

Perth Mint Physical Gold ETF (AAAU) Investment Case

Unique in the marketplace, AAAU provides an easily accessible and cost-effective way to invest in gold with the understanding that the shares are backed by physical gold secured in the trust custodian's network of central bank grade vaults.

The Perth Mint is fully owned by the Government of Western Australia and operates under the guarantee contained within the [Gold Corporation Act 1987](http://www.legislation.wa.gov.au/legislation/statutes.nsf/main_mrtitle_390_homepage.html). (www.legislation.wa.gov.au/legislation/statutes.nsf/main_mrtitle_390_homepage.html).

This Act of the Parliament of Western Australia covers all The Perth Mint's operations, obligations and offerings, including gold held on behalf of investors in AAAU.

Alongside this guarantee are the potential advantages provided through the trust custodian, Gold Corporation, which trades as The Perth Mint.

With the Bank of New York Mellon as its trustee, AAAU combines a contemporary yet solid investment option in an asset that has held its purchasing power across centuries of economic and geopolitical upheavals.

The Case for AAAU

1. Unique Government Guarantee¹

AAAU's custodian Gold Corporation, which trades as The Perth Mint, is 100% owned by the Government of Western Australia. All The Perth Mint's operations, including the gold secured on behalf of investors in AAAU, are guaranteed under the [Gold Corporation Act 1987](http://www.legislation.wa.gov.au/legislation/statutes.nsf/main_mrtitle_390_homepage.html). This exclusive guarantee offers investors the understanding that a reputable government is underwriting their holdings of gold.

2. Physical Delivery

AAAU shareholders can choose to exchange shares for a wide range of gold bullion bars and coins from The Perth Mint at any time.² A list of The Perth Mint's popular bullion products is available on the Calculator page of this website. Further details about The Perth Mint's extensive bullion product range are available at: www.perthmintbullion.com.

3. Competitive Fees

AAAU has a competitive management fee of 0.18% per annum.

4. Bank of New York Mellon acts as Trustee

As AAAU's trustee, the Bank of New York Mellon (BNYM), a global leader in investment management, ensures AAAU operates in accordance with all disclosures made in the prospectus.

¹ The government guarantee referenced does not apply to fluctuations in the value of shares based on the price of gold which could create potential losses.

² Subject to final approval of an application by Gold Corporation trading as The Perth Mint. Redemptions in gold are subject to specific conditions and limitations, including the fact that delivery of physical gold may take considerable time. Please see the disclosures section for potential limitations for the redemption of physical gold.

Established in 1784, BNYM is one of the longest-standing and largest financial institutions in the world and its credit ratings from all four major agencies (Moody's, S&P, Fitch and DBRS) are consistently among the highest in the investment industry.

With clients in more than 100 markets across the globe, BNYM has more than \$34.5 trillion under custody and/or administration and \$1.8 trillion in assets under management, as at 31 March 2019.

BNYM was named "Best Service Provider – The Americas" at the 13th annual Global ETF Awards in 2017 for the 11th consecutive year. The Global ETF Awards are organized by exchangetradedfunds.com. ETF industry participants vote for their choice in a wide variety of ETF issuer and servicer categories. In March 2018 BNYM was named ETF Custodian of the Year by ETF.com and separately Best Global Custodian by etfexpress.com.

5. Listed on the New York Stock Exchange

AAAU is listed on the New York Stock Exchange (NYSE). The NYSE is by far the world's largest stock exchange with a market capitalization of about \$30.1 trillion. It is also among the most highly regulated exchanges in the world. This helps to provide the fund's shares with a liquid, orderly exchange on which to trade.

6. Non-Bank Diversification

While other gold ETFs store metal with banks, which carry inherent counterparty risk, the overwhelming majority of AAAU's gold is vaulted by The Perth Mint itself.

Therefore, with AAAU shares being backed by physical gold secured by the trust in its network of vaults, an investor is further assured of the quantity, quality and security of their investment.

