



# Supplementary Product Disclosure Statement

27 MAY 2025

Global X Gold Bullion ETF (GXLD) (ARSN: 661 601 583)

**ISSUER AND RESPONSIBLE ENTITY:**

GLOBAL X MANAGEMENT (AUS) LIMITED ACN 150 433 828 AFSL NO. 466778

# Supplementary Product Disclosure Statement

This Supplementary Product Disclosure Statement (**SPDS**) is dated 27 May 2025 and has been prepared and issued by Global X Management (AUS) Limited ACN 150 433 828 AFSL number 466778 (**Global X, us, we, our or Responsible Entity**) as the Responsible Entity of the Global X Gold Bullion ETF (ARSN: 661 601 583) (the **Fund**).

This SPDS should be read together with the Product Disclosure Statement of the Fund (including any Supplements) dated 19 April 2024 (**Original PDS**).

## Defined terms

Capitalised terms used in this SPDS but otherwise not defined herein have the same meaning as in the Original PDS.

## Purpose of this SPDS

The purpose of this SPDS is to notify investors of the material updates and changes to the Original PDS set out below. In particular, the Responsible Entity has made the offer under the Original PDS open to Japanese investors and has registered the Fund with the Japanese Financial Services Agency (**JFSA**).

## Notice of changes to the original PDS

By this SPDS, the Original PDS is amended as set out below. From 27 May 2025, the product disclosure statement for the Fund comprises the Original PDS and this SPDS.

Section	Page	Change
"Selling restrictions" under "IMPORTANT INFORMATION"	4	<p>The following wording is to be inserted between the paragraphs entitled "New Zealand" and "Singapore":</p> <p><b>Japan</b></p> <p><i>A notification for the Fund has been filed with the Japanese Financial Services Agency (JFSA) under the Act on Investment Trusts and Investment Corporations of Japan. As at the date of this PDS, the Gold Interests may be available to Japanese resident investors via the ASX through Japanese broker-dealers. Individuals who require further assistance and information, should consult their professional adviser.</i></p> <p><i>This PDS is intended solely to provide potential investors with information and does not constitute a prospectus or any other investor disclosure document as stipulated by the Financial Instruments and Exchange Act of Japan. Accordingly, for the avoidance of doubt, this PDS (as amended from time to time) has not been prepared for specific use by persons in Japan and in particular does not include specific information that may be relevant to such persons.</i></p>

The Original PDS is otherwise unchanged.

## Disclaimer

Potential investors should not rely on this SPDS or the Original PDS as the sole basis for any investment decision and should seek independent professional investment and taxation advice before making a decision whether to invest in the Gold Interests. Prospective investors should read both this SPDS and the entire Original PDS before making any decisions to invest in the Gold Interests. If prospective investors have any doubt as to their course of action they should consult their stockbroker, solicitor, accountant or other professional adviser.

Investment into the Fund is subject to investment risk, including possible delays in repayment and loss of income and principal invested. The value or return of an investment will fluctuate and an investor may lose some or all of their investment. Past performance is not a reliable indicator of future performance.

## Contacting us

For more information, please contact us at +61 2 8311 3488 or [info@globalxetfs.com.au](mailto:info@globalxetfs.com.au)

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# Product Disclosure Statement

19 APRIL 2024

Global X Gold Bullion ETF (GXLD) (ARSN: 661 601 583)

**ISSUER AND RESPONSIBLE ENTITY:**

GLOBAL X MANAGEMENT (AUS) LIMITED ACN 150 433 828 AFSL NO. 466778

# Important Information

## IMPORTANT NOTICE TO RECIPIENT

### About this document

This Product Disclosure Statement (“PDS”) is dated 19 April 2024 and has been prepared by Global X Management (AUS) Limited ACN 150 433 828 and AFSL number 466778, (“Global X”) in its capacity as responsible entity (the “Responsible Entity”) who is responsible for its content.

This PDS sets out information about and is an offer document for Gold Interests in the Global X Gold Bullion ETF (the “Fund”). The Global X Gold Bullion ETF is a registered managed investment scheme and a copy of this PDS has been filed with the Australian Securities and Investments Commission (“ASIC”).

Investments in Gold Interests are subject to investment risk, including possible delays in repayment and loss of income and principal invested. Neither Global X nor any other member of the Mirae Asset Global Investment Group, guarantees the performance of any products issued by Global X or the repayment of capital or any particular rate of return therefrom.

As at the date of this document an application has been made to the ASX for Gold Interests in the Fund to be quoted for trading on the AQUA market of the ASX under the AQUA Rules. A copy of this PDS has been lodged with both ASIC and ASX. No responsibility as to the contents of this PDS is taken by ASIC or ASX. No applications for Gold Interests in the Fund will be accepted until the exposure period for the PDS has expired. The exposure period for the PDS expires seven days after lodgement of this PDS with ASIC, subject to possible extension by ASIC for a further period of up to seven days.

### About the Offer

Creation Requests for Gold Interests in the Fund are only available to Authorised Participants who have been authorised as ‘trading participants’ under the under the ASX Operating Rules. The offer contained within this PDS is therefore made to Authorised Participants only.

Any other investors may not apply for Gold Interests in the Fund via this PDS, however Gold Interests can be purchased in the secondary market on the ASX via a broker, investment advisor or ASX participant. Although non-Authorised Participants cannot submit Creation Requests under this PDS, the PDS may be used for information purposes.

This PDS does not constitute an offer or invitation in relation to the Fund in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. The distribution of this PDS may be restricted by laws of places where it is distributed and therefore persons into whose possession this PDS comes (including nominees, trustees or custodians) should seek advice on and observe those restrictions. Failure to comply with relevant restrictions may violate those laws. No cooling off period applies to investment in the Fund.

Information in this document is subject to change from time to time. To the extent that the change is not materially adverse to Holders, it may be updated by the Responsible Entity posting a notice of the change on its website at [www.globalxetfs.com.au](http://www.globalxetfs.com.au). In addition, any material updates will also be notified to Holders through the Market Announcements Platform on the ASX. The Responsible Entity will provide to Holders, free of charge, a paper copy of the updated information upon request. Please refer to the “Corporate Directory” at Section 13 of this PDS for contact details of the Responsible Entity.

### Continuous offer notice

The Offer (being the invitation made to the Authorised Participants under this PDS) is a continuous offer made during the term of this PDS.

As a disclosing entity, the Responsible Entity is subject to regular reporting and disclosure obligations in respect of the Fund. Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office. People have the right to obtain a copy of the following documents:

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

Such information may be obtained from, or inspected at, an ASIC office and shall also be available for download free of charge from the Fund’s website [www.globalxetfs.com.au](http://www.globalxetfs.com.au). Upon request, the Fund shall also make a hard copy of the documents available free of charge to anyone who asks.

## AQUA market on the ASX

As at the date of this document an application has been made to the ASX for Gold Interests in the Fund to be quoted for trading on the AQUA market of the ASX under the AQUA Rules. The AQUA Rules form part of the ASX Operating Rules. The Gold interests will not be listed on the ASX under the ASX Listing Rules.

The AQUA Rules have been designed to offer greater flexibility and are specifically designed for managed funds, exchange-traded funds, and structured products.

Since an investor may be more familiar with the ASX Listing Rules, it is important they familiarise themselves with the main differences between the AQUA Rules and the ASX Listing Rules.

### AQUA Rules: fundamental difference

The key distinction between products admitted under the ASX Listing Rules and those quoted under the AQUA Rules is the level of control and influence that an issuer has over the value of the underlying assets of the entity.

Under the ASX Listing Rules, listed equity securities typically reflect the value of the business operated by the issuer. By contrast, the value of a product quoted on AQUA typically reflects the performance of the underlying assets.

### Key specific differences between the ASX Listing Rules and the AQUA Rules

Due to the different nature of shares quoted under the ASX Listing Rules and AQUA Products quoted under the AQUA Rules, the requirements relating to AQUA Products differ from those relating to products listed under the ASX Listing Rules. The key differences for AQUA Products are as follows:

1. **Continuous disclosure** – the continuous disclosure requirements for AQUA Product issuers are different to those under the ASX Listing Rules because of the nature and regulation of the underlying asset. There is a requirement under the AQUA Rules that an AQUA Product issuer provide the ASX with any information the non-disclosure of which may lead to the establishment of a false market in the products or which would materially affect the price of its products. The Fund must also disclose information about net tangible assets or net asset value, dividends and distributions to the ASX and must make disclosure to the ASX and market participants using the Market Announcements Platform of the ASX at the

same time information is disclosed to ASIC. The Responsible Entity also intends to post any such information on its website [www.globalxetfs.com.au](http://www.globalxetfs.com.au) at the same time.

2. **Periodic disclosure** – AQUA Product issuers are not required to disclose half yearly and annual financial information or annual reports to the ASX. However, periodic financial reports relating to the AQUA Product must be disclosed to the ASX at the same time they are lodged with ASIC under Chapter 2M of the Corporations Act.
3. **Spread requirements** – The requirements under the ASX Listing Rules that issuers satisfy certain minimum spread requirements (i.e. a minimum number of Holders each having a minimum parcel size) do not apply to AQUA Products. Under the AQUA Rules, unless and until a suitable spread of Holders is achieved, an AQUA Product issuer must ensure a bid/ask spread and volume requirement is maintained for the AQUA Product on the ASX, generally through the appointment of a market maker, or must have in place other arrangements which meet ASX's requirements for providing liquidity.
4. **Corporate control** – the ASX requirements in relation to matters such as takeover bids, share buy-backs, change of capital, new issues, restricted securities, disclosure of directors' interests and substantial holdings are not relevant and do not apply to AQUA Products. The Responsible Entity and the Fund is subject to general Corporations Act requirements in respect of some of these matters in some circumstances. Unlike the responsible entity of a managed investment scheme listed under the Listing Rules, the Responsible Entity can only be replaced by a resolution passed by the votes of at least 50% of all the votes eligible to be cast.  
  
The Corporations Act provisions that apply to takeovers and substantial shareholding requirements for listed managed investment schemes do not apply to AQUA Products.
5. **Related party transactions** – ASX requirements relating to transactions between an entity and persons in a position to influence the entity, do not apply to AQUA Products. However, Corporations Act requirements (i.e. Chapter 2E) applicable to public companies will still apply to the issuer.

# Important Information

6. **Auditor rotation obligations** – AQUA Product issuers, including the Responsible Entity and The Fund, will not be subject to the requirements in Division 5 of Part 2M.4 of the Corporations Act in relation to auditor rotation, however the Responsible Entity is required to undertake an independent audit of the compliance plan for the Fund.

More information about the AQUA Rules is available from the ASX's website: [www.asx.com.au](http://www.asx.com.au).

## Disclaimers

It is impossible in a document of this type to take into account the investment objectives, financial situation and particular needs of each potential investor.

Accordingly, nothing in this PDS is a recommendation by the Responsible Entity, or any other person concerning investments in the Gold Interests. Potential investors should not rely on this PDS as the sole basis for any investment decision and should seek independent professional investment and taxation advice before making a decision whether to invest in the Gold Interests. Prospective investors should read the entire PDS before making any decisions to invest in the Gold Interests. If prospective investors have any doubt as to their course of action they should consult their stockbroker, solicitor, accountant or other professional adviser.

This PDS has been prepared by Global X Management (AUS) Limited from sources which Global X Management (AUS) Limited believes to be correct. No other member of the Mirae Asset Global Investment Group of companies, nor any of their respective employees or agents make any representation or warranty as to or assume any responsibility or liability for the accuracy or completeness of, or any errors or omissions in, any information, statement or opinion contained in this PDS or in any accompanying, previous or subsequent material or presentation and each of those persons disclaim all and any responsibility or liability for any loss or damage which may be suffered by any person relying upon any information contained in, or any omissions from, this PDS.

Global X Management (AUS) Limited does not take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of an investment for the Fund.

Prospective investors should particularly read and carefully consider **Section 4 (Investment Objectives and Strategy of the Fund)** and **Section 5 (Risks) of this PDS** before making a decision whether or not to acquire Gold Interests.

## Selling restrictions

### New Zealand

The Fund is offered to persons in New Zealand who are “wholesale investors” under clause 3(2) or 3(3)(a) of Schedule 1 of the FMCA, or who are otherwise not required to receive disclosure under Part 3 of the FMCA, only.

Those persons not familiar with the provisions of the FMCA, or who require further assistance and/or information, should consult their professional adviser.

### Singapore

This PDS has not been registered as a prospectus with the Monetary Authority of Singapore. This PDS and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Gold Interests may not be circulated or distributed, nor may the Gold Interests be offered or sold, or be made the subject of any invitation for subscription or purchase, whether directly or indirectly to persons in Singapore except to an institutional investor as defined in the Securities and Futures Act, Cap. 289 (the “SFA Act”), or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA Act.

### United States

This PDS and the Gold Interests offered under this PDS have not been and will not be registered under the U.S. Securities Act of 1933, as amended or any US state or other securities laws. Accordingly, the Gold Interests offered in this PDS may not be granted to or taken up by, and the Gold Interests may not be offered or sold to, any person that is in the United States or that is, or is acting for the account or benefit of, a US person.

### UK, European Union and Switzerland

This PDS and the Fund offered under this PDS have not been and will not be registered for public offer or distribution in any of the United Kingdom, any member state of the European Union or Switzerland. Interests offered in this PDS may not be granted to or taken up by, and the Fund may not be offered or sold to, any person that is in the United Kingdom, any member state of the European Union or Switzerland or that is, or is acting for the account or benefit of, a person resident in the United Kingdom, any member state of the European Union or Switzerland.

## Defined terms

Certain terms used in this PDS are defined in Section 12 (Glossary). This PDS should be read in conjunction with these defined terms.

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4. The gold bullion	21	This section provides an overview of how the Fund holds gold bullion and the gold bullion market, in particular the market for gold bullion, to help an investor decide whether an investment in a product which tracks movements in the price of gold bullion is appropriate for them.
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10. Taxation considerations	52	This section sets out the tax treatment of holding Gold Interests in Australia. You should note that this is a general summary and you should seek your own tax advice in relation to the taxation consequences of holding Gold Interests.
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# 1. Key features

## 1.1 Overview

The Global X Gold Bullion ETF (the “**Fund**”) is registered managed investment scheme comprised of separate trusts constituted in respect of each individual Gold Interest under the Trust Deed (**Separate Trusts**), which provide a beneficial interest in gold bullion. The Fund intends to have its Gold Interest quoted on the ASX under the AQUA Rules. In this PDS, the Fund is offering Gold Interests designed to provide investors with a beneficial interest in gold bullion without the necessity of holding, trading and storing gold bullion. The Gold Interests aim to track the price of gold bullion in Australian dollars (before fees and expenses) by reference to the Gold Spot Price which is denominated in USD converted to Australian dollars. The value of an investment in a Gold Interest will be subject to fluctuations in the AUD/USD exchange rate as well as fluctuations in the price of gold bullion.

The Fund will invest in gold bullion through the Global X Gold Bullion Wholesale Trust (the “**Sub-Fund**”), an unregistered managed investment scheme. The Responsible Entity is the trustee of the Sub-Fund. Under the Trust Deed of the Fund, each Gold Interest held on Separate Trust provides a beneficial interest in an amount of gold bullion equal to the Gold Entitlement (held separately from all other Gold Interests in the Fund), which is held through the Sub-Fund on separate trust, separate from all other interests in the Sub-Fund. In respect of each Gold Interest held on Separate Trust, the Holder at all times has an absolute, vested and indefeasible interest in possession in all the trust property of that Separate Trust (which includes the gold bullion) and has no interest in any other trust property (including gold bullion) or amount referable to any other Holder's Gold Interest. Each Holder is therefore absolutely entitled to the underlying gold bullion held by the Sub-Fund.

As at the date of this PDS, the Fund will invest in gold bullion through the Sub-Fund. The Responsible Entity may, in its discretion, in the future wholly or partly obtain investment exposure by directly buying and holding gold bullion, (rather than by investing in gold bullion through the Sub-Fund).

The Sub-Fund has been established by the Responsible Entity to act as a special purpose vehicle for holding gold bullion on behalf of the Fund. The JPMorgan Chase Bank, N.A. has been appointed as the custodian of the gold bullion acquired in connection with the Fund. The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch has been appointed as the custodian of the interests in the Sub-Fund which are held by the Fund.

All references in this PDS to the Fund (including a Separate Trust) holding, acquiring, receiving, dealing with or disposing of gold bullion should be read as a reference to the Fund holding, acquiring, receiving, dealing with or disposing of such assets indirectly through the Sub-Fund and the separate trusts comprising the Sub-Fund.

The following table summarises the key features of the Gold Interests offered in this PDS. Any decision to invest in the Gold Interests should be based upon the PDS in its entirety and investors should seek professional advice before making any decision with respect to an investment in the Gold Interests.

### Key features of the Fund

<b>Fund name</b>	Global X Gold Bullion ETF
<b>Responsible Entity</b>	Global X Management (AUS) Limited is the Responsible Entity (the “ <b>Responsible Entity</b> ”) and trustee of the Fund and the issuer of this PDS.
<b>Investment objective</b>	The investment objective of the Gold Interests issued by the Fund is to provide a return that tracks the performance of the price of gold bullion in Australian dollars (before fees and expenses) by reference to the Gold Spot Price which is denominated in US Dollars and converted to Australian dollars. <sup>1</sup> The value of an investment in a Gold Interest will be subject to fluctuations in the AUD/USD exchange rate as well as fluctuations in the price of gold bullion. The Gold Interests provide Holders with a beneficial interest in gold bullion without the necessity of holding, trading and storing gold bullion.

1. The Fund's investment objective is not intended to be a forecast. It is only an indication of what the investment strategy aims to achieve. The Fund may not achieve its investment objective. Returns are not guaranteed.

<b>Investment strategy</b>	All gold bullion received from an Authorised Participant in connection with a Creation Request will be transferred to the Responsible Entity's Allocated Accounts and Unallocated Accounts (collectively, the " <b>Metal Accounts</b> ") with the Custodian. Gold bullion will be held in an Allocated Accounts (other than amounts which may be held on a temporary basis in unallocated form) as Good Delivery Bars at its London vault premises.
<b>Investment type</b>	A registered managed investment scheme comprised of separate trusts constituted in respect of each individual Gold Interest under the Trust Deed ( <b>Separate Trusts</b> ). The Gold Interests in the Fund will be able to be traded on the AQUA market of the ASX. The issue of Gold Interests is covered by the Responsible Entity's Australian financial services licence.
<b>Assets</b>	Gold bullion held by the Fund in Allocated Accounts (other than amounts which may be held on a temporary basis in unallocated form).  The Fund will not hold any derivative positions.
<b>Gold Entitlement</b>	<p>Each Gold Interest held on Separate Trust provides a beneficial interest in an amount of gold bullion equal to the Gold Entitlement (held separately from all other Gold Interests in the Fund), which is held through the Sub-Fund on separate trust, separate from all other interests in the Sub-Fund.</p> <p>The Gold Entitlement of a Gold Interest is its interest in the Sub-Fund, through which an amount of gold bullion is held. The value of a Gold Interest's Gold Entitlement reduces each day by the amount of the Management Fee (and any other fees and costs charged or recovered by Global X pursuant to the Constitution of the Fund or the trust deed of the Sub-Fund).</p> <p>On the first day of issue of the Gold Interest(s) by the Fund (<b>First Day of Issue</b>), the value of a Gold Entitlement of a Gold Interest will be 1/100th Gold Fine Troy Ounce.</p> <p>The Gold Entitlement of a Gold Interest on subsequent days in the Fund will be equal to the prior Business Day's Gold Entitlement less:</p> <ul style="list-style-type: none"> <li>• the Management Fees; and</li> <li>• any other fees and costs (other than the Management Fee),</li> </ul> <p>deducted or accrued by the Responsible Entity or trustee of the Sub-Fund, in respect of a Gold Interest since the prior Business Day. The Gold Entitlement of each Gold Interest issued in the Fund will therefore be equivalent.</p> <p>The Gold Entitlement, after conversion into Australian dollars, will generally be equal to the Net Asset Value per Gold Interest.</p>
<b>Net Asset Value (NAV) per Gold Interest</b>	The Net Asset Value per Gold Interest shall be determined by the Responsible Entity at the Valuation Time on each Business Day (or at such other time as the Responsible Entity may determine) by valuing the assets held in the Separate Trust for that Gold Interest (which is expected to consist only of the Gold Entitlement) and deducting any accrued fees, expenses or liabilities attributable to the Gold Interest (other than the Management Fee which is deducted each day from the Gold Entitlement). Please refer to Section 7 (Valuation and Gold Interest Pricing) for more detail.

