



Rattled investors flock to precious metals Exchange Traded Commodities

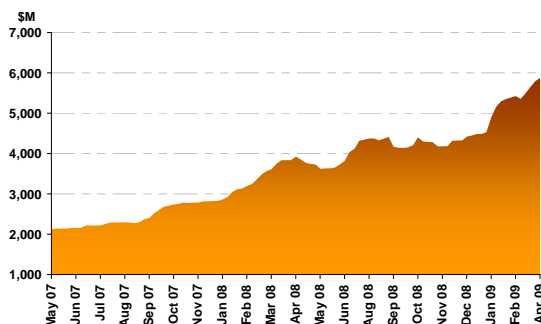
- **ETFS Physical Gold (ASX: GOLD) assets under management now stand at A\$540m as physically-backed Gold ETCs global inflows exceed A\$2.8bn in 12 months with over A\$2.3bn flooding in since 1st January 2009**
- **AUM into ETFS Physical Silver (ASX: ETPMAG) has grown by 283% since launch and there are now 260,817 oz backing the product**
- **Strong performance from ETFS Physical Platinum (ASX: ETPMPT) and ETFS Physical Palladium (ASX: ETPMPD) quoted on the ASX, up respectively 27% and 24% since the beginning of the year in AUD terms.**
- **ETF Securities operates a global platform of ETFs and ETCs, and recently listed Australia's first precious metals ETCs platform on the Australian Securities Exchange's (ASX) new AQUA platform.**

ETF Securities, the global pioneer of Exchange Traded Commodities (ETCs) and provider of Exchange Traded Funds (ETFs), sees huge investor demand for precious metals ETCs, as investors seek investments that have a low correlation to equities during this period of global economic uncertainty.

ETF Securities has seen inflows surge into its physically backed gold ETCs, ETFS Physical Gold (ASX: GOLD and LSE: PHAU), with a total of A\$2.8bn flooding in over the last 12 months bringing total assets to a record A\$9.5bn, the largest gold ETC/ETF holdings in Europe and the second largest in the world. ETFS Physical Gold (ASX: GOLD) now holds over 425,000 oz representing AuM of A\$540m.

In today's world where investors are worried about credit risk, interest rates are extremely low, and governments are reflating and building up debt aggressively, gold is proving to be a popular investment. There has been high demand growth for ETCs because of their high liquidity, ease of access, no premiums due to shortages (as has been seen for coins and bars in many instances), and of course their safety and ease of storage.

**Net Cumulative Flows into
ETFS Physical Gold, ETFS Physical Gold (ASX) and ETFS Gold Bullion Securities**



Source: ETF Securities

Additionally, the other precious metals ETC have performed strongly in this environment with ETFS Physical Platinum (ASX: ETPMPT) returning 27%, ETFS Physical Palladium (ASX: ETPMPD) 24% and ETFS Physical Silver (ASX: ETPMAG) 15% since 1st January 2009 outperforming Equities as measured by the ASX200 which was stable over the

period (up 0.47%). As a result of both large investors subscriptions and silver price appreciation, ETFS Physical Silver AUM is up 283% and now holds 260,817 oz.

ETF Securities recently launched a range of physically-backed ETCs on the Australian Securities Exchange (ASX). This is the first time that silver, platinum, palladium or a precious metals basket have been made available to Australian investors through ordinary brokerage accounts. These innovative new products will open up a range of investment opportunities previously unavailable to local investors.

The ETCs are quoted on the ASX new quotation platform – AQUA, which is tailored for managed funds, ETFs, ETCs, and structured products. ETFS Physical Gold, formerly named Gold Bullion Securities, has also been transferred to the AQUA platform with no impact on its trading or structure. The ETCs trade, clear and settle on ASX systems in the same way as ordinary shares.

	ASX Code	Annual Management Fees	Currencies
ETFS Physical Gold (ASX)	GOLD	0.40%	USD, AUD
ETFS Physical Platinum (ASX)	ETPMPT	0.49%	USD, AUD
ETFS Physical Palladium (ASX)	ETPMPD	0.49%	USD, AUD
ETFS Physical Silver (ASX)	ETPMAG	0.49%	USD, AUD
ETFS Physical PM Basket (ASX)	ETPMPM	0.43%	USD, AUD

Nigel Phelan, Head of Sales for Australia and New Zealand, commented:

“Investors are still troubled by the sharp slowdown in the US economy and faltering financial system, leading to a surge in demand for secure assets to protect against financial and economic dislocation. ETCs also provide an excellent alternative to resource stocks where correlation to the underlying commodity markets can often be low. Given Australia is essentially a resources led economy ETCs are providing a valuable additional tool for asset allocation”

“ETF Securities’ Physically-backed Gold ETC has therefore reaped the benefits of this as it is 100% backed by ‘allocated’ physical gold LBMA bars. Allocated gold is not subject to any credit risk, unlike many gold accounts or unallocated gold, which means investors gain exposure to the physical commodity in a liquid, transparent and secure structure that safeguards the asset’s value.”

“Furthermore, we’ve seen a surge in demand for all physically-backed ETCs since the third quarter of 2008 as investors have become increasingly concerned about the financial and economic outlook. Rising government fiscal deficits and debt, together with recent moves by major central banks to commence quantitative easing has raised investors’ concerns about the long-term inflation outlook and the potential for competitive currency devaluations. Gold and other hard assets have often been one of the most effective ways for investors to preserve wealth in this kind of environment”

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ETF Securities continues its series of conference calls for finance professionals:

What's driving the Gold price and can it be sustained ?

Date: 11th May 2009

Time: 9:00am and 1:00pm Sydney Time

Speaker: Nicholas Brooks Head of Research and Investment Strategy, **ETF Securities Ltd**

This call will discuss:

- Introduction to ETF Securities
 - The macro context
 - Investment Characteristics of Gold
 - Fundamental Drivers of the Gold Price
 - Summary and conclusions
 - Question and answer session
- [Click here](#) to register your place today.

Notes to editor:

In total, ETF Securities now offers more than 130 ETCs with over \$10 billion in assets under management. These ETCs offer physical, long, forward, leveraged and short exposure to all commodity sectors to provide investors with a wide variety of investment strategies.

ETCs are simple to access as they are traded in four currencies (AUD, USD EUR and GBP) and listed on six major exchanges globally including the Australian Securities Exchange, the London Stock Exchange, NYSE-Euronext (Amsterdam & Paris), Deutsche Börse, and the Borsa Italiana.

To learn more about ETF Securities go to: www.ETFSecurities.com

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