the bar list. Bars were weighed in troy ounces to the nearest thousandth of an ounce. Details of each bar weighed were recorded;
5. Reconciled the physical movement of bars which occurred during the inspection period between 30 May 2017 and 08 June 2017.

Anomalies As part of our check-weighing procedures, we identified a bar whose weight was below that stated on the bar list to a degree that exceeded the agreed tolerance threshold of 0.003oz.

The details of the bar were as follows:

Bar	Brand	Batch Reference	GTO	Wt. Found	Wt. Diff
158811	JOHNSON MATTHEY BRAMPTON	12677	402.375	402.360	-0.015

The client has been made aware of this discrepancy and the bar identified has been subsequently deallocated.

Other than as mentioned above, there were no other anomalies identified in respect of the gold bars as at 12 May 2017.



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The audit was carried out to the best of our knowledge and this report reflects our findings as at the time and place of the audit only.

For and on behalf of
INSPECTORATE INTERNATIONAL LIMITED