# 1. Key features

<b>Fees and expenses</b>	<p>Fees and expenses that a Holder may be charged include:</p> <p><b>Creation Fee</b></p> <p>Authorised Participants will be charged a flat fee of A\$500 on each Creation Request. Only Authorised Participants may submit Creation Requests.</p> <p><b>Redemption Fee</b></p> <p>Any Holder (including Authorised Participants and Holders who are not Authorised Participants) who submits a Redemption Request will be liable to pay a flat fee of \$500 upon submission of each Redemption Request regardless of the number of Gold Interests being redeemed.</p> <p><b>Management Fee</b></p> <p>As at the date of this PDS, the Responsible Entity does not charge a management fee at the Fund level, however a Management Fee is charged at the Sub-Fund level by Global X, in its capacity as trustee of the Sub-Fund, which is an indirect cost to the Fund.</p> <p>The Management Fee charged at the Sub-Fund level by Global X in its capacity as trustee of the Sub-Fund shall be equal to 0.15% percent per annum of the Net Asset Value of the Sub-Fund and will be accrued daily and paid monthly in arrears out of the assets of the Sub-Fund and will therefore reduce the Gold Entitlement of each Gold Interest at the end of each day.</p> <p>Please see Section 8 (Fees and Other Costs) of this PDS for further details in relation to these fees and expenses.</p> <p>As with any other quoted security, you may be charged a brokerage fee or commission when buying and selling Gold Interests through a broker and/or on the AQUA market of the ASX. Please refer to your broker for further details on their fees and charges.</p>
<b>Trading in Gold Interests of the Fund</b>	<p>As at the date of this PDS an application has been made to the ASX for the Gold Interests in the Fund to be quoted for trading on the AQUA market of the ASX under the AQUA Rules. It is expected that most investors will buy and sell their Gold Interest through trading on this secondary market where they can be bought and sold like any other stocks. Investment in Gold Interests through transactions on the ASX are not governed by the terms of this PDS.</p>
<b>Creations</b>	<p>The offer of Gold Interests under this PDS is made to Authorised Participants only and only Authorised Participants may apply directly to the Responsible Entity for Gold Interests.</p> <p>Creation Requests for Gold Interests may be submitted on any ASX Business Day during the term of this PDS. Creation Requests will be settled by the Authorised Participant arranging a deposit into the Secured Account by 4pm on the Delivery Day prior to the Settlement Date of an amount of gold bullion equal to the aggregate Gold Entitlement of the Gold Interests that the Authorised Participant has applied for (such deposit also constituting payment of the nominal value of the Gold Interests which carry such Gold Entitlement), calculated as at the ASX Business Day (rounded up to the nearest eight decimal places).</p> <p>As at the date of this PDS, unless the Responsible Entity agrees otherwise, the minimum number of Gold Interests for a Creation Request 7,500 Gold Interests.</p> <p>The Responsible Entity may reject any Creation Request in its discretion.</p> <p>Please refer to Section 6 (Trading of Gold Interests) for more detail.</p>

<p><b>Redemptions</b></p>	<p>Generally, all Holders (including Authorised Participants) who wish to redeem Gold Interests directly with the Responsible Entity may only submit in specie Redemption Requests (referred to as the Gold Delivery Method) whereby the Holder will receive gold bullion as their redemption proceeds (unless the Responsible Entity has determined to allow redemption requests to be processed using the Gold Sales Method). Redemption Requests may be in relation to some or all of a Holder's Gold Interests.</p> <p>It is generally expected that Holders who wish to exchange their Gold Interests for cash will sell their Gold Interests on the AQUA market of the ASX. Cash redemptions via the Gold Sale Method are only available to Holders where the Responsible Entity has determined to allow redemptions via the Gold Sale Method, which is only expected to be in extraordinary circumstances (for example, where trading in the Fund is suspended for five consecutive ASX Business Days).</p> <p>A Redemption Request via the Gold Delivery Method is only valid if the requesting Holder has nominated an unallocated gold bullion account to which any gold bullion related to that Redemption Request is to be transferred of which they can prove their ownership to the satisfaction of the Responsible Entity and have completed all know your client and other anti-money laundering checks as may be requested by the Responsible Entity.</p> <p>Redemptions will be effected on the Settlement Date or such later date as requested by the Holder save that they must also have provided all such information as requested by the Responsible Entity as set out above.</p> <p>Holders using the Gold Delivery Method should be aware that transfers of gold bullion are generally irreversible. All title to the gold bullion and all risks in and relating to the gold bullion pass to the Holder. The Responsible Entity is not responsible or liable for any loss or damage whatsoever that occurs to the gold bullion after the Delivery Day. The Responsible Entity's Delivery Obligations will be satisfied by transferring gold bullion to and notifying the Holder of the account details of the gold bullion delivery.</p> <p>As at the date of the PDS, there is no minimum number of Gold Interests required for a Redemption Request, and there is no minimum residual holding required.</p> <p>All Holders who redeem their Gold Interests directly with the Responsible Entity must pay the Redemption Fee and any Sale Costs or Delivery Costs applicable.</p> <p>Please refer to Section 6 (Trading of Gold Interests) for more detail.</p>
<p><b>Distributions</b></p>	<p>In the normal course Holders should not expect to receive any distributions of ordinary income.</p>
<p><b>Key risks</b></p>	<p>Past performance is not an indication of future performance, and the investment performance of the Gold Interests could be volatile. An investment in the Gold Interests involves a significant degree of risk. The following are just some of the risk factors which should be carefully considered by prospective investors before deciding whether to invest in the Gold Interests.</p> <ul style="list-style-type: none"> <li>• <b>Access and Insurance Risk</b> – gold bullion will be held by the Custodian at its London vault premises or temporarily in the vaults of a Sub-Custodian. Access to such gold bullion could be restricted by natural events, such as flooding, or human actions, such as terrorist attack. The Custodian will be responsible for insurance for the Fund's gold bullion attributable to Gold Interests. While the Custodian is under no obligation to take out specific insurance in respect of the gold bullion, it must make such insurance arrangements in connection with its custodial obligations with respect to gold bullion as it considers fit.</li> </ul>

# 1. Key features

<p><b>Key risks</b> (continued)</p>	<p>There is a risk that the Custodian may not maintain adequate insurance with respect to the gold bullion held by the Custodian on behalf of or credited to the accounts of the Fund.</p> <ul style="list-style-type: none"> <li>• <b>Concentration Risk</b> – The holdings attributable to the Gold Interests will not be diversified beyond the holding of physical gold bullion, and as such there may be a greater degree of volatility in the net asset value of the Gold Interests over time, relative to the value of a more broadly diversified portfolio.</li> <li>• <b>Counterparty Risk</b> – the Fund will be exposed to the credit risk of a number of counterparties with whom the Responsible Entity transacts, including, but not limited to, the Custodian, HSBC, the Administrator, market makers, Authorised Participants, and any other party to any arrangements in place in respect of the Gold Interests held by the Fund.</li> <li>• <b>Currency Risk</b> – gold bullion prices are generally quoted in US dollars and Gold Interests are priced in Australian dollars. To the extent a Holder values Gold Interests in another currency (such as Australian dollars), that value will be affected by changes in the exchange rate between the US dollar and that other currency.</li> <li>• <b>Custodian Risk</b> – Under the Custody 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 gold bullion lost or damaged at the time such negligence, fraud or wilful default is discovered by the Custodian. If any gold bullion forming part of the Assets attributable to Gold Interests is lost, damaged, stolen or destroyed under circumstances in which the Custodian is liable, the liability will be attributable to the Responsible Entity, because the Responsible Entity is ultimately liable to Holders for the acts and omissions of the Custodian. The Responsible Entity may not have the financial resources (including liability insurance coverage) sufficient to satisfy the claim, potentially resulting in a loss to Holders. Further, although the Custody Agreements require the Custodian to have in place a written agreement with any Sub-Custodian, only the Responsible Entity has direct contractual rights against the Custodian and has no direct relationship with any Sub-Custodians. This means that in the event a Sub-Custodian fails to perform its obligations, the recourse of the Responsible Entity to that Sub-Custodian may be limited. Each of the Gold Custodian and the Responsible Entity are entitled to terminate the Gold Account Agreements upon 90 days' written notice.</li> <li>• <b>Differing Returns</b> – the return generated on the Gold Interests may not reflect the return an investor would realise if he or she actually owned the gold bullion in other forms;</li> <li>• <b>Gold bullion Price Risk</b> – gold bullion prices generally may fluctuate widely and may be affected by numerous factors.</li> <li>• <b>Liquidity Risk</b> – Although an application has been made to have the Gold Interests quoted on the ASX there is no guarantee there will be a liquid market for the Gold Interests. Furthermore, in certain circumstances the ASX may suspend trading of the Gold Interests.</li> <li>• <b>Operational Risk</b> – the occurrence of operational risk events such as system break downs or operational failures may impact the day-to-day operations of the Fund.</li> <li>• <b>Redemption Risk</b> – there are certain circumstances in which an early redemption of Gold Interests may be imposed on investors, which may result in an investment in Gold Interests being redeemed earlier than desired. There are also certain circumstances where the Responsible Entity may limit, reject, scale or delay redemptions. Please see Sections 6.9 (Compulsory Redemption) and 10.2(a) (Trust Deed of the Fund) for more information.</li> </ul>
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<b>Key risks</b> (continued)	<ul style="list-style-type: none"> <li>• <b>Shortage of gold bullion Risk</b> – gold bullion markets have the potential to suffer from market disruption or volatility caused by shortages of physical gold bullion. Such events could result in a spike in gold 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 gold bullion is traded to widen, reflecting short-term forward rates in the gold bullion.</li> <li>• <b>Traded Price vs Net Asset Value per Gold Interest</b> – in some circumstances the Gold Interests traded on the ASX may trade at a discount or premium to their Net Asset Value per Gold Interest; and</li> <li>• <b>Unallocated gold bullion Credit Risk</b> – Any gold bullion held in the Unallocated Account will be an unsecured credit risk against the Custodian.</li> </ul> <p>These risks could have the effect of reducing the value of the Fund's investments, causing trading of Gold Interests in the Fund to be suspended, or reducing the liquidity of Gold Interests in the Fund on the ASX.</p> <p>This is not an exhaustive list of risks in the relation to an investment in the Gold Interests. Prospective investors should read Section 5 (Risk Factors) of this PDS in relation to the risks of an investment in the Gold Interests and consider the specific and general risks of an investment in the Gold Interests. Prospective investors should also consult with their financial, legal and tax advisers prior to making any investments.</p>
<b>Reporting</b>	<p>Information relating to the Fund including the Gold Entitlement, the Net Asset Value of the Fund, and performance of the Gold Interests will be published on the website of the Responsible Entity at <a href="http://www.globalxetfs.com.au">www.globalxetfs.com.au</a></p>
<b>No leverage</b>	<p>The Responsible Entity will not use leverage to achieve the investment objectives of the Fund.</p>
<b>No lending</b>	<p>The Responsible Entity will not use lending of any gold bullion held by the Fund to achieve the investment objectives of the Fund.</p>
<b>Use of derivatives</b>	<p>The Fund will not use derivatives for any purpose.</p>
<b>Registrar</b>	<p>Computershare Investor Services Pty Limited will maintain a Register of the Gold Interests in Sydney.</p>
<b>Transaction documents</b>	<p>The documents which, in addition to this PDS, set out the terms and conditions relating to the Gold Interests and the holding of the gold bullion comprise:</p> <ul style="list-style-type: none"> <li>• the Trust Deed;</li> <li>• the Custody Agreement;</li> <li>• the Allocated Accounts Agreement;</li> <li>• the Unallocated Accounts Agreement;</li> <li>• the HSBC Custody Agreement;</li> <li>• the Registrar Agreement; and</li> <li>• the Administration Agreement.</li> </ul> <p>Please refer to Section 9.2 (Summary of Material Documents) for further information.</p>

## 2. Frequently Asked Questions

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This section is intended to answer some of the questions which a prospective investor may have when considering an investment in the Global X gold bullion ETF. It is not intended to be a summary of or a complete description of the information contained in this PDS and an investment in Gold Interests should only be made after careful consideration of this PDS.

### 2.1 What are the Gold Interests in the Global X Gold Bullion ETF?

The Global X Gold Bullion ETF (the “Fund”) is a registered managed investment scheme structured as a scheme comprised of Separate Trusts per Gold Interest which provide a beneficial interest in gold bullion. The Gold Interests are intended to be quoted on the ASX. In this PDS, the Fund is offering Gold Interests designed to provide investors with a beneficial interest in gold bullion without the necessity of holding, trading and storing gold bullion.

### 2.2 What is the aim of the Gold Interests?

The Gold Interests aim to provide investors with a beneficial interest in gold bullion (before fees and expenses) without the necessity of holding, trading and storing gold bullion and enabling investors to buy and sell that interest through the trading of a security on the ASX.

### 2.3 What are the significant risks of acquiring a Gold Interests?

Past performance is not an indication of future performance and the investment performance of the Gold Interests could be volatile. An investment in the Gold Interests involves a significant degree of risk. Prospective investors should read Section 5 (Risks) of this PDS in relation to the risks of an investment in Gold Interests and consider the specific and general risks of an investment in Gold Interests. Prospective investors should also consult with their financial adviser prior to making any investment.

The following are just some of the risk factors which should be carefully considered by prospective investors before deciding whether to invest in the Gold Interests:

- **Access and Insurance Risk** – gold bullion will be held by the Custodian at its London vault premises or temporarily in the vaults of a Sub-Custodian. Access to such gold bullion could be restricted

by natural events, such as flooding, or human actions, such as terrorist attack. The Custodian will be responsible for insurance for the gold bullion. While the Custodian is under no obligation to take out specific insurance in respect of the gold bullion, it must make such insurance arrangements in connection with its custodial obligations with respect to the gold bullion as it considers fit. There is a risk that the Custodian may not maintain adequate insurance with respect to the gold bullion held by the Custodian on behalf of or credited to the accounts of the Fund.

- **Concentration Risk** – The Fund’s holdings attributable to the Gold Interests will not be diversified beyond the holding of physical gold bullion, and as such there may be a greater degree of volatility in the Net Asset Value of the Gold Interests over time, relative to the value of a more broadly diversified portfolio.
- **Currency Risk** – gold bullion prices are generally quoted in US dollars and Gold Interests are priced in Australian dollars. To the extent that a Holder values Gold Interests in another currency, that value will be affected by changes in the exchange rate between the US dollar and that other currency.
- **Custodian Risk** – Under the Custody 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 gold bullion lost or damaged at the time such negligence, fraud or wilful default is discovered by the Custodian. If any gold bullion forming part of the Assets attributable to the Gold Interests is lost, damaged, stolen or destroyed under circumstances in which the Custodian is liable, the liability will be attributable to the Responsible Entity, because the Responsible Entity is ultimately liable to Holders for the acts and omissions of the Custodian. The Responsible Entity may not have the financial resources (including liability insurance coverage) sufficient to satisfy the claim, potentially resulting in a loss to Holders. Further, although the Custody Agreements require the Custodian to have in place a written agreement with any Sub-Custodian, only the Responsible Entity has direct contractual rights against the Custodian and has no direct relationship with any Sub-Custodians. This means that in the event a Sub-Custodian fails to perform



its obligations, the recourse of the Responsible Entity to that Sub-Custodian may be limited. Each of the Gold Custodian and the Responsible Entity are entitled to terminate the Gold Account Agreements upon 90 days' written notice.

- **Gold bullion Risk** – gold bullion markets have the potential to suffer from market disruption or volatility caused by shortages of physical gold bullion.
- **Liquidity Risk** – Although the Gold Interests will be quoted on the ASX there is no guarantee that there will be a liquid market for the Gold Interests. Furthermore, in certain circumstances ASX may suspend trading of the Gold Interests. If a market maker becomes unable to provide the market making services, the liquidity of the market for Gold Interests will be adversely affected. In these circumstances, the Responsible Entity will assume the obligations of a market maker and will seek to appoint another market maker.
- **Price Risk** – gold bullion prices, and therefore the value of the Gold Interests, may fluctuate widely in both US dollars and Australian dollars.
- **Redemption Risk** – There are certain circumstances in which an early redemption of Gold Interests may be imposed on investors, which may result in an investment in Gold Interests being redeemed earlier than desired. There are also certain circumstances where the Responsible Entity may limit, reject, scale or delay redemptions. Please refer to Section 9.2 (Summary of Material Documents) for further information.
- **Regulatory Risk** – Changes in regulations or laws may adversely affect the performance of the Gold Interests or the ability of the Fund to continue to meet its investment objectives with respect to the Gold Interests. Similarly, changes in taxation regulations or laws may impact the after-tax returns of the Gold Interests.
- **Tracking Risk** – At any time, the price at which the Gold Interests trade on the ASX may show some “tracking error”, due to the prices and/or spreads quoted by market makers, and thus may not reflect accurately the price of gold bullion represented by such Gold Interests or the corresponding Net Asset Value.
- **Unallocated Bullion Credit Risk** – Any gold bullion held in the Unallocated Account will be an unsecured credit risk against the Custodian.

## 2.4 How does holding a Gold Interest give exposure to gold bullion?

Upon issue of Gold Interests, the Fund will receive from the Authorised Participant requesting such issue, the gold bullion equal to the amount of gold bullion represented by the Gold Interests to be issued. Each Gold Interest will be held on Separate Trust within the Fund. The gold bullion in respect of the Creation Request for a Gold Interest received, will be held via a separate trust of the Sub-Fund, formed under the trust deed of the Sub-Fund. The Sub-Fund has appointed the Custodian under the Custody Agreement to hold all gold bullion received and held by each separate trust of the Sub Fund on bare trust. Therefore by investing in the Fund, which holds gold bullion via the Sub-Fund, Holders will have a bare trust interest in gold bullion. By holding the relevant amount of gold bullion represented by each Gold Interest, the Responsible Entity can ensure the Gold Interests will have exposure to the correct amount of gold bullion and that Holders are absolutely entitled to the underlying gold bullion.

As at the date of this PDS, the Fund will invest in gold bullion through the Sub-Fund. The Responsible Entity may, in its discretion, in the future wholly or partly obtain investment exposure by directly buying and holding gold bullion, (rather than by investing in gold bullion through the Sub-Fund).

## 2.5 What is the Gold Entitlement of each Gold Interest?

Each Gold Interest represents a beneficial interest in the relevant amount of gold bullion, which will be held in a Separate Trust which relates to that Gold Interest. The Gold Entitlement of a Gold Interest is its interest in the Sub-Fund, through which an amount of gold bullion is held. The value of a Gold Interest's Gold Entitlement reduces each day by the amount of the Management Fee (and any other fees and costs charged or recovered by Global X pursuant to the Constitution of the Fund or the trust deed of the Sub-Fund).

On the First Day of Issue, the value of the Gold Entitlement of a Gold Interest will be 1/100th Gold Fine Troy Ounce.

The Gold Entitlement of a Gold Interest on subsequent days in the Fund will be equal to the prior Business Day's Gold Entitlement less:



## 2. Frequently Asked Questions

- the Management Fees; and
- any other fees and costs (other than the Management Fee),

deducted or accrued by the Responsible Entity or trustee of the Sub-Fund, in respect of a Gold Interest since the prior Business Day. The Gold Entitlement of each Gold Interest issued in the Fund will therefore be of equivalent value.

The Gold Entitlement, after conversion into Australian dollars, will generally be equal to the Net Asset Value per Gold Interest.

### 2.6 How is the gold bullion stored?

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

As at the date of this PDS the Sub-Custodians directly appointed by the Custodian are the JPMorgan Chase Bank, N.A. ("JPM") (with respect to gold only)..

All gold bullion will be held in allocated form pursuant to the terms of the Custodian Agreements except that some gold bullion may be held in unallocated or allocated form on a short-term basis when the gold bullion is in the process of being allocated or de-allocated in connection with creations and redemptions of Gold Entitlement. Where the quantity of gold bullion cannot be allocated in a whole number of Good Delivery bars, the number of allocated Good Delivery bars will be rounded up to the nearest whole number and the difference between the rounded-up quantity and the quantity intended to be allocated will be debited to the Unallocated Account balance. The Unallocated Account may therefore be in overdraft by less than one Good Delivery bar. gold bullion held in allocated form is not a credit risk against the Custodian but represents direct beneficial ownership of the metal, whereas gold bullion held in unallocated form is an unsecured credit risk against the Custodian. See Sections 4.7 and 4.8 for the meaning of allocated and unallocated gold bullion.

### 2.7 What are the Metal Accounts?

The Metal Accounts are separate segregated accounts maintained by the Custodian in the name of Global X in its capacity as responsible entity of the Sub-Fund. The Metal Accounts evidence and record

the gold bullion held by the Custodian in its vaults on behalf of the Sub-Fund, as well as the withdrawals from and the deposits to those accounts.

### 2.8 What does it mean to hold gold 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 gold 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 gold held in the allocated account.

The Allocated Account should not entail any credit risk exposure to the Custodian.

### 2.9 What does it mean to hold gold in an Unallocated Account?

An Unallocated Account is also held with a custodian. However, unlike gold held in an allocated account, gold in an unallocated account does not entitle the customer to a particular gold bar 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 number of ounces of gold. As the gold is not segregated, the customer has a credit risk exposure to the custodian. Gold in unallocated form is easier to transfer as it can be for precise amounts rather than in multiples of whole bars and simply requires an update of the custodian's books and records rather than movements of physical gold bars and for this reason transfers in connection with the creation and redemption of Gold Interests are carried out in unallocated form. Gold will only be temporarily held in the Unallocated Account as part of the creation and redemption process.

### 2.10 How does the Custodian identify the gold held in the Allocated Account?

Gold bars may be identified by a 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. It is important to recognise that any combination of these may be used to identify an individual gold bar. 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.

## **2.11 Is it possible to know which bars of gold back the Gold Interests?**

Yes, the Responsible Entity will publish a list of the gold bars that are held in the Allocated Account on its website at [www.globalxetfs.com.au](http://www.globalxetfs.com.au).

## **2.12 Who is the gold bullion Custodian?**

Global X in its capacity as responsible entity of the Sub-Fund has appointed JPMorgan Chase Bank, N.A. (“JPMorgan”) as the Custodian of the gold bullion acquired in connection with the Fund. JPMorgan is a company incorporated with limited liability as a National Banking Association, whose principal London Office is at 25 Bank Street, Canary Wharf, E14 5JP, London, United Kingdom. JPM is a member of London Precious Metal Clearing Limited (“LPMCL”) and have agreed to open and maintain the custody of gold bullion in the name of Global X in accordance with the Allocated Accounts Agreement and Unallocated Accounts Agreement (collectively, the “Metal Accounts Agreements”).

The Custodian is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority in the UK and had total assets of US\$3.7 trillion as at 31 March 2023.

The Custodian and any of its affiliates may from time to time purchase or sell Gold Entitlements for their own account, as agent for their customers and for accounts over which they exercise investment discretion. The Custodian does not warrant the contents of this PDS, nor are they involved in the management, administration or net asset value calculation of the Gold Entitlements.

## **2.13 What are the gold bullion custody services?**

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

The Custodian may appoint Sub-Custodians to perform any of its duties under the Allocated Accounts Agreement including the custody and safekeeping of gold bullion. It is required to use reasonable care in the appointment of any Sub-Custodian but is not liable for any loss suffered by the Trustee as a result of any act or omission or insolvency of any Sub-Custodian except to the extent directly resulting from the Custodian's fraud, negligence or bad faith in the appointment of that Sub-Custodian. The Custodian will provide on request the name and address of any Sub-Custodian of the gold bullion credited to the Allocated Account along with any other information which may reasonably be required concerning the appointment of a Sub-Custodian.

The Custodian charges a fee for its services under the Custodian Agreements at a rate based on the aggregate US dollar value of gold bullion held in the Allocated Accounts (with no minimum fee), calculated daily. These fees will be paid by the Administrator on behalf of the Fund. In addition, the Fund will pay on demand all costs, charges and expenses (including any relevant taxes, duties and legal fees but excluding fees for storage and insurance of gold 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 gold bullion credited to the Metal Accounts.

