VanEck Merk Gold Trust
Form POS AM
May 25, 2016

As Filed with the Securities and Exchange Commission on May 25, 2016 Registration No. 333-180868

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Pre-Effective Amendment No. 1 to

Post-Effective Amendment No. 3

to Form S-1 on

FORM S-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

VanEck Merk Gold Trust*

(Exact name of Registrant as specified in its charter)

New York	**1040**	**46-6582016**
(*State or Other Jurisdiction of Incorporation or Organization*)	(*Primary Standard Industrial Classification Code Number*)	*(I.R.S. Employer Identification No.)*

2 Hanson Place

Brooklyn, NY 11217

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Axel Merk

President and Chief Investment Officer

Merk Investments LLC, Sponsor

555 Bryant Street, #455

Palo Alto, California 94301

Telephone: (650) 323-4341

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to

Shoshannah D. Katz, Esq.

K&L Gates LLP

1 Park Plaza, 12th Floor

Irvine, CA 92614

Telephone: (949) 253-0900

Facsimile: (949) 253-0902

Stacy L. Fuller, Esq.

K&L Gates LLP

1601 K Street, NW

Washington, DC 20006

Telephone: (202) 778-9000

Facsimile: (202) 778-9100

Approximate date of commencement of proposed sale to the public: As soon as practicable after the Registration Statement is declared effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	Accelerated filer	Non-accelerated filer *(Do not check if a smaller reporting company)*	Smaller reporting company

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

* Reflects name change from Van Eck Merk Gold Trust effective April 28, 2016.

EXPLANATORY NOTE

The VanEck Merk Gold Trust, or the Trust, is filing this Post-Effective Amendment No. 3 to, among other things, (i) convert the Registration Statement on Form S-1 (Commission File No 333-180868) into a Registration Statement on Form S-3 and (ii) incorporate by reference its audited financial statements for the year ended January 31, 2016, and other updated information as previously filed with the SEC in the Trust's Annual Report on Form 10-K filed on April 29, 2016.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MAY 25, 2016

57,416,000 VanEck Merk Gold Shares

VANECK MERK GOLD TRUST

The VanEck Merk Gold Trust (Trust), formerly known as the Merk Gold Trust and Van Eck Merk Gold Trust, issues VanEck Merk Gold Shares (shares), formerly known as Merk Gold Shares and Van Eck Merk Gold Shares, which represent units of fractional undivided beneficial interest in the Trust. The Trust's primary objective is to provide investors with an opportunity to invest in gold through the shares and be able to take delivery of physical gold bullion (physical gold) in exchange for their shares. The Trust's secondary objective is for the shares to reflect the performance of the price of gold less the expenses of the Trust's operations. The Trust is not actively managed. Merk Investments LLC is the Trust's sponsor; The Bank of New York Mellon is the trustee of the Trust; and JPMorgan Chase Bank, N.A. is the Trust's custodian.

Physical gold that the Trust will hold includes London Bars and, for the limited purposes described herein, other gold bars and coins, without numismatic value, having a minimum fineness (or purity) of 995 parts per 1,000 (99.5%) or, for American Gold Eagle gold coins, with a minimum fineness of 91.67%.

Shares are issued by the Trust in blocks of 50,000 shares called "Baskets" in exchange for gold from certain registered broker-dealers or other securities market participants (Authorized Participants). The Trust issues and redeems Baskets on an ongoing basis at net asset value to and from Authorized Participants who have entered into a contract with the Sponsor and the Trustee. Investors who would like to take delivery of physical gold in exchange for their shares (Delivery Applicants) may submit shares to the Trust in exchange for physical gold. See "Taking Delivery of Physical Gold."

Shares will be offered to the public from time to time at prices that will reflect, among other things, the price of gold and the trading price of the shares on NYSE Arca at the time of the offer. Prior to this offering, there has been no public market for the shares. The shares trade on NYSE Arca under the symbol "OUNZ." On May 6, 2016, the closing price of our shares was $12.79 per share. The market price of the shares may be different from the net asset value per share.

Investing in the shares involves significant risks. See "Risk Factors" starting on page 10.

Neither the Securities and Exchange Commission (SEC) nor any state securities commission has approved or disapproved of the securities offered in this prospectus (Prospectus), or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The Trust is an "emerging growth company" as that term is used in the Jumpstart Our Business Startups Act (the "JOBS Act"). However, the Trust will not take advantage of any exemptions or other relief provided to emerging growth companies under the JOBS Act.

The shares are neither interests in nor obligations of either the Sponsor or the Trustee. The shares are not insured by the Federal Deposit Insurance Corporation or any other governmental agency. The Trust is not an investment company registered under the Investment Company Act of 1940, as amended. The Trust is not a commodity pool for purposes of the Commodity Exchange Act of 1936, as amended, and the Sponsor is not subject to regulation by the Commodity Futures Trading Commission as a commodity pool operator or a commodity trading advisor.

On May 6, 2014, an initial purchaser, subject to conditions, deposited gold for the purchase of two initial Baskets totaling 100,000 shares, as described in "Plan of Distribution." The initial Baskets were created at a per share price equal to the value of 1/100th of a Fine Ounce of gold on May 6, 2014, the date of formation of the Trust. Delivery of initial Baskets was made on or about May 14, 2014. The Trust received all proceeds from the offering of the initial Baskets in gold in an amount equal to the full price for the initial Baskets.

As of May 6, 2016, there were 8,725,374 VanEck Merk Gold Shares outstanding.

The date of this Prospectus is __________, 2016.

Table of Contents

TABLE OF CONTENTS

This Prospectus contains information you should consider when making an investment decision about the shares. You may rely on the information contained in this Prospectus. The Trust and the Sponsor have not authorized any person to provide you with different information and, if anyone provides you with different or inconsistent information, you should not rely on it. This Prospectus is not an offer to sell the shares in any jurisdiction where the offer or sale of the shares is not permitted.

The shares are not registered for public sale in any jurisdiction other than the United States.

Table of Contents

STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus includes statements which relate to future events or future performance. In some cases, you can identify such forward-looking statements by terminology such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “beli “estimate,” “predict,” “potential” or the negative of these terms or other comparable terminology. All statements (other than statements of historical fact) included in this Prospectus that address activities, events or developments that may occur in the future, including such matters as changes in commodity prices and market conditions (for gold and the shares), the Trust’s operations, the Sponsor’s plans and references to the Trust’s future success and other similar matters are forward-looking statements. These statements are only predictions. Actual events or results may differ materially. These statements are based upon certain assumptions and analyses made by the sponsor on the basis of its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. Whether or not actual results and developments will conform to the sponsor’s expectations and predictions, however, is subject to a number of risks and uncertainties, including the special considerations discussed in this Prospectus, general economic, market and business conditions, changes in laws or regulations, including those concerning taxes, made by governmental authorities or regulatory bodies, and other world economic and political developments. See “Risk Factors.” Consequently, all the forward-looking statements made in this Prospectus are qualified by these cautionary statements, and there can be no assurance that the actual results or developments the Sponsor anticipates will be realized or, even if substantially realized, that they will result in the expected consequences to, or have the expected effects on, the Trust’s operations or the value of the shares. Moreover, neither the Sponsor, nor any other person assumes responsibility for the accuracy or completeness of the forward-looking statements. Neither the Trust nor the Sponsor undertakes an obligation to publicly update or conform to actual results any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

Table of Contents

PROSPECTUS SUMMARY

The following is a summary of this Prospectus, and while it contains material information about the VanEck Merk Gold Trust (Trust) and the shares it issues, it does not contain or summarize all of the information about the Trust and the shares contained in this Prospectus that is material and that may be important to you. You should read this entire Prospectus, including "Risk Factors" beginning on page 10, and the material incorporated by reference herein before making an investment decision about the shares. Capitalized terms not defined in this section have the meaning set forth in the Glossary beginning on page 62 of this Prospectus.

Overview of the Trust Structure, the Sponsor, the Trustee and the Custodian

The Trust was formed pursuant to the Depositary Trust Agreement (Trust Agreement) on May 6, 2014 under New York State law as the Merk Gold Trust. The Trust Agreement was amended effective October 26, 2015, changing the name of the Trust to Van Eck Merk Gold Trust, and subsequently on April 28, 2016, changing the name of the Trust to VanEck Merk Gold Trust. The Trust's primary objective is to provide investors with an opportunity to invest in gold through the shares and be able to take delivery of physical gold bullion (physical gold) in exchange for those shares. The Trust's secondary objective is for the shares to reflect the performance of the price of gold less the expenses of the Trust's operations. Each share represents a fractional undivided beneficial interest in the Trust's net assets. The Trust's assets consist principally of gold held on the Trust's behalf in financial institutions for safekeeping. Physical gold that the Trust will hold includes London Bars and, for the limited purposes described herein, other gold bars and coins, without numismatic value, having a minimum fineness (or purity) of 995 parts per 1,000 (99.5%) or, for American Gold Eagle gold coins, with a minimum fineness of 91.67% (American Gold Eagle Coins).

The sponsor of the Trust is Merk Investments LLC (Sponsor). The Sponsor is a Delaware limited liability company. ***The shares are neither interests in nor obligations of, and are not guaranteed by, the Sponsor, its member(s), or any of its affiliates.***

The shares, now known as VanEck Merk Gold Shares, provide investors with the opportunity to access the gold market though a traditional brokerage account. The Sponsor believes that investors will be able to more effectively implement strategic and tactical asset allocation strategies that use gold by investing in the shares than by purchasing, holding and trading gold directly. The Trust is one of several exchange-traded products that seek to track the price of physical gold. Certain other financial products may gain exposure to physical gold through the use of derivatives that may be subject to counterparty and credit risks. The Trust will not hold or employ derivatives. Gold also is not subject to borrowing arrangements with third parties. Accordingly, the Trust's allocated gold will not be subject to counterparty or credit risks. The value of gold will be reported on the Trust's website daily. See "Business of the Trust - The Trust's Guiding Principles."

Shares are issued by the Trust only in blocks of 50,000 shares called “Baskets” in exchange for gold from certain registered broker-dealers or other securities market participants (Authorized Participants). See “Creation and Redemption of Shares by Authorized Participants” for requirements to qualify as an Authorized Participant. Baskets may be redeemed by the Trust in exchange for the amount of gold corresponding to their redemption value. The Trust issues and redeems Baskets on an ongoing basis at net asset value to Authorized Participants who have entered into a contract with the Sponsor and the Trustee (as described below).

Individual shares will not be redeemed by the Trust but are listed and trade on NYSE Arca under the symbol “OUNZ.”℠ A Delivery Applicant may deliver shares to the Trust in exchange for physical gold after submitting to the Sponsor a qualifying document that expresses the Delivery Applicant’s non-binding intention to exchange shares for physical gold on the Share Submission Day (Delivery Application) along with the applicable processing fees. See “Taking Delivery of Physical Gold.” The number of shares to be delivered must correspond in value to the Fine Ounce content of physical gold requested. To meet its primary objective to provide investors with an opportunity to invest in gold through the shares and to be able to take delivery of physical gold in exchange for their shares, the Trust is committed to its guiding principles. See “Business of the Trust - The Trust’s Guiding Principles.”

The material terms of the Trust are discussed in greater detail under the section “Description of the Trust.” The Trust is not an investment company registered under the Investment Company Act of 1940, as amended (1940 Act), and is not required to register with the Securities and Exchange Commission thereunder. The Trust does not and will not hold or trade in commodities futures contracts regulated by the Commodity Exchange Act, as amended, or the CEA, as administered by the Commodity Futures Trading Commission. The Trust is not a commodity pool for purposes of the CEA and neither the Sponsor nor the Trustee is subject to regulation as a commodity pool operator or a commodity trading advisor in connection with the Shares. The Trust has no fixed termination date.

1

Table of Contents

The Sponsor arranged for the creation of the Trust, the registration of the shares for their public offering in the United States and the listing of the shares on NYSE Arca. The Sponsor generally oversees the performance of the Trustee and the Trust's principal service providers, but does not exercise day-to-day oversight of the Trustee or such service providers. The Sponsor may remove the Trustee and appoint a successor trustee under certain circumstances. The Sponsor also has the right to direct the Trustee to appoint any new or additional custodian of the Trust's gold that the Sponsor selects.

The Sponsor: (1) will develop a marketing plan for the Trust on an ongoing basis; (2) will prepare marketing materials regarding the shares; (3) will maintain the Trust's web site; (4) may engage in over-the-counter transactions with a precious metals dealer to exchange the Trust's gold for gold of different specifications as requested by a Delivery Applicant in a Delivery Application; (5) may provide instructions for assaying gold, and other instructions relating to the custody of gold, as necessary; (6) may request the Trustee to order Custodian audits (to the extent permitted under the Custody Agreement); and (7) will review Delivery Applications from Delivery Applicants who want to take delivery of physical gold for their shares and coordinate the delivery of physical gold to the Delivery Applicants.

Pursuant to a services agreement, Foreside Fund Services, LLC (Foreside) assists the Sponsor by providing training to and oversight of certain of the Sponsor's employees concerning the preparation of marketing material and regulatory requirements for such material, reviewing such material when requested and making other educational programs available to the Sponsor's employees. Pursuant to a marketing agent agreement, Van Eck Securities Corporation, or VanEck, provides assistance in the marketing of the shares. In addition, the Sponsor maintains a public website on behalf of the Trust, containing information about the Trust and the shares, including a listing of gold held by the Trust. The internet address of the Trust's website is www.merkgold.com. This internet address is only provided here as a convenience, and the information contained on or connected to the Trust's website is not considered part of this Prospectus.

