

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-80457; File No. SR-NYSEArca-2017-33)

April 13, 2017

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change, as Modified by Amendment No. 1 Thereto, to List and Trade Shares of the Euro Gold Trust, Pound Gold Trust, and the Yen Gold Trust under NYSE Arca Equities Rule 8.201

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the “Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on March 31, 2017, NYSE Arca, Inc. (the “Exchange” or “NYSE Arca”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. On April 12, 2017, the Exchange filed Amendment No. 1 to the proposal, which amended and replaced the proposed rule change in its entirety. The Commission is publishing this notice to solicit comments on the proposed rule change, as modified by Amendment No. 1, from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to list and trade shares of the Euro Gold Trust, Pound Gold Trust, and the Yen Gold Trust under NYSE Arca Equities Rule 8.201. The proposed change is available on the Exchange’s website at [www.nyse.com](http://www.nyse.com), at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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<sup>1</sup> 15 U.S.C.78s(b)(1).

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to list and trade shares (“Shares”) of the Euro Gold Trust, Pound Gold Trust, and the Yen Gold Trust (each a “Fund” and, collectively, the “Funds”), which are series of the World Currency Gold Trust (“Trust”), under NYSE Arca Equities Rule 8.201<sup>4</sup>. Under NYSE Arca Equities Rule 8.201, the Exchange may propose to list and/or trade pursuant to unlisted trading privileges (“UTP”) “Commodity-Based Trust Shares.”<sup>5</sup>

The Funds will not be registered investment companies under the Investment Company Act of 1940<sup>6</sup> and are not required to register under such act.

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<sup>4</sup> On March 30, 2017, the Trust filed with the Commission its initial registration statement on Form S-1 under the Securities Act of 1933 (“1933 Act”) relating to the Funds (File No. 333-217041) (“Registration Statement”). The description of the operation of the Trust and the Funds herein is based, in part, on the Registration Statement.

<sup>5</sup> Commodity-Based Trust Shares are securities issued by a trust that represent investors’ discrete identifiable and undivided beneficial ownership interest in the commodities deposited into the Trust.

<sup>6</sup> 15 U.S.C. 80a-1.

The Sponsor of the Funds and the Trust will be WGC USA Asset Management Company, LLC (the “Sponsor”).<sup>7</sup> BNY Mellon Asset Servicing, a division of The Bank of New York Mellon (“BNYM”), will be the Funds’ administrator (“Administrator”) and transfer agent (“Transfer Agent”) and will not be affiliated with the Trust, the Funds or the Sponsor. BNYM will also serve as the custodian of the Funds’ cash, if any. HSBC Bank plc will be the custodian (the “Custodian”) of the Funds’ gold.

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<sup>7</sup> The Trust will be a Delaware statutory trust consisting of multiple series, each of which will issue common units of beneficial interest, which represent units of fractional undivided beneficial interest in and ownership of such series. The term of the Trust and each series will be perpetual (unless terminated earlier in certain circumstances). The sole trustee of the Trust will be Delaware Trust Company (“Trustee”).

The Commission has previously approved listing on the Exchange under NYSE Arca Equities Rules 5.2(j)(5) and 8.201 of other precious metals and gold-based commodity trusts, including the Merk Gold Trust;<sup>8</sup> ETFS Gold Trust,<sup>9</sup> ETFS Platinum Trust<sup>10</sup> and ETFS Palladium Trust (collectively, the “ETFS Trusts”);<sup>11</sup> APMEX Physical-1 oz. Gold Redeemable Trust;<sup>12</sup> Sprott Gold Trust;<sup>13</sup> SPDR Gold Trust (formerly, streetTRACKS Gold Trust); iShares Silver Trust;<sup>14</sup> iShares COMEX Gold Trust;<sup>15</sup> and Long Dollar Gold Trust.<sup>16</sup> Prior to their listing on the Exchange, the Commission approved listing of the streetTRACKS Gold Trust on the New York Stock Exchange (“NYSE”)<sup>17</sup> and listing of iShares COMEX Gold Trust and iShares Silver

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<sup>8</sup> Securities Exchange Act Release No. 71378 (January 23, 2014), 79 FR 4786 (January 29, 2014) (SR-NYSEArca-2013-137).

<sup>9</sup> Securities Exchange Act Release No. 59895 (May 8, 2009), 74 FR 22993 (May 15, 2009) (SR-NYSEArca-2009-40).

<sup>10</sup> Securities Exchange Act Release No. 61219 (December 22, 2009), 74 FR 68886 (December 29, 2009) (SR-NYSEArca-2009-95).

<sup>11</sup> Securities Exchange Act Release No. 61220 (December 22, 2009), 74 FR 68895 (December 29, 2009) (SR-NYSEArca-2009-94).

<sup>12</sup> Securities Exchange Act Release No. 66930 (May 7, 2012), 77 FR 27817 (May 11, 2012) (SR-NYSEArca-2012-18)

<sup>13</sup> Securities Exchange Act Release No. 61496 (February 4, 2010), 75 FR 6758 (February 10, 2010) (SR-NYSEArca-2009-113).

<sup>14</sup> See Securities Exchange Act Release No. 58956 (November 14, 2008), 73 FR 71074 (November 24, 2008) (SR-NYSEArca-2008-124) (approving listing on the Exchange of the iShares Silver Trust).

<sup>15</sup> See Securities Exchange Act Release No. 56224 (August 8, 2007), 72 FR 45850 (August 15, 2007) (SR-NYSEArca-2007-76) (approving listing on the Exchange of the street TRACKS Gold Trust); Securities Exchange Act Release No. 56041 (July 11, 2007), 72 FR 39114 (July 17, 2007) (SR-NYSEArca-2007-43) (order approving listing on the Exchange of iShares COMEX Gold Trust).

<sup>16</sup> See Securities Exchange Act Release No. 79518 (December 9, 2016), 81 FR 90876 (December 15, 2016) (SR-NYSEArca-2016-84) (order approving listing and trading of shares of the Long Dollar Gold Trust).

<sup>17</sup> See Securities Exchange Act Release No. 50603 (October 28, 2004), 69 FR 64614 (November 5, 2004) (SR-NYSE-2004-22) (order approving listing of street TRACKS Gold Trust on NYSE).

Trust on the American Stock Exchange LLC.<sup>18</sup> In addition, the Commission has approved trading of the streetTRACKS Gold Trust and iShares Silver Trust on the Exchange pursuant to UTP.<sup>19</sup>

The Euro Gold Trust will be designed to track the performance of the Solactive GLD® EUR Gold Index, less the expenses of the Fund's operations. The Solactive GLD® EUR Gold Index seeks to track the daily performance of a long position in physical gold (as represented by the "Gold Price", as defined below) and a short position in the Euro (i.e., a long U.S. dollar ("USD") exposure versus the Euro).