The Custody Agreement will continue unless either the Responsible Entity or Custodian gives notice in accordance with the terms of the agreement or the Custody Agreement terminates otherwise in accordance with its terms. In the event of termination of the Custody Agreement or if it deems it necessary, the Responsible Entity will use reasonable endeavours to negotiate any alternative custody agreements required or it deems appropriate on substantially similar terms as the Custody Agreement. The Responsible Entity has the power to compulsorily redeem Gold Interests if a suitable custodian cannot be appointed. Upon entry into any new custody agreements, the Responsible Entity will publish details of the new arrangements on its website at [www.globalxetfs.com.au](http://www.globalxetfs.com.au).

## 2. Frequently Asked Questions

### 2.14 How are the gold bullion holdings at the Custodian audited?

The gold held at the Custodian to back the Gold Interests is audited twice annually by an independent testing, inspection & certification firm. The results of these audits will be published by the Responsible Entity at [www.globalxetfs.com.au](http://www.globalxetfs.com.au).

### 2.15 Is the gold insured?

The Custodian is required to maintain such insurance over the gold bars stored in its vaults as it believes is commercially reasonable. Consistent with industry standards, the Custodian maintains group insurance policies that cover all metals held in their vaults for the accounts of all their customers for a variety of events. Specific insurance has not been taken out by either the Responsible Entity or the Custodian in respect of the gold held by the Custodian on behalf of the Fund.

### 2.16 How can I apply for Gold Interests?

The offer of Gold Interests under this PDS is made to Authorised Participants only and only Authorised Participants may apply directly to the Fund for Gold Interests. Gold Interests may be created at any time during the term of this PDS. Unless the Responsible Entity otherwise agrees, the minimum number of Gold Interests for a Creation Request is 7,500 Gold Interests.

Gold Interests are created and issued to an Authorised Participant following the submission of a Creation Request by the Authorised Participant, and once the Authorised Participant has deposited gold bullion in an amount at least equal to the aggregate Gold Entitlement of the Gold Interests to be created pursuant to the Creation Request into the Unallocated Account.

### 2.17 What is an Authorised Participant?

Authorised Participants are entities which meet certain eligibility criteria and who have been appointed by the Responsible Entity. Authorised Participants may, but do not have to, act as market makers for the Gold Interests by buying and selling Gold Interests to and from investors either on exchange or in over-the-counter transactions.

### 2.18 If I am not an Authorised Participant, how can I acquire Gold Interests?

As at the date of this PDS, an application has been made for Gold Interests to be admitted to trading status on the ASX. Once the Gold Interests have been admitted to trading status on the ASX, it is expected that most investors (other than Authorised Participants) will buy and sell their Gold Interests through trading on this secondary market where they can be bought and sold like any other stock.

You should note that your broker, investment advisor or ASX participant may charge you brokerage or other fees in relation to your transaction.

### 2.19 What is the cash value of a Gold Interest?

Each Gold Interest represents a beneficial interest in gold bullion which reduces each day to reflect the accrual of the Management Fees and any other fees and costs charged or recovered by Global X pursuant to the Constitution of the Fund or the trust deed of the Sub-Fund. Whilst Authorised Participants create and redeem Gold Interests directly with the Responsible Entity in exchange for gold bullion, most Holders will buy and sell Gold Interests on the ASX in return for cash. The cash value of a Gold Interest is represented by the "Net Asset Value" per Gold Interest. The Net Asset Value per Gold Interest shall generally be determined by the Responsible Entity at the Valuation Time on each ASX Business Day (or at such other time as the Responsible Entity may determine) by valuing the assets held in the Separate Trust for that Gold Interest, which is expected to consist of the Gold Entitlement, and deducting any accrued fees, expenses or liabilities of the Fund attributable to the Gold Interest. The cash value of the Gold Entitlement of a Gold Interest is generally calculated by multiplying the amount of the Gold Entitlement by the price of gold bullion (calculated by reference to the Solactive Gold Spot London Close Index price) and then converting that amount into AUD. Please refer to Section 7 (Valuation and Gold Interest Pricing) for more detail.

The cash value at which the Gold Interests will trade on exchange is expected to be close to the value of the Gold Entitlement of the Gold Interests although you should note that pricing on the ASX is subject to factors beyond the price of gold bullion (see below).

## **2.20 What is the currency of my investment?**

The Net Asset Value of the Gold Interests will be calculated in AUD and the Gold Interests will trade on the AQUA market of the ASX in AUD. You should note the gold bullion held by the Fund is valued by reference to the Gold Spot Price which is denominated in USD. This means the Gold Entitlement is also valued in USD and the value of your investment in a Gold Interest will also be subject to fluctuations in the AUD/USD exchange rate. The Responsible Entity does not hedge any risk in relation to exchange rate fluctuations.

## **2.21 How do I determine the value of my investment on the ASX?**

The value of an investment in Gold Interests will depend on the bid and offer prices quoted by market makers at the particular time you attempt to sell your Gold Interest. As described above, these are expected to be close to the cash value of the Gold Entitlement at that time however there is no guarantee this price will be the same on the ASX.

Any purchases of Gold Interests will generally be done at a “bid price” and any sales of Gold Interests will generally be done at an “offer price”. The bid and offer prices of a Gold Interest will not match exactly the Australian dollar cash value of the Gold 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 Gold Interests.

You should also note the amount you receive in respect of any sales on the ASX will be net of any brokerage or other fees charged by your broker.

## **2.22 Will the Fund provide reporting?**

Information relating to the Fund including the Gold Entitlement, gold bullion holdings, the Net Asset Value, and performance of the Gold Interests will be published on the website of the Responsible Entity at [www.globalxetfs.com.au](http://www.globalxetfs.com.au).

## **2.23 How do I realise my investment in Gold Interests?**

As noted above, it is expected that any Holders who are not Authorised Participants will generally realise their investment in Gold Interests in the secondary

market on the ASX. Please note the above information in relation to pricing of such transactions on the ASX.

All Holders (including both Authorised Participants and investors who have purchased their Gold Interests in the secondary market on the ASX) may also redeem their Gold Interests directly with the Fund by submitting a Redemption Request. Unless the Responsible Entity has made a determination that the Gold Sale Method shall be available, Holders (including both Authorised Participants and investors who have purchased their Gold Interests in the secondary market on the ASX) can only redeem their investment under the Gold Delivery Method. It is expected that Holders will generally not be permitted to redeem using the Gold Sale Method except in extraordinary circumstances (for example, where trading in the Fund is suspended for five consecutive ASX Business Days All Holders (including Authorised Participants) who redeem their Gold Interests directly with the Responsible Entity must pay the Redemption Fee and any Sale Costs or Delivery Costs applicable.

See section 2.24 (Can I receive gold bullion upon redemption?) below for further information.

## **2.24 Can I receive gold bullion upon Redemption?**

All Holders (including both Authorised Participants and investors who have purchased their Gold Interests in the secondary market on the ASX) may, at any time, by lodging a valid Redemption Request with the Registrar, require the redemption of all or any of its Gold Interests and for payment on Redemption to be in gold bullion (the “Gold Delivery Method”). An election for the Gold Delivery Method is valid only if the relevant Holder has nominated an unallocated account to which any gold bullion related to that Redemption Request is to be transferred of which they can prove their ownership to the satisfaction of the Responsible Entity and have completed all know your client and other anti-money laundering checks as may be requested by the Responsible Entity. Redemptions will be effected on the Settlement Date or such later date as requested by the Holder given that they have provided all such information as requested by the Responsible Entity as set out above.

Holders using the Gold Delivery Method should be aware that transfers of gold bullion are generally irreversible.

## 2. Frequently Asked Questions

### 2.25 What fees are payable in relation to my investment in the Gold Interests?

The fees and expenses are set in Section 8 (Fees and Other Costs) of this PDS. Authorised Participants will be charged a Creation Fee in relation to applications made directly to the Responsible Entity. Holders will be charged a Redemption Fee (and any Sale Costs or Delivery Costs applicable) made directly to the Responsible Entity in relation to a Redemption Request for Gold Interests. Holders are not charged the Creation Fee or the Redemption Fee if they buy or sell Gold Interests on the AQUA market of the ASX but will be charged the Redemption Fee if they lodge a Redemption Request directly with the Responsible Entity.

With respect to redemptions via the Gold Sale Method, in addition to the Redemption Fee, Holders may be charged any Sale Costs incurred by the Responsible Entity in facilitating a redemption of Gold Interests, and such costs will be deducted from the Sale Proceeds payable to the Holder.

Investors who purchase or sell their Gold Interests via the secondary market on the ASX will not be charged Creation Fees or Redemption Fees, however they may be subject to brokerage or other fees charged by their broker, and any buy-sell spread charged by a market maker.

As at the date of this PDS, the Responsible Entity does not charge a management fee at the Fund level, however a Management Fee is charged at the Sub-Fund level by Global X, in its capacity as trustee of the Sub-Fund, which is an indirect cost to the Fund.

The Management Fee charged at the Sub-Fund level by Global X in its capacity as trustee of the Sub-Fund shall be equal to 0.15% percent per annum of the Net Asset Value of the Fund and will be accrued daily and paid monthly in arrears and reduce the Gold Entitlement of each Gold Interest at the end of each day. It will be paid across to Global X at the end of each month in gold bullion.

Global X shall pay from its Management Fee the customary administrative expenses of the Fund and Sub-Fund, including levies, duties and fees of other service providers. As such, in the normal course no recoverable expenses will be charged to the Fund. To the extent there are any extraordinary expenses incurred by the Responsible Entity, the Responsible Entity may determine that such expenses will be reimbursed by the Fund. Please refer to Section 8 (Fees and Other Costs) of this PDS.

### 2.26 Can I lose all of my initial investment?

Yes, an investor may lose all of their initial investment. Please refer to Section 5 (Risk Factors) for more information about the risks associated with the Gold Interests.

### 2.27 Can I lose more than my initial investment?

Provided an investor has not leveraged or otherwise borrowed to purchase Gold Interests, an investor who buys and holds their Gold Interests cannot lose more than their initial investment.

### 2.28 What is the minimum investment?

In respect of investors who acquire Gold Interests on the ASX, there is no minimum number of Gold Interests.

In respect of Authorised Participants who acquire Gold Interests via a Creation Request, unless the Responsible Entity otherwise determines, the minimum number of Gold Interests for a Creation Request is 7,500 Gold Interests. Only Authorised Participants may submit a Creation Request.

### 2.29 What are the tax consequences of holding a Gold Interest?

See Section 11 (Taxation Considerations) of this PDS for a general discussion of some of the significant tax consequences of acquiring a Gold Interest. You should be aware the tax summary does not take into account the specific circumstances of investors. Therefore, you should seek your own independent tax advice on the tax consequences of acquiring a Gold Interest having regarded to its specific terms and your individual circumstances.

### 2.30 Who is the registrar?

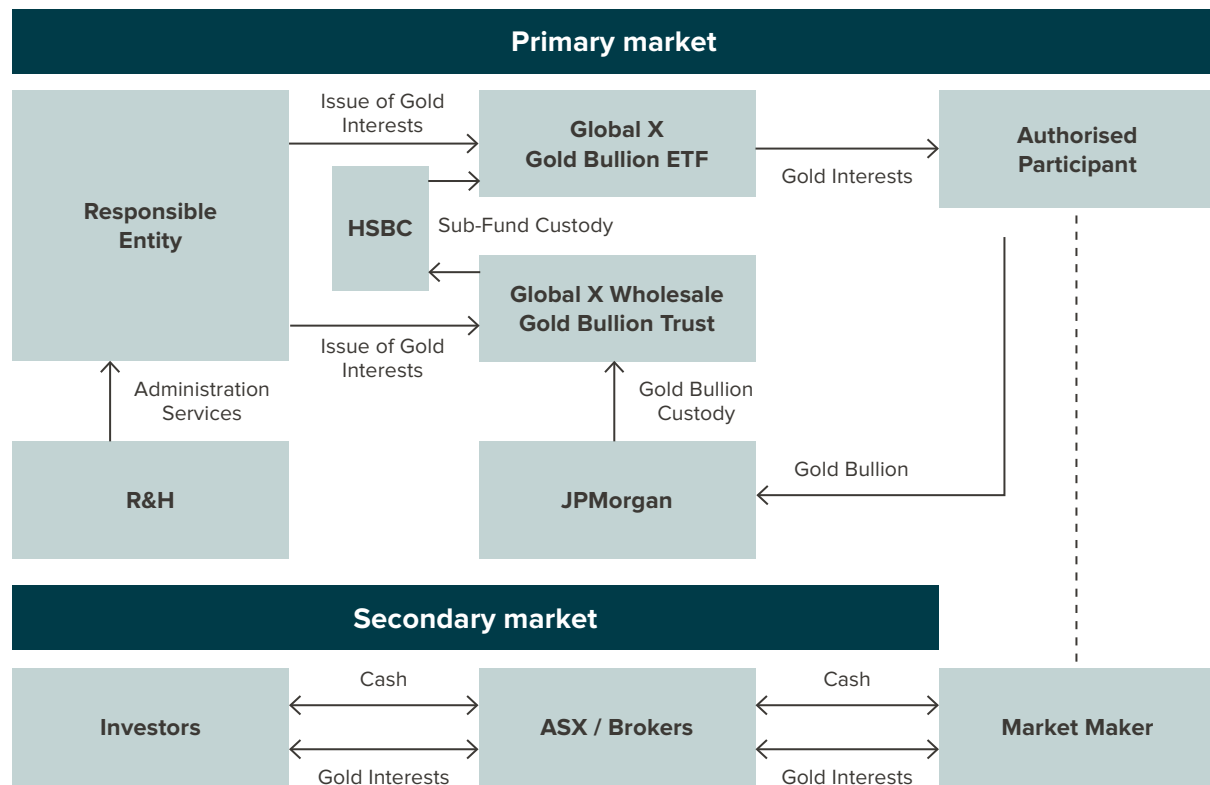
Computershare Investor Services Pty Limited act as registrar and maintain the registers of the Fund in Sydney, Australia.

### 2.31 Is there a cooling off period?

No cooling off period applies in relation to an investment in Gold Interests.

## 2.32 Fund structure

The following diagram shows how Gold Interests in the Fund are created by Authorised Participants in the primary market and offered for sale to investors in the secondary market:



## 3. About the Responsible Entity

### 3.1 About Global X Management (AUS) Limited

Global X Management (AUS) Limited (the “Responsible Entity”) is a company formed in the Commonwealth of Australia with ACN 150 433 828. The Responsible Entity holds an Australian financial service licence (AFSL No. 466778) and is regulated by ASIC.

The business purpose of Global X Management (AUS) Limited is the establishment and management of an investment scheme platform to issue and offer exchange traded fund interests in Australia. These Gold Interests are quoted on the AQUA Market of the ASX.

The Responsible Entity is a subsidiary of Mirae Asset Global ETFs Holding Ltd and Global X Management Company, Inc. Both companies are subsidiaries of Mirae Asset Global Investments Co., Ltd and members of the Mirae Asset Global Investment Group. As at the date of this PDS, the Responsible Entity operates 32 managed investment schemes, including the Fund and manages over \$7 billion in assets. The Responsible Entity draws on the experience and expertise from its parent companies.

The Responsible Entity has appointed The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch as the custodian of the interests in the Sub-Fund which are held by the Fund, R & H Fund Services (Jersey) Limited as the Administrator and Computershare Investor Services Pty Limited as the interest registry (“Registrar”). Global X in its capacity of the Sub-Fund has appointed JPMorgan Chase Bank, N.A as the Gold Custodian. A summary of the services provider arrangements are set out in Section 9.2.



## 4. The gold bullion

### 4.1 Where is the gold bullion held?

All gold bullion will be held by the Custodian at its London vault premises. Gold bullion may be held elsewhere by the Custodian or a Sub-Custodian on a temporary basis prior to gold 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 gold bullion to or from its vault premises and between any vaults of sub-custodians.

### 4.2 Storage and insurance of the gold bullion

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

The Custodian (or one of its affiliates) has, pursuant to the Custody Agreements, agreed to make such insurance arrangements from time to time in connection with its custodial obligations with respect to gold bullion held in allocated form as it considers appropriate. The Custodian has no specific obligation to insure such gold bullion against loss, theft or damage and Global X does not intend to insure against such risks. In addition, Global X is not responsible for ensuring that adequate insurance arrangements have been made, or for insuring the gold bullion held in the Metal Accounts, and shall not be required to make any enquiry regarding such matters.

The Custody Agreements contain provisions limiting the liability of the Custodian and an indemnity in favour of the Custodian. This indemnity does not include matters arising by reason of loss or damage arising as a result of fraud, negligence or material breach by the Custodian in the performance of its duties. The Custodian may make use of sub custodians and depositories in the exercise of its functions.

The Custodian will charge a fee for its services under the Custody Agreements. This fee is payable based on the aggregate US dollar value of gold bullion held in the Allocated Account (with no minimum fee), calculated daily and payable monthly or quarterly in arrears (as determined by the Custodian).

The fees payable to the Custodian will be paid by Global X out of its Management Fee.

The Custody Agreements will continue unless either the Responsible Entity or Custodian gives notice in accordance with the terms of the Custody Agreements or is otherwise terminated in accordance with its terms. In the event of termination of the Custody Agreements or if it deems it necessary, the Responsible Entity will use reasonable endeavours to negotiate any alternative custodian agreements required or which it deems appropriate. Upon entry into any new custodian agreements, the Responsible Entity will publish details of the new arrangements on its website at [www.globalxetfs.com.au](http://www.globalxetfs.com.au).

### 4.3 The LBMA

Although the market for physical gold is distributed globally, most OTC market trades are cleared through London. In addition to coordinating market activities, the LBMA acts as the principal point of contact between the market and its regulators. A primary function of the LBMA is its involvement in the promotion of refining standards by maintenance of the “London Good Delivery Lists,” which are the lists of LBMA accredited melters and assayers of gold as well as the specifications to which a bar/ingot must adhere. The LBMA also coordinates market clearing and vaulting, promotes good trading practices and develops standard documentation.

### 4.4 LBMA Responsible Sourcing

The LBMA's Responsible Sourcing Programme, introduced in January 2012, was set up to define due diligence standards to help combat human rights abuses, contributions to conflict, money laundering and terrorism financing. It requires strict adherence to rules around the provenance of gold for is accredited Good Delivery refiners. All refiners wishing to sell into the London Bullion Market must implement and adhere to LBMA's Responsible Sourcing Programme in order to remain on the LBMA Good Delivery List.

The Responsible Sourcing Programme follows the five-step due diligence framework set out in the OECD Guidance and requires Good Delivery refiners to demonstrate their efforts to combat money laundering, terrorist financing and human rights abuses, and respect the environment globally. These detailed standards help to ensure companies respect human rights and avoid contributing to



## 4. The gold bullion

conflict. Compliance with the Responsible Sourcing Programme includes measures such as:

- Supporting initiatives facilitating responsible supply chains for all forms of mining in areas of conflict or human rights abuse;
- Refiners are required to engage on ESG issues with their suppliers and assist them in implementing ESG policies;
- LBMA accredited refiners must meet the guidance standards,
- Refiners are independently audited on an annual basis and are required to report publicly, and
- Failure to comply may result in immediate removal from the Good Delivery List.

The Fund aims to, where possible, only hold gold bullion with respect to the Gold Interests that will consist of bars produced during or after 2012 as since January 2012 Good Delivery Refiners have undergone annual audits against the LBMA's Responsible Sourcing Programme. As at the date of this PDS, 100% of gold bullion held in connection with the Gold Interests meets the LBMA's Responsible Sourcing Requirements.

### 4.5 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 gold markets. The standards required for gold 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:

Gold	
Form	bar
Minimum fineness/ purity	99.5%
Weight	350oz to 430oz
Measure	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 Fund will only issue Gold Interests in the Global X Gold Bullion ETF which are backed by Good Delivery bars.

### 4.6 Location

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

### 4.7 Allocated Accounts

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

### 4.8 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).

### 4.9 Trading unit

The trading unit for gold is one Fine Troy Ounce ("fine" meaning pure metal, i.e. the actual gold content based on 100 per cent. purity). The conversion factors between Troy Ounces and metric used by the LBMA are: one troy ounce equals 31.1034768 grams and one kilogram equals 32.1507465 troy ounces.

#### **4.10 Vaulting and clearing services**

Certain members of the LBMA offer clearing services. They may use their own vaults for storage of physical metal and/or have the use of storage facilities under security with another company. The present Custodian is a member of the LBMA. The clearing members of the LBMA 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.

#### **4.11 Documentation**

The LBMA has 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 Fund, to the fullest extent possible, will use the standard clearing documentation, amended as required by the Responsible Entity.

## 5. Risk factors

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An investment in the Fund will involve a degree of financial and investment risk. Investors should carefully consider the risks in this Section, as well as the other information contained in this PDS, before making an investment in the Gold Interests. The key risks of an investment in the Gold Interests are set out below. However, these are not the only risks and investors should speak to their financial, legal and tax advisers to determine if an investment in the Gold Interests is appropriate for their particular circumstances and to understand the risks involved before investing.

The return of capital and the performance of the Gold Interests is not guaranteed by any person or organisation, including the Responsible Entity or any entity within the Mirae Asset Global Investment Group of companies. Investors should be aware that there is no guarantee that the investment strategy used will meet the investment objectives of the Gold Interests or that the process will not result in losses.

### 5.1 Gold bullion price risk

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

- global or regional political, economic or financial events and situations, particularly war, terrorism, expropriation and other activities which might lead to disruptions to supply from countries that are major gold 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.

### 5.2 Currency risk

Gold bullion prices are generally quoted in US dollars whereas the Net Asset Value of the Gold Interests and the price at which the Gold Interests will be quoted on the ASX is calculated in Australian dollars. This means that an investor is exposed to changes in the exchange rate between the US dollar and the Australian Dollar. The value of a Gold Interest may therefore change even if there is no change in the underlying price of gold bullion.

The Responsible Entity will not enter into any hedging transactions in relation to the foreign exchange risks of the Fund.

To the extent that a Holder values Gold Interests in another currency, that value will be affected by changes in the exchange rate between the US dollar and that other currency.