The Sponsor has agreed to assume the following administrative and marketing expenses incurred by the Trust: the Trustee's monthly fee and out-of-pocket expenses; the Custodian's fee; the marketing support fees and expenses (including those of Foreside and VanEck); expenses reimbursable under the Custody Agreement; the precious metals dealer's fees and expenses reimbursable under its agreement with the Sponsor; exchange listing fees; SEC registration fees; printing and mailing costs; maintenance expenses for the Trust's website; audit fees; and up to $100,000 per annum in legal expenses. The Sponsor also paid the costs of the Trust's organization and the initial sale of the shares, including applicable SEC registration fees. See "The Sponsor."

The Trustee is The Bank of New York Mellon. The Trustee is responsible for the day-to-day administration of the Trust. The Trustee's responsibilities include: (1) valuing the Trust's gold and calculating the net asset value per share of the Trust; (2) supplying inventory information to the Sponsor for the Trust's website; (3) receiving and processing orders from Authorized Participants for the creation and redemption of Baskets; (4) coordinating the processing of orders from Authorized Participants with the Custodian and The Depository Trust Company (DTC), including coordinating with the Custodian the receipt of unallocated gold transferred to the Trust in connection with each issuance of Baskets; (5) cooperating with the Sponsor, the precious metals dealer and the Custodian in connection with the delivery of physical gold to Delivery Applicants in exchange for their shares; (6) issuing and allocating shares to the Sponsor in lieu of paying the fee to compensate the Sponsor (Sponsor's Fee) in cash; (7) issuing and allocating shares to the Sponsor to reimburse cash payments owed by the Trust, but undertaken by the Sponsor; (8) selling gold pursuant to the Sponsor's direction or otherwise as needed to pay any extraordinary Trust expenses that are not assumed by the Sponsor; (9) holding the Trust's cash and other financial assets, if any; (10) when appropriate, making distributions of cash or other property to investors; and (11) receiving and reviewing reports on the custody of and transactions in gold from the Custodian and taking such other actions in connection with the custody of gold as the Sponsor instructs.

The Custodian is JPMorgan Chase Bank, N.A. The Custodian is responsible for the safekeeping of the Trust's allocated gold and supplying inventory information to the Trustee and the Sponsor. The Custodian also is responsible for facilitating the transfer of gold in and out of the Trust and facilitating the shipment of London Bars to Delivery Applicants. The Custodian will deposit into the Trust Unallocated Account gold received from an Authorized Participant in exchange for Baskets. The Custodian will promptly convert the deposit to allocated London Bars. At the end of each business day, the Custodian may hold no more than 430 Fine Ounces of unallocated gold, which corresponds to the maximum weight of a London Bar, in the Trust Unallocated Account.

Unless otherwise agreed between the Trustee (as instructed by the Sponsor) and the Custodian, physical gold must be held by the Custodian at its London vault premises. The Trust's gold holdings are subject to periodic audits and, under the Custody Agreement, the Custodian has agreed to permit physical gold auditors access to its premises during normal business hours to examine the gold held for the Trust and such records as they reasonably require.

Detailed descriptions of certain specific rights and duties of the Trustee and the Custodian are set forth in “Description of the Trust,” “The Trustee” and “The Custodian.”

Trust Objectives

The primary objective of the Trust is to provide investors with an opportunity to invest in gold through shares, and be able to take delivery of physical gold in exchange for their shares. The Trust’s secondary objective is for the shares to reflect the performance of the price of gold less the expenses of the Trust’s operations. The Trust is not actively managed. It does not engage in any activities designed to obtain a profit from, or to compensate investors for losses caused by, changes in the price of gold.

The Trust holds London Bars and, in connection with a Delivery Applicant’s exchange of shares for physical gold, physical gold of other specifications as requested by the Sponsor. The Trust receives gold deposited by Authorized Participants in exchange for the creation of Baskets and delivers gold to Authorized Participants in exchange for Baskets surrendered to it for redemption. Upon the delivery of shares by a Delivery Applicant as described below, the Sponsor may engage in over-the-counter transactions with a precious metals dealer to exchange gold for physical gold of different specifications.

Investors may contact their broker-dealer to purchase and sell shares. An investor who would like to take delivery of physical gold for its shares is referred to as a Delivery Applicant:

A Delivery Applicant wishing to deliver shares of the Trust in exchange for physical gold must submit to the Sponsor a Delivery Application and payment for (1) the applicable processing fees, and (2) the applicable delivery fees to cover the cost of preparing and transporting physical gold from the Custodian or the precious metals dealer from which they were obtained to the location specified by the Delivery Applicant in the Delivery Application. The number of shares to be delivered must (i) correspond to at least one Fine Ounce of gold and (ii) have a minimum dollar value in an amount that is specified by the Sponsor from time to time on the Trust’s website. Taking delivery of physical gold is subject to guidelines intended to minimize the amount of cash that will be distributed with physical gold. The Delivery Application is not binding until shares are delivered to the Trust.

Upon pre-approval of the Delivery Application by the Sponsor, a Delivery Applicant shall instruct its broker dealer to submit the Delivery Application and transfer shares to the Trustee; the submission and transfer by the broker-dealer will be a binding and irrevocable request to take delivery of physical gold in exchange for shares based on instructions in the Delivery Application (Share Submission).

Once the Trustee has received a Delivery Applicant's Share Submission, a number of Fine Ounces of physical gold not exceeding the Fine Ounces represented by the shares surrendered will be delivered to the Delivery Applicant based on instructions in the Delivery Application. To the extent a Delivery Application specifies London Bars, physical gold will be delivered by the Custodian; to the extent the Delivery Application specifies physical gold other than London Bars, if available, gold held by the Trust will be exchanged with the help of a precious metals dealer and delivered to the Delivery Applicant. The Delivery Application process is designed to keep the Fine Ounces represented by the Share Submission as close as possible to the Fine Ounces of the gold delivered. Any excess Fine Ounces included in the Share Submission will be sold by the Custodian and the Trustee will deliver proceeds to DTC with instructions to credit the Delivery Applicant's brokerage account.

The shares are intended to constitute a cost-efficient mechanism for investors to make an investment in gold. Although the shares are not the exact equivalent of an investment in gold, they provide investors with an alternative that allows a level of participation in the gold market through the securities market. The shares are:

Listed and trade on NYSE Arca like other exchange-traded securities under the symbol "OUNZ."

Easily accessible to investors through traditional brokerage accounts.

Backed by allocated gold held by the Custodian and no more than 430 Fine Ounces of unallocated gold held with the Custodian. The shares differ from other financial products that gain exposure to gold in that other financial products may use derivatives to gain exposure to the price of gold.

Cost efficient because the expenses involved in an investment in physical gold are dispersed among all investors in the shares.

Table of Contents

Structure of the Trust

The following chart shows the relationship of the Trust and other parties following the closing of this offering.

Summary Risk Factors

An investment in the Trust involves significant risks and uncertainties described in the section below entitled "Risk Factors" and elsewhere in this Prospectus. Some of these risks include:

fluctuations in the value of shares based upon the price of the gold held by the Trust, which could create the potential for losses, regardless of the period of time that shares are held;

substantial sales of gold by central banks, governmental agencies and multi-lateral institutions, which could adversely affect an investment in the shares;

the fact that the Trust does not actively trade gold to take advantage of short-term market fluctuations in the price of gold;

the fact that each sale of gold by the Trust will be a taxable event for investors;

the fact that any gain recognized by a U.S. investor who or that is an individual, estate or trust attributable to a sale or exchange of shares held for more than one year, or attributable to the Trust's sale of any gold that the investor is treated (through his, her or its ownership of shares) as having held for more than one year, generally will be subject to federal income tax at a maximum rate of 28% rather than the lower maximum rates applicable to most other long-term capital gains such an investor recognizes; and

counterparty risks associated with the Trust's transactions with precious metals dealers to exchange the Trust's gold for physical gold of different specifications.

Table of Contents

Principal Offices

The offices of the Trust and the Trustee are located at 2 Hanson Place, Brooklyn, New York 11217. The Sponsor is located at 332 Pine Street #200, San Francisco, California 94104 with a mailing address of 555 Bryant Street #455, Palo Alto, California 94301, and its telephone number is (650) 323-4341. The Custodian is located at 1 Chase Manhattan Plaza, New York, New York 10005.

Emerging Growth Company Status

The Trust is an "emerging growth company," as defined in the JOBS Act, and is eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002 and reduced disclosure obligations that are not otherwise applicable to the Trust. In addition, Section 107 of the JOBS Act also provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an "emerging growth company" can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. However, the Trust is choosing to "opt out" of such extended transition period, and as a result, will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. Section 107 of the JOBS Act provides that the decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

Table of Contents

THE OFFERING

Offering	The shares represent units of fractional undivided beneficial interest in the net assets of the Trust.
Use of proceeds	Proceeds received by the Trust from the issuance and sale of Baskets consist of gold deposits. Such deposits are held at the Custodian on behalf of the Trust until (1) distributed to Authorized Participants in connection with redemptions of Baskets, (2) distributed or exchanged for distribution to a Delivery Applicant in connection with a Delivery Application or (3) sold to pay Trust expenses and liabilities not assumed by the Sponsor. See "Description of the Trust-Trust Expenses."
NYSE Arca symbol	"OUNZ"
CUSIP	921078 101 (effective October 26, 2015)
Creation and Redemption Authorized Participants	The Trust receives gold deposited with the Custodian only by Authorized Participants in exchange for the creation of "Baskets," each equal to 50,000 shares. Conversely, the Trust delivers gold in exchange for Baskets surrendered to it for redemption by Authorized Participants or shares delivered by Delivery Applicants as described below. The Trust issues and redeems Baskets on a continuous basis only to Authorized Participants. Baskets are only issued or redeemed in exchange for the amount of gold determined by the Trustee on each day that NYSE Arca is open for regular trading based on the combined net asset value of the shares included in the Baskets being created or redeemed. No shares are issued unless the Custodian confirms that the Trust has been allocated the corresponding amount of gold. The Custodian must allocate physical gold to the Trust such that, at the end of each business day, the Custodian shall hold on behalf of the Trust no more than 430 Fine Ounces of gold on an unallocated basis. The initial amount of gold required for deposit with the Trust to create shares for the period beginning with the formation of the Trust and ending on the first day of trading of the shares on the NYSE Arca was 500 Fine Ounces of gold per Basket. Fees are assessed in connection with the creation and redemption of Baskets by Authorized Participants. See "Creation and Redemption of Shares by Authorized Participants" for more details.
Taking Delivery of Physical Gold - Investors	Investors may contact their broker-dealer to purchase and sell shares. An investor who would like to take delivery of physical gold in exchange for shares (a Delivery Applicant) may submit shares to the Trust in exchange for physical gold. The number of shares to be delivered must (1) correspond to at least one Fine Ounce of gold and (2) have a minimum dollar value in an amount that is specified by the Sponsor from time to time on the Trust's website. Delivery Applicants may be entitled to physical gold approximately equal to the Fine Ounces of gold represented by the shares on the day the shares are submitted to the Trustee (Share Submission Day), which is any business day the NYSE Arca is open for trading.

Delivery Applicants interested in exchanging shares for physical gold may submit a Delivery Application to the Sponsor along with the Processing Fee.

Upon receiving pre-approval from the Sponsor, the Delivery Applicant instructs his or her broker to submit the Delivery Application and transfer the shares to the Trustee according to the instructions in the Delivery Application.

Once the Trustee has accepted a Delivery Applicant's Share Submission, physical gold will be delivered by the Custodian or acquired by the precious metals dealer and forwarded to the Delivery Applicant according to the information provided in the Delivery Application. For physical gold other than London Bars, the Sponsor will arrange with the precious metals dealer for the gold held by the Trust to be exchanged for the requested form of physical gold.

6

Table of Contents

The Processing Fees charged to a Delivery Applicant are comprised of fees charged by the Sponsor (Exchange Fee) and for the transfer of physical gold (Delivery Fee). As of May 19, 2014, the Exchange Fee is a flat fee per ounce of the gold represented by the shares submitted on the Share Submission Day, subject to minimum fees, as follows:

Type of Gold	Fee per Ounce	Minimum fee
London bars	$ 32	$ 0
10oz Australian bars	$ 25	$ 1,000
1oz Australian bars	$ 30	$ 1,200
1oz Australian Kangaroos	$ 40	$ 1,600
1oz Canadian Maples	$ 42	$ 1,600
1oz American Gold Eagles	$ 60	$ 2,500
1oz American Buffalos	$ 60	$ 2,500

The Delivery Fee for the transfer of physical gold is the fee charged to deliver physical gold to the Delivery Applicant. No Delivery Fee is charged for the delivery of physical gold to destinations in the lower 48 States. In addition, the Trust does not anticipate sales taxes applying to the procurement of gold for Delivery Applicants. However, if such taxes do apply, they are the sole responsibility of the Delivery Applicant.