The Pound Gold Trust will be designed to track the performance of the Solactive GLD® GBP Gold Index, less the expenses of the Fund's operations. The Solactive GLD® GBP Gold Index seeks to track the daily performance of a long position in physical gold (as represented by the Gold Price) and a short position in the British Pound Sterling (i.e., a long USD exposure versus the British Pound Sterling).

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<sup>18</sup> See Securities Exchange Act Release Nos. 51058 (January 19, 2005), 70 FR 3749 (January 26, 2005) (SR-Amex-2004-38) (order approving listing of iShares COMEX Gold Trust on the American Stock Exchange LLC); 53521 (March 20, 2006), 71 FR 14967 (March 24, 2006) (SR-Amex-2005-72) (approving listing on the American Stock Exchange LLC of the iShares Silver Trust).

<sup>19</sup> See Securities Exchange Act Release Nos. 53520 (March 20, 2006), 71 FR 14977 (March 24, 2006) (SR-PCX-2005-117) (approving trading on the Exchange pursuant to UTP of the iShares Silver Trust); 51245 (February 23, 2005), 70 FR 10731 (March 4, 2005) (SR-PCX-2004-117) (approving trading on the Exchange of the streetTRACKS Gold Trust pursuant to UTP).

The Yen Gold Trust will be designed to track the performance of the Solactive GLD® JPY Gold Index, less the expenses of the Fund's operations. The Solactive GLD® JPY Gold Index seeks to track the daily performance of a long position in physical gold (as represented by the Gold Price) and a short position in the Japanese Yen (i.e., a long USD exposure versus the Japanese Yen). The Japanese Yen, the Euro and the British Pound Sterling are referred to collectively herein as the "Reference Currencies". Each of the Solactive GLD® EUR Gold Index, Solactive GLD® GBP Gold Index, and Solactive GLD® JPY Gold Index are referred to herein as an "Index" and, collectively, as the "Indexes".

#### Operation of the Funds

According to the Registration Statement, each Fund will be a passive investment vehicle and will be designed to track the performance of its Index regardless of: (i) the price of gold or the corresponding Reference Currency; (ii) market conditions; and (iii) whether the Index is increasing or decreasing in value. Each Fund's holdings generally will consist entirely of "Gold Bullion".<sup>20</sup> Substantially all of the Funds' Gold Bullion holdings are delivered by "Authorized Participants" (as described below) in exchange for Fund Shares. The Funds will not hold their respective Reference Currencies. The Funds generally will not hold USDs (except from time to time in very limited amounts to pay Fund expenses). The Funds' Gold Bullion holdings are not managed and the Funds do not have any investment discretion.

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<sup>20</sup> Gold Bullion means (a) gold meeting the requirements of "London Good Delivery Standards" or (b) credit to an "Unallocated Account" representing the right to receive Gold Bullion meeting the requirements of London Good Delivery Standards. London Good Delivery Standards are the specifications for weight dimensions, fineness (or purity), identifying marks and appearance set forth in "The Good Delivery Rules for Gold and Silver Bars" published by the London Bullion Markets Association ("LBMA").

Each Fund’s net asset value (“NAV”) will go up or down each Business Day<sup>21</sup> based primarily on two factors. The first is the change in the price of gold measured in USDs from the prior Business Day. This drives the value of the Fund’s Gold Bullion holdings measured in USDs up (as gold prices increase) or down (as gold prices fall). The second is the change in the value of the Fund’s corresponding Reference Currency against the USD from the prior Business Day. This drives the value of the Fund’s Gold Bullion holdings measured in the Reference Currency up (when the value of the USD against the Reference Currency increases) or down (when the value of the USD against the Reference Currency declines). The value of gold and the Reference Currencies are based on publicly available, transparent prices — for gold, the LBMA Gold Price AM; for currencies, the WMR Fix.<sup>22</sup>

Because each Fund generally holds only Gold Bullion (and not USDs or its Reference Currency), the actual economic impact of changes in the value of the Fund’s Reference Currency against the USD from day to day can be reflected in the Fund only by moving an amount of Gold Bullion ounces of equivalent value into or out of the Fund on a daily basis. Therefore, each Fund will seek to track the performance of its Index by entering into a daily transaction with the “Gold Delivery Provider” as described herein.

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<sup>21</sup> A Business Day with respect to the Funds is any day the Exchange is open for business.

<sup>22</sup> The WMR Fix is the World Markets Company plc foreign exchange benchmark rate.

As with the Indexes, Fund Shares are intended to increase in value when the price of the Gold Bullion held by a Fund increases (as measured by the Gold Price) and/or when the price of the USD increases against the value of the Fund's corresponding Reference Currency. Fund Shares are intended to decrease in value when the price of the Gold Bullion held by a Fund decreases (as measured by the Gold Price) and/or when the price of the USD declines against the value of the Fund's corresponding Reference Currency. The net impact of these changes determines the value of each Fund on a daily basis. Although investors will purchase Shares of the Funds in USD, each Fund is designed to provide investors with the economic effect of holding gold in terms of the Fund's corresponding Reference Currency, rather than the USD.

#### Description of the Indexes

Each Index is maintained and calculated by Solactive AG, the Index Provider. The description of the strategy and methodology underlying each Index is based on rules published by the Index Provider (the "Index Rules").



Each Index is described as a “notional” or “synthetic” portfolio or strategy because there is no actual portfolio of assets to which any person is entitled or in which any person has any ownership interest. Each Index references certain assets (*i.e.*, gold and one of the Reference Currencies), the performance of which will be used as a reference point for calculating the daily performance of the Index (each, an “Index Level”). Each Index seeks to track the daily performance of a long position in physical gold and a short position in its corresponding Reference Currency relative to USDs (*i.e.*, a long USD exposure versus the corresponding Reference Currency). If the Gold Price (as defined below) increases and the corresponding Reference Currency depreciates against the USD, each Index Level is intended to increase. Conversely, if the Gold Price decreases and the corresponding Reference Currency appreciates against the USD, each Index Level is intended to decrease. In certain cases, the appreciation of the Gold Price or the depreciation of a Reference Currency may be offset by the appreciation of such Reference Currency or the depreciation of the Gold Price, as applicable. The net impact of these changes determines each Index Level on a daily basis.

