



PRESS RELEASE

23 July 2004

GOLD continues its success in Australia

- **Net assets increase by 29%**
- **Trading volume up significantly**
- **GOLD now the second largest ETF in Australia**

Net assets and trading volumes of Gold Bullion Securities (ASX code "GOLD") have experienced strong growth over the past month.

Net assets have increased by 29% from 263,000 ounces of gold to 338,000 ounces of gold. The value of assets under management is now A\$187 million (US\$136 million). GOLD is now the second largest Exchange Traded Fund (ETF) in Australia.

Average daily turnover in GOLD has increased dramatically in the current month. Turnover in July has averaged A\$3 million per day making it one of the most liquid gold securities traded on the ASX.

"The continued growth of GOLD in Australia is evidence that investors are starting to consider precious metals and commodities as an important and separate asset class to be included in a balanced portfolio" said Mr Graham Tuckwell, Managing Director of Gold Bullion Securities

Dr. David Knox of PricewaterhouseCoopers has conducted research into whether gold bullion could benefit an Australian superannuation portfolio. His results showed that a 5% allocation to gold bullion could decrease portfolio risk without decreasing portfolio returns. Similar research is currently being conducted by a number of the leading Asset Consultants in Australia.

Following GOLD's successful listing last year, the group successfully completed a London listing (LSE Code "GBS"). Having been approved by the UK regulator, last month GBS were also approved by the German regulator, BaFIN, for distribution in Germany.

Total assets under management for all gold bullion securities now exceed 1.5 million ounces or A\$860 million (US\$630 million).

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Background for editors:

About Gold Bullion Securities

- Gold Bullion Securities is the world's first exchange-listed commodity
- GOLD was first listed on the ASX on 28 March 2003
- Gold Bullion Securities give investors an unprecedented ability to buy an interest in bars of gold bullion easily and cost-effectively
- Each GOLD is backed by approximately one-tenth of one ounce of gold bullion
- The physical gold is held in the London vaults of the Custodian Bank (HSBC Bank USA)

About Exchange Traded Funds (ETFs)

- ETFs were first launched in the United States about ten years ago and are designed to allow investors to invest in market indices and in previously difficult to access asset classes
- As ETFs are passive investments, they have the added advantage of being extremely cost-effective (expense ratios are usually less than 0.5%)
- ETFs can be purchased like any ASX listed security
- ETFs are open ended which means: ETFs usually trade within 0.5% of Net Asset Value; and excess demand or supply can be soaked up without impacting on price

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