All fees are subject to change upon notice and the Sponsor may waive or reduce applicable Processing Fees from time to time. In addition, the Sponsor may change the Exchange Fee with notice as published on the Trust’s website. The Processing Fees must be wired by the Delivery Applicant at the time the Delivery Application is submitted to the Sponsor; the fee is fully reimbursable until the Delivery Applicant submits his or her shares to the Trustee.

See “Taking Delivery of Physical Gold” for more details.

Net Asset Value

The Trustee determines the net asset value of the Trust on each day that NYSE Arca is open for regular trading, as promptly as practical after 4:00 PM New York time. The net asset value of the Trust is the aggregate value of the Trust’s assets less its estimated accrued but unpaid liabilities (which include accrued expenses). In determining the Trust’s net asset value, the Trustee values the gold held by the Trust based on the afternoon session of the twice daily fix of the price of a Fine Ounce of gold which starts at 3:00 PM London, England time and is performed in London by ICE Benchmark Administration as an independent third-party administrator for the London Bullion Market Association (the LBMA PM Gold Price). The Trustee also determines the net asset value per share. If on a day when the Trust’s net asset value is being calculated the LBMA PM Gold Price for that day is not available, the Trustee will value the gold held by the Trust based on that day’s morning session of the twice daily fix of the price of a Fine Ounce of gold, which starts at 10:30 AM London, England time and is performed in London by the ICE Benchmark Administration as an independent third-party administrator for the London Bullion Market Association (the LBMA AM Gold Price). If no fix is available for the day, the Trustee will value the Trust’s gold based on the most recently announced LBMA PM Gold Price or LBMA AM Gold Price. If the Sponsor determines that such price is inappropriate to use, it shall identify an alternate basis for evaluation to be employed by the Trustee. The Sponsor may instruct the Trustee to use a different publicly available price which the Sponsor determines to fairly represent the commercial value of the Trust's gold. See "Description of the Trust-Valuation of Gold and Computation of Net Asset Value."

Table of Contents

	The Trust's only ordinary recurring expense is expected to be the Sponsor's Fee of 0.40% of the net asset value of the Trust. In exchange for the Sponsor's Fee, the Sponsor has agreed to assume the ordinary administrative and marketing expenses that the Trust is expected to incur.
Trust Expenses	The Sponsor's Fee will accrue daily based on the prior business day's net asset value and will be payable in shares of the Trust on a monthly basis in arrears. Paying the Sponsor's Fee in shares of the Trust, rather than cash, eliminates the need for the Trust to sell gold to raise cash to pay the Sponsor's Fee. From time to time, the Sponsor may waive all or a portion of the Sponsor's Fee at its discretion. The Sponsor is under no obligation to continue a waiver after the end of a stated period, and, if such waiver is not continued, the Sponsor's Fee will thereafter be paid in full. Presently, the Sponsor does not intend to waive any of its fees. See "Description of the Trust-Trust Expenses."
Tax Considerations	An investor will be treated, for federal tax purposes, as if it directly owns a *pro rata* share of the Trust's assets and directly receives that share of any Trust income and incurs that share of the Trust's expenses. Consequently, the sale of gold by the Trust, including the sale of gold to generate cash to pay its fees and expenses - and although it is not entirely free from doubt, the issuance of shares to the Sponsor as remuneration for its services and/or reimbursement of the Trust's expenses and/or liabilities - will be a taxable event for investors. It is expected that, if a Delivery Applicant submits some or all of its shares to the Trust to take delivery of the underlying physical gold represented by those shares, the exchange will generally not be a taxable event for the Delivery Applicant. See "Federal Income Tax Consequences-Taxation of U.S. Investors" and "ERISA and Related Considerations."
Suspension of Issuance, Transfers, Redemptions and Taking Delivery	The Sponsor may suspend the delivery or registration of transfers of shares, or may refuse a particular deposit or transfer at any time, if the Sponsor considers it advisable or necessary for any reason, including if the Custodian has informed the Trustee and the Sponsor that it is unable to allocate gold to the Trust's allocated gold account. Redemptions by Authorized Participants and delivery of shares by Delivery Applicants may and, on the direction of the Sponsor, shall, be generally suspended or particularly rejected by the Trustee (1) during any period in which regular trading on NYSE Arca is suspended or restricted, or the Exchange is closed, or (2) during an emergency as a result of which delivery, disposal or evaluation of gold is not reasonably practicable or (3) with respect to the delivery of shares by a Delivery Applicant only, if such action is deemed advisable or necessary by the Sponsor for any reason. See "Creation and Redemption of Shares by Authorized Participants - Creation Procedures - Authorized Participants - Rejection of purchase orders" and "Creation and Redemption of Shares by Authorized Participants - Redemption Procedures - Authorized Participants - Suspension or rejection of redemption orders."

The Trustee shall reject the delivery of shares by the Delivery Applicant (1) if the number of shares delivered does not correspond to the number of shares specified in the pre-approved Delivery Application, (2) if the delivered shares are not accompanied by proper instructions and by a pre-approved Delivery Application or (3) the number of Fine Ounces represented by the delivered shares is less than the Fine Ounces to be delivered as specified in the Delivery Application. The Sponsor may decline to approve the Delivery Application for any reason, including if physical gold specified in the Delivery Application is not expected to be available on the Share Submission Day, including any applicable grace period. In addition, the delivery of physical gold shall be suspended in the event the Sponsor resigns or is otherwise unable or unwilling to perform its obligations relating to the process of Delivery Applicants taking delivery of physical gold.

Termination Events

The Trustee will terminate and liquidate the Trust if any of the following events occurs:

- the Trustee is notified that the shares are delisted from NYSE Arca and are not approved for listing on another national securities exchange within five business days of their delisting;

- Investors acting in respect of at least 75% of the outstanding shares notify the Trustee that they elect to terminate the Trust;

8

Table of Contents

60 days have elapsed since the Trustee notified the Sponsor of the Trustee's election to resign or since the Sponsor removed the Trustee, and a successor trustee has not been appointed and accepted its appointment;

any sole Custodian then acting resigns or is removed and no successor custodian has been employed within 60 days of such resignation or removal;

the SEC determines that the Trust is an investment company under the 1940 Act, and the Trustee has actual knowledge of that determination;

the Commodity Futures Trading Commission (CFTC) determines that the Trust is a commodity pool under the Commodity Exchange Act of 1936, as amended (Commodity Exchange Act), and the Trustee has actual knowledge of that determination;

the aggregate market capitalization of the Trust, based on the closing price for the shares, is less than $350 million (as adjusted for inflation by reference to the U.S. Consumer Price Index) at any time more than 18 months after the Trust's formation, and the Trustee receives, within six months after the last trading date on which such capitalization (as so based) was less than $350 million, notice from the Sponsor of its decision to terminate the Trust;

the Trust fails to qualify for treatment, or ceases to be treated, as a "grantor trust" for federal tax purposes, and the Trustee receives notice from the Sponsor that the Sponsor has determined that, because of that tax treatment or change in tax treatment, the termination of the Trust is advisable; or

60 days have elapsed since DTC or another depository has ceased to act as depository with respect to the shares, and the Sponsor has not identified another depository that is willing to act in such capacity.

If the Sponsor fails to undertake or perform, or becomes incapable of undertaking or performing, any of the duties required to be undertaken or performed by it, and such failure or incapacity is not cured, or if the Sponsor is adjudged bankrupt or insolvent, or similar circumstances involving receivership or if a trustee or liquidator or any public officer takes charge or control of the Sponsor or of its property or affairs, the Sponsor shall be deemed to have resigned, in which case the Trustee may, among other actions, terminate and liquidate the Trust.

For 60 days following the termination of the Trust, the Trust will continue to redeem Baskets tendered by Authorized Participants. Thereafter, the Trustee will sell gold and, after paying or making provision for the Trust's liabilities, distribute the proceeds to investors surrendering shares. See "Description of the Trust - Termination of the Trust."

Authorized Participants

Authorized Participants may create and redeem Baskets.

Each Authorized Participant must: (1) be a registered broker-dealer or other securities market participant, such as a bank or other financial institution, which, but for an exclusion from registration, would be required to register as a broker-dealer to engage in securities transactions; (2) be a participant in DTC; (3) have entered into an agreement with the Trustee and the Sponsor (the Authorized Participant Agreement); and (4) have established a gold unallocated account with the Custodian or with another LBMA-approved gold-clearing bank. The Authorized Participant Agreement provides the procedures for the creation and redemption of Baskets. The Authorized Participant Agreement also includes procedures for the delivery of unallocated gold to the Trust in connection with creations and the delivery of unallocated gold to Authorized Participants in connection with redemptions. A list of the current Authorized Participants can be obtained from the Trustee or the Sponsor.

Clearance and settlement	The shares are issued in book-entry form only. The shares will be evidenced by one or more global certificates that the Trustee will issue to DTC. Transactions in shares clear through the facilities of DTC. Investors may hold their shares through DTC, if they are participants in DTC, or indirectly through entities that are participants in DTC.

9

Table of Contents

RISK FACTORS

Before making an investment decision, you should consider carefully the risks described below, as well as the other information included in this Prospectus.

The Value of Your Shares is Directly Related to the Price of Gold

The value of your shares fluctuates based upon the price of the gold held by the Trust. Fluctuations in the price of gold could materially adversely affect your investment in the shares. This creates the potential for losses, regardless of the period of time that you hold the shares.

The shares are intended to track the performance of the price of gold. The value of the shares relates directly to the value of the gold owned by the Trust. Therefore, the value of the shares will fluctuate with the price of gold. The price of gold has fluctuated widely over the past several years. This exposes your investment in shares to potential losses. Several factors may affect the price of gold and, as a result, the value of the shares, including the following:

- Global supply and demand, which is influenced by factors including: (1) forward selling by gold producers; (2) purchases made by gold producers to unwind gold hedge positions; (3) central bank purchases and sales; (4) production and cost levels in major gold-producing countries; and (5) new production projects;
- Investors’ expectations regarding future inflation rates;
- Currency exchange rate volatility;
- Interest rate volatility; and
- Unexpected political, economic, global or regional incidents.

Investors should be advised that there is no assurance that gold will maintain its long-term value in terms of U.S. dollar value in the future. In the event that the price of gold declines, the Sponsor expects the value of an investment in the shares to decline proportionately.

There is No Guarantee that the High Trading Price of Gold Will be Sustained

The international gold market has experienced historically high trading prices in recent years. Because there can be no assurance that this historically high trading price of gold will be sustained, there could be significant decreases in the value of net assets and the net asset value of the Trust.

Prices in the international gold market have reached historically high levels in recent years. The price of physical gold going forward and, in turn, the future value of net assets of the Trust, may be dependent upon factors that include global gold supply and demand, investors' inflation expectations, exchange rate volatility and interest rate volatility. An adverse development with regard to one or more of these, or other factors may lead to a decrease in gold bullion currency trading prices. A decline in prices of gold would decrease the value of net assets and the net asset value of the Trust.

Governmental Actions May Affect the Price of Gold

Future governmental decisions may have significant impact on the price of gold, which may result in a significant decrease or increase in the value of the net assets and the net asset value of the Trust.

Generally, gold prices reflect the supply and demand of available gold. Governmental decisions, such as the executive order issued by the President of the United States in 1933 requiring all persons in the United States to deliver gold to the Federal Reserve or the abandonment of the gold standard by the United States in 1971, have been viewed as having significant impact on the supply and demand of gold and the price of gold. Future governmental decisions may have an impact on the price of gold, and may result in a significant decrease or increase in the value of the net assets and the net asset value of the Trust.

Table of Contents

Sales of Gold in the Market Could Adversely Affect the Shares

Substantial sales of gold by central banks, governmental agencies and multi-lateral institutions could adversely affect an investment in the shares.

Central banks, other governmental agencies and multi-lateral institutions buy, sell and hold gold as part of their reserve assets. This market sector holds a significant amount of gold, some of which is static, meaning that it is held in vaults and is not bought, sold, leased or swapped or otherwise available in the open market. Several central banks and multi-lateral institutions have sold portions of their gold reserves in recent years, with the result being that this sector, taken as a whole, has been a net supplier of gold to the open market. In the event that future economic, political or social conditions or pressures require members of this sector to liquidate their gold assets all at once or in an uncoordinated manner, the demand for gold may not be sufficient to accommodate the sudden increase in the supply of gold to the market. Consequently, the price of gold may decline which may adversely affect an investment in the shares.

An Investment in the Trust may be More Volatile than an Investment in a Diversified Portfolio

Because the Trust invests only in gold, an investment in the Trust may be more volatile than an investment in a more broadly diversified portfolio.

The Trust invests only in gold. As a result, the Trust’s holding are not diversified. Accordingly, the Trust’s net asset value may be more volatile than another investment vehicle with a more broadly diversified portfolio and may fluctuate substantially over time. The price of gold can be volatile because gold is comparatively less liquid than other commodities. Fluctuations in the price of gold are expected to have a direct impact on the value of the shares.

An investment in the Trust may be deemed speculative and is not intended as a complete investment program. An investment in shares should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Trust. Investors should review closely the objectives and strategy and redemption provisions of the Trust, as discussed herein and familiarize themselves with the risks associated with an investment in the Trust.

The Shares May Trade at a Discount or a Premium

Trust shares may trade at net asset value or at a price that is above or below net asset value. Any discount or premium in the trading price relative to the net asset value per share may widen as a result of the different trading hours of NYSE Arca and other exchanges.