Rather than viewing an Index in terms of percentage weightings of gold and the corresponding Reference Currency, it is more accurate to view the Index as being weighted 100% in gold with an overlay of the Reference Currency that essentially reflects how the gold is performing in terms of the Reference Currency. Just as the gold price in terms of U.S. dollars is not weighted partially in gold and partially in U.S. dollars, an Index is not weighted partially in gold and partially in the corresponding Reference Currency

According to the Registration Statement, the daily price of gold generally is the primary driver of Index returns. Fluctuations in the value of each Reference Currency has historically typically accounted for less than 1% of the daily returns of the corresponding Index. Each Index values gold on a daily basis using the “Gold Price.” The Gold Price generally is the LBMA Gold Price AM. The “LBMA Gold Price” means the price per troy ounce of gold stated in USDs as set via an electronic auction process run twice daily at 10:30 a.m. and 3:00 p.m. London time each Business Day as calculated and administered by the ICE Benchmark Administration Limited (“IBA”) and published by the LBMA on its website. The “LBMA Gold Price AM” is the 10:30 a.m. LBMA Gold Price. IBA, an independent specialist benchmark administrator, provides the price platform, methodology and the overall administration and governance for the LBMA Gold Price.

According to the Registration Statement, each Index reflects the price of Gold in U.S. dollars adjusted by the price of its corresponding Reference Currency (as specified above) against the U.S. dollar. Each Index is designed to measure daily Gold Bullion returns as though an investor had invested in Gold Bullion in terms of the Reference Currency reflected in that Index. In general, each Index is intended to increase in value when the price of gold (as measured by the Gold Price) increases and/or when the value of the USD increases against the value of the corresponding Reference Currency. In general, each Index is intended to decrease in value when the price of gold (as measured by the Gold Price) decreases and/or when the value of the USD declines against the value of the corresponding Reference Currency. The net impact of these changes determines the value of each Index on a daily basis. Each Fund’s Index is maintained and calculated by the Index Provider.

According to the Registration Statement, the daily price of gold in USD generally is the primary driver of Index returns. Historically, fluctuations in the price of each Reference Currency have accounted for only a small portion of Index returns. Each Index is not designed to reflect the price of spot trades in its corresponding Reference Currency (which per market convention assume delivery of the Reference Currency). Rather, each Index assumes that positions in its corresponding Reference Currency are rolled forward and not physically settled. The Index does this by approximating what would occur if spot-next trades were entered into on each “Index Business Day” and closed out on the next Index Business Day against spot transactions.<sup>23</sup> Each Index approximates the cost of entering into a spot-next trade by linearly interpolating the cost of that trade based on the WM/Reuters (“WMR”) “SW – Spot Week (One Week)” forward rates and a spot transaction.<sup>24</sup> The “Spot Next Forward Points” adjust the spot price to reflect the cost of rolling Reference Currency positions.

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<sup>23</sup> An Index Business Day is (i) any day that is a business day in New York and London, (ii) any day (other than a Saturday or Sunday) on which the LBMA is scheduled to publish the LBMA Gold Price AM, and (iii) any day (other than a Saturday or Sunday) on which WM Company is scheduled to publish prices for each Reference Currency pair.

<sup>24</sup> WMR provides both intraday and closing fixes for currency spot rates, forward contracts and non-deliverable forward contracts. WMR rates are widely utilized by financial institutions in evaluating global markets. Thomson Reuters Benchmark Services Limited, the administrator of the WM/Reuters spot, forward and non-deliverable foreign exchange benchmark rates, has stated that it complies with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks. See <http://financial.thomsonreuters.com/content/dam/openweb/documents/pdf/financial/wm-reuters-iosco-principles-statement.pdf>.

## Valuation of the Reference Currency in an Index

Each Reference Currency is expressed in the corresponding Index in terms of a number of foreign currency units relative to one USD (e.g., a number of Japanese Yen per one USD) or in terms of a number of USDs per one unit of the reference currency (e.g., a number of USDs per one Euro). In order to reflect currency returns and for purposes of calculating each Index, each Index references the Spot Rate and Spot Next Forward Points associated with its Reference Currency.

A “Spot Rate” is the rate at which a Reference Currency can be exchanged for USDs on an immediate basis, subject to the applicable settlement cycle. In other words, if an investor wanted to convert USDs into Euros, the investor could enter into a spot transaction at the Spot Rate (subject to the bid/ask) and would receive Euros in a number of days, depending on the settlement cycle of that currency. Generally, the settlement of a “spot” transaction is two currency business days. The following table sets forth the Reference Currencies (each of which is measured against USDs), the applicable Reuters Page for each Spot Rate referenced by the applicable Index and the market convention for quoting such currency.

<b>Reference Currency</b>	<b>Reuters Page</b>	<b>Market Convention for Quotation</b>
EUR/USD	USDEURFIX=WM	Number of USD per one EUR
USD/JPY	USDJPYFIX=WM	Number of JPY per one USD
GBP/USD	USDGBPFIIX=WM	Number of USD per one GBP

Each Index generally references the Spot Rate for its Reference Currency as of 9:00 a.m. London time, but may use different fixing times for certain reasons as described in the Index Rules.

According to the Registration Statement, the World Markets Company plc (“WM”) provides an exchange rate service that publishes Spot Rates at fixed times throughout the global trading day.<sup>25</sup> WM does not use a panel or polling solicitation process to obtain underlying data in the benchmark calculation process. WM uses transactional data to set “Trade Rates,” reflecting data from actual transactions entered into on an arm’s length basis between buyers and sellers in that market, where that data is available and reflects sufficient liquidity.<sup>26</sup>

The Thomson Reuters Market Data System is the primary infrastructure used to source spot foreign exchange rates used in the calculation of the rates. Other systems may be used where the appropriate rates are not available on the Thomson Reuters architecture.