### 5.3 Gold bullion risk

Gold bullion markets have the potential to suffer from market disruption or volatility caused by shortages of physical gold bullion. gold bullion shortages could potentially occur following a sudden reduction in production or supply.

Such events could result in a spike in gold 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 the Gold Interests are traded to widen, reflecting short-term forward rates in the relevant gold bullion.

### 5.4 Tracking error risk

At any time, the price at which the Gold Interests trade on the ASX may not reflect accurately the price of gold bullion represented by such Gold Interests. The creation and redemption procedures for the Gold Interests 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 the Gold Interests will be a function of supply and demand amongst investors wishing to buy and sell the Gold Interests and the bid-offer spread that market-makers are willing to quote for the Gold Interests, as well as the daily deduction of the Management Fee.

In addition, if new demand for Gold Interests exceeds the availability of the gold bullion required to create such new Gold Interests, then the issue of new Gold Interests will be restricted and therefore Gold Interests may trade at a premium. Investors who pay a premium risk losing the premium if demand for Gold Interests abates or when new Gold Interests are issued. Investors are dependent on there being Authorised Participants and Market Makers making a market in Gold Interests in order to minimise tracking error.

### **5.5 Access and insurance risk**

Gold will be held by the Custodian at its Australian vault premises or temporarily in the vaults of a Sub-Custodian appointed by the Custodian. Access to such gold bullion could be restricted by natural events, such as flooding, or human actions, such as terrorist attack.

The Custodian will be responsible for insurance of the gold bullion. While the Custodian is under no obligation to take out specific insurance in respect of the gold bullion, it must make such insurance arrangements in connection with its custodial obligations with respect to gold bullion as it considers fit, and regularly review its coverage to ensure that it remains sufficient and appropriate. There is a risk that the Custodian may not maintain adequate insurance with respect to the gold bullion held by the Custodian on behalf of or credited to the Metal Accounts. Consequently, a loss may be suffered with respect to the gold bullion which is not covered by insurance. Accordingly, there is a risk that some or all of the gold bullion could be lost, stolen or damaged and that the Fund would not be able to satisfy its obligations in respect of the Gold Interests.

### **5.6 Liquidity risk**

Although it is expected that the Gold Interests will be quoted on the AQUA market of the ASX and that a Market Maker will be appointed, there is no guarantee that there will be a liquid market for the Gold Interests. Furthermore, in certain circumstances, ASX may suspend trading of the Gold Interests. Investors are dependent on their being Market Makers making a market in Gold Interests to ensure liquidity.

If a market maker becomes unable to provide the market making services, the liquidity of the market for Gold Interests will be adversely affected. In these circumstances, the Responsible Entity will assume the

obligations of a market maker and will seek to appoint another market maker.

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

### **5.7 Responsible Entity risk**

There is a risk that the Fund could terminate, that fees and expenses could change or that the Responsible Entity could be replaced as responsible entity of the Fund. Further, operational risks which arise as a result of carrying on a funds management business require the Responsible Entity and its external service providers to implement sophisticated systems and procedures. Some of these systems and procedures are specific to the operation of the Fund, and inadequacies within these systems and procedures or the people operating them could lead to a problem with the Fund's operation.

### **5.8 Custodian liability risk**

Under the Custody 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 gold 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 Custody Agreements by reason of any cause beyond their reasonable control, including breakdown, malfunction or failure of transmission, communication or computer facilities. If any gold bullion forming part of the Assets attributable to any Gold Interests is lost, damaged, stolen or destroyed under circumstances in which the Custodian is liable, the liability will be attributable to the Responsible Entity, because the Responsible Entity is ultimately liable to Holders for the acts and omissions of the Custodian. The Responsible Entity may not have the financial resources (including liability insurance coverage) sufficient to satisfy the claim or may not readily be identifiable and the Fund and/or the Responsible Entity would not be able to satisfy its obligations in respect of the Gold Interests resulting in a loss to Holders.

## 5. Risk factors

### 5.9 Sub-Custodian risk

The Custody Agreements provide that, if a Sub-Custodian is appointed, the Custodian must have in place a written agreement with that Sub-Custodian requiring the Sub-Custodian to undertake the obligations of the Custodian as set out in the Custody Agreements, as if the Sub-Custodian was a party to the Custody Agreements. This includes an agreement by the Sub-Custodian to be bound by the relevant regulatory requirements that apply to custodians. However, other than the Custodian's obligations to make commercially reasonable efforts to obtain delivery of gold 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 Responsible Entity only has contractual rights to direct the Custodian and has no direct relationship with any of the Sub-Custodians. Accordingly, the recourse of the Responsible Entity to a Sub-Custodian may be limited in the event a Sub-Custodian fails to perform its obligations, in accordance with the liability principles set out in paragraph 5.8 above.

### 5.10 Gold Custody Agreement termination risk

Each of the Gold Custodian and the Responsible Entity are entitled to terminate the Gold Account Agreements upon 90 days' written notice. If following such notice of termination, the Responsible Entity is not able to appoint a new custodian it would be forced to redeem the affected Gold Interests which would lead to a Holder realising their investment earlier than desired and if the value of the Gold Interests at such time is less than that at the time of purchase of those Gold Interests by a Holder this could lead to a loss for a Holder.

### 5.11 Unallocated bullion credit risk

Gold bullion held in an Unallocated Account is not directly referable to any specified Holder(s). Accordingly, where the Custodian is subject to an insolvency event, Holder(s) are not able to directly claim gold bullion held in that Unallocated Account and will instead be required to prove in the insolvency of the Custodian for the value of that gold bullion. This means that Holders are exposed to a greater degree of counterparty risk to the Custodian for gold bullion

held in Unallocated Accounts, than for gold bullion held in Allocated Accounts.

### 5.12 Only Authorised Participants may apply for Gold Interests in the Fund

Only Authorised Participants may deal with the Fund directly in applying for the Gold Interests – all other persons must buy Gold Interests through trading on the ASX. Although any Holder may redeem their Gold Interests directly with the Fund, it is generally expected that only Authorised Participants will redeem Gold Interests directly with the Fund and that other persons will realise their investment by trading on the ASX rather than redeeming directly with the Fund. The Responsible Entity 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 Fund in applying for or redeeming Gold Interests. In circumstances where there are no Authorised Participants, no new Gold Interests could be created (this is because only Authorised Participants may apply for new Gold Interests). It may also be difficult or impossible to sell Gold Interests on the ASX at a price which accurately reflects the price of the gold bullion represented by such Gold Interests or within a reasonable time period (although Holders will be entitled to redeem their Gold Interests in accordance with this PDS).

### 5.13 Compulsory early redemption of Gold Interests in the Fund

The Fund may in certain circumstances redeem all or a portion of a Holder's Gold Interests.

Circumstances which may result in the Fund redeeming a Holder's Gold Interests early, and the notice periods that apply to such redemptions are set out in Section 10.2 (Summary of Material Documents) of this PDS and include where the Custodian terminates the Custody Agreement and the Fund is unable to find a suitable replacement Custodian. In these circumstances, the Fund will elect to redeem the outstanding Gold Interests.

Consequently, an investment in Gold Interests may be redeemed earlier than desired by a Holder.

### **5.14 Performance by the Responsible Entity and parties to material contracts**

The value of a Gold Interest depends on the ability of the Responsible Entity to perform its obligations under the Trust Deed as well as the ability of various persons to perform their obligations under the material contracts summarised in Section 9.2 (Summary of Material Documents) of this PDS. These obligations are unsecured contractual obligations of the Responsible Entity or other third parties which will rank equally with other unsecured contractual obligations of these parties other than liabilities mandatorily preferred by law. In particular, any gold bullion held in the Unallocated Account will be an unsecured credit risk against the Custodian. Investors must make their own assessment of the ability of the Responsible Entity and any person involved in performing an obligation under the Transaction Documents in meeting their obligations concerning the Gold Interests.

### **5.15 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 the Gold Interests. These risks are generally applicable to any investment in quoted securities. Holders should be aware that the Gold Interests can go down in price as well as up and investors may lose the value of all or part of their investment.

### **5.16 Limited recourse**

Upon redemption, the Holder only has recourse to an entitlement to receive delivery of an amount of gold bullion equal to the amount of gold bullion represented by the Gold Interest from the Responsible Entity in unallocated form pursuant to the Separate Trust over that gold bullion.

Should there be insufficient gold bullion in the Separate Trust, the Holder will have no recourse to any other assets of the Responsible Entity or the Fund (except to the extent that the shortfall is due to fraud, wilful default or negligence). If the Custodian should fail to deliver the gold bullion from the relevant account, the Responsible Entity may transfer its rights against the Custodian to the Holder in settlement of its obligation to deliver the physical gold bullion.

### **5.17 Legal risk**

There are certain circumstances in which a Separate Trust may not be effectively established under the terms of the Trust Deed. This includes for example if the Trust Deed is found to be defective or void, or if a Separate Trust is found not to have been created as a matter of law.

### **5.18 Bare trust risk**

The tax treatment of this product depends on the investor being “absolutely entitled” (for tax purposes) to the Assets. The state of the law relating to absolute entitlement is subject to some uncertainty and it is important that investors are aware of the general risks relating to the tax treatment of custodial or bare trust investments such as the Gold Interests. These risks are discussed in further detail in Section 10 (Taxation Considerations).

### **5.19 Tax risk and regulatory change risk**

The expected tax treatment of the Gold Interests or an investment in the Gold Interests may change as a result of changes in the applicable taxation and laws and interpretation of them and may impact the value of the Gold Interests. A general summary of the treatment of the holding of Gold Interests is set out in Section 10 (Taxation Considerations). We recommend that all investors seek independent advice before investing in the Gold Interests. None of the Responsible Entity, Global X (AUS) Pty Limited nor any other member of the Mirae Asset Global Investment Group, provides tax advice to investors and, does not take any responsibility for, the taxation implications in respect of an investment in the Gold Interests. The operation of the Fund and the offer of the Gold Interests and investments therein are subject to various laws and regulations which may change during the term of a Holder's investment.

### **5.20 Change of law risk**

No assurance can be given as to the impact of any possible individual decision or changes to those laws and regulators which could have a negative impact on an investor's return.



## 5. Risk factors

### 5.21 Index event risk

There may be adjustments to the Solactive Gold Spot London Close Index in which the Fund uses to value the gold bullion due to certain events. The Index methodology may change, the Index calculation may be suspended or cancelled or the Responsible Entity's license to use the Index may be terminated.

In exceptional circumstances, an Solactive AG may also determine to discontinue or suspend calculation or dissemination of the Solactive Gold Spot London Close Index.

The Solactive AG may take any actions in respect of the Solactive Gold Spot London Close Index without regard to the interests of the investors in the relevant Fund, and any of these actions could adversely affect the market value of the Fund or the ability of the Responsible Entity to track the performance of the Index.

### 5.22 Concentration risk

The Gold Interests aim to track the performance of the price of gold bullion, before fees and expenses. As such, the Fund's holdings with respect to the Gold Interests will not be diversified which may result in a greater degree of volatility in the Net Asset Value of the Gold Interests over time, relative to the value of a more broadly diversified portfolio.

### 5.23 Fund trading risk

In certain circumstances, the ASX may suspend trading of the Gold Interests and therefore Holders will not be able to buy or sell Gold Interests on the ASX. In these circumstances, the Responsible Entity may suspend the creation and redemption process. There may be other occasions where the Responsible Entity may suspend the creation and redemption process, such as around the end of a distribution period or where other actors prevent the accurate calculation of Gold Interest prices.

The ASX also imposes certain requirements for Gold Interests to continue to be quoted. The Responsible Entity will endeavour to meet these requirements at all times to ensure the Gold Interests remain quoted, although there can be no assurance that Gold Interests will remain quoted on the ASX. Under these circumstances, the Responsible Entity may take measures such as suspending the application and redemption process or potentially terminating the Fund. Although the Gold Interests are quoted on the ASX there can be no assurances that there will be a liquid market for Gold Interests.

There is a risk that the market maker or an Authorised Participant may not satisfy their obligations in relation to delivery of the gold bullion. This may affect the ability of Holders to trade Gold Interests on the secondary market, and may lead to an increase in price of Gold Interests traded on the ASX.

### 5.24 Compliance with FATCA and general reporting requirement

The U.S. Hiring Incentives to Restore Employment Act resulted in the introduction of legislation in the U.S. known as the Foreign Account Tax Compliance Act ("FATCA"). Under FATCA, a 30 per cent withholding tax may be imposed on payments of U.S. source income and certain payments of proceeds from the sale of property that could give rise to U.S. source income, unless the Responsible Entity complies with requirements to report on an annual basis the identity of, and certain other information about, direct and indirect U.S. Holders issued by a Fund to the U.S. Internal Revenue Service ("IRS") or to the relevant Australian authority for onward transmission to the IRS. A Holder that fails to provide the required information to the Responsible Entity may be subject to the 30 per cent withholding tax with respect to any payments directly or indirectly attributable to U.S. sources and the Responsible Entity might be required to redeem any Gold Interests held by such Holder.

Although the Responsible Entity will attempt to satisfy any obligations imposed on it to avoid the imposition of this withholding tax, no assurances can be given that the Responsible Entity will be able to satisfy such obligations. If the Fund becomes subject to a withholding tax as a result of FATCA, the return on some or all Gold Interests issued by the Fund may be materially and adversely affected. In certain circumstances, the Responsible Entity may compulsorily redeem some or all of the Gold Interests held by one or more Holders and/or may reduce the redemption proceeds payable to any Holder.

Additional reporting requirements apply to the Responsible Entity under the Australian Government's implementation of the Common Reporting Standard ("CRS"). CRS is a single global standard for the collection, reporting and exchange of financial account information on foreign tax residents. It is broadly based on the U.S. specific FATCA reporting requirement, and requires the Responsible Entity to collect certain information from Holders.

## 6. Trading of Gold Interests

### 6.1 Overview

An application for Gold Interests (a “**Creation Request**”) may be made only by an Authorised Participant ordinarily resident in Australia. A request to redeem Gold Interests (a “**Redemption Request**”) may be made by any Holder (including both Authorised Participants and investors who have purchased their Gold Interests in the secondary market on the ASX) provided that they must have access to an Unallocated Account in the legal name of the Holder.

Please refer to Section 9 (Additional Information) of this PDS for further information on the roles and responsibilities of Authorised Participants.

Holders may also purchase or sell Gold Interests on the ASX through their broker in a similar manner to purchasing shares and it is expected that most Holders who are not Authorised Participants will buy and sell their Gold Interests in this manner.

### 6.2 Submission of Creation Requests and Redemption Requests

Creation Requests and Redemption Requests in respect of the Gold Interests must be made by 4.30 pm on any ASX Business Day for processing that day. Requests submitted after that time or otherwise than on a ASX Business Day will be processed on the following ASX Business Day.

#### Forms

Creation Requests and Redemption Requests must be submitted through the use of paper forms in such form as provided by the Responsible Entity or the Administrator. Completed forms should be submitted by email (details below) to the Responsible Entity at the mailing address below.

Email address: primarymarkets@globalxetfs.com.au

Mailing address: Level 9, 115 Pitt Street, Sydney,  
NSW 2000 Australia

All messages sent via email must contain a duly signed document as an attachment.

Notwithstanding the method of communication, the Responsible Entity and/or the Administrator reserve the right to ask for the production of original documents or other information to authenticate the communication. In the case of mis-receipt or corruption of any message, the Authorised Participant or Holder will be required to re-send the documents.

Each Authorised Participant will also be required to acknowledge in any Creation Request, and all Holders in any Redemption Request, that the Responsible Entity and/or the Administrator and/or the Registrar may disclose to each other, to any other service provider for the Fund or to any regulatory body in any applicable jurisdiction any information concerning the Authorised Participant or Holder in their respective possession, whether provided by the Authorised Participant or Holder to the Responsible Entity and/or the Administrator and/or the Registrar or otherwise, including details of that Authorised Participant or Holder's holdings in the Fund, historical and pending transactions in the Gold Interests and the values thereof, and any such disclosure shall not be treated as a breach of any restriction upon the disclosure of information imposed on any such person by law or otherwise.

A binding commitment to apply or redeem for Gold Interests is irrevocable without the consent of the Responsible Entity. The Responsible Entity may reject a Creation Request for Gold Interests in whole or in part without giving any reason for the rejection.

### 6.3 Creation Requests

Only Authorised Participants may apply for the creation of Gold Interests. A Creation Request received by 4.30 p.m. on any ASX Business Day (day T) will generally enable the Authorised Participant to receive the new Gold Interests in their CHESS account on the relevant Settlement Date, provided that the Authorised Participant has deposited gold bullion at least equal to the aggregate Gold Entitlement of the Gold Interests to be Created pursuant to the Creation Request into the Unallocated Account by 2pm (London Time) of the preceding Delivery Day.

Deposits should be made as unallocated gold bullion loco London. New Gold Interests will only be issued after the gold bullion is deposited by the Authorised Participant into the Gold Custodian's Unallocated Account held with the Sub-Custodian loco London. Once in the Sub-Custodian's Unallocated Account, the Custodian will then deallocate all the gold bullion loco London, then reallocate such gold bullion to the Allocated Account held in the Gold Custodians Australian vault; reallocation is generally expected to be completed simultaneously.



## 6. Trading of Gold Interests

Once the appropriate quantity of gold bullion has been received into the Unallocated Account, the corresponding Gold Interests will be issued to the relevant Authorised Participant through CHESS on a free of payment basis.

Any Creation Requests received after 4.30 p.m. will be held over until the next ASX Business Day, unless accepted for dealing on the relevant ASX Business Day at the discretion of the Responsible Entity or its delegates, provided they are received prior to the Valuation Time.

A Creation Fee will be charged to Authorised Participants in respect of all Creation Requests received for the Fund on a particular Dealing Day (which may be waived in whole or in part at the Responsible Entity's or their delegate's discretion).

Creation Requests must be made before 4:30pm on the ASX Business Day in accordance with the specific procedures made available by the Responsible Entity. All Creation Requests will be binding and irrevocable.

The Responsible Entity may reject any Creation Request in its discretion.

gold bullion delivered in connection with a Creation Request shall be valued in accordance with the provisions of this PDS and the Trust Deed of the Fund.

Upon receipt of a valid Creation Request, the Responsible Entity will do everything necessary to deal with the Gold Interests in accordance with the Creation Request. A Creation Request is valid only if:

- (a) it contains all the information required by the Responsible Entity; and
- (b) it specifies a whole number of Gold Interests to be created.

### Failure to deliver gold bullion

In the event that an Authorised Participant fails to deliver to the Responsible Entity the amount of gold bullion required in relation to a Creation Request, the Responsible Entity or its delegate may reject the Creation Request, or may require the Authorised Participant to pay a fee at least equal to the closing value of such undelivered gold bullion on the ASX Business Day for the relevant ASX Business Day.

### 6.4 Redemption Requests

Unless the Responsible Entity has made a determination that the Gold Sale Method (described below) shall be available, Holders (including both

Authorised Participants and investors who have purchased their Gold Interests in the secondary market on the ASX) can request to redeem their investment under the Gold Delivery Method (described below). Gold Interests the subject of a Redemption Request cannot be transferred. Upon acceptance of a valid Redemption Request, the Responsible Entity will do everything necessary to deal with the gold bullion in accordance with the Redemption Request. A Redemption Request is valid only if the Holder has confirmed they have access to an Unallocated Account in their legal name, and:

- (a) the Redemption Request contains all the information required; and
- (b) in circumstances where Responsible Entity has made a determination that Gold Sale Method (described below) shall be available, the Holder has nominated one delivery method for each Gold Interest; and
- (c) it is given by the person who, in the knowledge or reasonable opinion of the Responsible Entity, was registered as the Holder of corresponding Gold Interest at 4:00pm on the day the Redemption Request is received; and
- (d) the Holder has agreed that the Responsible Entity may disclose information provided by the Holder within the Redemption Request to any third party specified on the Redemption Request as being a party that shall be responsible for effective delivery or storage of the gold bullion.

The Responsible Entity may in its absolute discretion accept or reject a Redemption Request and otherwise determine whether a Redemption Request is valid and will promptly notify the Holder if a Redemption Request is invalid. In such cases the Holder must lodge a new and valid Redemption Request in respect of those Gold Interests.

Redemption Requests lodged with the Registrar by 5.00 p.m. on a Dealing Day with the Gold Interests deposited by 4:00pm on the Settlement Date will generally enable a Holder to receive their gold bullion on the Settlement Date during London business hours. Redemption Requests lodged after 4.30 p.m. on a Dealing Day will be treated as having been lodged on the next Dealing Day. Subject to the Corporations Act and the Operating Rules, a Redemption Request for Gold Interests may not be revoked without the consent of the Responsible Entity.

The Gold Delivery Method will apply to all Redemption Requests by Authorised Participants unless otherwise determined by the Responsible Entity that the Gold Sale Method shall be available.

In circumstances where the redemption is effected via the Gold Delivery Method and through no fault of the Responsible Entity, the gold bullion is not successfully delivered to the Holder and is not claimed by the Holder within one calendar month of attempted delivery being made, then the Holder will be deemed to have elected that the Gold Sale Method shall apply.

### **Suspension of redemptions**

The Trust Deed for the Fund allows the Responsible Entity, subject to the Corporations Act, to suspend the redemption or creation of Gold Interests for up to 28 days in certain circumstances, including, if:

- (a) the Net Asset Value cannot be determined by the Responsible Entity;
- (b) the redemption would cause the Responsible Entity to breach a law, regulation or obligation;
- (c) quotation of Gold Interests is suspended, halted or revoked or the Responsible Entity's approval as a AQUA Product issuer is suspended or revoked;
- (d) the investments of the Fund suspend, delay or restrict the redemption, issue or payment of redemption proceeds or are unable to provide a withdrawal price;
- (e) assets of the Fund cannot be realised at prices which would be obtained if they were realised in an orderly fashion over a reasonable period in a stable market;
- (f) the Responsible Entity reasonably estimates that it must sell 10% or more (by value) of the assets of the Fund to meet unmet Redemption Requests;
- (g) Holders who continue to hold Gold Interests may bear a disproportionate burden of capital gains tax or other expenses or would otherwise be at a disadvantage;
- (h) as allowed by ASIC relief or the Responsible Entity considers that it is in the best interests of the Holders; or
- (i) it is otherwise legally permitted.