7. Attractive Alternative to Traditional Vault Centers

The Perth Mint's network of central bank grade vaults is located in Western Australia, one of the world's most geopolitically stable regions.³

Isolated from security threats, Perth is the capital of Australia's richest gold mining state in a country that is the world's second largest producer and leading exporter of the precious metal.

With the largest network of gold vaulting premises in the southern hemisphere, The Perth Mint is chosen by clients, including central banks and sovereign wealth funds from across the globe, to safeguard billions of dollars of wealth. The Perth Mint therefore provides an alternative from traditional financial institutions typically located in London and New York.

8. Producer of High Quality Gold Products

The Perth Mint operates one of the few refineries in the world that is fully accredited by the five major gold exchanges: the London Bullion Market Association (LBMA), New York Commodities Exchange (COMEX), Shanghai Gold Exchange (SGE), Tokyo Commodities Exchange (TOCOM) and the Dubai Multi Commodities Centre (DMCC).

With one of the largest refineries in the world, The Perth Mint processes more than 90% of Australia's newly mined gold and its production capacity is in excess of 800 tons of gold per year.

9. Minimal Tracking Error

AAAU will pay all its expenses in gold ounces. The trust does not, and does not intend to, hold any cash, thereby minimizing potential tracking error to the gold price.

³ The Perth Mint may, on rare occasions, store the gold in other highly secure vaults. This gold is also covered by the exclusive guarantee provided by the Government of Western Australia.

The Case for Gold

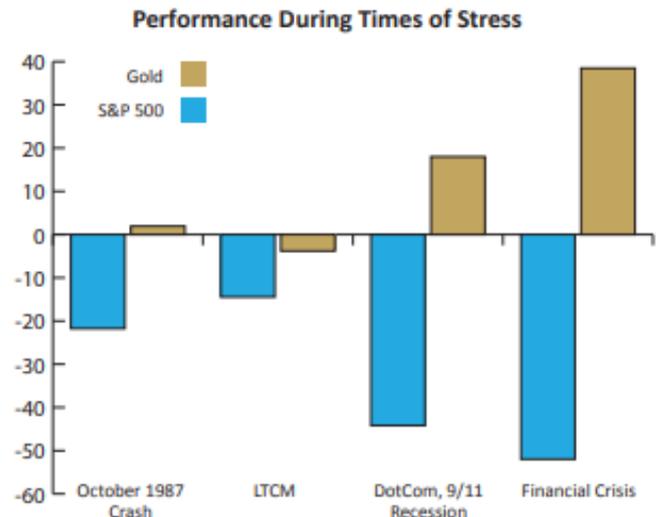
Amid the plethora of investment options available today, in an unpredictable world there remains a solid case for holding gold within a basket of assets.

1. Risk Hedge

Gold is commonly called the 'crisis commodity' because people have been attracted to it as the ultimate refuge when geopolitical tensions have risen and market turbulence has intensified. During such times when there has been a 'flight to quality' gold has often outperformed other investments.

Additionally, unlike equities and bonds, gold carries no liability risk.

The chart to the right highlights the strong relative performance of gold compared with other assets during some recent periods of market turmoil.



Source: Bloomberg. Periods analyzed in chart: October 1987 Crash: October 1987; Long-Term Capital Management (LTCM): July 1998 – October 1998; DotCom, 9/11, 2001 Recession: September 2000 – September 2002; Financial Crisis: September 2007-March 2009.

Past performance does not guarantee future results. The charts displayed are shown for informational purposes only and demonstrates the performance differences in the indices of different asset classes.

Each of these asset classes has its own set of investment characteristics and risks and investors should consider these risks carefully prior to making any investment decisions. The time periods shown in this chart have the benefit of hindsight. It is impossible to predict when or if a financial crises will happen in the future. The indices shown are for informational purposes only and are not reflective of any investment. As it is not possible to invest in the indices, the data shown does not reflect or compare features of an actual investment, such as its objectives, costs and expenses, liquidity, safety, guarantees or insurance, fluctuation of principal or return, or tax features. For Fund performance information current to the most recent month-end, please call 61-8-9421-7615 or visit www.aaauetf.com.