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<sup>25</sup> The Commission has previously approved for Exchange trading issues of Currency Trust Shares based on the WM/Reuters closing rate. See, e.g., Securities Exchange Act Release No. 58365 (August 14, 2008), 73 FR 49522 (August 21, 2008) (SR-NYSEArca-2008-81) (notice of filing and order granting accelerated approval of proposed rule change relating to listing and trading of four CurrencyShares Trusts). The Sponsor represents that WM/Reuters utilizes the same methodology in calculating the Closing Spot Rate and the “Spot Rate” as defined herein. In addition, the Commission has approved for Exchange listing and trading exchange-traded products based on indexes that use the WM/Reuters Closing Spot Rate to calculate the applicable foreign currency exchange rate. See, e.g., Securities Exchange Act Release Nos. 56592 (October 1, 2007), 72 FR 57364 (October 9, 2007) (SR-Amex-2007-60) (order approving proposed rule change relating to the listing and trading on the American Stock Exchange of shares of eight funds of the ProShares Trust based on MSCI international equity indexes); 55985 (June 29, 2007), 72 FR 37291 (July 9, 2007) (SR-NYSEArca-2007-47) (notice of filing and order granting accelerated approval of proposed rule change to list and trade shares of the iShares FTSE EPRA/NAREIT Asia Index Funds). See also, Securities Exchange Act Release Nos. 58458 (September 3, 2008), 73 FR 52717 (September 10, 2008) (SR-NYSEArca-2008-95) (notice of filing and immediate effectiveness of proposed rule change relating to a change in net asset value calculations for CurrencyShares Trusts to use the WM/Reuters Closing Spot Rate); 79518 (December 9, 2016), 81 FR 90876 (December 15, 2016) (SR-NYSEArca-2016-84) (order approving listing and trading of shares of the Long Dollar Gold Trust).

<sup>26</sup> The Spot Rate is calculated by WMR using observable data from arms-length transactions between buyers and sellers in the applicable currency market.

Over a five-minute fix period, actual trades executed and bid and offer order rates from the order matching systems are captured every second from 2 minutes 30 seconds before to 2 minutes 30 seconds after the time of the fix. From each data source, a single traded rate will be captured – this will be identified as a bid or offer depending on whether the trade is a buy or sell. A pre-defined spread set for each currency at each fix to reflect liquidity at different times of day will be applied to the Trade Rate to calculate the opposite bid or offer. All captured trades will be subjected to validation checks. This may result in some captured data being excluded from the fix calculation.

In most spot currency transactions, settlement is two currency business days after the trade date. A spot-next trade effectively extends the spot settlement cycle by one Business Day (i.e., the “next” day) and a Spot-Next Forward Point represents the difference in price between a spot transaction and a spot-next trade. Combining a spot-next trade with a spot transaction allows for exposure to the currency without taking delivery. By entering on each Index Business Day into notional spot-next trades that are closed the next Index Business Day against spot transactions, each Index is exposed to its corresponding Reference Currency without having to take delivery of the currency. Each Index approximates the cost of entering into a spot-next trade by linearly interpolating the cost of that trade based on the WM/Reuters “SW – Spot Week (One Week)” forward rates and a spot transaction.

The following table sets forth the Reference Currencies (each of which is measured against USDs) and the applicable Reuters Page for each SW – Spot Week (One Week) forward rate referenced by each Index.

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**Reference Currency**

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**Reuters Page**

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EUR/USD

USDEURSWFIX=WM

USD/JPY

USDJPYSWFIX=WM

GBP/USD

USDGBPSWFIX=WM

Each Index references the SW – Spot Week (One Week) forward rate for its Reference Currency as of 9:00 a.m. London time.

The Index Provider will publish the Index Levels (also referred to herein as “Index values”) as of each Index Business Day in accordance with the Index Rules. If an Index Business Day is not a Publication Day, the Index Provider will not publish the Index Levels and the Index Provider will resume publishing the Index Levels on the immediately following Publication Day, subject to the consequences of the occurrence of a Market Disruption Event or Extraordinary Event. A “Publication Day” is any day that (a) is an Index Business Day and (b) is not on a day on which a Market Disruption Event or Extraordinary Event has occurred or is continuing.

## The Gold Delivery Agreement

Pursuant to the terms of the Gold Delivery Agreement, each Fund will enter into a transaction to deliver Gold Bullion to, or receive Gold Bullion from, the “Gold Delivery Provider” each Business Day”. The amount of Gold Bullion transferred essentially will be equivalent to the Fund’s profit or loss as if the Fund had exchanged the corresponding Reference Currency for USDs in an amount equal to the Fund’s holdings of Gold Bullion on such day. In general, if there is a currency gain (i.e., the value of the USD against the corresponding Reference Currency increases), the Fund will receive Gold Bullion.<sup>27</sup> In general, if there is a currency loss (i.e., the value of the USD against the corresponding Reference Currency decreases), the Fund will deliver Gold Bullion. In this manner, the amount of Gold Bullion held by a Fund will be adjusted to reflect the daily change in the value of the corresponding Reference Currency against the USD.<sup>28</sup> The Gold Delivery Agreement requires Gold Bullion ounces equal to the value of the “Gold Delivery Amount” to be delivered to the custody account of a Fund or the Gold Delivery Provider, as applicable. The fee that a Fund pays the Gold Delivery Provider for its services under the Gold Delivery Agreement is accrued daily and reflected in the calculation of the Gold Delivery Amount. The Gold Delivery Amount is the amount of Gold Bullion to be delivered into or out of a Fund on a daily basis to reflect price movements in the Fund’s corresponding Reference Currency against the USD, calculated pursuant to the Gold Delivery Agreement.

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<sup>27</sup> The Gold Delivery Provider will not be affiliated with the Trust, the Funds, the Sponsor, the Trustee, the Administrator, the Transfer Agent, the Custodian or the Index Provider.

<sup>28</sup> If the applicable currency exchange rates did not change from one day to the next, or the net impact of such changes was zero, then a Fund would neither deliver nor receive Gold Bullion pursuant to the Gold Delivery Agreement.



## Market Disruption and Extraordinary Events

From time to time, unexpected events may cause the calculation of an Index and/or the operation of a Fund to be disrupted. These events are expected to be relatively rare, but there can be no guarantee that these events will not occur. These events are referred to as either “Market Disruption Events” or “Extraordinary Events” depending largely on their significance and potential impact to the Index and Fund. Market Disruption Events with respect to a Fund generally include disruptions in the trading of gold or the Fund’s Reference Currency, delays or disruptions in the publication of the LBMA Gold Price or the Reference Currency prices, and unusual market or other events that are tied to either the trading of gold or the Reference Currency or otherwise have a significant impact on the trading of gold or the Reference Currency. For example, market conditions or other events which result in a material limitation in, or a suspension of, the trading of physical gold generally would be considered Market Disruption Events, as would material disruptions or delays in the determination or publication of the LBMA Gold Price AM. Similarly, market conditions which prevent, restrict or delay the Gold Delivery Provider’s ability to convert a Reference Currency to USDs or deliver a Reference Currency through customary channels generally would be considered a Market Disruption Event, as would material disruptions or delays in the determination or publication of WMR spot prices for any Reference Currency. The complete definition of a Market Disruption Event is set forth below.

A “Market Disruption Event” with respect to a Fund occurs if either an “FX Disruption Event” or a “Gold Disruption Event” occurs.