### **Gold Delivery Method**

In circumstances where a redemption will be effected via the Gold Delivery Method, the Holder must

nominate an Unallocated Account held with a clearing member of the LBMA to which the Responsible Entity will arrange for delivery of the gold bullion within 21 days of the days of the Redemption Request being accepted (unless the Responsible Entity has determined the Redemption Request is not valid, of which the Holder will be notified).

Redemptions using the Gold Delivery Method shall be made by withdrawing gold bullion from the Metal Accounts in an amount equal to the aggregate Gold Entitlement of the Gold Interests being redeemed, calculated as at the Dealing Day on which the Redemption Request is accepted (unless the Responsible Entity has determined the Redemption Request is not valid, of which the Holder will be notified) and delivering the same to the unallocated metal account nominated by the redeeming Holder. To the extent required, gold bullion will be de-allocated from the Allocated Account to the Unallocated Account before being transferred to the Holder's account on the Settlement Date and such transfer shall settle the Delivery Obligations in respect of such Gold Interests, provided that the corresponding Gold Interests have been delivered to the Fund through CHESS. The Holder will be required to make payment of the Redemption Fee and any Delivery Costs (up to a maximum of \$500) which will be reduced from the amount of gold bullion to be delivered, which represent the costs incurred by the Responsible Entity in making delivery of the gold bullion. The Responsible Entity will advise the Holder of the Delivery Costs upon satisfaction of the Delivery Obligations.

Once transferred to the nominated unallocated account held by the redeeming Holder, all title to the gold bullion and all risks in and relating to the gold bullion pass to the Holder. The Responsible Entity is not responsible or liable for any loss or damage whatsoever that occurs to the gold bullion after such transfer.

The Responsible Entity's Delivery Obligations will be satisfied by transferring gold bullion to the account specified by the Holder.

Delivery of gold bullion to a holder upon a Redemption will generally take place loco London. A Redemption Request specifying loco Singapore delivery of gold bullion will cause the Custodian to de-allocate gold from the Allocated Account to the loco London Unallocated Account and then to the Holder's unallocated account maintained in Singapore.

## 6. Trading of Gold Interests

Such transfer between the Fund's and Holder's London and Singapore unallocated accounts will occur pursuant to loco swap arrangements and will not expose the Holder or the Fund to any risk of loss of the gold being transferred. All risks of loss for any additional transfers caused by a loco Singapore delivery election will be assumed by the Custodian.

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

### Gold Sale Method

In circumstances where the Responsible Entity has determined to allow redemptions to be effected using the Gold Sale Method and this method has been elected by the Holder, the same procedures as the Gold Delivery Method will apply except that the Responsible Entity will sell gold bullion to the Gold Sale Counterparty pursuant to the Gold Sale Counterparty Agreement in an amount equal to the aggregate Gold Entitlement of the Gold Interests being redeemed, calculated as at the Dealing Day on which the Redemption Request is accepted (unless the Responsible Entity has determined the Redemption Request is not valid, of which the Holder will be notified) (rounded up to the nearest 0.001 fine Troy Ounce of gold). The gold bullion will be sold in US dollars at the Solactive Gold Spot London Close Index price for such type of gold bullion on the Dealing Day on which the Redemption Request is accepted. Once the proceeds are received, they will be paid in US dollars (or in Australian dollars if through CHES), less the Redemption Fee and any Sale Costs incurred by the Responsible Entity, on the Settlement Date, that is, generally on a T+2 basis, and in any event within 21 days of the acceptance of the Redemption Request.

If the Gold Sale Method is applicable, the Responsible Entity undertakes to arrange for the sale of the gold

bullion on the spot market at the Solactive Gold Spot London Close Index price.

If the Gold Sale Method applies:

- (a) the Responsible Entity is irrevocably authorised to instruct physical delivery of the gold bullion for and on behalf of the Holder from the Fund;
- (b) the Holder irrevocably authorises the Responsible Entity to sell the gold bullion on the spot market, and the Holder irrevocably directs and authorises the Responsible Entity or any of its nominees to take all action necessary or desirable to effect the sale by the Responsible Entity of the gold bullion;
- (c) the Responsible Entity will pay the Sale Proceeds as soon as reasonably practicable to the Holder as instructed by the Holder in the Redemption Request and in any event within 21 days of the acceptance of the Redemption Request; and
- (d) the Holder acknowledges and agrees that:
  - (i) the Responsible Entity agrees to sell the gold bullion on behalf of the Holder, as agent for the Holder, at the price available in the spot market as reasonably determined by the Trustee;
  - (ii) the Holder agrees to accept the price obtained by the Responsible Entity in accordance with this PDS and the Trust Deed and to sell its gold bullion at this price;
  - (iii) the Responsible Entity makes no representations or warranties as to the price at which the Responsible Entity will be able to sell the gold bullion or the amount of the Sale Proceeds; and
  - (iv) to the maximum extent permitted by law, the Responsible Entity is not responsible or liable for any loss, costs or expense incurred by the Holder as a result of the Responsible Entity selling the Holder's gold bullion on behalf of the Holder, except to the extent that such loss, cost or expense arises as a result of the Responsible Entity's negligence, default, fraud or dishonesty; and
  - (v) when the Responsible Entity pays the Sale Proceeds to the Holder, the Responsible Entity will have discharged all of its obligations to the Holder and the Holder will cease to have any rights or interest in the Gold Interest, the Responsible Entity or the Fund (other than those rights that survive termination of membership if any).

### **Compulsory Redemption**

The Responsible Entity may, in certain circumstances redeem all or a portion of the Gold Interests in its absolute discretion. The Responsible Entity must give at least 60 days' notice to a Holder or Holders notice of any such compulsory redemption. Circumstances in which the Responsible Entity may redeem all or a portion of Gold Interests include:

- (a) if the Responsible Entity believes that the Gold Interests are held in breach of prohibitions contained in the Trust Deed;
- (b) the Responsible Entity determines that the Fund is uneconomical to operate;
- (c) a Holder made a misrepresentation in acquiring its Gold Interests;
- (d) the Gold Interests held by a Holder comprise less than a marketable parcel;
- (e) the Custodian terminates the Custody Agreements and the Responsible Entity is unable to find a suitable replacement custodian; or
- (f) subject to the Corporations Act and the applicable ASX rules, such other circumstances as the Trustee determines in its absolute discretion.

Additionally, the Responsible Entity may in its absolute discretion, upon a minimum of 3 Business Days' notice to a Holder or Holders, redeem all or a portion of the Gold Interests held if:

- (a) the Responsible Entity believes that the Gold Interests are held in circumstances which might result in a violation of an applicable law or regulation, or subject the Scheme to taxation or otherwise adversely affect the Fund in any material respect; or
- (b) the Responsible Entity determines that the continued participation of a Holder might cause the Responsible Entity or any Holder to violate any law or if any litigation is commenced or threatened against the Responsible Entity or any Holder arising out of the participation of the Holder in the Fund.

Where practicable, a Responsible Entity will provide the Holder with a notice of an early redemption requesting the Holder to provide a valid Redemption Request within such time as the Responsible Entity in its discretion may specify. If following notice from the Responsible Entity to a Holder or Holders, the Holder or Holders fails to provide any information requested

by the Responsible Entity by 5.00pm two Business Days prior to the Compulsory Redemption Date, or if the Responsible Entity determines it is not practicable to provide the Holder with notice, then the Gold Delivery Method will apply unless:

- (a) the Responsible Entity has determined that it is not practicable for the Gold Delivery Method to apply (including but not limited to where a relevant Holder has not provided the Responsible Entity with an unallocated account storing the Trust Property which is acceptable to the Trustee), in which case the Gold Sale Method will apply; or
- (b) the Responsible Entity has notified Holders that the Gold Sale Method is available in which case the Gold Sale Method or the Gold Delivery Method will apply in accordance with the instructions provided by the Holder.

Subject to the Gold Sale Method being available, a Holder may change the above instructions and request the Gold Delivery Method instead for the purposes of compulsory redemption by providing written notice at least five Business Days prior to the relevant Compulsory Redemption Date, and paying the Compulsory Redemption Election Fee, providing that they have the appropriate LBMA unallocated account.

### **Responsible Entity not liable**

The Responsible Entity shall not be responsible or liable for any failure by the Custodian (or the Gold Sale Counterparty) to affect a delivery or payment of gold bullion (or dollars) in accordance with the instructions of the Responsible Entity. However, in the event of such failure, the Responsible Entity shall to the extent practicable assign to the redeeming Holder its claims in relation to such gold bullion (or dollars) in satisfaction of all claims of such Holder in respect of the Gold Interests to be redeemed and the Holder shall have no further claims against the Fund or the Responsible Entity.

### **Settlement of Redemptions**

On the Settlement Date the following will occur upon receipt into the Fund's CHES account of the Gold Interests to be redeemed:

- (a) in the case of the Gold Sale Method, the Responsible Entity will, subject to the other provisions in the Trust Deed and this PDS, transfer the Sale Proceeds to the Holder in US Dollars or

## 6. Trading of Gold Interests

- in Australian Dollars (as elected by the Holder), less any Redemption Fee and less any Sale Costs incurred by the Responsible Entity in arranging the sale of the underlying gold bullion; or
- (b) in the case of the Gold Delivery Method, the Responsible Entity will, subject to the other provisions in the Trust Deed and this PDS, instruct the Custodian to transfer the relevant amount of gold bullion to the Holder, less any Delivery Costs incurred by the Responsible Entity, free and clear of any security interest or third-party interest; and
- (c) the Separate Trust applicable to each Gold Interest being redeemed will be dissolved.

### Deductions from payments

All monetary obligations imposed on a Holder under the Trust Deed are:

- (a) absolute;
  - (b) free of any right to counterclaim or set off; and
  - (c) may only be satisfied once the payment has cleared.
- The Responsible Entity may deduct from any amount to be paid to a Holder or received from a Holder:
- (a) any amount of tax (or an estimate of it); or
  - (b) any other amount which the Responsible Entity is required or authorised to deduct or which the Responsible Entity considers should be deducted or owed by the Holder to the Responsible Entity or any other person.

### 6.5 Holding Locks

While the Gold Interests are quoted and subject to the ASX Operating Rules, settlement of the Gold Interests is subject to the ASX Settlement Rules. Under these rules the Responsible Entity may request a Holding Lock be applied to any Gold Interests where:

- (a) the Responsible Entity has a lien on the Gold Interests the subject of the transfer;
- (b) the Responsible Entity is served with a court order that restricts a Holder's capacity to transfer the Gold Interests;
- (c) registration of the transfer may break an Australian law and the ASX has agreed in writing to the application of a Holding Lock (which must not breach the Settlement Rules) or that the Responsible Entity may refuse to register a transfer;

- (d) if the transfer is paper-based, either a law related to stamp duty prohibits the Responsible Entity from registering it or the Responsible Entity is otherwise allowed to refuse to register it under the ASX Operating Rules;
- (e) the transfer does not comply with the terms of any employee incentive scheme of the Fund;
- (f) if the transfer is paper-based, registration of the transfer will create a new holding which at the time the transfer is lodged is less than a 'marketable parcel' as defined in the ASX Settlement Rules;
- (g) the Holder has lodged a Redemption Request, and for any reason whatsoever, the Gold Interest has not terminated;
- (h) the relevant Holder has agreed in writing to the application of a Holding Lock (which must not breach the Settlement Rules) or that the Responsible Entity may refuse to register a transfer; or
- (i) it is otherwise permitted under the ASX Operating Rules, and the Responsible Entity must do so if the ASX Operating Rules require, but must tell the Holder or the broker as the Corporations Act or the ASX Operating Rules require.

### 6.6 Publication of NAV

The Net Asset Value of the Fund will be published on each Business Day on the website of the Responsible Entity at [www.globalxetfs.com.au](http://www.globalxetfs.com.au).

### 6.7 CHESS

The Fund participates in the Clearing House Electronic Sub register System ("CHESS"). The Fund will not issue certificates for Gold Interests. The Registrar, on behalf of the Fund, will provide each Holder with an uncertificated securities holding statement which will set out the Gold Interests issued or transferred to the Holder. If applicable, the holding statement will inform each Holder of their "Holder Identification Number" and the "Sponsoring Issuer Number" as used by CHESS.

### 6.8 Payment method

Any cash payments to be made to Holders will be paid in cash in any manner the Responsible Entity determines such as by electronic means.



## 7. Valuation and Gold Interest Pricing

### 7.1 Net Asset Value

The Net Asset Value of the Fund for the Global X Gold Bullion ETF shall be determined by the Responsible Entity at the Valuation Time on each Dealing Day (or at such other time as the Responsible Entity may determine) by valuing the aggregate Assets of all Gold Interests in the Fund and deducting the aggregate liabilities of all the Gold Interests in the Fund.

The Net Asset Value of a Gold Interest will be the AUD value of the Gold Entitlement held in the Separate Trust less any accrued fees, liabilities or expenses attributable to the Separate Trust (other than the Management Fee which is deducted each day from the Gold Entitlement).

The Net Asset Value of the Fund for the Global X Gold Bullion ETF of Gold Interests will be an amount determined in AUD.

### 7.2 Indicative Net Asset Value per Gold Interest

As at the date of this PDS, the Responsible Entity intends to make available, or designate other persons to make available on its behalf, an estimated indicative Net Asset Value per Gold Interest (“iNAV”) for the Fund. It will do so by providing such information on the Responsible Entity’s website ([www.globalxetfs.com.au](http://www.globalxetfs.com.au)) on any ASX Business Day. The iNAV will be calculated based upon information available to the Responsible Entity or its designate during the ASX Business Day or any portion of the ASX Business Day from time to time, and for informational purposes only.

Any iNAV is not, and should not be taken to be or relied on as being, the value of a Gold Interest or the price at which Gold Interests may be applied for or redeemed, or bought or sold on the ASX, and may not reflect the true value of a Gold Interest. Investors interested in applying for or redeeming Gold Interests, or buying or selling Gold Interests on the ASX, should not rely on any iNAV which is made available in making investment decisions but should consider other market information and relevant economic factors. Neither the Responsible Entity nor any designate or other service provider to the Responsible Entity shall be liable to any person who relies on the iNAV. No assurance can be given that any iNAV will be published continuously, will be up to date or free from error.

### 7.3 Calculation of the Gold Entitlement

Each Gold Interest held on Separate Trust (held separately from all other Gold Interests in the Fund) provides a beneficial interest in an amount of gold bullion, which is held through the Sub-Fund on separate trust, separate from all other interests in the Sub-Fund

On the First Day of Issue, the value of the Gold Entitlement of a Gold Interest will be 1/100th Gold Fine Troy Ounce.

The Gold Entitlement of a Gold Interest on subsequent days in the Fund will be equal to the prior Business Day’s Gold Entitlement less:

- the Management Fees; and
- any other fees and costs (other than the Management Fee),

deducted or accrued by the Responsible Entity or trustee of the Sub-Fund, in respect of a Gold Interest since the prior Business Day. The Gold Entitlement of each Gold Interest issued in the Fund will therefore be equivalent.

On each day after the issue date of a Gold Interest, the value of the Gold Entitlement of the Gold Interest (represented by  $ME_{(i,t)}$  in the formula below, will reduce by the Management Fee charged at the Sub-Trust level (represented in the formula by  $MF_{(i,t)}$ ) (any other fees and costs (other than the Management Fee deducted or accrued by the Responsible entity or trustee of the Sub-Fund)). This takes into account the fees paid to Global X in return for the services it provides.

On each day the Management Fee reduces the previous day’s Gold Entitlement ( $ME_{(i,t-1)}$ ) to determine the new Gold Entitlement on a particular day in accordance with the following formula:

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

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

## 7. Valuation and Gold Interest Pricing

### Worked Example of Calculation of the Gold Entitlement

Assuming that the Gold Entitlement for the Gold Interests on the last day on which it was calculated was 0.01 and there were 365 days in the year, applying the figures set out above to the formula for the calculation of Gold Entitlement of a Gold Interest could be calculated as follows:

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

Where:

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

$$MF_{(i,t)} = 0.0015$$

$$N = 365 \text{ days in the year}$$

So:

$$GE_{(i,t)} = 0.01 \times (1 - 0.0015)^{(1/365)}$$

$$GE_{(i,t)} = 0.0099999959$$

### 7.4 Liabilities of the Fund

The only expected liability of Holders in the Fund with respect to the Gold Interests is the total Management Fees. However, the Responsible Entity retains the right to deduct any other expenses properly incurred in connection with the operation of the Fund and extraordinary expenses (if any) incurred by the Responsible Entity.

### 7.5 Valuation methodology

The value of the Assets, used to calculate the NAV, is determined by measuring the aggregate value of any gold bullion (whether held directly or indirectly) which is deliverable or delivered to the Fund either in (1) fine weight of Troy Ounces and/or (2) in fine weight of kilograms and/or grams and:

- (a) for gold bullion which is measured in fine weight of Troy Ounces, it will be valued based upon the Solactive Gold Spot London Close Index price;
- (b) for gold bullion which is measured in fine weight of kilograms, it will be valued based upon the Solactive Gold Spot London Close Index price, divided by a conversion factor of 0.0311034768 (1 troy ounce = 0.0311034768 kilogram, truncated 10 decimal places); and

- (c) for gold bullion which is measured in fine weight of grams, it will be valued based upon the Solactive Gold Spot London Close Index price divided by a conversion factor of 31.1034768 (1 troy ounce = 31.1034768 grams, truncated 7 decimal places).

For the purposes of calculating the aggregate value of the Assets, the Responsible Entity:

- (a) may adopt the value of the Asset in the books of any relevant interposed entity (or entities) which ultimately holds the underlying Asset, or any other valuation method determined by the Responsible Entity, so long as that value or other valuation method is in accordance with the Fund's valuation methodologies;
- (b) may value an Asset based on the financial statements and on the proportion to the Fund's economic interest in the underlying Asset, disregarding any borrowings, liabilities or provisions of any interposed entity; and
- (c) must make the necessary adjustment to eliminate any double accounting and reflect the economic interest of any minority interests in the Assets held by the Fund and any of the Fund's consolidated entities.

For the purposes of calculating the Net Asset Value of the Gold Interests, the value of the gold bullion will be converted into AUD at the then prevailing exchange rate.

The valuation methods applied by the Responsible Entity to value the Fund's Assets and liabilities are consistent with applicable industry standards and result in Net Asset Value per Gold Interest calculations that are independently verifiable. The Responsible Entity's Unit Pricing Policy contains further information about how it calculates the NAV per Gold Interest. This policy complies with ASIC requirements, and the Responsible Entity will observe this policy in relation to the calculation of the NAV per Gold Interest and will record any exercise of discretion outside the scope of this policy. Investors can request a copy of the policy free of charge by contacting the Responsible Entity. Details of the daily Net Asset Value per Gold Interest will be published by the Responsible Entity on its website at [www.globalxetfs.com.au](http://www.globalxetfs.com.au).

## 8. Fees and other costs

### 8.1 Consumer advisory warning

#### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

#### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** Moneysmart website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

### 8.2 Fees and costs summary

#### Global X Gold Bullion ETF (GXLD)

Type of fee or cost <sup>1,2,3</sup>	Amount	How and when paid
<b>Ongoing annual fees and costs<sup>3</sup></b>		
<b>Management fees and costs</b> The fees and costs for managing your investment.	Estimated to be 0.15% per annum of the Net Asset Value of the Fund and is comprised of:  1. Management Fee – 0.00% p.a. of the NAV of the Fund;  2. Estimated indirect costs – 0.15% of the NAV of the Fund; and  3. Estimated expense recoveries – 0.00% of the NAV of the Fund.	 1. N/A  2. As at the date of this PDS, the only indirect cost expected to be incurred by the Fund is the Management Fee paid to Global X at the Sub-Fund level. The Management Fee will accrue daily (and be paid to Global X out of the assets of the Sub-Fund following the end of each month) and consequently reduce the Gold Entitlement of each Gold Interest (and therefore the NAV per Gold Interest) at the end of each day. The Management Fee is paid to Global X in gold bullion.  3. Any ordinary expense recoveries shall be paid out of the assets of the Fund as and when incurred.
<b>Performance fees</b> Amounts deducted from your investment in relation to the performance of the product.	Nil.	Not applicable.



## 8. Fees and other costs

Type of fee or cost <sup>1,2,3</sup>	Amount	How and when paid
<b>Transaction costs</b> The costs incurred by the scheme when buying or selling assets. <sup>4</sup>	Estimated transaction costs (where a Holder elects to have their redemption satisfied using the Gold Sale Method) – 0% of the NAV of the Fund.	Any costs incurred in the transfer of Fund assets are paid by the Responsible Entity and are not a cost to the Fund, excluding any reasonable costs incurred in satisfying Gold Sale Method redemptions which are borne by the redeeming Holder.
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)<sup>3</sup></b>		
<b>Establishment fee</b> The fee to open your investment.	Nil.	Not applicable.
<b>Contribution fee</b> The fee on each amount contributed to your investment.	<b>Creation Fee:</b> Authorised Participants: \$500 Other Holders: \$0	A flat fee payable only by Authorised Participants to the Responsible Entity upon each Creation Request.  The Creation Fee is not charged to Holders who acquire Gold Interests on the ASX.
<b>Buy-sell spread</b> An amount deducted from your investment representing costs incurred in transactions by the scheme. <sup>5</sup>	0.5% of the Gold Entitlement buy-sell spread for redemptions via the Gold Sale Method  Otherwise, nil	A sell spread may be applicable to any redemptions via the Gold Sale Method. The sell-spread will be deducted from any Sale Proceeds payable to a Holder.
<b>Withdrawal fee</b> The fee on each amount you take out of your investment.	<b>Redemption Fee:</b> All Holders: \$500  <b>Compulsory Redemption Election Fee:</b> For Holders to change their election as to whether the Gold Delivery Method or Gold Sale Method will apply following compulsory redemption: \$500	A flat fee payable by Holders to the Responsible Entity upon each Redemption Request. The Redemption Fee is not charged to Holders who sell Gold Interests on the ASX. The Redemption Fee will be waived for all Holders in respect of a compulsory redemption.  The Compulsory Redemption Election Fee will be payable by any Holder upon any change to their redemption preference following a compulsory redemption.
<b>Exit fee</b> The fee to close your investment.	Nil.	Not applicable.
<b>Switching fee</b> The fee for changing investment options.	Nil.	Not applicable.