Trust shares may trade at, above or below the net asset value per share. The net asset value per share will fluctuate with changes in the market value of the gold owned by the Trust. The trading price of the shares will fluctuate with changes in the net asset value per share as well as market supply and demand. The amount of the discount or premium in the trading price relative to the net asset value per share may be influenced by non-concurrent trading hours between the NYSE Arca and major gold markets. While the shares will trade on the NYSE Arca until 4:00 PM New York time, liquidity in the market for gold may be reduced after the close of the major world gold markets, including London. As a result, during this time, trading spreads and the resulting discount or premium on the shares may widen.

There May Not be an Active Trading Market for the Shares

The lack of an active trading market for the shares may result in losses on your investment at the time of disposition of your shares.

Prior to the initiation of this offering in May 2014, there has been no market for the shares. Although shares are listed for trading on NYSE Arca, there can be no assurance that an active trading market for the shares will develop or be maintained. If an active public market for the shares does not develop or continue, the market prices and liquidity of the shares may be adversely affected. If you need to sell your shares at a time when no active market for them exists, the absence of an active market will most likely adversely affect the price you receive for your shares (assuming you are able to sell them).

The Trust is Not Actively Managed

The Trust does not actively trade gold to take advantage of short-term market fluctuations in the price of gold. An investment in the Trust will yield long-term gains only if the value of gold increases over time.

The Trust does not actively manage the gold it holds. This means that the Trust does not sell gold at times when its price is high, or acquire gold at low prices in the expectation of future price increases. It also means that the Trust does not make use of any of the hedging techniques available to professional gold investors to attempt to reduce the risks of losses resulting from price decreases. Any losses sustained by the Trust will adversely affect the value of your shares.

Table of Contents

Limited Operating History

Because the Sponsor and its management have a limited history of operating investment vehicles like the Trust, their experience may be inadequate or unsuitable to manage the Trust.

The Sponsor has a limited history of operating investment vehicles like the Trust. The Sponsor's past performance in connection with the management of other investment vehicles is not indicative of the Sponsor's ability to manage the Trust. If the experience of the Sponsor and its management is not adequate or suitable to manage an investment vehicle like the Trust, the Trust's operations may be adversely affected.

The Trust May Suspend Redemptions of Baskets by Authorized Participants. Which Could Affect the Market Price of the Shares

There may be situations where the Trust suspends redemptions of Baskets by Authorized Participants. To the extent the value of gold declines, these delays may result in a decrease in the value of the gold received upon redemption by an Authorized Participant, as well as a reduction in liquidity for all investors in the secondary market.

Although shares are redeemable by Authorized Participants in exchange for the underlying amount of gold, redemptions by Authorized Participants may be suspended during any period while regular trading on NYSE Area is suspended or restricted, or in which an emergency exists that makes it reasonably impracticable to deliver, dispose of, or evaluate gold. If any of these events occurs at the time of a redemption by an Authorized Participant, and the price of gold decreases before the redemption occurs, an Authorized Participant will sustain a loss with respect to the amount that it would have been able to obtain in exchange for the gold received from the Trust upon the redemption of its shares, had the redemption taken place when it was originally intended to occur. As a consequence, Authorized Participants may reduce their trading in shares during periods of suspension, decreasing the number of potential buyers of shares in the secondary market and the price an investor may receive upon sale.

The Trust May Suspend or Reject the Surrender of Shares for Physical Gold. Which Could Affect the Market Price of the Shares

There may be situations where the Trust suspends or rejects the surrender of shares for physical gold. To the extent the value of gold declines, these delays may result in a decrease in the value of the physical gold received by a Delivery Applicant, as well as a reduction in liquidity for all investors in the secondary market.

The surrender of shares for physical gold may be suspended or rejected by the Trust during any period while regular trading on NYSE Arca is suspended or restricted, in which an emergency exists that makes it reasonably impracticable to deliver, dispose of, or evaluate gold, or, with respect to the surrender of shares by a Delivery Applicant only, as deemed necessary or advisable by the Sponsor. In addition, the Trustee shall reject the delivery of shares by the Delivery Applicant (1) if the number of shares delivered does not correspond to the number of shares specified in the pre-approved Delivery Application, (2) if the delivered shares are not accompanied by proper instructions or by a pre-approved Delivery Application or (3) the number of Fine Ounces represented by the delivered shares is less than the Fine Ounces to be delivered specified in the Delivery Application. Additionally, the Sponsor may decline to approve a Delivery Application for any reason. The delivery of physical gold shall be suspended in the event the Sponsor resigns or is otherwise unable or unwilling to perform its obligations relating to the process of Delivery Applicants taking delivery of physical gold. If any of these events occurs at the time that a Delivery Application has been received, and the price of gold decreases before the Delivery Application is processed, a Delivery Applicant will sustain a loss with respect to the amount of physical gold that it would have been able to obtain from the Trust in connection with the surrender of the Delivery Applicant's shares, had the surrender taken place when it was originally intended to occur. In addition, there may be a reduction in the trading of shares during periods of suspension, decreasing the number of potential buyers of shares in the secondary market and the price an investor may receive upon sale.

The Withdrawal of an Authorized Participant and Substantial Redemptions by Authorized Participants May affect the Liquidity of the Shares

The liquidity of the shares also may be affected by substantial redemptions by Authorized Participants related to or independent of the withdrawal from participation of Authorized Participants.

In the event that there are substantial redemptions of shares or one or more Authorized Participants with a substantial interest in the shares withdraws from participation, the liquidity of the shares will likely decrease which could adversely affect the market price of the shares and result in your incurring a loss on your investment.

Table of Contents

Competition From Other Methods of Investing in Gold

An investment in the shares may be adversely affected by competition from other methods of investing in gold.

The Trust competes with other financial vehicles, including traditional debt and equity securities issued by companies in the gold industry and other securities backed by or linked to gold, direct investments in gold and investment vehicles similar to the Trust. Market and financial conditions, and other conditions beyond the Sponsor's control, may make it more attractive to invest in other financial vehicles or to invest in gold directly, which could limit the market for and reduce the liquidity of the shares.

Other Investment Vehicles May Cause a Decline in the Price of Gold

The price of gold may be affected by the sale of ETVs tracking gold markets, which could negatively affect gold prices and the price and net asset value of the shares.

To the extent existing exchange traded vehicles (ETVs) tracking gold markets represent a significant proportion of demand for gold, large redemptions of the securities of these ETVs could negatively affect gold prices and the price and net asset value of the shares.

Financial Crises May Result in a Decline in the Price of Gold

Crises may motivate large-scale sales of gold which could decrease the price of gold and adversely affect an investment in the shares.

The possibility of large-scale distress sales of gold in times of crisis may have a short-term negative impact on the price of gold and adversely affect an investment in the shares. For example, the 2008 financial credit crisis resulted in significantly depressed prices of gold largely due to forced sales and deleveraging from institutional investors such as hedge funds and pension funds. Crises in the future may impair gold's price performance which would, in turn, adversely affect an investment in the shares.

Factors that May Cause a Decline in the Price of Gold

Several factors may have the effect of causing a decline in the prices of gold and a corresponding decline in the price of shares, including:

A significant increase in gold hedging activity by gold producers. Should there be an increase in the level of hedge activity of gold producing companies, it could cause a decline in world gold prices, adversely affecting the price of the shares.

A significant change in the attitude of speculators and investors towards gold. Should the speculative community take a negative view towards gold, it could cause a decline in world gold prices, negatively impacting the price of the shares.

A widening of interest rate differentials between the cost of money and the cost of gold could negatively affect the price of gold which, in turn, could negatively affect the price of the shares.

A combination of rising money interest rates and a continuation of the current low cost of borrowing gold could improve the economics of selling gold forward. This could result in an increase in hedging by gold mining companies and short selling by speculative interests, which would negatively affect the price of gold. Under such circumstances, the price of the shares would be similarly affected.

Table of Contents

Loss of or Damage to the Trust's Gold

Gold owned by the Trust may be subject to loss, damage, theft or restriction on access.

There is a risk that part or all of the Trust's gold could be lost, damaged or stolen. Access to the Trust's gold could also be restricted by natural events (such as an earthquake) or human actions (such as a terrorist attack). Any of these events may adversely affect the operations of the Trust and, consequently, an investment in the shares.

The Trust does not insure gold held by the Custodian or delivered by the precious metals dealer. Consequently, if there is a loss of assets of the Trust through theft, destruction, fraud or otherwise, the Trust will need to rely on insurance carried by applicable third parties, if any, or on such third party's ability to satisfy any claims against it. If the Trust's gold is lost, damaged, stolen or destroyed under circumstances rendering a party liable to the Trust, the responsible party may not have the financial resources sufficient to satisfy the Trust's claim. For example, as to a particular event of loss, the only source of recovery for the Trust might be limited to the Custodian, the precious metals dealer, or other responsible third parties (*e.g.*, a thief or terrorist), any of which may not have the financial resources (including liability insurance coverage) to satisfy a valid claim of the Trust. Moreover, losses due to nuclear accidents, terrorism, riots, acts of God, insurrections, strikes and similar causes beyond the control of the Custodian and for which the Custodian would not be liable may be sustained by the Trust.

Any loss of gold owned by the Trust will result in a corresponding loss in the net asset value and it is reasonable to expect that such loss will also result in a decrease in the value at which the shares are traded on NYSE Arca.

Recovery for Damage to the Trust's Gold May Be Limited

In the event the Trust's gold is lost, damaged, stolen or destroyed, recovery may be limited to the market value of the gold at the time the loss is discovered, which may negatively affect the value of net assets of the Trust.

If there is a loss due to theft, loss, damage, destruction or fraud or otherwise with respect to the Trust's gold held by the Custodian or delivered by the precious metals dealer, and such loss is found to be the fault of the Custodian or the precious metals dealer, the Trust may not be able to recover more than the market value of the gold at the time the loss is discovered. If the market value of gold increases between the time the loss is discovered and the time the Trust receives payment for its loss and purchases gold to replace the losses, less gold will be acquired by the Trust and the value of the net assets of the Trust will be negatively affected.

<u>The Trust's Service Providers May Not Carry Adequate Insurance</u>

The service providers engaged by the Trust may not carry adequate insurance to cover claims against them by the Trust, which could adversely affect the value of net assets of the Trust.

The Trustee, the Custodian, precious metals dealers and other service providers engaged by the Trust maintain such insurance as they deem adequate with respect to their respective businesses. Investors cannot be assured that any of the aforementioned parties will maintain any insurance with respect to the Trust's assets held or the services that such parties provide to the Trust and, if they maintain insurance, that such insurance is sufficient to satisfy any losses incurred by them in respect of their relationship with the Trust. Accordingly, the Trust will have to rely on the efforts of the service provider to recover from their insurer compensation for any losses incurred by the Trust in connection with such arrangements.

<u>Operational Problems May Cause a Decline in the Trading Price of the Shares</u>

The value of the shares could decline if unanticipated operational or trading problems arise.

There may be unanticipated problems or issues with respect to the mechanics of the Trust's operations and the trading of the shares that could have a material adverse effect on an investment in the shares. In addition, to the extent that unanticipated operational or trading problems or issues arise, the Sponsor's past experience and qualifications may not be suitable for solving these problems or issues.

<u>A Share Submission is Irrevocable</u>

An investor's instruction to a broker-dealer to transfer shares to the Trust in a Share Submission cannot be changed.

A Delivery Applicant wishing to deliver shares of the Trust in exchange for physical gold must submit to the Sponsor a Delivery Application and the Processing Fees through its broker-dealer. The Delivery Application is not binding until shares are delivered to the Trust. Upon pre-approval of the Delivery Application by the Sponsor, the Sponsor will send a copy of the pre-approved Delivery Application to the Trustee.

14

Table of Contents

A Delivery Applicant shall instruct its broker-dealer to transfer shares to the Trustee; the submission and transfer by the broker-dealer will be a binding and irrevocable Share Submission in accordance with the details specified on the pre-approved Delivery Application. Once the Trustee has received a Delivery Applicant's Share Submission and, if the Delivery Applicant has requested physical gold other than London Bars, once the Trustee has received a confirmation certified by the Sponsor that an over-the-counter transaction between the Sponsor and the precious metals dealer has been entered into providing for the exchange of physical gold held by the Trust for physical gold specified by the Delivery Applicant, physical gold will be selected or acquired by the Custodian or the precious metals dealer and then released from the Trust for delivery to the Delivery Applicant according with the instructions in the Delivery Application. Once the shares have been submitted, a Share Submission may no longer be revoked by the Delivery Applicant under any circumstances, though the Share Submission may be rejected by the Trustee or the Sponsor under certain circumstances. See "Taking Delivery of Physical Gold."

Delivery of Physical Gold to Delivery Applicants Taking Delivery of Physical Gold for their Shares May Take Considerable Time

The Custodian or a precious metals dealer will deliver physical gold to Delivery Applicants in exchange for their shares. A delay in the delivery of physical gold to Delivery Applicants could result in losses if the price of gold declines.