An “FX Disruption Event” with respect to a Fund occurs if any of the following exist on any Index Business Day with respect to the Fund’s Reference Currency:

- (i) an event, circumstance or cause (including, without limitation, the adoption of or any change in any applicable law or regulation) that has had or would reasonably be expected to have a materially adverse effect on the availability of a market for converting such Reference Currency to US Dollars (or vice versa), whether due to market illiquidity, illegality, the adoption of or change in any law or other regulatory instrument, inconvertibility, establishment of dual exchange rates or foreign exchange controls or the occurrence or existence of any other circumstance or event, as determined by the Index Provider; or
- (ii) the failure of Reuters to announce or publish the relevant spot exchange rates for such Reference Currency; or
- (iii) any event or any condition that (I) results in a lack of liquidity in the market for trading such Reference Currency that makes it impossible or illegal for market participants (a) to convert from one currency to another through customary commercial channels, (b) to effect currency transactions in, or to obtain market values of, such, currency, (c) to obtain a firm quote for the related exchange rate, or (d) to obtain the relevant exchange rate by reference to the applicable price source; or (II) leads to any governmental entity imposing rules that effectively set the prices of any of the currencies; or

(iv) the declaration of (a) a banking moratorium or the suspension of payments by banks, in either case, in the country of any currency used to determine such Reference Currency exchange rate, or (b) capital and/or currency controls (including, without limitation, any restriction placed on assets in or transactions through any account through which a non-resident of the country of any currency used to determine the currency exchange rate may hold assets or transfer monies outside the country of that currency, and any restriction on the transfer of funds, securities or other assets of market participants from, within or outside of the country of any currency used to determine the applicable exchange rate.

A “Gold Disruption Event” with respect to a Fund occurs if any of the following exist on any Index Business Day with respect to gold:

- (i) (a) the failure of the LBMA to announce or publish the LBMA Gold Price (or the information necessary for determining the price of gold) on that Index Business Day, (b) the temporary or permanent discontinuance or unavailability of the LBMA or the LBMA Gold Price; or
- (ii) the material suspension of, or material limitation imposed on, trading in gold by the LBMA; or
- (iii) an event that causes market participants to be unable to deliver gold bullion loco London under rules of the LBMA by credit to an unallocated account at a member of the LBMA; or
- (iv) the permanent discontinuation of trading of gold on the LBMA or any successor body thereto, the disappearance of, or of trading in, gold; or

- (v) a material change in the formula for or the method of calculating the price of gold, or a material change in the content, composition or constitution of gold.

The occurrence of a Market Disruption Event with respect to a Fund for ten consecutive Index Business Days generally would be considered an Extraordinary Event with respect to such Fund.

#### Consequences of a Market Disruption or Extraordinary Event

On any Index Business Day in which a Market Disruption Event or Extraordinary Event with respect to a Fund has occurred or is continuing, the Index Provider generally will calculate a Fund's Index based on the following fallback procedures: (i) where the Market Disruption Event is based on the Gold Price, the Index will be kept at the same level as the previous Index Business Day and updated when the Gold Price is no longer disrupted; (ii) where the Gold Price is not disrupted but the corresponding Reference Currency price is disrupted, the Index will be calculated in the ordinary course except that the Reference Currency will be kept at its value from the previous Index Business Day and updated when it is no longer disrupted; and (iii) if both the Gold Price and the Reference Currency price are disrupted, the Index will be kept at the same level as the previous Index Business Day and updated when such prices are no longer disrupted. If a Market Disruption Event with respect to a Fund has occurred and is continuing for ten (10) or more consecutive Index Business Days, the Index Provider will calculate a substitute price for each index component that is disrupted. If an Extraordinary Event with respect to a Fund has occurred and is continuing, the Index Provider shall be responsible for making any decisions regarding the future composition of the applicable Index and implement any necessary adjustments that might be required.

If the LBMA Gold Price AM is unavailable during the occurrence of a Market Disruption Event or Extraordinary Event with respect to a Fund, a Fund will calculate NAV using the last published LBMA Gold Price AM.

#### The London Gold Bullion Market

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

The term “loco London” refers to gold bars physically held in London that meet the specifications for weight, dimensions, fineness (or purity), identifying marks (including the assay stamp of an LBMA acceptable refiner) and appearance set forth in “The Good Delivery Rules for Gold and Silver Bars” published by the LBMA. Gold bars meeting these requirements are known as “London Good Delivery Bars.” All of the Gold Bullion will be London Good Delivery Bars meeting the requirements of London Good Delivery Standards.

The unit of trade in London is the troy ounce, whose conversion between grams is: 1,000 grams = 32.1507465 troy ounces and 1 troy ounce = 31.1034768 grams. A London Good Delivery Bar is acceptable for delivery in settlement of a transaction on the OTC market. Typically referred to as 400-ounce bars, a London Good Delivery Bar must contain between 350 and 430 fine troy ounces of gold, with a minimum fineness (or purity) of 995 parts per 1,000 (99.5%), be of good appearance and be easy to handle and stack. The fine gold content of a gold bar is calculated by multiplying the gross weight of the bar (expressed in units of 0.025 troy ounces) by the fineness of the bar.

#### The LBMA Gold Price

The LBMA Gold Price is determined twice each Business Day (10:30 a.m. and 3:00 p.m. London time) through an auction which provides reference gold prices for that day's trading. The LBMA Gold Price was initiated on March 20, 2015 and replaced the London PM Gold Fix. The auction that determines the LBMA Gold Price is a physically settled, electronic and tradeable auction, with the ability to settle trades in U.S. dollars, euros or British pounds. The IBA provides the auction platform and methodology as well as the overall administration and governance for the LBMA Gold Price. Many long-term contracts are expected to be priced on the basis of either the morning (AM) or afternoon (PM) LBMA Gold Price, and many market participants are expected to refer to one or the other of these prices when looking for a basis for valuations.

Participants in the IBA auction process submit anonymous bids and offers which are published on screen and in real-time. Throughout the auction process, aggregated gold bids and offers are updated in real-time with the imbalance calculated and the price updated every 45 seconds until the buy and sell orders are matched. When the net volume of all participants falls within a pre-determined tolerance, the auction is deemed complete and the applicable LBMA Gold Price is published. Information about the auction process (such as aggregated bid and offer volumes) will be immediately available after the auction on the IBA's website.

The Financial Conduct Authority, or FCA, in the U.K. regulates the LBMA Gold Price.

