



INSPECTORATE

25th January 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 31st December 2016.

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 31 st December 2016, ETFs Physical Gold Securities held title to 11,648 London Good Delivery Gold Bars with a weight of 4,672,242.993 fine troy ounces.



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Description of Activity	<p>Over the course of the inspection, we performed procedures including but not limited to:</p> <ol style="list-style-type: none">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 31st December 2016 and 16th January 2017.
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Anomalies	No anomalies were identified in respect of the gold bars as at 31 st December 2016.
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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