The Custodian or a precious metals dealer will arrange for the delivery of physical gold to Delivery Applicants in exchange for their shares. After a Delivery Applicant irrevocably submits shares to exchange for physical gold, either the Trustee will instruct the Custodian to deliver physical gold to the Delivery Applicant or, if the Delivery Applicant requests physical gold other than London Bars, the Sponsor will enter into an over-the-counter transaction on the business day following the Share Submission Day with a precious metals dealer to exchange physical gold the Trust holds for physical gold specified by the Delivery Applicant. Because delivery time depends on many factors, including the types of physical gold requested and the delivery method chosen, considerable time may elapse by the time Delivery Applicants receive their physical gold. Further, because shipments of physical gold may be broken down in to multiple smaller shipments, it may take additional time for the Delivery Applicant to receive all of the requested physical gold. See "Taking Delivery of Physical Gold." A delay in the delivery of physical gold to Delivery Applicants could result in losses if the price of gold declines.

Suspension or Rejection of the Surrender of Shares

If the Trust suspends or rejects a surrender of shares for gold, a shareholder may have no alternative but to sell shares on the open market and thus incur brokerage costs and be subject to potential tax consequences.

If the Trust suspends the surrender of shares, or rejects the delivery of shares under a Delivery Application, a shareholder who wishes to redeem shares may have no alternative but to sell shares on the open market. Such a sale of shares will involve brokerage costs and may result in tax consequences to the shareholder.

Maximum 28% Long-Term Capital Gains Tax Rate for U.S. Investors Who or That Are Individuals. Estates or Trusts

If a U.S. investor who or that is an individual, estate or trust (each referred to in this paragraph and the next paragraph as an "individual") sells or exchanges shares held for more than a year, any gain recognized on the sale or exchange generally will be subject to federal income tax at a maximum rate of 28% rather than the lower maximum rates applicable to most other long-term capital gains an individual recognizes.

Gains recognized by an individual from the sale of "collectibles," which term includes gold, held for more than one year are subject to federal income tax at a maximum rate of 28% rather than the lower maximum rates applicable to most other long-term capital gains individuals recognize (a maximum of 15% for a single individual with taxable income not exceeding $406,750 ($457,600 for married individuals filing jointly) and 20% for individuals with taxable income exceeding those respective amounts, which will be adjusted for inflation annually).

For these purposes, gain an individual recognizes on the sale of an interest in a "grantor trust" that holds collectibles (such as the Trust) is treated as gain recognized on the sale of the collectibles, to the extent the gain is attributable to unrealized appreciation in value of the collectibles. Therefore, any gain recognized by an individual U.S. investor attributable to a sale or exchange of shares held for more than one year, or attributable to the Trust's sale of any gold that the investor is treated (through his, her or its ownership of shares) as having held for more than one year, generally will be subject to federal income tax at a maximum rate of 28%. The tax rates for capital gains recognized on the sale of assets held by an individual U.S. investor for one year or less, or by a taxpayer other than an individual, are generally the same as those at which ordinary income is taxed.

Table of Contents

The Trust, through the Sponsor, has received a private letter ruling from the IRS that the purchase of shares by an IRA or a Tax-Qualified Account will not constitute the acquisition of a collectible or be treated as a taxable distribution to the IRA owner or plan participant under Code section 408(m). If a redemption of shares results in the delivery of gold to an IRA or Tax-Qualified Account, however, that distribution would constitute the acquisition of a collectible to the extent provided under that section. See also "Federal Income Tax Consequences."

The Creation and Redemption Process May Result in a Decline in the Price of Shares

If the process of creation and redemption of Baskets encounters any unanticipated difficulties, the possibility for arbitrage transactions intended to keep the price of the shares closely linked to the price of gold may not exist and, as a result, the price of the shares may fall.

If the processes of creation and redemption of shares by Authorized Participants (which depend on timely transfers of gold to and by the Custodian) encounter any unanticipated difficulties, potential market participants who would otherwise be willing to purchase or redeem Baskets to take advantage of any arbitrage opportunity arising from discrepancies between the price of the shares and the price of the underlying gold may not take the risk that, as a result of those difficulties, they may not be able to realize the profit they expect. If this is the case, the liquidity of the shares may decline and the price of the shares may fluctuate independently of the price of gold and may fall.

A Delivery Applicant Bears the Risk of Loss in Connection with the Delivery of Physical Gold

A Delivery Applicant that suffers loss of, or damage to, its physical gold during delivery will not be able to claim damages from the Trust, the Trustee, the Custodian, the precious metals dealer from which physical gold was obtained or the Sponsor.

Upon the release of physical gold from the Trust for forwarding to the Delivery Applicant, the Delivery Applicant's physical gold will be transported by either a conventional shipping carrier such as the U.S. Postal Service, Federal Express or United Parcel Service, or an armored transportation service engaged by or on behalf of the investor (Delivery Service Provider). Because ownership of physical gold will transfer to the Delivery Applicant at the time the Custodian or the precious metals dealer from which they were obtained surrenders physical gold to the Delivery Service Provider, the Delivery Applicant will bear the risk of loss from the time the Delivery Service Provider assumes possession of physical gold on the Delivery Applicant's behalf. In the event of any loss or damage in connection with the delivery of physical gold after such time, the Delivery Applicant will have no claim against the Trust, the Trustee, the Custodian, such precious metals dealer or the Sponsor but may have a claim against the Delivery Service Provider.

In addition, upon receipt of physical gold, the Delivery Applicant will have five business days, or such shorter or longer period as may be specified in the Delivery Application from time to time, following the receipt of the physical gold to notify the Sponsor in writing of any complaints or objections concerning the shipment, delivery or receipt of the physical gold. In the absence of any such objection or complaint, the Delivery Applicant will be deemed to have accepted receipt of the physical gold in full satisfaction of the physical gold due the Delivery Applicant and to have waived any and all claims the Delivery Applicant may have concerning the physical gold received by the Delivery Applicant.

Risks of Transactions with Precious Metals Dealers

Counterparty risks associated with the Trust's transactions with precious metals dealers to exchange the Trust's gold for physical gold of different specifications may expose the Trust to potential quantity and quality deficiencies and to situations where the Trust is not able to exchange gold for physical gold.

If a Delivery Applicant requests physical gold in a form other than London Bars, the Trust will enter into an over-the-counter transaction with a precious metals dealer pursuant to which the type of physical gold requested by a Delivery Applicant will be acquired by the Trust from the precious metals dealer and the precious metals dealer will be instructed to deliver the requested physical gold to the Delivery Applicant. However, there is no assurance that physical gold acquired by the Trust from the precious metals dealer will meet the quantity and quality requirements of the requested over-the-counter transaction. The precious metals dealer is responsible to the Trust for any deficiency in the amount or quality of physical gold under a Transaction and Shipping Agreement between the Sponsor and the precious metals dealer. In addition, the Trust may enter into exchange transactions with only one or a limited number of precious metals dealers, which may increase the Trust's exposure to counterparty risk. Further, there is a risk that no suitable precious metals dealers will be willing to enter into, or continue to enter into, transactions with the Trust, and, as a result, the Trust may not be able to exchange London Bars for physical gold of different specifications.

Table of Contents

Default of a Precious Metals Dealer

The Trust will bear the risk of loss of the amount expected to be received in an exchange of gold in the event of the default or bankruptcy of a precious metals dealer.

Although the Sponsor is responsible for selecting the precious metals dealer and ensuring the agreement by which the precious metals dealer is engaged includes appropriate representations, warranties and covenants of the precious metals dealer regarding completion of the over-the-counter transactions by which the Trust's gold is exchanged for the physical gold requested by the Delivery Applicant, the Sponsor is not responsible for the default or misconduct of the precious metals dealer, provided the Sponsor exercises reasonable care in selecting the precious metals dealer. Under the terms of the Sponsor's engagement of the precious metals dealer, the precious metals dealer is responsible to the Trust for any deficiency in the amount or quality of physical gold it is to provide to the Trust. Accordingly, the Trust will bear the risk in connection with any loss resulting from the insolvency or any misconduct of a precious metals dealer. Physical gold that is to be exchanged for different specifications to meet delivery requests from Delivery Applicants will be converted into unallocated gold and deposited into the precious metals dealer's unallocated gold account with the Custodian and, until the time that the physical gold to be delivered to a Delivery Applicant is surrendered to the Delivery Service Provider, the Trust may bear some risk of loss to such physical gold held on the Trust's behalf. During those times, the Trust will have no proprietary rights to any specific bars of gold held by the precious metals dealer, may not have possession of the physical gold held on its behalf by the precious metals dealer and will be an unsecured creditor of a precious metals dealer. In the event the precious metals dealer becomes insolvent or a claim of misconduct is made against the precious metals dealer, the precious metals dealer's assets might not be adequate to satisfy a claim by the Trust.

A Failure by a Precious Metals Dealer to Exercise Due Care with Respect to the Trust's Gold Could Result in a Loss to the Trust

For deliveries of gold other than London Bars to Delivery Applicants, the Trust will rely on a precious metals dealer to exchange the Trust's gold for American Gold Eagle Coins or another form of physical gold and to deliver physical gold to the Delivery Applicant pursuant to the Delivery Application. As a result, a failure by the precious metals dealer to exercise due care in the exchange and delivery of the Trust's gold could result in a loss to the Trust.

The Trust will be reliant on a precious metals dealer to exchange the Trust's gold to American Gold Eagle Coins or another form of physical gold in the amount and of the quality specified by the Sponsor in each over-the-counter transaction, and certified by the Sponsor to the Trustee in a confirmation thereof, and to deliver physical gold to the Delivery Applicant pursuant to the instructions in the Delivery Application. Under the Transaction and Shipping Agreement, the precious metals dealer is responsible to the Trust for any deficiency in the amount or quality of physical gold. Although the Transaction and Shipping Agreement requires the precious metals dealer to maintain insurance to protect the Trust in the event of a loss associated with physical gold, the Trust has no input regarding the amount, validity or adequacy of such insurance. Any failure by the precious metals dealer to exercise due care with respect to the exchange and delivery of physical gold may not be detectable or controllable by the Sponsor or the Trustee and, assuming the Delivery Applicant seeks recourse against the Trust, could result in a loss to the Trust.

The Trust's Ability to Recover Losses from a Precious Metals Dealer may be Limited

The limited liability of a precious metals dealer under the Transaction and Shipping Agreement with the Sponsor and New York State law may impair the ability of the Trust to recover losses concerning its gold and any recovery may be limited, even in the event of fraud, to the market value of the gold at the time the fraud is discovered.

The liability of the precious metals dealer is limited under the Transaction and Shipping Agreement. Under the Transaction and Shipping Agreement, the precious metals dealer shall exercise the same degree of care and diligence in safeguarding the Trust's gold as any reasonably prudent person acting as a custodian would exercise in the same circumstances and is liable for losses associated with the failure of physical gold to be in the amount and of the quality specified by the Sponsor in an over-the-counter transaction and for physical loss or destruction of gold that results from fraud, theft, negligence or otherwise and regardless of culpability of the precious metals dealer. However, any such liability is limited to the market value of physical gold held by the precious metals dealer at the time such negligence, fraud or willful default is discovered and is subject to the precious metals dealer honoring its contractual obligations.

Table of Contents

Physical Gold May not be Available in the Requested Sizes

There is no guarantee that physical gold will be available in specified sizes, which may result in a Delivery Applicant paying higher or lower Processing Fees.

The Trust holds London Bars. To facilitate a Delivery Applicant’s ability to exchange shares for physical gold, the Sponsor will engage in an over-the-counter transaction with a precious metals dealer to exchange the Trust’s London Bars for physical gold of different specifications. There is no guarantee, at the time that the Sponsor seeks to exchange the Trust’s London Bars for physical gold of different specifications, that such physical gold will be available. As a result, it may be necessary for a Delivery Applicant to wait for such physical gold to be available. If the precious metals dealer advises the Sponsor that the desired physical gold is not available, the Sponsor will advise the Delivery Applicant. At that time, the Sponsor may offer the Delivery Applicant physical gold that is different from the physical gold specified in the Delivery Application that comprises the same Fine Ounce content. If the Delivery Applicant accepts different physical gold than that specified in the Delivery Application, a new Delivery Application would need to be completed and it may result in higher or lower Processing Fees. However, it is unlikely that the Cash Proceeds (i.e., the difference between the value of a Delivery Applicant’s shares and the value of physical gold to be delivered to the Delivery Applicant) will change because the total Fine Ounce component of the physical gold will not change unless otherwise agreed to by the Delivery Applicant.

Physical Gold Delivered upon Taking Delivery in Exchange for Shares May Need to be Reassayed

If a Delivery Applicant requests that physical gold be delivered to a destination that is outside the “chain of integrity,” the physical gold may need to be re-assayed, which could result in additional costs for the Delivery Applicant and potential delays in assaying the physical gold.

The Trust’s London Bars are generally accepted by institutional gold dealers without assaying because such London Bars are produced according to strict LBMA specifications and regularly audited to ensure that specifications meet those stated. When traded exclusively among certain institutional gold dealers, London Bars are considered to remain within the “chain of integrity.” By remaining in the chain of integrity, London Bars have historically been available at the lowest transaction costs of any gold bullion because assay costs are minimized. However, a London Bar that leaves the chain of integrity may need to be re-assayed. In addition to the costs associated with assaying, there may be significant delays in assaying gold, especially during times when gold may be in high demand, due to potential backlogs.