#### The Gold Futures Markets

Although the Fund will not invest in gold futures, information about the gold futures market is relevant as such markets contribute to, and provide evidence of, the liquidity of the overall market for gold.

The most significant gold futures exchange is COMEX, part of the CME Group, Inc., which began to offer trading in gold futures contracts in 1974. TOCOM (Tokyo Commodity Exchange) is another significant futures exchange and has been trading gold since 1982. Trading on these exchanges is based on fixed delivery dates and transaction sizes for the futures and options contracts traded. Trading costs are negotiable. As a matter of practice, only a small percentage of the futures market turnover ever comes to physical delivery of the gold represented by the contracts traded. Both exchanges permit trading on margin. Both COMEX and TOCOM operate through a central clearance system and in each case, the clearing organization acts as a counterparty for each member for clearing purposes. Gold futures contracts also are traded on the Shanghai Gold Exchange and the Shanghai Futures Exchange.

The global gold markets are overseen and regulated by both governmental and self-regulatory organizations. In addition, certain trade associations have established rules and protocols for market practices and participants.

#### Net Asset Value

The Administrator will determine the NAV of Shares of a Fund on each Business Day. The NAV of Shares of a Fund is the aggregate value of the Fund's assets (which include gold payable, but not yet delivered, to the Fund) less its liabilities (which include accrued but unpaid fees and expenses). The NAV of a Fund is calculated based on the price of gold per ounce applied against the number of ounces of Gold Bullion owned by the Fund. For purposes of calculating NAV, the number of ounces of Gold Bullion (i) is adjusted up or down on a daily basis to reflect the Gold Delivery Amount; and (ii) reflects the amount of Gold Bullion delivered into (or out of) a Fund on a daily basis by Authorized Participants creating and redeeming Shares. The number of ounces of Gold Bullion held by a Fund is adjusted downward by the Sponsor's fee and the expenses of the Gold Delivery Agreement.



In determining a Fund's NAV, the Administrator generally will value the Gold Bullion based on the LBMA Gold Price AM for an ounce of gold. If no LBMA Gold Price AM is made on a particular evaluation day or if the LBMA Gold Price PM has not been announced by 12:00 p.m. Eastern time ("E.T.") on a particular evaluation day (including a Business Day that is not an Index Business Day), the next most recent LBMA Gold Price AM generally will be used in the determination of the NAV of the Fund, unless the Sponsor determines that such price is inappropriate to use as the basis for such determination. If the Sponsor determines that such price is inappropriate to use, it shall identify an alternate basis for evaluation of the Gold Bullion held by the Fund. In such case, the Sponsor would, for example, look to the current trading price of gold from other reported sources, such as dealer quotes, broker quotes or electronic trading data, to value the Fund's Shares. Although the Fund will not hold the Reference Currencies, the Gold Delivery Provider generally will value the Reference Currencies based on the rates in effect as of the WMR FX Fixing Time, which is generally at 9:00 a.m., London Time (though other prices may be used if the 9:00 AM rate is delayed or unavailable). The Administrator will also determine the NAV per Share, which equals the NAV of the Fund, divided by the number of outstanding Shares. Unless there is a Market Disruption Event or Extraordinary Event with respect to the price of gold, NAV generally will be calculated and disseminated by 12:00 p.m. E.T.

The NAV generally will be calculated as of 12:00 p.m. E.T. on any Business Day. The Administrator will also determine the NAV per Share.

## Creation and Redemption of Shares

The Funds expect to create and redeem Shares but only in Creation Units (a Creation Unit equals a block of 10,000 Shares or more). The creation and redemption of Creation Units requires the delivery to a Fund (or the distribution by a Fund in the case of redemptions) of the amount of Gold Bullion and any cash, if any, represented by the Creation Units being created or redeemed. The total amount of Gold Bullion and cash, if any, required for the creation of Creation Units will be based on the combined NAV of the number of Creation Units being created or redeemed. The initial amount of Gold Bullion required for deposit with a Fund to create Shares is 1,000 ounces per Creation Unit. The number of ounces of Gold Bullion required to create a Creation Unit or to be delivered upon redemption of a Creation Unit will change over time depending on Index performance net of the fees charged by a Fund and the Gold Delivery Provider. Creation Units may be created or redeemed only by Authorized Participants (as described below), who may be required to pay a transaction fee for each order to create or redeem Creation Units as will be set forth in the Registration Statement. Authorized Participants may sell to other investors all or part of the Shares included in the Creation Units they purchase from a Fund.

### Creation Procedures – Authorized Participants

Authorized Participants are the only persons that may place orders to create and redeem Creation Units. To become an Authorized Participant, a person must enter into a Participant Agreement. All Gold Bullion must be delivered to a Fund and distributed by a Fund in unallocated form through credits and debits between an Authorized Participant's unallocated account ("Authorized Participant Unallocated Account") and a Fund's unallocated account ("Fund Unallocated Account") (except for Gold Bullion delivered to or from the Gold Delivery Provider pursuant to the Gold Delivery Agreement). All Gold Bullion must be of at least a minimum fineness (or purity) of 995 parts per 1,000 (99.5%) and otherwise conform to the rules, regulations practices and customs of the LBMA, including the specifications for a London Good Delivery Bar.

On any Business Day, an Authorized Participant may place an order with a Fund to create one or more Creation Units. Purchase orders must be placed by 5:30 p.m., E.T. The day on which a Fund receives a valid purchase order is the purchase order date. By placing a purchase order, an Authorized Participant agrees to deposit Gold Bullion with a Fund, or a combination of Gold Bullion and cash, if any, as described below.<sup>29</sup> Prior to the delivery of Creation Units for a purchase order, the Authorized Participant must also have wired to a Fund the non-refundable transaction fee due for the purchase order.

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<sup>29</sup> The Sponsor anticipates that in the ordinary course of a Fund's operations cash generally will not be part of any Creation Unit.

The total deposit of Gold Bullion (and cash, if any) required to create each Creation Unit is referred to as the “Creation Unit Gold Delivery Amount.” The Creation Unit Gold Delivery Amount is the number of ounces of Gold Bullion required to be delivered to a Fund by an Authorized Participant in connection with a creation order for a single Creation Unit.<sup>30</sup> The Creation Unit Gold Delivery Amount will be determined on the Business Day following the date such creation order is accepted. It is calculated by multiplying the number of Shares in a Creation Unit by the number of ounces of Gold Bullion associated with Fund Shares on the Business Day after the day the creation order is accepted. In addition, because the Gold Delivery Amount for a Fund does not reflect creation order transactions (see the section herein entitled “The Gold Delivery Agreement”), the Creation Unit Gold Delivery Amount is required to reflect the Gold Delivery Amount associated with such creation order. This amount is determined on the Business Day following the date such creation order is accepted.