<sup>1</sup> See Section 8.4 (Additional Explanation of Fees and Costs) for further details on fees and costs that may be payable. Unless otherwise stated, the fees and costs shown are inclusive of GST and net of any applicable input tax credits and reduced input tax credits, and are shown without any other adjustment in relation to any tax deduction available to the Responsible Entity.

<sup>2</sup> Each fee set out in this table may in some cases be negotiated if you are a wholesale client pursuant to the Corporations Act. For further information refer to “Differential fees” in Section 8.4 (Additional Explanation of Fees and Costs) below.

- 3 All estimates of fees and costs in this section are based on information available as at the date of this PDS. All fees reflect the Responsible Entity's reasonable estimates of the typical fees for the Fund for the current financial year. As the Fund is newly established, the costs reflect the Responsible Entity's reasonable estimates at the date of this PDS of those costs that will apply for the Fund for the current financial year (adjusted to reflect a 12 month period). Please refer to section 8.4 (Additional Explanation of Fees and Costs) for more information on fees and costs that may be payable.
- 4 The Transaction Costs disclosed in this section are shown net of any recovery received by the Fund from any applicable buy/sell spread charged to transacting unitholders in each Fund. Please refer to Section 8.4 (Additional Explanation of Fees and Costs) for further details.
- 5 In estimating the buy/sell spread for each Fund, the Responsible Entity has assumed that the applications or withdrawals are made during normal market conditions, as in times of stressed or dislocated market conditions (which are not possible for the Responsible Entity to predict) the buy/sell spread may increase significantly and it is not possible to reasonably estimate the buy/sell spread that may be applied in such situations. The Responsible Entity may vary the buy/sell spreads for each Fund from time to time, including increasing these costs without notice when it is necessary to protect the interests of existing investors and if permitted by law. The updated information will be disclosed on our website. Please refer to Section 8.4 (Additional Explanation of Fees and Costs) for further details. These costs do NOT apply to investors buying or selling ETF units on the ASX. Investors buying or selling ETF units on the ASX may, however, be charged a buy/sell spread by their broker or adviser.

### 8.3 Examples of annual fees and costs for the Fund

The following table gives an example of how fees and costs for the Fund can affect your investment in Gold Interests over a one-year period. You should use this table to compare this product with other managed investment products.

Global X Gold Bullion ETF (GXLD)		Balance of \$50,000 with a contribution of \$5,000 during year
Contribution fee	\$0 if you are not an Authorised Participant \$500 if you are an Authorised Participant	For every additional \$5,000 you put in, you will be charged: <ul style="list-style-type: none"> <li>• \$0 if you are not an Authorised Participant; or</li> <li>• \$500 if you are an Authorised Participant.</li> </ul>
PLUS Management fees and costs	0.15% of the Net Asset Value of a Gold Interest.	AND, for every \$50,000 you have in the Fund, you be charged or have deducted from your investment \$75 per year.
PLUS Performance fees	Nil	And, you will be charged or have deducted from your investment \$0 in performance fees each year.
PLUS Transaction costs	Nil	And, you will be charged or have deducted from your investment \$0 in transaction costs.
EQUALS Cost of the Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of: <b>\$75</b> (if you are not an Authorised Participant); or <b>\$575</b> (if you are any Authorised Participant)  <b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b>

Please note that these are examples only. In practice, the actual investment balance of a Holder will vary daily and the actual fees and expenses we charge are based on the value of the Gold Interests, which fluctuates daily. No contribution fees are charged by the Fund for acquisitions of Gold Interests on the ASX.

## 8. Fees and other costs

### 8.4 Additional explanation of fees and costs

#### Creation and Redemption Fees

A fee of \$500 will be charged to Authorised Participants in respect of all Creation Requests and a fee of \$500 will be charged to all Holders in respect of all Redemption Requests (subject to the discretion of the Responsible Entity to waive such fees in whole or in part where permitted to do so).

Creation Fees and Redemption Fees are paid to the Responsible Entity separately to the subscription amount or redemption amount. Subject to law, the Responsible Entity may waive or vary the Creation and Redemption Fees at any time provided that any increase in these fees shall only be done following 30 days' notice given to Holders on the ASX Market Announcements Platform.

The Creation and Redemption Fees are not deducted from or added to the assets of the Fund and do not therefore affect the Net Asset Value of the Fund.

#### Management fees and costs

The management fees and costs for the Fund include all relevant ongoing fees and other costs involved in managing the Fund. The management fees and costs are made up of the Management Fee, estimated recoverable expenses and indirect costs (if any). The management fees and costs do not include any transaction costs (including for example brokerage, settlement costs, clearing costs, stamp duty or costs associated with investing in a Gold Interest's underlying assets).

#### Management fee

As at the date of this PDS, the Responsible Entity does not charge a management fee at the Fund level, however a Management Fee is charged at the Sub-Fund level by Global X, in its capacity as trustee of the Sub-Fund. Please refer to the 'indirect costs' section below, for further details of the Management Fee charged by Global X at the Sub-Fund level.

#### Recoverable expenses

##### Normal operating expenses

The recoverable expenses represent the operating expenses incurred in the operation of the Fund, which may be recovered by the Responsible Entity.

As at the date of this PDS, the Responsible Entity shall pay from its Management Fee the customary

administrative expenses of the Fund, including levies, duties and fees of other service providers. As such, in the normal course no recoverable expenses will be charged to the Fund (but excluding extraordinary expenses, see below).

#### Abnormal operating expenses

Extraordinary or abnormal expenses are expenses that are not normally incurred in the day to day operation of the each Fund and are not necessarily incurred in any given year. They may include:

- any costs, fees and expenses incurred in respect of any extraordinary matters relating to the Fund including without limitation any investigations, disputes, legal or arbitration proceedings, claims (other than the usual claims of undisputed subscription or redemption payments), any Holders' meetings convened in taking action to comply with additional regulatory requirements; and
- any costs, fees and expenses incurred in restricting or terminating the Fund.

#### Indirect Costs

Indirect costs are any amounts that we know or reasonably out to know, or where this is not the case, reasonably estimate, has or will reduce whether directly or indirectly, the Fund's returns or the amount or value of the income of, or assets attributable to the Fund or an interposed vehicle (including, for example, the Sub-Fund) in which the Fund invests (other than the management fee, recoverable expenses, and transactional and operational costs) or that are paid from the assets of any interposed vehicle (such as an underlying fund) in which the Fund may invest.

#### Management Fee of the Sub-Fund

The Management Fee is charged by the Global X, in its capacity as trustee of the Sub-Fund, for overseeing the Sub-Fund's operations, providing access to the Sub-Fund, and managing the investment strategy. The Management Fee will reduce the Gold Entitlement per Gold Interest each day using the following formula:

$$GE_{(t)} = GE_{(t-1)} \times (1 - MF_{(t)})^{1/N_t},$$

where:

t refers to the applicable day (with t-1 being the previous day);

$GE_{(t)}$  is the Gold Entitlement for a Gold Interest for day t;

$MF_t$  is the per annum Management Fee of up to 4.00% per annum, applicable on day  $t$ , expressed as a decimal (for example, so that 150 basis points per annum is expressed as 0.0150);

$N$  is the number of days in the year in which the Gold Entitlement is being calculated, being 365, or 366 in a leap year.

The Management Fee accrues daily and is payable to Global X in arrears after the end of the relevant month.

The Responsible Entity, as at the date of this PDS, reasonably estimates that the indirect costs of the Fund are 0.15% p.a. of the Net Asset Value of the Fund, consisting of the Management Fee. As the Fund has been newly established, this figure reflects the indirect costs that the Responsible Entity, as at the date of this PDS, reasonably estimates will apply for the current financial year (adjusted to reflect a 12 month period).

### Transaction Costs

These are the transaction costs which are incurred by the Fund incurred in managing the assets of the Fund such as brokerage, clearing costs, settlement costs, stamp duties and custody transaction costs, commissions. Transaction Costs also include costs incurred by an interposed vehicle that would be transaction costs if they have been incurred by the Fund. These costs are an additional cost and are not included in the management costs. All transaction costs in respect of the Fund will be paid by the Responsible Entity and are not a cost to the Fund, excluding any reasonable costs incurred in satisfying a cash redemption which are borne by the redeeming Holder.

The transaction costs for the Fund are estimated to be 0.00% p.a. of the Net Asset Value of the Fund and are shown in the table net of any amount recovered by the buy/sell spread charged by the Responsible Entity (if any). As the Fund has been newly established, this figure reflects the transaction costs that the Responsible Entity, as at the date of this PDS, reasonably estimates will apply for the current financial year (adjusted to reflect a 12 month period).

The Responsible Entity's estimate of the total gross estimated Transaction Cost for the Fund as at the date of this PDS, that will apply for the current financial year is 0.00% of the NAV of the Fund.

### Buy Sell Spread for Creations and Redemptions

As at the date of this PDS, the Responsible Entity only charges a buy-sell spread for redemptions via the Gold Sale Method. A sell-spread of 0.5% of Gold Entitlement is expected to apply to all redemptions via the Gold Sale Method. The amount of the sell-spread is deducted from the redemption proceeds payable to the Holder and retained by the Responsible Entity. The sell-spread is intended to reimburse the Responsible Entity for costs incurred in arranging the sale of the underlying gold bullion. Holders also pay the Creation Fee or Redemption Fee (as applicable) upon each Creation and Redemption. However the Responsible Entity will waive the Redemption Fee for all Holders in the event of a compulsory redemption.

### ASX Buy Sell Spread

Where you buy or sell Gold Interests on the ASX, the buy-sell spread (being the difference between the buy-price and the sale-price) is retained by the market maker or other counterparty (not the Responsible Entity). The buy-sell spread may change at any time without notice. The buy-sell spread does not represent a separate fee charged to a Holder or potential Holder, and instead reduces the amount that a Holder receives from the sale of their Gold Interests to the market maker, or, in the case of a potential Holder, increases the price of the Gold Interests.

### Compulsory Redemption Election Fee

A Compulsory Redemption Election Fee of \$500 will be payable by a Holder in the event a Holder changes their election as to whether the Gold Delivery Method or Gold Sale Method will apply following any compulsory redemption. The Compulsory Redemption Election Fee will be used to pay costs and expenses related to the Holder changing their election.

### Failure to Deliver Costs

An Authorised Participant that fails to deliver to the Responsible Entity the amount of gold bullion required in relation to a Creation Request may be required to pay a fee equal to no greater than the closing value of such undelivered gold bullion on the relevant ASX Business Day.

## 8. Fees and other costs

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### **Brokerage and commissions**

Investors may buy and sell Gold Interests through financial intermediaries who may impose transaction, brokerage, administrative or other direct fees, which fees would not be imposed if Gold Interests were purchased directly from the Fund. Investors should contact their financial intermediaries for further details of these fees and charges.

### **Changes in fees and expenses**

The fees and expenses associated with an investment in Gold Interests of the Fund may be changed without investor consent. However, any increase in any fees will only be made following the expiry of 30 days' notice given to Holders by way of an announcement on the ASX Market Announcements Platform.

As at the date of this PDS, the Responsible Entity has no intention of changing any of the fees described herein.

### **Government taxes and duties**

Government taxes and duties may be applied as appropriate. In addition to the fees and costs described in this Section 8, standard government fees, duties and bank charges may also apply such as stamp duties. Some of these charges may include additional GST and will apply to Holders' investments and withdrawals as appropriate. Please refer to Section 11 (Taxation Considerations) for more information.

### **Differential fees**

The Responsible Entity may, from time to time, agree to provide rebates to certain wholesale investors who invest sizeable amounts in the Fund. The payment and terms of rebates are negotiated with wholesale clients but are ultimately at the discretion of the Responsible Entity, subject to the Corporations Act and any relevant ASIC policies.

Wholesale investors who wish to discuss the waiver or rebating of fees should contact the Responsible Entity on +61 2 8311 3488.

## 9. Additional information

### 10.1 Service providers to the Funds

#### (a) The Administrator

R & H Fund Services (Jesey) Limited (R & H) is the Administrator of the Fund and will perform certain administrative, accounting, and other services to the Fund, subject to the overall supervision of the Responsible Entity.

Pursuant to the Administration Agreement, R & H is responsible, subject to the Responsible Entity's overall supervision, for matters pertaining to the day-to-day administration of the Fund, namely: (i) calculating net asset value of the Fund and the net asset value per Gold Interest of the Fund (as the case may be) in accordance with the relevant valuation policies and procedures; and (ii) maintaining the Fund's financial books and records so far as may be necessary to give a complete record of all transactions carried out by the Fund.

#### (b) The Registrar

Computershare Investor Services Pty Limited has been appointed as the Registrar of the Fund under the Registrar Agreement.

The services to be provided by the Registrar will include (i) verifying the identity of prospective investors in accordance with applicable anti-money laundering policies and procedures, (ii) maintaining the Fund's register of Holders, (iii) generally performing actions related to the issuance, transfer and redemption of the Gold Interests, (iv) furnishing annual financial statements, and tax statements, and (v) performing certain other administrative and clerical services in connection with the Fund as agreed between the Responsible Entity and the Registrar.

#### (c) The Custodians

##### Custodian for gold bullion

JPMorgan Chase Bank, N.A has been appointed as the Gold Custodian of the gold bullion for the Sub-Fund under the Allocated Account Agreement and Unallocated Account Agreement (collectively the "Gold Account Agreements"). The Gold Custodian provides custodial services in the form of an allocated and unallocated gold account to the Sub-Fund, including holding the gold bullion in its London vault.

##### Custodian for interests in the Sub-Fund

The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch (HSBC) has been appointed

as the custodian of the Gold Interests in the Sub-Fund which are held by the Fund under the HSBC Custody Agreement. HSBC provides custodial services to the Responsible Entity, including the holding of the direct assets of the Fund. HSBC does not hold any gold bullion Assets on behalf of the Fund or the Sub-Fund.

The Responsible Entity may appoint further custodians in the future, subject to publication of a replacement PDS containing all relevant information about any such new custodian.

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

HSBC does not warrant the contents of this PDS, nor are they involved in the management, administration or net asset value calculation of the Gold Interests.

#### (d) The Authorised Participants

Only Authorised Participants can create Gold Interests directly with the Fund. A person can only be an Authorised Participant if it:

- (a) has an agreement with the Responsible Entity in relation to making applications to acquire and withdraw interests in the Fund; and
- (b) it is, or has engaged to act on its behalf, a participant (within the meaning of section 761A of the Corporations Act) in relation to a financial market, to acquire and dispose of interests in the Fund.

The Authorised Participant Agreement sets out certain requirements which must be met by the Authorised Participant. These include participation in CHESS, compliance with certain selling restrictions in respect of the Gold Interests, maintenance of all applicable registrations and qualifications required to meet its obligations under the Authorised Participant Agreement and compliance with the Corporations Act, ASX Operating Rules, and other applicable laws.

If the relevant requirements cease to be met by any such entity, the Responsible Entity may take such steps as it believes necessary to seek to ensure that the interests of the Fund and Holders as a whole are protected (which may include rejecting any further Creation Requests from such entity). Investors should contact the Responsible Entity to ascertain the requirements for becoming an Authorised Participant.

## 9. Additional information

The Responsible Entity intends to encourage a number of market participants to sign up as Authorised Participants from time to time.

The current Authorised Participants, who have been approved by the Responsible Entity, are listed on its website at [www.globalxetfs.com.au](http://www.globalxetfs.com.au). The terms in relation to each Authorised Participant may be amended from time to time and may include commitments for an Authorised Participant to:

- make markets on varying terms;
- maintain particular maximum spreads and minimum lot sizes;
- maintain an AFS Licence (if applicable);
- comply with ASX Operating Rules, the law and applicable legislation and regulations; and
- satisfy the Anti-Money Laundering and Counter-Terrorism Financing program which the Responsible Entity has in place from time to time.

### (e) Market Maker

The role of a market maker is to facilitate an orderly and liquid market in the Gold Interests and to satisfy supply and demand for Gold Interests on the ASX.

They do this by:

- subject to certain conditions, providing liquidity to the market through acting as the buyer and seller of Gold Interests on the ASX during a significant part of the trading day; and
- Creating and Redeeming Gold Interests directly with the Fund, which helps to ensure the number of Gold Interests on issue matches supply and demand.

The Responsible Entity intends to appoint market makers that:

- have experience in making markets in exchange traded securities both in Australia and internationally;
- have the necessary skill, expertise and financial capacity to perform market making functions; and
- are ASX participants and have agreements in place with the ASX to provide certain market making services.

To qualify for admission as a ASX participant, a firm must meet admission requirements set out in the ASX Operating Rules, which requires the firm to hold an Australian financial services licence that authorises it to carry on its business as a market participant unless

it satisfies ASX that an Australian financial services licence is not required, and to satisfy ASX of various matters, including organisational competence and business integrity.

Generally, arrangements with a market maker will specify certain permitted circumstances in which the market making obligations may be suspended (such as operational disruptions, market disruptions or unusual conditions, other events set out in the ASX Operating Rules, the suspension or rejection by the Responsible Entity of applications for Gold Interests or redemption requests, or the market maker not having ASIC relief to allow short selling of Gold Interests). If the market maker defaults on its obligations, the Responsible Entity may seek to replace the market maker, although the arrangements with the market maker may limit or exclude any liability on the part of the market maker. Subject to the ASX Operating Rules and agreements with market maker, the Responsible Entity may replace or terminate the market maker. The Responsible Entity may determine to no longer appoint market makers in respect of the Gold Interests in circumstances where it is no longer required to do so under the ASX Operating Rules.

### Difference between an Authorised Participant and market maker

An Authorised Participant is a person approved by the Responsible Entity in accordance with paragraph 8.1(d) above, which subject to certain terms and conditions has the ability to apply for and redeem Gold Interests in the primary market. A market maker is an Authorised Participant who has agreed with the Fund to provide liquidity to the market through the Creation and Redemption of Gold Interests directly with the Fund, and the buying and selling of Gold Interests on the secondary market, in accordance with the terms of the market making arrangement. As such, a person can be both an Authorised Participant and a market maker appointed by the Fund, but not all Authorised Participants will need to be market makers.

### (f) Other Service Providers

As at the date of this PDS, the Responsible Entity has appointed the service providers listed in the Corporate Directory of this PDS to provide services to the Fund. The service providers may be changed, or added to, at any time without notice to Holders.



## 10.2 Summary of material documents

### (a) Trust Deed of the Fund

The operation of the Fund is governed under the law and the Trust Deed of the Fund which has been lodged with, and registered by the ASIC, as a managed investment scheme under Chapter 5C of the Corporations Act.

The Trust Deed and the Corporations Act govern the rights and obligations of investors and the Responsible Entity. The Trust Deed sets out the conditions under which the Fund will operate, terminate, and the rights, obligations and liability of the Responsible Entity.

The Trust Deed also addresses matters such as creations, redemptions, the transfer of Gold Interests, investors' rights, our powers to invest, borrow and generally manage the Fund, and the Responsible Entity's fee entitlement. The Trust Deed provides that, while the Gold Interests are quoted on the ASX, Holders may make transfers in any manner permitted by CHESS and the ASX Operating Rules.

A Gold Interest confers a beneficial interest on the Holder in the assets of the Separate Trust relating to the Gold Interest. The Trust Deed provides that the liability of each Holder is limited to the amount subscribed, or agreed to be subscribed by the Holder, for Gold Interests. Recourse of the Responsible Entity and Fund creditors is limited to the Assets.

The Responsible Entity may convene meetings of Holders at any time (e.g., to approve certain amendments to the Trust Deed or to wind up the Fund). Holders also have limited rights to call meetings and have the right to vote at any Holder meetings. Except where the Trust Deed provides otherwise, or the Corporations Act requires otherwise, a resolution of Holders must be passed by Holders who hold Gold Interests exceeding 50% of the value of the total value of all Gold Interests held by Holders who vote on the resolution. A resolution passed at a meeting of Holders held in accordance with the Trust Deed binds all Holders of the Fund.

The Responsible Entity may alter the Trust Deed if it reasonably considers the amendments will not adversely affect investors' rights, or with the consent of the ASX or notification to the ASX in certain circumstances. Otherwise, the Responsible Entity must obtain investors' approval at a meeting of investors. Under the Trust Deed, if the Corporations

Act or ASIC Relief (including ASIC Class Order) on which the Responsible Entity has determined it wishes to rely on or which is expressly applicable to the Fund and the Responsible Entity, requires the Trust Deed to contain certain provisions ("the Regulatory Required Provisions"), then to the extent Corporations Act allows, the Trust Deed is taken to be amended so that the relevant Regulatory Required Provisions are included as separate provisions. The Holders authorise the Responsible Entity to make the amendments required in this respect in a deed and, if required, lodge it with ASIC. The Holders are deemed to agree that, subject to the Corporations Act, their rights under the Trust Deed do not include or extend to a right not to have the Trust Deed amended to comply with the relevant regulatory requirements or to include the Regulatory Required Provisions.

The Responsible Entity may retire or be required to retire (if investors vote for its removal). No Gold Interests may be issued after the 80th anniversary of the date of the Trust Deed. The Responsible Entity may exercise a right to terminate the Fund earlier. Following the winding up of the Fund, the Responsible Entity must distribute the assets of each Separate Trust (after deducting liabilities and expenses referable to that Separate Trust) to the relevant Holder.

The Responsible Entity of the Fund is indemnified out of the Assets for any liability incurred by it in properly performing or exercising any of its powers or duties in relation to the Fund. To the extent permitted by the Fund's Trust Deed and at law, this indemnity includes any liability incurred as a result of any act or omission of a delegate or agent appointed by the Responsible Entity. The Fund may retain and pay out of any money in its hands all sums necessary to affect such an indemnity. Holders can inspect a copy of the Fund's Trust Deed at the head office of the Responsible Entity during normal business hours or it will provide Holders with a copy free of charge.

The Trust Deed provides for circumstances in which the Responsible Entity may compulsorily redeem all or a portion of the Gold Interests held by any or all Holders. Depending on the specific circumstances, such a compulsory redemption requires either 60 days' or 3 Business Days' notice as described below.