If, upon exchanging shares for physical gold, a Delivery Applicant requests that the physical gold be delivered from the Custodian to another bank or a vault in the business of holding physical gold for institutional investors, the physical gold may continue to be accepted for trading without being re-assayed while in the custody of that institution.

If a Delivery Applicant instructs that London Bars be delivered to a destination other than an institutional gold dealer, the London Bars delivered to the Delivery Applicant may no longer be deemed part of the chain of integrity. This may make a future sale of such gold more difficult and expensive. In addition, the value of any London Bars that have left the chain of integrity are likely to be at a discount from the spot price of gold.

Physical gold other than London Bars also may need to be re-assayed should they leave the Custodian. One and 10 Ounce Bars may be accepted by some dealers without re-assaying should the bars appear in excellent condition and/or remain in the mint's original packaging. However, Delivery Applicants should be aware that dealers may charge a fee to re-assay any bar for any reason.

Limited Investor Rights

As an investor, you will not have the rights normally associated with ownership of shares of other types of investment vehicles. For example, you will have extremely limited voting rights in comparison to those of shareholders in traditional operating companies.

The Trust is a passive investment vehicle with no management and no board of directors. Thus, the shares are not entitled to the same rights as shares issued by a corporation operating a business enterprise with management and a board of directors. By acquiring shares, you are not acquiring the right to elect directors, to vote on certain matters regarding the issuer of your shares or to take other actions normally associated with the ownership of shares, such as the right to bring "oppression" or "derivative" actions. You will only have the extremely limited rights described under "Description of the Shares."

Table of Contents

Absence of 1940 Act and Commodity Exchange Act Protections

Investors will not have the protections normally associated with ownership of shares in an investment company registered under the 1940 Act or the protections afforded by the Commodity Exchange Act.

The Trust is not registered as an investment company under the 1940 Act and is not required to register thereunder. Consequently, investors do not have the regulatory protections provided to investors in investment companies. The Trust will not hold or trade in commodity futures contracts regulated by the Commodity Exchange Act, as administered by the CFTC. Furthermore, the Trust is not a commodity pool for purposes of the Commodity Exchange Act, and the Sponsor is not subject to regulation by the CFTC as a commodity pool operator, or a commodity trading advisor, in connection with the shares. Therefore, investors will not have the regulatory protections provided to investors in instruments or commodity pools regulated by the Commodity Exchange Act.

Termination and Liquidation May Be Required

The Trust may be required to terminate and liquidate at a time that is disadvantageous to investors.

If the Trust is required to terminate and liquidate, such termination and liquidation could occur at a time which is disadvantageous to investors, such as when gold prices are lower than the gold prices at the time when investors purchased their shares. In such a case, the Trust's gold may be sold as part of the Trust's liquidation and the resulting proceeds distributed to investors will be less than if gold prices were higher at the time of the sale. See "Description of the Trust - Termination of the Trust" for more information about the termination of the Trust, including when the termination of the Trust may be triggered by events outside the direct control of the Sponsor, the Trustee or the investors and the option of taking delivery of gold.

The Trust's Ability to Recover Losses from the Custodian is Limited

The limited liability of the Custodian under the agreement with the Trust and U.K. law may impair the ability of the Trust to recover losses concerning its gold and any recovery may be limited, even in the event of fraud, to the market value of the gold at the time the fraud is discovered.

The liability of the Custodian is limited under the Custody Agreement. Under the agreements between the Trustee and the Custodian that establishes the Trust's unallocated gold account (Trust Unallocated Account) and the Trust's allocated gold account (Trust Allocated Account), the Custodian is liable only for losses that are the direct result of its own negligence, fraud or willful default in the performance of its duties. Any such liability is further limited to the market value of the gold held in the Trust Allocated Account and the Trust Unallocated Account at the time such negligence, fraud or willful default is discovered by the Custodian or notified to the Custodian by the Trustee. In addition, under an unallocated account agreement between the Authorized Participant and the Custodian or, if the Authorized Participant uses another custodian, that custodian, the Custodian or the Authorized Participant's custodian may not be contractually or otherwise liable for any losses suffered by any Authorized Participant or investor. Moreover, the terms of the Authorized Participant's unallocated account agreement may have other terms that may limit the recovery of the Authorized Participant's losses from the Custodian or the Authorized Participant's custodian.

It May Be Difficult for the Trust to Seek Legal Redress Against the Custodian

Although the relationship between the Custodian and the Trustee concerning the Trust's allocated gold is expressly governed by U.K. law, a court hearing any legal dispute concerning that arrangement may disregard that choice of law and apply U.S. law, in which case the ability of the Trust to seek legal redress against the Custodian may be frustrated.

The obligations of the Custodian under the Custody Agreement are governed by U.K. law. The Trust is a New York common law trust. Any United States, New York or other court situated in the United States may have difficulty interpreting U.K. law (which, insofar as it relates to custody arrangements, is largely derived from court rulings rather than statute), London Bullion Market Association (LBMA) rules or the customs and practices in the London custody market. It may be difficult or impossible for the Trust to sue the Custodian in a United States, New York or other court situated in the United States. In addition, it may be difficult, time consuming and/or expensive for the Trust to enforce in a foreign court a judgment rendered by a United States, New York or other court situated in the United States.

Investors Do Not have the Right to Assert a Claim Against the Custodian

Investors and Authorized Participants lack the right under the Custody Agreement to assert claims directly against the Custodian, which significantly limits their options for recourse.

Neither the investors nor any Authorized Participant will have a right under the Custody Agreement to assert a claim of the Trustee against the Custodian. Claims under the Custody Agreement may only be asserted by the Trustee on behalf of the Trust.

19

Table of Contents

A Failure by the Custodian to Exercise Due Care with Respect to Gold Could Result in a Loss to the Trust

The Trust will rely on the Custodian for the safekeeping of essentially all of the Trust's gold. As a result, failure by the Custodian to exercise due care in the safekeeping of the Trust's gold could result in a loss to the Trust.

The Trust will be reliant on the Custodian for the safekeeping of essentially all of the Trust's gold. The Trustee is not liable for the acts or omissions of the Custodian. The Trustee has no obligation to monitor the activities of the Custodian other than to receive and review reports prepared by the Custodian pursuant to the Custody Agreement. In addition, the ability to monitor the performance of the Custodian may be limited because under the Custody Agreement the Trustee and the Sponsor and any accountants or other inspectors selected by the Sponsor have only limited rights to visit the premises of the Custodian for the purpose of examining the Trust's gold and certain related records maintained by the Custodian. As a result of the above, any failure by the Custodian to exercise due care in the safekeeping of the Trust's gold may not be detectable or controllable by the Trustee and could result in a loss to the Trust.

The Trust Would Be An Unsecured Creditor of the Custodian in the Event of Insolvency

Gold held in the Trust Unallocated Account and any Authorized Participant's unallocated account will not be segregated from the Custodian's assets. If the Custodian becomes insolvent, its assets may not be adequate to satisfy a claim by the Trust or any Authorized Participant.

Gold which is part of a deposit for a purchase order or part of a redemption distribution will be held for a time in the Trust Unallocated Account and, previously or after, in the unallocated gold account of the purchasing Authorized Participant. During those times, the Trust and the Authorized Participant, as the case may be, will have no proprietary rights to any specific bars of gold held by the Custodian and will each be an unsecured creditor of the Custodian with respect to the amount of gold held in such unallocated accounts. In addition, if the Custodian fails to segregate gold held by it on behalf of the Trust, unallocated gold will not be segregated from the Custodian's assets, and the Trust will be an unsecured creditor of the Custodian with respect to the amount so held in the event of the insolvency of the Custodian. In the event the Custodian becomes insolvent, the Custodian's assets might not be adequate to satisfy a claim by the Trust or the Authorized Participant for the amount of gold held in their respective unallocated gold accounts.

Baskets May Be Issued for More or Less Gold than Required

In issuing Baskets, the Trustee will rely on certain information received from the Custodian which is subject to confirmation after the Trustee has relied on the information. If such information turns out to be incorrect, Baskets may be issued in exchange for an amount of gold that is more or less than the amount of gold required to be deposited with the Trust.

The Custodian's definitive records are prepared after the close of its business day. However, when issuing Baskets, the Trustee will rely on information reporting the amount of gold credited to the Trust's accounts that it receives from the Custodian during the business day and which is subject to correction during the preparation of the Custodian's definitive records after the close of business. If the information relied upon by the Trustee is incorrect, the amount of gold actually received by the Trust may be more or less than the amount required to be deposited for the issuance of Baskets.

Physical Gold Allocated to the Trust May Not Meet the Standards of a London Bar

Physical gold allocated to the Trust in connection with the creation of a Basket may not meet the standards of a London Bar and, if a Basket is issued against such gold, the Trust may suffer a loss.

Neither the Trustee nor the Custodian independently confirms the fineness of the gold allocated to the Trust in connection with the creation of a Basket. The physical gold allocated to the Trust by the Custodian may be different from the reported fineness or weight required by the LBMA's standards for gold bars delivered in settlement of a gold trade (i.e., London Bars), the standards required by the Trust. If the Trustee nevertheless issues a Basket against such gold, and if the Custodian fails to credit the Trust the amount of any deficiency, the Trust may suffer a loss.

Table of Contents

The Value of Gold in the Trust Is Limited to the Value of the Fine Ounce Content of Gold

Because gold in the Trust is valued at the price of gold independent of location and type of gold, the value of gold in the Trust is limited to the price of gold multiplied by the Fine Ounce content of the gold.

Gold in the Trust is valued at the price of gold independent of location and type of gold. The price of gold commonly quoted refers to the price of a London Bar in London. Any gold that is not a London Bar located in London may obtain a bid price when offered for sale that deviates from the price of gold. Nonetheless, the Trust values all gold at the price of gold because the Sponsor assumes the cost of conversion of gold. Conversely, in the unlikely event that such a conversion yields a profit, the Sponsor, not the Trust, will keep such profit. As a result, the value of gold in the Trust is limited to the price of gold multiplied by the Fine Ounce content of the gold.

Similarly, when investors exchange their shares for physical gold other than London Bars, the shares also are valued at the price of gold for purposes of calculating their share in the Trust. The Sponsor may recover this conversion cost as part of the Exchange Fee.

Payment of the Sponsor's Fee in Shares and the Sale of Gold by the Trust May Cause a Decline in the Value of the Shares

The amount of gold represented by each share will decrease when the Sponsor's Fee is paid in shares and when the Trustee sells the Trust's gold to pay Trust expenses. Without increases in the price of gold sufficient to compensate for that decrease, the price of the shares will also decline and you will lose money on your investment in shares.

Although the Sponsor has agreed to assume all organizational and certain ordinary administrative and marketing expenses incurred by the Trust, not all Trust expenses will be assumed by the Sponsor. For example, most taxes and other governmental charges that may be imposed on the Trust's property will not be paid by the Sponsor. As part of its agreement to assume some of the Trust's ordinary administrative expenses, the Sponsor has agreed to pay legal fees and expenses of the Trust not in excess of $100,000 per annum. Any legal fees and expenses in excess of that amount will be the responsibility of the Trust.

The Sponsor intends to accept shares of the Trust for the Sponsor's Fee and reimbursement of expenses not assumed by the Sponsor. However, the Trust may be subject to certain other liabilities (for example, as a result of litigation) which have not been assumed by the Sponsor. The Trust will sell gold to pay those expenses, unless the Sponsor agrees to pay such expenses out of its own pocket and receive reimbursement from the Trust in the form of shares.

To the extent the Trust issues additional shares to pay the Sponsor's Fee or sells gold to cover expenses or liabilities, the amount of gold represented by each share will decrease. New deposits of gold, received in exchange for new shares issued by the Trust, would not reverse this trend. A decrease in the amount of gold represented by each share results in a decrease in the price of a share even if the price of gold has not changed. To retain the share's original price, the price of gold would have to increase. Without that increase, the lesser amount of gold represented by the share will have a correspondingly lower price. If these increases do not occur, or are not sufficient to counter the lesser amount of gold represented by each share, you will sustain losses on your investment in shares. For example, assuming the Trust has not incurred fees or expenses in excess of the amount the Sponsor has agreed to bear and the shares trade at the same price as the Trust's net asset value, the price of the gold represented by your shares would need to increase by the amount of the Sponsor's Fee between the date of your purchase and one year later so that your shares would have the same value on both dates, not including any transaction costs you may incur to purchase your shares. The Sponsor's Fee is currently 0.40% of the net asset value of the Trust. The value of your investment also may decline if the price of the shares is negatively affected by the Sponsor's sale in the open market of the shares that the Sponsor has received from the Trust as payment of the Sponsor's Fee.

Any Indemnification that the Trust is Required to Pay May Adversely Affect the Value of the Shares

The value of the shares will be adversely affected if the Trust is required to indemnify the Sponsor, the Trustee or the Custodian as contemplated in the Trust Agreement and the Custody Agreement.

Under the Trust Agreement, each of the Sponsor and the Trustee has a right to be indemnified from the Trust for any liability or expense it incurs without gross negligence, bad faith or willful misconduct on its part. Similarly, the Custody Agreement provides for indemnification of the Custodian by the Trust under certain circumstances. That means that it may be necessary to sell assets of the Trust to cover losses or liability suffered by the Sponsor, the Trustee or the Custodian. Any sale of that kind would reduce the net asset value of the Trust and the value of the shares.