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<sup>30</sup> The “Creation Unit Gold Delivery Amount” is also used to refer to the number of ounces of Gold to be paid by the Fund to an Authorized Participant in connection with the redemption of a Creation Unit. See “Redemption Procedures – Authorized Participants” herein.

An Authorized Participant who places a purchase order is responsible for crediting its Authorized Participant Unallocated Account with the required Gold Bullion deposit amount by the end of the third Business Day in London following the purchase order date. Upon receipt of the Gold Bullion deposit amount, the Custodian, after receiving appropriate instructions from the Authorized Participant and a Fund, will transfer on the third Business Day following the purchase order date the Gold Bullion deposit amount from the Authorized Participant Unallocated Account to a Fund Unallocated Account and the Administrator will direct the Depository Trust Company (“DTC”) to credit the number of Creation Units ordered to the Authorized Participant’s DTC account. The expense and risk of delivery, ownership and safekeeping of Gold Bullion until such Gold Bullion has been received by a Fund will be borne solely by the Authorized Participant. If Gold Bullion is to be delivered other than as described above, the Sponsor is authorized to establish such procedures and to appoint such custodians and establish such custody accounts as the Sponsor determines to be desirable.

Acting on standing instructions given by a Fund, the Custodian will transfer the Gold Bullion deposit amount from a Fund Unallocated Account to a Fund’s allocated account by allocating to the allocated account specific bars of Gold Bullion which the Custodian holds or instructing a subcustodian to allocate specific bars of Gold held by or for the subcustodian. The Gold Bullion bars in an allocated Gold Bullion account are specific to that account and are identified by a list which shows, for each Gold Bullion bar, the refiner, assay or fineness, serial number and gross and fine weight. Gold Bullion held in a Fund’s allocated account is the property of a Fund and is not traded, leased or loaned under any circumstances.

The Custodian will use commercially reasonable efforts to complete the transfer of Gold Bullion to a Fund's allocated account prior to the time by which the Administrator is to credit the Creation Unit to the Authorized Participant's DTC account; if, however, such transfers have not been completed by such time, the number of Creation Units ordered will be delivered against receipt of the Gold Bullion deposit amount in a Fund's unallocated account, and all Shareholders will be exposed to the risks of unallocated Gold Bullion to the extent of that Gold Bullion deposit amount until the Custodian completes the allocation process.

#### Redemption Procedures – Authorized Participants

The procedures by which an Authorized Participant can redeem one or more Creation Units mirror the procedures for the creation of Creation Units. On any Business Day, an Authorized Participant may place an order with a Fund to redeem one or more Creation Units. Redemption orders must be placed by 5:30 p.m. E.T. A redemption order so received is effective on the date it is received in satisfactory form by a Fund. An Authorized Participant may be required to pay a transaction fee per order to create or redeem Creation Units as will be set forth in the Registration Statement.

(a) The redemption distribution from a Fund consists of a credit in the amount of the Creation Unit Gold Delivery Amount to the Authorized Participant Unallocated Account of the redeeming Authorized Participant. The Creation Unit Delivery Amount for redemptions is the number of ounces of Gold Bullion held by a Fund associated with the Shares being redeemed plus, or minus, the cash redemption amount (if any). The Sponsor anticipates that in the ordinary course of a Fund's operations there will be no cash distributions made to Authorized Participants upon redemptions. In addition, because the Gold Bullion to be paid out in connection with the redemption order will decrease the amount of Gold Bullion subject to the Gold Delivery Agreement, the Creation Unit Gold Delivery Amount reflects the cost to the Gold Delivery Provider of resizing (i.e., decreasing) its positions so that it can fulfill its obligations under the Gold Delivery Agreement.

The redemption distribution due from a Fund is delivered to the Authorized Participant on the third Business Day following the redemption order date if, by 10:00 a.m. E.T. on such third Business Day, a Fund's DTC account has been credited with the Creation Units to be redeemed. If the Administrator's DTC account has not been credited with all of the Creation Units to be redeemed by such time, the redemption distribution is delivered to the extent of whole Creation Units received. Any remainder of the redemption distribution is delivered on the next Business Day to the extent of remaining whole Creation Units received if the Administrator receives the fee applicable to the extension of the redemption distribution date which the Administrator may, from time to time, determine and the remaining Creation Units to be redeemed are credited to the Administrator's DTC account by 10:00 a.m. E.T. on such next Business Day. Any further outstanding amount of the redemption order will be cancelled. The Administrator is also authorized to deliver the redemption distribution notwithstanding that the Creation Units to be redeemed are not credited to the Administrator's DTC account by 10:00 a.m. E.T. on the third Business Day following the redemption order date if the Authorized Participant has collateralized its obligation to deliver the Creation Units through DTC's book entry system on such terms as the Sponsor and the Administrator may from time to time agree upon.

The Custodian transfers the redemption Gold Bullion amount from a Fund's allocated account to a Fund's unallocated account and, thereafter, to the redeeming Authorized Participant's Authorized Participant Unallocated Account.



### Secondary Market Trading

While a Fund's investment objective is for its Shares to reflect the performance of Gold Bullion in terms of a Reference Currency reflected in the applicable Index, less the expenses of a Fund, the Shares may trade in the secondary market at prices that are lower or higher relative to their NAV per Share. The amount of the discount or premium in the trading price relative to the NAV per Share may be influenced by non-concurrent trading hours between the NYSE Arca and the COMEX, London, Zurich and Singapore. While the Shares will trade on NYSE Arca until 8:00 p.m. E.T., liquidity in the global gold market will be reduced after the close of the COMEX at 1:30 p.m. E.T. As a result, during this time, trading spreads, and the resulting premium or discount, on the Shares may widen.

The Adviser represents that market makers in the Shares will be able to efficiently hedge their positions through use of spot gold transactions and spot currency transactions in Reference Currencies. Transactions in spot gold and spot currencies during the Exchange's Core Trading Session (9:30 a.m. to 4:00 p.m. E.T.) take place in a highly liquid market; such transactions that hedge the market makers' positions in Shares are expected to facilitate the market maker's ability to trade Shares at a price that is not at a material discount or premium to NAV.

### Availability of Information Regarding Gold and Reference Currency Prices

Currently, the Consolidated Tape Plan does not provide for dissemination of the spot price of a commodity, such as gold, or the spot price of the Reference Currencies, over the Consolidated Tape. However, there will be disseminated over the Consolidated Tape the last sale price for the Shares, as is the case for all equity securities traded on the Exchange (including exchange-traded funds). In addition, there is a considerable amount of information about gold and currency prices and gold and currency markets available on public websites and through professional and subscription services.