The Responsible Entity may, in its absolute discretion and upon a minimum of 60 days' notice to a Holder or

## 9. Additional information

Holders, redeem all or a portion of the Gold Interests held by any or all Holders if:

- the Responsible Entity believes that the Gold Interests are held in breach of prohibitions contained within the Trust Deed;
- the Responsible Entity determines that the Fund is uneconomical to operate;
- a Holder made a misrepresentation in acquiring its Gold Interests;
- the Gold Interests held by a Holder comprise less than a marketable parcel as provided in the ASX Settlement Rules;
- a Holder is a registered holder of Gold Interests having an aggregate value of less than the Minimum Holding, provided that it does so in accordance with the terms of the Trust Deed, the Corporations Act (including any ASIC Relief) and the ASX Operating Rules (while the Fund is quoted). Note that as at the date of this PDS there is no Minimum Holding for Gold Interests;
- the Custodian terminates the Custody Agreement and the Responsible Entity is unable to find a suitable replacement Custodian; or
- subject to the Corporations Act and the ASX Operating Rules, such other circumstances as the Responsible Entity determines in its absolute discretion.

The Responsible Entity may, in its absolute discretion and upon a minimum of 3 Business Days' notice to a Holder or Holders, redeem all or a portion of the Gold Interests held by any or all Holders if:

- the Responsible Entity believes that the Gold Interests are held in circumstances which might result in a violation of an applicable law or regulation, or subject the Fund to taxation or otherwise adversely affect the Fund in any material respect; or
- the Responsible Entity determines that the continued participation of a Holder might cause the Responsible Entity or any Holder to violate any law or if any litigation is commenced or threatened against the Responsible Entity or any Holder arising out of the participation of the Holder in the Fund.

### (b) The JPMorgan Custody Agreement

The Allocated Account and the Unallocated Account ("**Gold Account Agreements**") have been established pursuant to the terms of the Gold Account Agreements.

Each of the Gold Custodian and the Responsible Entity are entitled to terminate the Gold Account Agreements upon 90 days' written notice. Under the terms of the Custody Agreements the Custodian is entitled for a fee for its services. This fee is payable by the Responsible Entity out of the Management Fee which it receives from the Fund.

Upon entry into any new custody agreements, the Responsible Entity will publish details of the new arrangements on its website at [www.etfs.com](http://www.etfs.com).

The Gold Account Agreements are important documents and should be read by investors when making an assessment of whether to apply for Gold Interests in the Fund.

Upon entry into any new custody agreements, the Responsible Entity will publish details of the new arrangements on its website at [www.globalxetfs.com.au](http://www.globalxetfs.com.au).

### (c) The HSBC Custody Agreement

The Custodian Agreement between The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch and the Responsible Entity provides that the interest in Sub-Fund will generally be held by the Custodian on trust for the Responsible Entity. The Custodian Agreement sets out the remainder of the terms and conditions upon which the assets of the Fund will be held. The Custodian Agreement complies with the regulatory requirements imposed in relation to custody of assets.

The Custodian Agreement has been entered into for an initial fixed term of 5 years. The Custodian is entitled to terminate the Custodian Agreement at any time upon 90 days' notice. The Custodian Agreement may be terminated by either party at any time, with immediate effect, in the event of material breach by the other party, which is not remedied within 30 days of notice being provided, or upon insolvency of a party. Under the terms of the Custodian Agreement, the Custodian is entitled to charge fees for its services. Any such fees are payable by the Responsible Entity out of the Management Fee that it receives from the Fund.

#### **(d) The Registrar Agreement**

The Registrar is appointed pursuant to the Registrar Agreement whereby the Registrar is responsible for supplying or procuring the supply of certain registrar services to the Fund as set out in the Registrar Agreement and for which the Responsible Entity agrees to pay the Registrar a fee out of its Management Fee.

Each of the Registrar and the Responsible Entity are entitled to terminate the Registrar Agreement after a fixed term of 2 years from the date of that agreement (or, in certain circumstances immediately upon written notice during such fixed term), in either case upon 6 months' written notice.

#### **(e) The Administration Agreement**

The Administration Agreement is between the Responsible Entity and the Administrator. It sets out terms on which the Administrator undertakes to provide or procure services to the Holders and to the Responsible Entity in connection with the gold bullion. Each of the Administrator and the Responsible entity are entitled to terminate the Administration Agreement on 3 months' written notice or, in certain circumstances immediately upon written notice. Under the terms of the Administration Agreement the Administrator is entitled to charge a fee for its services. Any such fee is payable by the Responsible Entity out of the Management Fee which it receives from the Fund.

### **9.3 Compliance Committee and Compliance Plan**

The Responsible Entity has established a compliance committee with a majority of members that are external to the Responsible Entity. The compliance committee's functions include:

- monitoring the Responsible Entity's compliance with the compliance plan and reporting its findings to the Responsible Entity;
- reporting breaches of the Corporations Act or the Trust Deed to the Responsible Entity;
- reporting to ASIC if the committee is of the view that the Responsible Entity has not taken or does not propose to take appropriate actions to deal with breaches reported to it by the committee; and
- assessing the adequacy of the compliance plan, recommending any changes and reporting these to the Responsible Entity.

The Fund has a Compliance Plan in place. The Compliance Plan sets out how the Responsible Entity will ensure compliance with both the Corporations Act and the Trust Deed when operating the Fund. Under the Compliance Plans, the Responsible Entity is required to manage, monitor, and report on the ongoing compliance of the Fund with the Corporations Act, the Trust Deed, and the PDS. In the Compliance Plan, the Responsible Entity is required to consider the following matters:

- the appointment and monitoring of counterparties;
- Fund investments and property arrangements;
- asset valuation and Net Asset Value;
- Fund records and financial reporting;
- related party transactions;
- complaints handling; and
- AFS licensing.

### **9.4 Amendment or withdrawal of the PDS**

The Responsible Entity may supplement, amend or withdraw this PDS at any time and may reissue a new or amended PDS from time to time.

### **9.5 Privacy and confidentiality**

As required by law, the Responsible Entity has adopted privacy policies that governs the collection, storage, use and disclosure of personal information. Should an Authorised Participant apply for Gold Interests by lodging a Creation Request (only applies to Authorised Participant), by submitting the completed Creation Request, the Authorised Participant acknowledges and agrees to the Responsible Entity collecting, storing, using and disclosing the Authorised Participant's personal information in accordance with its privacy policies.

This includes using an Authorised Participant's personal information to process their Creation Request for the Gold Interests, issue Gold Interests and comply with relevant laws.

For example information may be used to:

- ensure compliance with all applicable regulatory or legal requirements. This includes the requirements of ASIC, ATO, AUSTRAC, ASX and other regulatory bodies or relevant exchanges including the requirements of the superannuation law; and

## 9. Additional information

- ensure compliance with the AML/CTF Act. If an Authorised Participant does not provide the personal information required, their Creation Request may not be processed.

The Responsible Entity may be required to disclose some or all of a Holder's personal information, for certain purposes (as described under the Privacy Act 1988 (Cth)) to:

- service providers, related bodies corporate or other third parties for the purpose of account maintenance and administration and the production and mailing of statements, such as share registries, custodians, auditors of the scheme and certain software providers related to the operational management and settlement of the Gold Interests;
- related bodies corporate that might not be governed by Australian laws for the purpose of account maintenance and administration; or
- to a Holder's financial adviser if they provide us with written consent to do so.

The Responsible Entity may also disclose a Holder's personal information to:

- market products and provide services to them; and
- to improve customer service (which may involve providing their personal information to other external service providers, including companies conducting market research).

This is to keep a Holder's financial adviser or broker (as notified to the Responsible Entity) informed so such adviser or broker can provide them with financial advice and ongoing service.

If any of the disclosures in the previous bullet points require transfer of a Holder's personal information outside of Australia, they consent to such transfer.

All personal information collected by the Responsible Entity will be collected, used, disclosed and stored by the Responsible Entity in accordance with its Privacy Policy, a copy of which will be made available to any Holder on request.

The Responsible Entity, Gold Custodian, Custodian of Sub-Fund Interests, HSBC, Administrator and Registrar respect the privacy of investors. Although Creation Requests are only accepted from Authorised Participants, if any other investor purchases Gold Interests in the Fund, their name may be placed on the Register and their personal information may be

used to manage the Register and be disclosed under the Corporations Act. Please note that personal information may be provided to service providers, but only under strict privacy controls.

The Responsible Entity currently only operates in Australia and with the support of its affiliates, related bodies corporate and service providers. However, to the extent that the Responsible Entity operates overseas, it is possible that the Responsible Entity may disclose personal information to overseas recipients for the purposes outlined above.

Individuals who wish to access the personal information the Responsible Entity holds about them should contact the Responsible Entity at [info@globalxetfs.com.au](mailto:info@globalxetfs.com.au). The Responsible Entity has a privacy policy which is available at [www.globalxetfs.com.au](http://www.globalxetfs.com.au) or by contacting the Responsible Entity on [info@globalxetfs.com.au](mailto:info@globalxetfs.com.au) or +61 2 8311 3488. If an investor thinks the Responsible Entity's records are wrong or out of date, particularly address, e-mail address or adviser details, it is important that the investor contact the Responsible Manager so that it can correct them.

### 9.6 Anti-Money Laundering and Counter-Terrorism Financing Act 2006

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

- to verify the identity of Authorised Participants before issuing securities to the Authorised Participant, and to re-identify the Authorised Participant if it considers it necessary to do so;
- to verify the identity of any redeeming Holders before accepting a Redemption Request, and to re-identify the redeeming Holder if it considers it necessary to do; and
- to keep a record of any identification documentation for 7 years.

No application or redemption will be accepted by the Responsible Entity unless evidence of a

Holder's identity, in such form as is satisfactory to the Responsible Entity and its agents, is provided. If a Holder fails to satisfy this requirement, any gold bullion transferred by the Holder to the Unallocated Account will be retained until such evidence is forthcoming. By lodging an application or redemption, each Holder undertakes to provide such evidence of identity as is required by the Responsible Entity, HSBC, or the Custodian at: (i) the time of lodging the application or redemption; (ii) when depositing gold bullion into the Unallocated Account (if applicable); or (iii) at such specified times as the Responsible Entity may in its discretion require. The Administrator is also entitled to determine, in its discretion and through application of its own KYC procedures, whether the verification of identity requirements apply to a Holder and whether such requirements have, indeed, been satisfied. However, none of the Responsible Entity, Administrator, HSBC or the Custodian shall be responsible or liable to any person for any loss or damage suffered as a result of the exercise of their aforementioned discretions.

### **Identification of Authorised Participants**

By lodging a Creation Request, each Authorised Participant confirms that it is a reporting entity under the AML/CTF Act and undertakes to provide the Responsible Entity with evidence of identity required by the Responsible Entity pursuant to the AML/CTF Act at any time upon request. No Creation Request will be accepted by the Responsible Entity unless such evidence of the Authorised Participant's identity satisfactory to the Responsible Entity and its agents has been provided. The Responsible Entity can accept or reject any Creation Request in its discretion and is not liable for any resulting loss.

### **Transaction Freezes**

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

### **Reporting Obligations to AUSTRAC**

The Fund has certain reporting obligations pursuant to the AML/CTF Act. The legislation prevents the Fund

from informing you that any such reporting has taken place. Where legally obliged to do so, the Fund and its agents may disclose the information gathered to regulatory and/or law enforcement agencies, including AUSTRAC and to other bodies, if required by law.

## **9.7 No cooling off period**

No cooling off period is provided in respect of investments in the Gold Interests. Once lodged, a Creation Request or Redemption Request is irrevocable except as required by law.

## **9.8 Consents**

Computershare Investor Services Pty Limited has given, and as at the date of this PDS not withdrawn its consent to be named as Registrar in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of this PDS other than being named as Registrar. Computershare Investor Services Pty Limited has not authorised, or caused the issue of and expressly disclaims and takes no responsibility for this PDS.

The Hongkong and Shanghai Banking Corporation Limited., Sydney Branch ("**HSBC**") has given, and as at the date of this PDS not withdrawn, its consent to be named as Custodian in respect of the Fund. This consent is given on the basis that HSBC has not authorised or caused the issue of the PDS and has not made any statement that is included in the PDS or any statement on which a statement made in the PDS is based. HSBC expressly disclaims and takes no responsibility for any statements in or omissions in the PDS. This applies to the maximum extent permitted by law and does not apply to any matter to the extent to which the consent is given above.

R & H Fund Services (Jersey) Limited ("**R & H**") has given, and as at the date of this PDS not withdrawn, its consent to be named as Administrator. This consent is given on the basis that R & H has not authorised or caused the issue of the PDS and has not made any statement that is included in the PDS or any statement on which a statement made in the PDS is based. R & H expressly disclaims and takes no responsibility for any statements in or omissions in the PDS. This applies to the maximum extent permitted by law and does not apply to any matter to the extent to which the consent is given above.



## 9. Additional information

JPMorgan Chase Bank, N.A (“JPMorgan”) has given, and as at the date of this PDS not withdrawn, its consent to be named as Gold Custodian. This consent is given on the basis that JPMorgan has not authorised or caused the issue of the PDS and has not made any statement that is included in the PDS or any statement on which a statement made in the PDS is based. JPMorgan expressly disclaims and takes no responsibility for any statements in or omissions in the PDS. This applies to the maximum extent permitted by law and does not apply to any matter to the extent to which the consent is given above.

### 9.9 Reporting

Holders will receive the following regular reports:

- Confirmations of all of their own Creations or Redemptions (issued following transactions and on request);
- Contract notes from their broker (issued following all purchases or sales on the ASX);
- Taxation statements issued annually after 30 June, providing Holders with taxation information including a summary of any Distributions; and
- Annual report including audited financial statements of the Fund. These are available online at [www.globalxetfs.com.au](http://www.globalxetfs.com.au).

### 9.10 Ongoing disclosure

The Responsible Entity will comply with the continuous disclosure requirements of the Act as if the Fund were an unlisted disclosing entity.

### 9.11 Complaints

While the Fund is registered, if a Holder submits to the Responsible Entity a complaint in relation to the Fund or its operations, the Responsible Entity must, if the Holder is a Retail Client, comply with the requirements of section 912A(2) of the Corporations Act applicable to the complaint.

Complaints may be lodged by writing to the Responsible Entity at the address shown on the back cover of this PDS. The Responsible Entity will always acknowledge any complaint in writing within one business day or as soon as reasonably practicable and respond within 30 days. If the complainant remains unhappy, the complaint can then access an independent external dispute resolution scheme.

Complaints can be lodged with the Australian Financial Complaints Authority (“AFCA”) of which the Responsible Entity is a member. AFCA is the external dispute resolution scheme for complaints involving financial services and products. Contact details for AFCA are as follows:

Address: GPO Box 3, Melbourne VIC 3001  
Telephone: 1800 921 678  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Website: [www.afca.org.au](http://www.afca.org.au)

If investing through an IDPS or IDPS-like service then enquiries and complaints about your investment through the IDPS or IDPS-like service should be directed to the operator of that service or the Responsible Entity. Complaints regarding the operation of an IDPS or IDPS-like service should be directed to the IDPS operator.

**The Australian Securities and Investment Commission also has a free call Infoline on 1300 300 630 which Holders may use to make a complaint and obtain information about their rights.**

### 9.12 ASIC Relief

#### Ongoing Disclosure Relief

The Responsible Entity intends to rely upon the exemption in relation to ongoing disclosure requirements that is contained within ASIC Class Order [CO 13/721]. Under the terms of this exemption, a responsible entity of an exchange traded fund does not have to comply with section 1017B of the Corporations Act in relation to interests in a class of interests in the fund that are admitted to trading status as ETF Securities, for as long as the responsible entity complies with the provisions of the Corporations Act that apply to unlisted disclosing entities as if the Fund were an unlisted disclosing entity and makes statements to this effect in the relevant PDS.

The Responsible Entity will comply with the continuous disclosure requirements of the Corporations Act as if the Fund was an unlisted disclosing entity.

**Differential Fee Treatment Relief**

The Responsible Entity intends to rely upon the exemption in relation to differential fee treatment that is contained within ASIC Corporations (Registered Schemes: Differential Fees) Instrument 2017/40, to the extent that any fees are waived or discounted for certain Holders. Under the terms of this exemption, a responsible entity may charge, rebate or waive a management fee charged to a member on a basis that differs from that applying to other members who hold interests of the same class, where that differential treatment is based on at least one of the specified circumstances. These circumstances include where the differential treatment is in response to an offer made to a member that is a wholesale client (as defined in the Corporations Act) and based upon individual negotiation between the responsible entity and that member.



# 10. Taxation considerations

## 10.1 Introduction

This summary sets out the Australian income tax considerations for an Australian tax resident investor who acquires a Gold Interest. Investors may hold their Gold Interest on revenue or capital account for tax purposes, depending on their individual circumstances. This summary is general in nature and does not take into account the specific circumstances of investors, including for example those who hold a Gold Interest as trading stock or those who are subject to the Taxation of Financial Arrangements (“TOFA”) regime.

The following discussion is based on Australian law, Australian Taxation Office (“ATO”) guidance and administrative practice as at the date of this PDS. Investors should be aware that the ultimate interpretation of taxation law rests with the Courts and that the law, and the way the Commissioner of Taxation (“Commissioner”) administers the law, may change at any time, including with retrospective effect. There are a number of areas of the taxation law that are under review (including the Board of Taxation’s “Review of the Tax Treatment of Bare Trusts and Similar Arrangements”) and this may impact the tax considerations for an investor holding a Gold Interest.

Investors should seek independent professional taxation advice in relation to their own particular circumstances before making any investment decision.

This summary only deals with the Australian tax considerations for potential investors and does not deal with the tax consequences in relation to other jurisdictions. References in this section to the “1936 Act” and the “1997 Act” are references to the Income Tax Assessment Act 1936 (Cth) and the Income Tax Assessment Act 1997 (Cth), respectively.

## 10.2 Preliminary comments – Absolute entitlement

The Constitutions of the Fund and Sub-Fund provide an investor with an absolute, vested and indefeasible interest in possession in the gold bullion and provide for each investor’s interest in gold bullion to be held as a separate trust, held separately from the interests of other investors.

For tax purposes, where an asset is held on trust and a beneficiary is “absolutely entitled” to that asset as against the trustee, the beneficiary (not the trustee)

is treated as the owner of the trust asset for the purposes of the capital gains tax (“CGT”) provisions. Any actions taken by the trustee in relation to the asset are taken to have been done by the beneficiary directly and, if a CGT event happens in relation to the asset, any capital gain or loss is made directly by the beneficiary. This means that where the Gold Interest provides the investor with “absolute entitlement” to gold bullion, the redemption of the Gold Interest for gold bullion under the Gold Delivery Method should not result in a disposal for CGT purposes (as set out below).

The concept of “absolute entitlement” for tax purposes is not defined in the tax legislation. It is considered that the test of “absolute entitlement” is whether the beneficiary can direct the trust to transfer the trust property to them or at their direction.

As a general rule, the ATO’s view is that if there is more than one beneficiary with interests in a trust asset, it is not possible for any single beneficiary to call for the asset to be transferred to them because their entitlement is not to the entire asset (see the ATO’s draft public Taxation Ruling TR 2004/D25 on absolute entitlement). However, in TR 2004/D25, the Commissioner states that an investor can be considered “absolutely entitled” to a specific number of the trust assets for CGT purposes if:

- the assets are fungible;
- the beneficiary is entitled against the trustee to have their interest in those assets satisfied by a distribution or allocation in their favour of a specific number of them; and
- there is a very clear understanding between the relevant parties that the beneficiary is entitled, to the exclusion of the other beneficiaries, to that specific number of the trust’s assets.

The ATO’s view as expressed in TR 2004/D25 is that, because the assets are fungible, it does not matter that the beneficiaries can not point to particular assets as belonging to them. It is sufficient in these circumstances that they can point to a specific number of assets. Due to the nature of gold, there is risk that a Gold Interest does not provide an investor with “absolute entitlement” to the underlying gold bullion. Please refer to the comments in section 10.9 below for the tax implications should this be the case.

Since the issue of TR 2004/D25, a number of Australian cases have discussed the concept of “absolute entitlement”. These cases raise concerns

as to whether a bare trust or custodial holding can satisfy the requirements of absolute entitlement. This is because although the trustee or custodian will generally be required to be act upon the directions of the beneficiary there are generally some exceptions which may mean that the strict meaning of “absolute entitlement” is not met.

It is common industry practice for bare trusts not to be recognised for most income tax purposes. That is, bare trusts are generally looked through or disregarded. Under this industry practice, beneficiaries of bare trusts are taken to hold trust assets, and derive income and incur losses, directly as though no trust exists. The ATO has publicly acknowledged the practice and has generally not, to date, sought to disturb the current industry practice.

The comments in 10.3 to 10.8 below are provided on the basis this common industry practice of ignoring bare trust arrangements applies to a Gold Interest. Further comments in relation to the current industry practice in relation to bare trusts are set out in section 10.9.

### **10.3 Gold Entitlements – Revenue or capital account**

The income tax consequences for an investor in relation to a Gold Interest depend on whether the investor holds the Gold interest on revenue account or on capital account for tax purposes. Whether an investor holds their Gold Interest on revenue account or capital account will generally depend on the investor’s particular individual circumstances. For example, CGT (capital account) treatment should apply to gains and losses realised on the disposal of the Gold Interest by a complying superannuation fund. The use of the Gold Interest as a hedge for another asset could impact the revenue/capital character of the disposal of the Gold Interest. Investors should seek their own advice on their particular circumstances.

We are aware that the Commissioner has previously issued a private binding ruling (Authorisation number 1011958806551) where it was held that, based on the facts in that particular case, the applicant held a security similar to the Gold Interest on revenue account. This was due to the fact that the Commissioner was of the view the applicant, a unit trust, acquired the investment with a profit-making intention and that the acquisition of the investment by the applicant was commercial in nature. One of the

factors that the Commissioner considered relevant in considering whether the applicant had a profit making intention when acquiring the investment was the fact that commodities such as gold generally do not have an immediate use other than as an object of trade since they do not generate income over the life of the investment. There were other factors that the Commissioner considered relevant when concluding that the applicant held the investment on revenue account including the nature of the taxpayer, the nature and scale of other activities undertaken by the taxpayer, the taxpayer’s overall operations, the size of the investment, the taxpayer’s expectations in relation to the value of the investment and the taxpayer’s intention at the time of acquisition in relation to the disposal of the investment. Whilst the private ruling is only binding on the Commissioner in respect of the specific applicant, it illustrates circumstances where the Gold Interest may be characterised as being held on revenue account.