Table of Contents

USE OF PROCEEDS

Proceeds received by the Trust from the issuance and sale of Baskets consist of gold deposits. Such deposits are held by the Custodian on behalf of the Trust until (1) distributed to Authorized Participants in connection with redemptions of Baskets, (2) distributed or exchanged for distribution to a Delivery Applicant in connection with a Delivery Application, or (3) sold to pay Trust expenses and liabilities not assumed by the Sponsor. See "Description of the Trust-Trust Expenses."

THE GOLD INDUSTRY[1]

Brief history of gold

From its original use in jewelry and decorative arts to its later role as a standard trading medium and storage of value, gold has in many ways shaped the course of human history. It has been blamed for triggering countless wars, underpinned explorations and adventures, inspired arts creations, and has been instrumental in the development of the world's economies and exchange systems. Today, gold is still treasured worldwide for its lustrous beauty, scarcity and durability. It remains a key component of many countries' official reserves and has retained its importance within jewelry making.

Early history of gold

Because of its luster and beauty, combined with its scarcity, gold naturally became popular with early civilizations, which intuitively placed a high value on gold. As such, gold became a key component in jewelry and decorations. Indeed, the history of gold jewelry stretches back thousands of years: archeologists have found elaborate gold art objects and jewelry dating back to around 3000 B.C.; the earliest known use of gold to adorn Ancient Egyptian kings is circa 2500 B.C.

Along with its aesthetic attributes and scarcity, gold exhibits desirable physical characteristics as a trading medium: great malleability and durability. Gold had played the role as a storage of value even before it was accepted as money. The earliest known gold-to-silver value ratio dates back to Ancient Egypt, where it is stated in the Code of Menes: "one part of gold is equal to two and one half parts of silver in value."

Gold history as money asset

As gold extraction and processing developed, its unique attributes became evermore apparent. Gold is an easy metal to work with - it is often discovered in a virtually pure and workable state, making it easy to be melted, processed, and formed into standardized shapes. As a unit of value, gold therefore displays high levels of portability and measurability. Moreover, as compared to other perishable commodities that have historically been used as mediums of exchange (i.e., cattle, furs and tobacco), gold is much more durable; in addition to its malleability, gold is resistant to corrosion and tarnish, allowing gold to retain an intrinsically stable value.

What follows is a condensed chronology of the use of gold as a monetary asset:

Around 1500 B.C., the Shekel, a coin containing two-thirds gold and one-third silver, became a standard measure unit in the Middle East. In 1091 B.C., King Cheng of Zhou Dynasty in China legalized small gold squares as a form of money. About 600 B.C., Greek city-states started to mint gold coins for trade. By about 560 B.C., the first coins made purely from gold started to circulate in the Kingdom of Lydia (today's western Turkey). As the Lydians were able to separate the gold from the silver, the King of Lydia at the time, Croesus, issued the world's first bi-metallic coinage with both gold and silver coins.

Around 50 B.C., the Roman Empire started to issue a gold coin called the Aureus. In 1284, Great Britain issued its first gold coin, the Florin, and in 1377, shifted to a monetary system based on gold and silver.

The U.S. introduced its first gold coin in 1787. The Gold Standard Act, passed in 1900, established gold as the only standard for redeeming paper money. The Federal Reserve Act of 1913 required that Federal Reserve Notes be backed 40% by gold. In 1944, the Bretton Woods agreement, signed by 44 nations and verified by the U.S. Congress, established a gold exchange standard that set the obligation of each member country to maintain the exchange rate of its currency within a fixed value in terms of gold; on August 15, 1971, President Richard Nixon terminated the convertibility of the U.S. dollar into gold.

[1] Data referenced in this section is based on Thomson Reuters GFMS Gold Survey 2015 unless otherwise stated.

Table of Contents

Gold supply and demand

Gold demand

Today, gold is used as both a commodity and a store of value. The first category includes gold jewelry and the gold that has been manufactured into industrial products. The second category includes gold reserves held by the official sector and private investors.

Jewelry demand

Jewelry demand has historically accounted for the largest component of total gold demand. At the end of 2015 the estimated total existing above-ground stock of gold amounted to 5.9 billion Ounces[2], and about half of the estimated total has been used in jewelry.

The motivation behind gold jewelry demand differs in various regions of the world. In the developed countries, gold jewelry is primarily bought for adornment purposes, while in the developing world, gold jewelry has also been used as a store of value. India, East Asia (excluding Japan) and the Middle East are the major gold jewelry markets by volume in the developing world; gold jewelry is generally of higher cartage and the price more closely reflects the value of gold in these regions compared to developed countries.

Gold jewelry demand has been steady annually around 70.8 million Ounces from the period of 2006 to 2015. Total annual jewelry demand amounted to 69.6 million Ounces in 2015. The largest decline was in 2009, down 19.0% or 13.5 million Ounces, as a result of economic recession, elevated gold prices, and a contraction in consumer spending. Gold jewelry demand, as a proportion of total gold demand, has been trending downward, from 89.6% of total demand in 2000 to 48.56% in 2013. However, in 2014 and 2015, gold jewelry demand rose to 72.1 million and 69.6 million Ounces, respectively, boosted by the lower gold price environment.

Industrial and medical demand

In addition to its application in jewelry, gold has been widely used in manufacturing and medical treatment. Approximately 8.3%[3] of above-ground gold has been manufactured into industrial and dental products. Recently, over half of industrial demand has been derived from electronic component manufacturing, in large part due to gold’s high electronic conductivity and natural resistance to corrosion. Gold is also used for industrial decoration, such as gold plating and coating.

Industrial use of gold is more common in the developed world, whereas most of the gold fabrication in developing nations is typically for jewelry. Demand for gold used in electronics manufacturing fell sharply in 2009, down 12.1% from 2008, likely caused by weak economic conditions, but it rebounded 7.4% in 2010 before falling 11.2% again in 2015.

Additionally, gold has long been used for medical and dental purposes. Its outstanding bio-compatibility, malleability and resistance to bacterial colonization make it a well-suited material for various biomedical applications in the human body. Dental use is the primary medical application. Other medical uses include gold wires used in heart transplants and gold-plated stents to support blood vessels. Demand for gold from this sector was down slightly in recent years.

Investment demand

Around 2.2 billion Ounces of above-ground gold was held as an investment or store of value, accounting for 37.1% of the estimated total: around 16.5% was held by the official sector and approximately 20.5% was held by the private sectors in 2015[4].

Central banks and supranational organizations (*e.g.*, the International Monetary Fund (the "IMF") and Bank of International Settlements (the "BIS")) hold gold as part of their reserve assets. The largest proportion of official sector gold holdings at the end of 2015 was held in the United States, with 27.8%; 11.6% was held by Germany; and 8.4% by Italy. Central banks affect the gold market through buying, selling and lending, as well as swaps and other derivative activities.

Gold is also favored by the private sector as a store of value and a means of investment. Unlike equities, bonds and currencies, gold does not run the risk of issuers' default or mismanagement and is not a liability of any government or corporation. Many investors may consider gold to be a safe haven investment, a portfolio diversifier and inflation hedge.

[2] Source: Thomson Reuters GFMS Gold Survey 2015

[3] Source: Thomson Reuters GFMS Gold Survey 2015

[4] Source: Thomson Reuters GFMS Gold Survey 2015

23

Table of Contents

Over the past decade, there has been a steady rise in the number of investors worldwide holding gold. A large part of this trend has been the advent and proliferation of gold-tracking exchange-traded funds, which allow investors greater access to investments in gold. In 2015, net private investment demand represented 25.9% of the total annual gold demand, up substantially from 1.7% in 2000.

Sources of gold supply

Sources of gold supply include mine production, secondary supply from recycled gold and official sector sales.

Mine production

The largest portion of gold supply comes from mine production, including gold produced both from primary deposits and from secondary deposits where the gold is mined as a by-product. All the recorded gold ever mined in human history amounts to approximately 5.99 billion Ounces, or 186,200 metric tons. To put this in perspective, all the gold ever mined would only fill two Olympic-sized swimming pools.

Gold is produced from mines on every continent except Antarctica (where mining is forbidden by the Antarctica Treaty). Until recently, South Africa was the world’s largest gold producing country. At its peak in the early 1970s, South Africa contributed over 70% of world production. However, over the past four decades, South African output has been declining while other countries have expanded gold mining considerably.

Over recent years, gold has been increasingly mined in developing countries; China is currently the world’s largest gold producing country. In 2015, gold output in China was 14.7 million Ounces, accounting for 14.5% of total world production, followed by Australia and Russia, with 8.7% and 8.0% of total production respectively. South African gold production further declined to 4.8 million Ounces in 2015, accounting for 4.8% of total annual output.

Recycled gold

Recycled gold, or scrap gold, is the second largest source of gold supply. Gold’s indestructibility means it can be recovered from recycled jewelry and industrial products. This gold can then be melted, refined and cast into bullion bars for resale in the gold market. Supplies emanating from recycled gold have risen steadily in the past two decades, and are predominantly sourced from recycled gold jewelry.

Recycled gold supply is highly affected by gold prices and economic conditions. Supplies reached elevated levels during the 1997-1998 Asian financial crisis, and more recently hit a record of 41.2 million Ounces in 2009, spurred by the global financial crisis and rising gold prices. Since then, the total amount of scrap gold has come down to 37.7 million Ounces in 2015.

Asia, India, and the Middle East are the three major regions supplying recycled gold, accounting for 63.9% of total recycled gold recovered in 2015. China is now the largest scrap-supplying nation, supplying 7.2 million Ounces, or 19.2% of total secondary supply, in 2015. East and Southeast Asia and the Middle East contributed 35.1% and 19.2% to the total secondary gold supply, respectively, in 2015.

Official sector sales

Approximately 16.6% [5] of total above-ground gold stock is held by the official sector, a proportion that had declined over recent years before the global financial crisis. During 1989-2007, official sector sales outstripped annual purchases, meaning the official sector became a net seller of gold to the private sector.

From 1989 to 2007, the official sector supplied an approximate total of 238.8 million Ounces in gold to the private sector. In 1999, the European Central Bank and 14 other central banks signed the first Central Bank Gold Agreement (a “CBGA”). The signatory institutions agreed not to enter the gold market as sellers except for already decided sales. In the second CBGA, Bank of Greece replaced the Bank of England. In August 2009, 19 central banks announced the third CBGA. Under this agreement, the annual ceiling for gold sales was reduced to 12.9 million Ounces.

[5] Source: Thomson Reuters GFMS Gold Survey 2015

Table of Contents

Since the onset of the financial crisis, the official sector reversed its role as a net seller over the previous nineteen years. From 2008 to 2013, the official sector was a net purchaser of 60.0 million Ounces of gold. Central banks of major developing economies, including the People's Bank of China, the Reserve Bank of India and the Russian central bank, have substantially increased gold reserves. In September 2009, the IMF Executive Board approved the sale of 13.0 million Ounces, approximately one-eighth of the Fund's total holdings of gold, to help boost its lending resources. The IMF completed the gold sales program in December 2010. In 2015, heightened geopolitical tensions resulted in net central bank buying reaching 15.5 million Ounces.

The gold market and price movement

Global gold trade consists of the over-the-counter (OTC) market, the futures and options markets and the London interbank market.

OTC market

The OTC market accounts for the largest percentage of global gold trading volume. It trades on a 24-hour per business day continuous basis and provides a relatively flexible market in terms of quotes, size, price, destinations for delivery and other factors. The standard trade size ranges between 5,000 and 10,000 Ounces.

OTC market makers include the nine market-making members of the LBMA, and the main centers are London, New York, and Zurich. Market participants include jewelry manufacturers, mining companies, central banks, investors and speculators. Liquidity in the OTC market varies during the day, with the most liquid time periods generally occurring in New York business day mornings, when trading hours in European time zones overlap with trading hours in the United States.

The London Bullion Market is the largest wholesale OTC market for gold and is operated by the LBMA, which acts as the principal point of contact between the market and its regulators. Gold bars must meet the requirements defined by the LBMA.

Futures and options exchanges

The major futures and options exchanges include the New York Commodities Exchange ("COMEX") (an affiliate of the Chicago Mercantile Exchange, Inc.), the Multi Commodity Exchange of India ("MCX"), the Tokyo Commodities Exchange ("Tocom"), and the Shanghai Futures Exchange. Other leading exchanges for gold derivatives trading include NYSE Liffe and Dubai Gold & Commodities Exchange. Gold futures and options are traded on these exchanges in standardized transaction sizes and delivery dates. Only a small portion of the gold futures market turnover is typically physically delivered.

The COMEX is the largest gold futures and options exchange. In 2013, it represented approximately 71% of global futures and options trading volume[6]. In 2007, the Chicago Mercantile Exchange merged with the CBOT to form the Chicago Mercantile Exchange Group (the "CME Group"), and in 2008 the CME Group acquired the COMEX.

In 2015, the Shanghai Futures Exchange ("SHFE") replaced the MCX as the world's second largest futures exchange in terms of gold futures trading volume, accounting for around 13.7% of the world total. The SGE accounted for about 6.5% of total gold futures trading volume in 2015. During the same period, all of the four largest exchanges experienced an increase in the trading volume of gold futures and options, with SGE gaining 59% year-over-year.