2. Gold within a Diversified Portfolio

The key principle of modern portfolio theory is that investors should hold a range of assets featuring a degree of diverse correlation. Correlation is a measure of how asset prices move relative to one another. The lower the correlation, the less these assets move in the same direction at one time.

Low correlation would therefore be expected to minimize portfolio volatility and enhance overall risk-adjusted returns under different macroeconomic and geopolitical conditions.

Gold's Correlation to Major Financial Assets	
S&P 500	-0.01
MSCI EAFE	0.15
Bloomberg Barclays US Aggregate Bond	0.14
CBOE Volatility Index (VIX)	-0.01
S&P GSCI (Commodities)	0.28
US Dollar Index (USD)	-0.41

Source: Bloomberg. Based on daily prices for 12/31/97 - 10/31/18. Correlation - a statistical measure of how two securities move in relation to each other. For a complete definition of these benchmarks, please see page 4

Historically, gold has proven to have a low correlation with other asset classes, as highlighted in the chart below which uses the period 1987-2017 as an example. For this reason many investors continue to hold gold in their portfolios.

3. Inflation Hedge

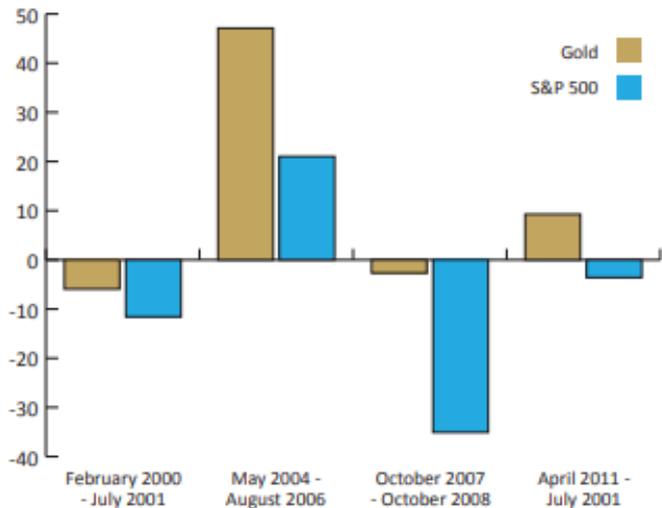
One of the most compelling arguments for gold is its history of preserving purchasing power during times of high inflation. Gold, unlike fiat currencies, cannot be devalued by governments or central banks.

The performance of gold during periods of high inflation (12 month change in CPI* greater than 3%) has historically been strong and has outperformed equities, as proxied by the S&P 500.

In his statistical analysis of the precious metal's purchasing power, Professor Roy Jastram of the University of California found gold had proven to be an effective store of value in the US and Britain for more than 400 years stretching back to 1560.

Professor Jastram's classic evidence of gold's property as an inflation hedge was updated in 2009 by esteemed economist and statistician Jill Leyland. The former vice president of Britain's Royal Statistical Society reiterated that gold had, despite some price fluctuations, 'repeatedly shown its ability to safeguard wealth through crises'.

* CPI - Consumer Price Index, which measures changes in the price level of a basket of consumer goods and services purchased by households.

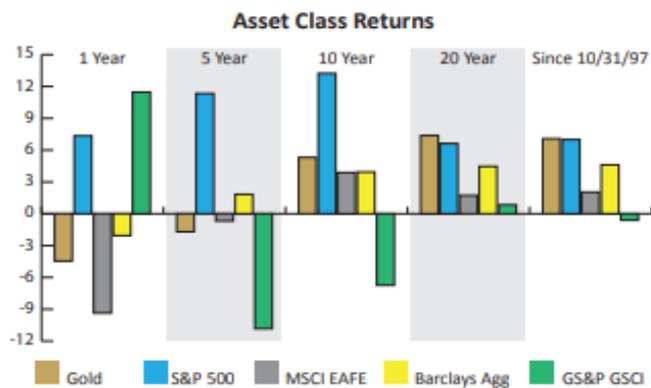


Source: Bloomberg, U.S. Department of Labor, Bureau of Labor Statistics – 12 month % change in CPI. Represents time periods when change in CPI was greater than 3%.