Ultimately, the tax treatment of investing in the Gold Interest as being held on revenue account or capital account will depend on the investor’s own circumstances and should be discussed with a tax advisor.

### **10.4 Creation Request to acquire a Gold Interest**

Only Authorised Participants may apply for the creation of Gold Interests. There should be no consequences for the Authorised Participant when they apply to acquire a Gold Interest in the Fund.

### **10.5 Revenue account holder – redemption or disposal of Gold Interest**

An investor who takes delivery of the gold bullion on redemption of a Gold Interest via the Gold Delivery Method should not be taxed until the gold bullion is sold by the investor. This is because the investor should remain the beneficial owner of the gold bullion as a result of the redemption of the Gold Interest.

However, should the Responsible Entity permit redemptions via the Gold Sale method (which will only occur in exceptional circumstances as noted above) an investor may make a gain on redemption of a Gold Interest which may be included in the investor’s assessable income as ordinary income. A loss made on redemption of the Gold Interest may be deductible.

## 10. Taxation considerations

It is generally expected that most investors (other than Authorised Participants) will buy and sell Gold Interests on the secondary market. For these investors, any gain made on the sale of the Gold Interest should be included in the investor's assessable income as ordinary income. Similarly, a loss made on the sale of the Gold Interest should be deductible. Any gain or loss on disposal should be calculated by comparing the sale proceeds received on disposal of the Gold Interest to the cost of the Gold Interest (noting the cost may be reduced by the management fee as set out below in section 10.7).

For Authorised Participant investors holding the Gold Interest on revenue account, the gain or loss on disposal of a Gold Interest (to an investor on the secondary market) should be calculated by comparing the sale proceeds received on disposal of the Gold Interest to the price paid to acquire the gold bullion (being the gold bullion transferred by the Authorised Participant on creation of the Gold Interest). Taxpayers holding the Gold Interest as trading stock or those subject to the TOFA rules should seek their own advice.

When calculating the profit or loss on redemption or disposal, the Redemption Fee or Sale Costs should be subtracted from the sale proceeds in order to determine the revenue profit assessable, or the revenue loss deductible, to the investor.

### 10.6 Capital account holder – redemption or disposal of Gold Interest

An investor who takes delivery of the gold bullion on redemption of a Gold Interest via the Gold Delivery Method should not be taxed until the gold bullion is actually sold by the investor. This is because the investor should remain the beneficial owner of the gold bullion as a result of the redemption of the Gold Interest.

However, should the Responsible Entity permit redemptions via the Gold Sale method (which will only occur in exceptional circumstances as noted above) an investor may make a capital gain or capital loss on disposal.

It is expected that Authorised Participants will not hold Gold Interests on capital account (because, for example, they are in the business of dealing in securities like the Gold Interests).

It is generally expected that most investors (other than Authorised Participants) will buy and sell Gold Interests on the secondary market. An investor will generally make a capital gain on the disposal of the Gold Interest where the sale proceeds received by the investor exceeds the cost base of the Gold Interest. If the capital proceeds received by an investor are less than the investor's reduced cost base of the Gold Interest, then the investor will make a capital loss. Capital losses can be offset against capital gains made by an investor but not against other types of income.

The cost base that an investor has in a Gold Interest is, broadly, the sum of the following:

1. the amount the investor paid to acquire the Gold Interest;
2. The incidental costs of acquisition and disposal of the Gold Interest (e.g. Sale Costs and any professional advisory fees); and
3. Any costs of ownership of the Gold Interest (e.g. interest incurred by an investor as a result of borrowing funds to acquire the Gold Interest where the interest is not otherwise allowable as a tax deduction).

The reduced cost base of a Gold Interest includes 1 and 2 but not 3 of the matters listed immediately above.

If an investor is an Australian resident individual, trust or complying superannuation entity then they may be able to claim the benefit of the CGT discount. A corporate investor cannot claim the benefit of the CGT discount.

Broadly, the CGT discount excludes a portion of the net assessable capital gain from taxable income, where the investor has held the Gold Interest for twelve months or more. For investors who are Australian individuals or trusts this portion is 50% (conditions apply). For investors who are complying superannuation entities the portion is 33.33%.

Any available capital losses incurred by the investor are offset against the gross capital gain before the remaining net capital gain is discounted in the hands of the investor.

## 10.7 Management fee

Investors will be charged a Management Fee out of the Assets.

As set out above, the Management Fee will accrue daily and is payable monthly. The Management Fee is settled by the transfer of gold bullion to the Responsible Entity's account monthly.

On this basis, every month the investor will be considered to have sold part of their interest in the gold bullion for market value. Broadly, the above discussion in relation to the income tax consequences for an investor disposing of gold bullion above will apply equally here in relation to the payment of the management fee. The cost/cost base that the investor had in the gold bullion prior to the sale will be required to be apportioned between the gold bullion which is sold as a result of the payment of the management fee and the gold bullion which the investor continues to hold.

The management fee is to be paid out of the trust property of each Separate Trust. For CGT purposes, the management fee will be included in an investor's cost base of the gold bullion as a cost of ownership of the gold bullion. The management fee will not however be included in an investor's reduced cost base of the gold bullion. On this basis, the management fee may reduce any capital gain made by the investor on disposal of the bullion but will not increase any capital loss made.

If the investor holds the Gold Interest other than on capital account, then the management fee may reduce the consideration received on disposal.

Investors should seek their own tax advice in relation to the payment of the management fee.

## 10.8 Foreign exchange gains/losses

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

Dealings in gold bullion may involve the purchase and sale of foreign currency. As a consequence, the Investor may derive or incur foreign exchange gains or losses.

## 10.9 Current bare trust tax treatment

As noted above, it is common industry practice for bare trusts not to be recognised for Australian income tax purposes (with some limited exceptions). That is, a bare trust is generally looked through (or disregarded) such that beneficiaries are taken to hold assets, and to derive income and incur losses, directly as though no trust exists. Whilst there are specific areas of the Australian income tax legislation that do allow trusts to be disregarded in certain circumstances, the general principle of not recognising bare trusts is not currently supported by the Australian tax legislation.

Notwithstanding the above, the ATO has a long running administrative practice of not recognising bare trusts for most Australian income tax purposes. However, this administrative practice is not legally binding on the ATO which means there is no legal certainty in relation to the position or that the ATO's position will not change.

Treating bare trusts as separate trusts for tax purposes would have significant implications including that that beneficiaries of the trust would be being liable to tax on their share of the taxable income of the trust by reference to the share of the income of the trust to which they are presently entitled and that losses would be trapped in the trust and only be available to be carried forward to future income years and applied against the trust's future assessable income (subject to certain conditions). In addition, there may be additional reporting obligations for the trustee.

## 10.10 GST

The supply of the Gold Interests should not be subject to GST. If GST is or becomes payable on any supply made under, or in connection with this document, you will be required to pay the GST to the supplier.

A Holder may not be entitled to full input tax credits for GST paid on the acquisition of goods and services (for example, financial advisory services) relating to the issue of the Gold Interests and acquisition and/or subsequent sale of Gold Interests. This will depend on the Holder's personal circumstances and each Holder should obtain independent tax advice applicable to their personal circumstances.

## 10. Taxation considerations

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### 10.11 General tax gross up

Neither the Responsible Entity nor the Fund is liable for any taxes, duty or other charges payable by you in relation to or in connection with these terms or payable by the Fund or any other person on, as a consequence of, or in connection with, the purchase, sale or transfer of Gold Interests or rights, or any other supply under or in connection with these terms. The Holder must pay all taxes (including GST) and other charges for which the Holder becomes liable in relation to or in connection with these terms.

# 11. Glossary

Capitalised terms used in this PDS and the attached forms have the following defined meanings unless the context provides otherwise.

**ACH Clearing Rules** mean the rules of the Australian Clearing House Pty Limited ABN 48 001 314 503 as amended or varied from time to time.

**Administrator** means R & H Fund Services (Jersey) Limited, being the counterparty to the Administrator Agreement with the Responsible Entity in respect of the Fund.

**Administration Agreement** means the administration deed between the Responsible Entity and the Administrator.

**AFS Licence** means an Australian Financial Services Licence issued by ASIC.

**Allocated Account** means the allocated bullion account established in the Responsible Entity's name with the Custodian, pursuant to the Allocated Account Agreement.

**Allocated Account Agreement** means the Agreement dated 17 April 2024 between the Responsible Entity and the Gold Custodian pursuant to which the Allocated Account is established and operated.

**AML/CTF Act** means the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) as supplemented, amended, varied or replaced from time to time.

**Assets** means in respect of each Gold Interest issued under this PDS, the gold bullion together with any income, capital, property and rights of the Fund referable to that Gold Interest.

**ASX** means ASX Limited (ACN 008 624 691) or the market operated by it as the context requires.

**ASX Business Day** has the meaning given to the term "Business Day" in the ASX Settlement Rules.

**ASX Listing Rules** means the ASX Listing Rules published by the ASX, as supplemented, amended, varied or replaced from time to time.

**ASX Operating Rules** means the ASX Operating Rules published by the ASX, as supplemented, amended, varied or replaced from time to time.

**ASX Settlement Rules** means the ASX Settlement Operating Rules published by ASX as supplemented, amended, varied or replaced from time to time.

**ASX Trading Day** means any day on which the ASX is open for trading.

**AUD** means the lawful currency of the Commonwealth of Australia.

**ATO** means the Australian Tax Office or any Government Agency which replaces it or performs its functions.

**Australian Prudential Regulation Authority (APRA)** means the Australian Prudential Regulation Authority or any Government Agency which replaces it or performs its functions.

**Australian Securities and Investments Commission (ASIC)** means the Australian Securities and Investments Commission or any Government Agency which replaces it or performs its functions.

**Australian Transaction Reports and Analysis Centre (AUSTRAC)** means the Australian Transaction Reports and Analysis Centre or any Government Agency which replaces it or performs its functions.

**Authorised Participant** means a person that:

- (a) has an agreement with the Responsible Entity in relation to making applications to acquire and withdraw interests in the Fund; and
- (b) it is, or has engaged to act on its behalf, a participant (within the meaning of section 761A of the Corporations Act) in relation to a financial market, to acquire and dispose of interests in the Fund.

**Authorised Participant Agreement** means a written agreement between the Responsible Entity 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 Gold Interests and if such agreement is subject to conditions precedent, provided that such conditions have been satisfied.

**Banking Act** means the Banking Act 1959 (Cth) as amended or varied from time to time.

**Business Day** means a day other than a Saturday or Sunday on which banks are open for general banking business in Sydney.

**Clearing House Electronic Sub Register System (CHES)** means the Clearing House Electronic Sub register System established and operated in accordance with the ACH Clearing Rules.



# 11. Glossary

**Compulsory Redemption Date** means the date notified by the Responsible Entity to the Holders (if any) as the date on which all or part of the Gold Interests will be compulsorily redeemed by the Responsible Entity.

**Compulsory Redemption Election Fee** means the fees and costs charged by the Fund for Holders to change their election as to whether the Gold Delivery Method or Gold Sale Method will apply following compulsory redemption. The amount of the Compulsory Redemption Election Fee will be determined by the Responsible Entity from time to time.

**Corporations Act** means the Corporations Act 2001 (Cth) as amended or varied from time to time.

**Creation** means the process by which a Gold Interest is issued under the terms of this PDS and in accordance with the Trust Deed.

**Creation Fee** means the flat fee payable on creation of a Gold Interest calculated in accordance with this PDS and the Trust Deed.

**Creation Request** means an offer by an Authorised Participant to the Responsible Entity to subscribe for Gold Interests, being an offer on terms referred to in the form prescribed from time to time by the Responsible Entity and this PDS including through the System.

**Custodian** means the entity that provides custody and transfer facilities for the interests in the Sub-Fund under the HSBC Custody Agreement as amended or varied from time to time and as at the date of this PDS means The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch. HSBC has no involvement with any custody services relating to gold bullion.

**Dealing Day** means any day which is an ASX Trading Day and a London Business Day

**Delivery Day** means a Business Day;

**Delivery Costs** means all of the costs of arranging the delivery of a Holder's Trust Property incurred by the Responsible Entity (or its agents), including any brokerage, transaction costs and delivery costs. The costs of the delivery include any costs and Expenses incurred by the Responsible Entity (or its agents) whatsoever which in the Responsible Entity's opinion relates to the arranging and completion of the delivery.

**Delivery Obligations** means the obligation of the Responsible Entity, on behalf of the Fund, to deliver

the gold bullion to the Holder in accordance with the terms of the Trust Deed.

**FCA** means the Financial Conduct Authority of the United Kingdom or any Government Agency which replaces it or performs its functions.

**FMCA** means the Financial Markets Conduct Act 2013 (NZ) as amended or varied from time to time.

**Fund** means the Global X Gold Bullion ETF.

**Global X** means Global X Management (AUS) Limited

**Global X Gold Bullion ETF (the Fund)** means the Global X Gold Bullion ETF (ARSN 661 601 583).

**Global X Wholesale Gold Bullion Trust (the Sub-Fund)** means the Global X Wholesale Gold Bullion Trust.

**Gold Account Agreements** means both Unallocated Account Agreement and Allocated Account Agreement dated 17th April 2024 between the Responsible Entity and JPMorgan Chase Bank, N.A.

**Gold Custodian** means the entity that provides custody and transfer facilities for the gold bullion held by the Sub-Fund under the Unallocated Account Agreement and Allocated Account Agreement and as at the date of this PDS means JPMorgan Chase Bank, N.A.

**Gold Delivery Method** means a method used by the Responsible Entity to discharge its Delivery Obligations whereby the gold bullion represented by the Gold Interests to be redeemed is transferred to the redeeming Holder as set out in this PDS and the Trust Deed.

**Gold Entitlement** means the amount of physical gold (whether held in an Allocated Account or Unallocated Account) held in a Separate Trust for each Gold Interest less Fees and expenses. On the first issue date, Gold Entitlement is equal to 1/100th Gold Fine Troy Ounce.

**Gold Interest** means an interest in the Fund issued under the terms of this PDS and in accordance with the Trust Deed pursuant to which the Holder has a beneficial interest in the Assets which are held on a Separate Trust.

**Gold Sale Method** means a method used by the Responsible Entity to discharge its Delivery Obligations whereby the gold bullion representing the Gold Interests to be redeemed is sold to the Gold Sale Counterparty on behalf of the redeeming Holder and the resulting sale proceeds (less any applicable Sales Costs) are transferred to the redeeming Holder as set out in this PDS and the Trust Deed.



**Good Delivery Bars** means the standards required by the LBMA (or its successors) for gold bullion bars as set out in Section 4.3 (Gold Market Overview) of this PDS.

**Government** or **Government Agency** means, whether foreign or domestic:

- (a) a government, whether federal, state, territorial or local or a department, office or minister of a government acting in that capacity; or
- (b) a commission, delegate, instrumentality, agency, board, or other government, semi-government, judicial, administrative, monetary or fiscal body, department, tribunal, entity or authority, whether statutory or not, and includes any self-regulatory organisation established under statute or any stock exchange.

**GST** means a goods and services tax, value added tax, consumption tax or a similar tax or a tax on services only, including without limitation, GST as defined in section 195-1 of the GST Act.

**GST Act** means the *A New Tax System (Goods and Services) Tax Act 1999* (Cth) as amended or varied from time to time.

**Holder** means the person recorded in the Register as the holder of a Gold Interest (including persons jointly registered).

**Holding Lock** means, as defined by the ASX from time to time, a facility that prevents securities from being deducted from, or entered into, a holding pursuant to a transfer or conversion.

**HSBC** means the entity that provides custody and transfer facilities for the interests in the Sub-Fund under the HSBC Custody Agreement as amended or varied from time to time and as at the date of this PDS means The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch. HSBC has no involvement with any custody services relating to gold bullion

**HSBC Custody Agreement** means the custodial services agreement between the Responsible Entity and HSBC pursuant to which HSBC provides custody services to the Fund.

**Liquid** or **Liquidity** has the same meaning as in the Corporations Act.

**London Bullion Market Association (LBMA)** means the London Bullion Market Association ([www.lbma.org.uk](http://www.lbma.org.uk)) or its successors.

**Management Fee** means the fees and costs charged by the trustee of the Sub-Fund for the management of an investment in the Gold Interests, as set out in Sections 8.2 and 8.3 of this PDS.

**Metal Accounts** means the Unallocated Account and Allocated Account.

**Minimum Holding** means the amount (if any) from time to time determined by the Responsible Entity to be the minimum holding for Gold Interests.

**Mirae Asset Global Investment Group** means the group of companies of which Mirae Asset Global Investments Co., Ltd is the parent.

**Net Asset Value (NAV)**, means the net asset value of the Fund or a Gold Interest (as the context requires) and is calculated in the manner set out in Section 7.1 (Net Asset Value).

**Normal Operating Expenses** means all expenses incurred by the Responsible Entity including those in connection with the establishment, promotion, and operation of the Fund or in properly performing its duties or exercising its powers that are payable or can be reimbursed out of the Assets pursuant to the Trust Deed.

**NYSDFS** means the New York State Department of Financial Services.

**Product Disclosure Statement (PDS)** means this Product Disclosure Statement dated 19 April 2024.

**Purchase Amount** means the actual amount for which the gold bullion is acquired on behalf of an Authorised Participant pursuant to the Gold Purchase Method plus any applicable Taxes and any other fees and costs.

**Redemption** means the process of redeeming a Gold Interest under the terms of this PDS and in accordance with the Trust Deed.

**Redemption Fee** means the flat fee payable on redemption of a Gold Interest calculated in accordance with this PDS and the Trust Deed, which at the date of this PDS is \$500.

**Redemption Request** means a written request in the form approved by the Responsible Entity from time to time to be lodged by the Holder with the Responsible Entity which instructs the Responsible Entity how to deal with the gold bullion and confirms redemption of the Gold Interest.

**Register** means the register of Holders kept by the Responsible Entity under the Corporations Act.

# 11. Glossary

**Registrar Agreement** means the Registry Services Agreement dated 31 March 2015 between the Responsible Entity and the Registrar.

**Responsible Entity** means Global X Management (AUS) Limited in its capacity as the responsible entity of the Fund.

**Retail Client** has the meaning given to it in the Corporations Act.

**Sale Costs** means all the costs of arranging the sale of a Holder's gold bullion incurred by the Responsible Entity under the Gold Sale Method for a particular Redemption Request. The costs of the sale include any transaction costs, delivery costs and other expenses incurred by the Responsible Entity (or its agents) whatsoever which in the Responsible Entity's opinion relates to the arranging and completion of the sale.

**Sale Proceeds** means the actual amount for which the gold bullion is sold on behalf of the Holder pursuant to the Gold Sale Method less any applicable Taxes and any other fees and costs.

**Separate Trust** means each separate trust constituted in respect of each individual Gold Interest under the Trust Deed.

**Settlement Date** means the date which is:

- (a) in relation to a particular Creation Request in respect of Gold Interests, either the:
  - (i) the second ASX Business Day (T+2) following the relevant ASX Business Day (T); or
  - (ii) the date specified in the Creation Request by the Authorised Participant which is accepted by the Responsible Entity, or
- (b) in relation to a particular Redemption Request in respect of Gold Interests, either the:
  - (i) the second ASX Business Day (T+2) following the relevant ASX Business Day;
  - (ii) the date specified by the Holder in the Redemption Request which is accepted by the Responsible Entity; or
  - (iii) any Compulsory Redemption Date.

**Settlement Rules** has the meaning given in the ASX Operating Rules.

**Sub-Fund** means Global X Wholesale Gold Bullion Trust, a sub-trust of the Fund.

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

**Transaction Documents** means the documents which, in addition to this PDS, set out the terms and conditions relating to the Gold Interests and the holding of the gold bullion as listed in Section 1.1 (Overview).

**Trust Deed** means the constitution of the Fund as amended or varied from time to time.

**Unallocated Account** means the unallocated gold bullion account established in the Responsible Entity's name with the Custodian, pursuant to the Unallocated Account Agreement.

**Unallocated Account Agreement** means the Unallocated Account Agreement dated 17 April 2024 between the Responsible Entity and the Gold Custodian pursuant to which the Unallocated Account is established and operated.

**USD** means the lawful currency of the United States of America.

**Valuation Time** means a time determined by the Responsible Entity at which the Responsible Entity calculates the Net Asset Value.

References in this PDS to a particular time, unless otherwise stated, are references to the time in Sydney, Australia. Unless the context otherwise requires, references in this PDS to any agreement or documents includes a reference to such agreement or document, as amended, varied, novated, supplemented or replaced from time to time and unless otherwise stated or the context otherwise requires references in this document to any statute or any provision of any statute include a reference to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or any such modification or re-enactment, in each case in force as at the date of this PDS. No documents, including the contents of any websites or web pages referred to in this PDS, form part of this PDS.

## 12. Corporate directory

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### Responsible Entity

Global X Management (AUS) Limited

Level 9, 115 Pitt Street  
Sydney NSW 2000  
Australia

ACN: 150 433 828  
AFSL: 466778

Email: [info@globalxetfs.com.au](mailto:info@globalxetfs.com.au)  
Phone: +61 2 8311 3488

### Administrator

R & H Fund Services (Jersey) Limited

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

### Gold Custodian

JPMorgan Chase Bank, N.A

25 Bank Street  
Canary Wharf  
E14 5JP, London  
United Kingdom

### Custodian of Sub-Fund Interests

The Hongkong and Shanghai Banking Corporation  
Limited, Sydney Branch

Level 36, Tower 1  
International Towers Sydney  
100 Barangaroo Avenue  
Sydney NSW 2000  
Australia

### Registrar

Computershare Investor Services Pty Limited

Yarra Falls  
452 Johnston Street  
Abbotsford VIC 3067  
Australia

### Legal Advisers as to Australian Law

MinterEllison

Governor Macquarie Tower  
1 Farrer Place  
Sydney NSW 2000  
Australia

### Auditors

KPMG

Tower Three  
International Towers Sydney  
300 Barangaroo Avenue  
Sydney NSW 2000  
Australia