In November 2013, the Intercontinental Exchange acquired NYSE Liffe, the sixth largest exchange for gold futures trading, as part of the acquisition of NYSE Euronext.

Allocated and Unallocated Gold

Allocated gold is stored in a vault under a custody arrangement, and the individual bars are the property of the owner. When held in this fashion, allocated gold is neither an asset, nor a liability, of a financial institution. As it is typically held under a custody relationship, storage fees and insurance premiums are common when holding gold in allocated form.

From an investor's standpoint, unallocated gold (sometimes referred to as "paper gold") is a claim on a non-specific pool of gold held by a financial institution. It is typically held in a gold account at the financial institution. There are no tangible gold bars stored in the investor's name; rather, the investor has a claim on the financial institution's assets (the underlying gold).

[6] Source: Thomson Reuters GFMS Gold Survey 2015

25

Table of Contents

Both methods of investing give investors exposure to gold. However, some have been cautious of utilizing unallocated gold, as it represents a liability from a financial institution's standpoint, and such a financial institution may lend out the underlying gold an investor has a claim on.

Historical movements in the gold price

The following chart illustrates the historical movements in the price of gold for the period January 1970 to January 2016, measured in U.S. dollar per Ounce.

After reaching a 20-year low of just over $250 per Ounce in the summer of 1999, the price of gold gradually increased, as a result of the strong rise in physical demand, especially in the major gold markets including China, Egypt, India and Japan. The upward price trend that began in 2001 continued through May 2006.

Following a peak around $725 per Ounce in May 2006, the gold price fell to just over $560 in October 2006. Investors' concerns that monetary authorities would move to counter the threat of rising inflation by aggressively raising interest rates is frequently cited as the reason for this price correction. However, as the Federal Reserve Bank began to reduce interest rates in response to the subprime mortgage crisis in August 2007, the gold price rallied again. The continued reduction in the Federal Funds rate may have helped drive the price of gold to a fresh high above $1,010 in March 2008.

As the subprime mortgage problems escalated into a global financial crisis in late 2008 and the Eurozone debt crisis deepened in 2011, the gold price successively reached new record highs. The gold price reached a historically high level of $1,900.23 on September 5, 2011. Market concerns surrounding the implications of monetary policies, political uncertainty, sovereign credit risks and U.S. dollar weakness may have underpinned gold demand as a store of value through this period.

In April 2013, the gold market suffered a sharp price correction. The gold price fell sharply for two consecutive trading days, by 5.04% on April 12 and 9.07% on April 15, and touched a two-year low of $1,322.06 per Ounce on April 16, 2013. The one-day drop on April 15, 2013 was the biggest since the 1980s. Reasons cited for the historical drop include investors' fear that the Federal Reserve might withdraw its monetary stimulus earlier than expected, and that the Eurozone might require member states that have received or seek international aid to follow Cyprus to sell their gold reserves. Technical reasons may have also played a role, as levered investors received margin calls, triggering further sales as prices declined. Gold continued to decline in 2015, in part from market expectations of a Fed rate hike.

Table of Contents

Volatility

Annualized Standard Deviation

	S&P 500	Spot Gold	Spot Silver
1991-1995	10.31%	10.57%	24.83%
1996-2000	18.42%	12.98%	22.08%
2001-2005	18.22%	14.45%	22.86%
2006-2010	24.95%	22.28%	38.40%
2011-2015	15.46%	17.01%	30.84%

Source: Bloomberg

Gold price volatility has picked up in recent years. It was 10.57% during 1991-1995 and rose to 12.98% for the period of 1996- 2000, 14.45% of 2001-2005 and 22.28% of 2006-2010. It went up further in the recent price correction in April 2013. But the price of gold is still less volatile than other commodities such as silver. This lower volatility may reflect gold's role as a financial asset and the much broader liquid financial market that gold has compared to other commodities. Also, the daily return on gold price was less volatile than the S&P 500 index during 1996-2010, but it has been slightly higher than that of the S&P 500 from January 2011 to December 2015.

BUSINESS OF THE TRUST

The activities of the Trust are limited to: (1) issuing Baskets in exchange for the gold deposited by Authorized Participants with the Custodian for safekeeping; (2) delivering gold in exchange for Baskets surrendered by Authorized Participants for redemption; (3) allocation by the Custodian of London Bars to the Trust Allocated Account in connection with creation of Baskets; (4) de-allocation by the Custodian of London Bars from the Trust Allocated Account and the credit of gold to the Trust Unallocated Account when necessary; (5) engaging in over-the-counter transactions to exchange the Trust's gold for gold of different specifications for the purpose of processing Delivery Applications; and (6) delivering physical gold in exchange for shares by Delivery Applicants.

The Trust will not be actively managed. It will not engage in any activities designed to obtain a profit from, or to ameliorate losses caused by, changes in the price of gold.

Trust Objectives

The Trust was formed on May 6, 2014 under New York State law pursuant to the Trust Agreement. The Trust Agreement was amended effective October 26, 2015, changing the name of the Trust to Van Eck Merk Gold Trust, and subsequently on April 28, 2016, changing the name of the Trust to VanEck Merk Gold Trust. The Trust's primary objective is to provide investors with an opportunity to invest in gold through the shares and to be able to take delivery of physical gold in exchange for those shares. The Trust's secondary objective is for the shares to reflect the performance of the price of gold less the expenses of the Trust's operations. An investment in physical gold may require expensive and sometimes complicated arrangements in connection with the transportation, storing and insurance of the gold. The Trust provides investors with a convenient and cost efficient way to buy and hold gold through an exchange traded security with the option to take delivery of the physical gold. Although owning shares will not be the exact equivalent of an investment in gold, such shares provide investors with an alternative that allows a level of participation in the gold market through the securities market.

The Trust's Guiding Principles

To meet its primary objective to provide investors with an opportunity to invest in gold through the shares and to be able to take delivery of physical gold in exchange for their shares, the Sponsor has structured the Trust along the following principles:

Holding London Bars. To allow investors to invest in gold through the shares, the Trust holds London Bars. When traded in institutional sizes, London Bars typically carry the lowest transaction cost compared to other forms of gold because there is no need to convert London Bars to gold of other specifications or involve a precious metals dealer before a Delivery Applicant takes delivery of London Bars. By contrast, taking delivery of forms of gold other than London Bars typically involves conversion costs (i.e., converting London Bars to physical gold of other specifications) and the assistance of a precious metals dealer. As such, the Trust holds primarily London Bars to facilitate a cost effective process to create and redeem Baskets.

Table of Contents

Maintaining Allocated Gold. The Trust will hold its London Bars in allocated form in the Trust Allocated Account with the Custodian. The Trust Allocated Account will be used to hold the individually identified bars of gold deposited with the Trust. The physical gold is held in a segregated fashion in the name of the Trust, not commingled with other depositor funds or assets. The Trust has full title to the gold with the Custodian holding it on the Trust's behalf. Each investor owns a pro-rata share of the Trust, and as such holds pro-rata ownership of the Trust assets, corresponding to the number of shares held. Trust holdings are identified in a weight list of bars published on the Trust's website showing the unique bar number, gross weight, the assay or fineness of each bar and its fine weight. Credits or debits to the holding will be effected by physical movements of bars to or from the Trust's physical holding. The Trust's gold holdings are subject to periodic audits.

Minimizing the Use of Unallocated Gold. The Trust will need unallocated gold to facilitate transactions with Authorized Participants, to exchange gold for different specifications to meet delivery requests from Delivery Applicants of physical gold and to pay Trust expenses not assumed by the Sponsor, if any. The Custodian only will accept a delivery of gold in exchange for a Basket if it can promptly convert the gold to allocated gold. The Custodian must allocate physical gold to the Trust such that, at the end of each business day, the Trust may hold no more than 430 Fine Ounces, corresponding to the maximum weight of a London Bar, in unallocated gold.

Exchanging Physical Gold for Physical Gold of Different Specifications. To facilitate the ability to exchange shares for physical gold for delivery, the Sponsor may exchange the Trust's gold for gold of different specifications. All gold obtained by the Trust must be without numismatic value and have a minimum fineness (or purity) of 995 parts per 1,000 (99.5%), except that the Trust may also obtain American Gold Eagle Coins (with a minimum fineness of 91.67%) solely for delivery to a Delivery Applicant. All gold held by the Trust is valued based upon its Fine Ounce content. While Delivery Applicants may always request London Bars, market conditions may cause the Sponsor to limit other types of physical gold made available for delivery.

Permitting Investors to Take Delivery of Physical Gold. Delivery Applicants may submit shares to the Trust in exchange for physical gold.

Delivery Applicants may take delivery of as little as a 1 Ounce Bar, subject to a minimum dollar value the specified by the Sponsor from time to time on the Trust's website. By requiring that the delivery of gold to Delivery Applicants meet certain minimum dollar value criteria, which may change from time to time, sales taxes are anticipated to be applicable to the delivery of gold to Delivery Applicants. However, if such taxes do apply, they are the sole responsibility of the Delivery Applicant.

Taking delivery of physical gold is subject to guidelines intended to minimize the amount of cash that will be distributed with physical gold. As a result, investors need to submit shares that correspond very closely to number of Fine Ounces represented by the gold requested.

The Trust will ship physical gold to a Delivery Applicant by a conventional shipping carrier such as the U.S. Postal Service, Federal Express, United Parcel Service or armored transportation service. A conventional shipping carrier may deliver gold to residential addresses. An armored transportation service, which may be required for insurance purposes, will only deliver to trusted, non-residential addresses.

Charging an Exchange Fee. The Exchange Fee varies depending on the type of physical gold a Delivery Applicant would like to take delivery of and reflects costs arising from: reviewing Delivery Applications, coordinating with Delivery Applicants and the Trust's other service providers, the conversion of London Bars into physical gold to be delivered, and the related expenses of the Trustee and the Sponsor.

Taking Delivery of London Bars. Delivery Applicants requesting London Bars will need to submit shares that very closely correspond in Fine Ounces to the median Fine Ounce content of London Bars held by the Trust multiplied by the number of London Bars requested. London Bars are delivered directly from the Custodian. It may not be possible to exactly match the number of shares submitted with the number of Fine Ounces represented by the requested physical gold, requiring the Trust to sell some gold to facilitate the delivery request.

Minimizing Cash Holdings. The Trust is committed to minimizing the use of cash, keeping essentially all assets of the Trust in gold. To achieve this, the Sponsor has agreed to pay the Trust's ordinary expenses and to be reimbursed therefor through the issuance of shares to it rather than through receiving cash. The Trust will not normally hold cash, or any other assets besides gold, but may temporarily hold a very limited amount of cash in connection with deliveries of physical gold to Delivery Applicants.

Table of Contents

To meet its secondary objective to have the shares reflect the performance of the price of gold, the Sponsor has structured the Trust as follows:

Transactions with Authorized Participants. By allowing Authorized Participants to directly issue and redeem Baskets with the Trust, Authorized Participants may be able to take advantage of price discrepancies between the Trust's underlying gold holdings and the value of the shares. As a result of this incentive provided to Authorized Participants, the value of the shares may reflect the performance of the price of gold.

To minimize the cash portion of delivery by Delivery Applicants of physical gold for their shares, the Sponsor will only approve Delivery Applications where the number of shares to be submitted leads to a cash portion that is as low as practical in the assessment of the Sponsor.

Exchange of Shares for Physical Gold other than London Bars. For physical gold other than London Bars, the Sponsor will require the submission of shares that correspond in net assets to the number of Fine Ounces contained in the physical gold requested. The number of shares required for submission will typically be the smallest whole number of shares greater than the net assets of the Trust corresponding to the Fine Ounce content of physical gold requested. The Sponsor may demand that an additional share or shares be submitted when, in the Sponsor's assessment, it facilitates the exchange process, such as when extraordinary Trust expenses may be expected, by reducing the likelihood that the net asset value of the Trust differs on the Share Submission Day from that anticipated by the Sponsor at the time the Delivery Application is filed, which is in advance of the Share Submission Day.

Exchange of Shares for London Bars. Because London Bars vary in Fine Ounce content between 350 Fine Ounces and 430 Fine Ounces, it may be difficult to obtain a combination of London Bars that closely matches the number of Fine Ounces represented by the shares submitted. Delivery Applicants will need to submit shares that very closely correspond in Fine Ounces to the median Fine Ounce content of London Bars held by the Trust multiplied by the number of London Bars requested.

Any portion of the exchange not delivered in physical gold will be provided in cash.

The shares offer an investment that is:

Easily Accessible and Relatively Cost Efficient. Investors can access the gold market through a traditional brokerage account. The Sponsor believes that investors will be able to more effectively implement strategic and tactical asset allocation strategies that use gold by using the shares instead of using the traditional means of purchasing, trading and holding gold. Transaction costs related to the shares may also be lower than those associated with the purchase, storage and insurance of physical gold.

Exchange Traded and Transparent. The shares have been listed on the NYSE Arca under the symbol OUNZ since May 16, 2014. The following tables set out the range of high and low closing prices for the Shares as reported for NYSE Arca transactions for each of the quarters during the fiscal years ended January 31, 2016 and 2015:

Fiscal Year Ended January 31, 2016:

	High	Low
First Quarter	$12.69	$11.43
Second Quarter	12.23	10.82
Third Quarter	11.82&nbs	