4. Gold as a Direct Investment

Due to its unique confluence of demand and supply (discussed below), gold has, as a long-term strategic investment, yielded competitive returns for investors.

The chart to the right highlights that, although over the recent period the performance of gold has been weak, longer-term gold has delivered a competitive return versus other major asset classes.



Source: Bloomberg. Past performance does not guarantee future results. The chart above is presented for illustrative purposes only and does not represent the Fund.

5. Supply and Demand

Gold demand continues to be driven by jewelry and investment, while the increasing popularity of smartphones and other electronic devices is buoying industrial consumption.

More than half the demand for gold jewelry comes from China, India, Turkey and Middle Eastern countries, according to the World Gold Council. India and China in particular have experienced well-documented growth in income levels in recent years which has underpinned the nations' increasing demand for gold jewelry.

Meanwhile the supply of gold is finite and cannot be created at will. Central banks can print money, but they cannot produce gold.

Summary

In an increasingly uncertain and turbulent world, the case for gold remains compelling. A finite resource with unique qualities, gold has been valued as a store of wealth for hundreds of years encompassing countless periods of geopolitical tension and market volatility.

For investors wishing to add gold to their portfolios, AAAU offers the accessibility of an exchange traded product.

Investment in AAAU shares can be easily made through your preferred stockbroker/dealer due to the shares' listing on the New York Stock Exchange.

For further information about the Perth Mint Physical Gold ETF - AAAU Fund contact Exchange Traded Concepts on 1-844-880-3837 (toll free).

For more details on the AAAU physical redemption process contact The Perth Mint on +61-8-9421-7615.

S&P 500 - designed to track performance of U.S. large-cap stocks. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. **Gold** - spot gold, \$/ounce. **MSCI EAFE** - designed to measure the equity market performance of developed markets outside of the U.S. & Canada. **Bloomberg Barclay's U.S. Aggregate Bond Index** - a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. **CBOE Volatility Index (VIX)** - measure of market expectations of near-term volatility conveyed by S&P 500 Index (SPX) option prices. **S&P GSCI** - measure of general price movements and inflation in the world economy. **U.S. Dollar Index** - a measure of the value of the United States dollar relative to a basket of foreign currencies. It is not possible to invest in an index.

Disclosures

This material must be preceded or accompanied by a prospectus, a copy of which may be obtained by [clicking here](#). Before investing, you should carefully consider the trust's investment objectives, risks, charges and expenses. Please read the prospectus carefully before you invest.

All obligations of the trust custodian, The Perth Mint, including the gold held on behalf of investors in AAAU, are guaranteed by the government of Western Australia.

The government guarantee is subject to the claims-paying ability of the Government of Western Australia. If the custodian becomes insolvent, its assets, and the assets of the Government of Western Australia under the government guarantee, may not be adequate to satisfy a claim by the trust or any authorized participant. The referenced guarantee does not apply to fluctuations in the value of shares based on the price of gold which could create potential losses. Gold owned by the trust may be subject to loss, damage, theft or restriction on access.

The trust is not a mutual fund or any other type of investment company within the meaning of the Investment Company Act of 1940, as amended, and is not subject to regulation thereunder. 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. 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. 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. 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. Substantial sales of gold by central banks, governmental agencies and multi-lateral institutions could adversely affect an investment in the shares.

The request for the exchange of shares for gold is subject to a number of risks including but not limited to the potential for the price of gold to decline during the time between the submission of the request and delivery. Delivery may take a considerable amount of time depending on your location. The trust may suspend redemptions of baskets by authorized participants and Gold Corporation may suspend or reject the exchange of shares for physical gold, which could affect the market price of the shares. The withdrawal of an authorized participant and substantial redemptions by authorized participants may affect the liquidity of the shares.

Market Price: The current price at which shares are bought and sold. Market returns are based upon the last trade price.

NAV: The dollar value of a single share, based on the value of the underlying assets of the fund minus its liabilities, divided by the number of shares outstanding. Calculated at the end of each business day at 4:00PM.

Marketing Agent: Foreside Fund Services, LLC