Investors may obtain on a 24-hour basis gold pricing information based on the spot price for an ounce of gold and pricing information for the Reference Currencies from various financial information service providers, such as Reuters and Bloomberg.

Reuters and Bloomberg, for example, provide at no charge on their websites delayed information regarding the spot price of gold and last sale prices of gold futures, as well as information about news and developments in the gold market. Reuters and Bloomberg also offer a professional service to subscribers for a fee that provides information on gold prices directly from market participants. Complete real-time data for gold futures and options prices traded on the COMEX are available by subscription from Reuters and Bloomberg. There are a variety of other public websites providing information on gold, ranging from those specializing in precious metals to sites maintained by major newspapers. In addition, the LBMA Gold Price is publicly available at no charge at [www.lbma.org.uk](http://www.lbma.org.uk).

In addition, Reuters and Bloomberg, for example, provide at no charge on their websites delayed information regarding the spot price of each Reference Currency, as well as information about news and developments in the currency markets. Reuters and Bloomberg also offer a professional service to subscribers for a fee that provides information on currency transactions directly from market participants. Complete real-time data for currency transactions are available by subscription from Reuters and Bloomberg. There are a variety of other public websites providing information about the Reference Currencies and currency transactions, ranging from those specializing in currency trading to sites maintained by major newspapers.

#### Availability of Information

The Funds' website will provide an intraday indicative value ("IIV") per Share for the Shares updated every 15 seconds, as calculated by the Exchange or a third party financial data provider during the Exchange's Core Trading Session (9:30 a.m. to 4:00 p.m. E.T.) The IIV will be calculated based on the amount of gold held by the Fund and (i) a price of gold derived from updated bids and offers indicative of the spot price of gold, and (ii) intra-day exchange rates for each Reference Currency against the U.S. dollar.<sup>31</sup> The Funds' website will also provide the Creation Basket Deposit and the NAV of the Fund as calculated each Business Day by the Administrator. The value for each Index will be disseminated by one or more major market data vendors each Index Business Day at approximately 6:00 a.m. E.T.

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<sup>31</sup> The IIV on a per Share basis disseminated during the Core Trading Session should not be viewed as a real-time update of the NAV, which is calculated once a day.

In addition, the website for each Fund will contain the following information, on a per Share basis, for the Fund: (a) the mid-point of the bid-ask price<sup>32</sup> at the close of trading ("Bid/Ask Price"), and a calculation of the premium or discount of such price against such NAV; and (b) data in chart format displaying the frequency distribution of discounts and premiums of the Bid/Ask Price against the NAV, within appropriate ranges, for each of the four previous calendar quarters. The website for each Fund will also provide the Fund's prospectus, as well as the two most recent reports to stockholders. Finally, the Funds' website will provide the last sale price of the Shares as traded in the U.S. market. In addition, the Exchange will make available over the Consolidated Tape quotation information, trading volume, closing prices and NAV for the Shares from the previous day. The Index value will be calculated daily using the daily LBMA Gold Price AM and the Spot Rate as of 9:00 a.m., London time. The Index value will be available from one or more major market data vendors and will be available during the Exchange's Core Trading Session.

#### Criteria for Initial and Continued Listing

The Funds will be subject to the criteria in NYSE Arca Equities Rule 8.201(e) for initial and continued listing of the Shares.

A minimum of 100,000 Shares will be required to be outstanding at the start of trading. The minimum number of shares required to be outstanding is comparable to requirements that have been applied to previously listed shares of the Sprott Physical Gold Trust, ETFs Trusts, streetTRACKS Gold Trust, the iShares COMEX Gold Trust, and the iShares Silver Trust. The Exchange believes that the anticipated minimum number of Shares outstanding at the start of trading is sufficient to provide adequate market liquidity.

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<sup>32</sup> The bid-ask price of the Shares will be determined using the highest bid and lowest offer on the Consolidated Tape as of the time of calculation of the closing day NAV.

### Trading Rules

The Exchange deems the Shares to be equity securities, thus rendering trading in the Shares of the Funds subject to the Exchange's existing rules governing the trading of equity securities. Trading in the Shares on the Exchange will occur in accordance with NYSE Arca Equities Rule 7.34(a). The Exchange has appropriate rules to facilitate transactions in the Shares during all trading sessions. As provided in NYSE Arca Equities Rule 7.6, Commentary .03, the minimum price variation (“MPV”) for quoting and entry of orders in equity securities traded on the NYSE Arca Marketplace is \$0.01, with the exception of securities that are priced less than \$1.00 for which the MPV for order entry is \$0.0001.

Under NYSE Arca Equities Rule 8.201(g), an ETP Holder acting as a registered Market Maker in Commodity-Based Trust Shares with exposure to one or more non-U.S. currencies (“Underlying FX”) must file with the Exchange, in a manner prescribed by the Exchange, and keep current a list identifying all accounts for trading in Underlying FX and derivatives overlying Underlying FX which the Market Maker may have or over which it may exercise investment discretion, as well as a list of all commodity and commodity-related accounts referenced above. In addition, no Market Maker in Commodity-Based Trust Shares shall trade in a commodity, Underlying FX or any related derivative in an account that the Market Maker (1) directly or indirectly controls trading activities or has a direct interest in the profits or losses thereof, (2) is required by this rule to disclose to the Exchange, and (3) has not reported to the Exchange. In addition to the existing obligations under Exchange rules regarding the production of books and records, an ETP Holder acting as a Market Maker in Commodity-Based Trust Shares shall make available to the Exchange such books, records or other information pertaining to transactions by such entity or registered or non-registered employee affiliated with such entity for its or their own accounts for trading the underlying physical commodity, related commodity futures or options on commodity futures, applicable Underlying FX, or any other related commodity or applicable Underlying FX derivatives, as may be requested by the Exchange.

The Exchange notes that, under NYSE Arca Equities Rule 10.2, in the course of an investigation by the Exchange, the Exchange may request from ETP Holders documentary materials and other information, including trading records, regarding trading in currencies and currency derivatives. In addition, Commentary .04 of NYSE Arca Equities Rule 6.3 requires an ETP Holder acting as a registered Market Maker, and its affiliates, in the Shares to establish, maintain and enforce written policies and procedures reasonably designed to prevent the misuse of any material nonpublic information with respect to such products, any components of the related products, any physical asset or commodity underlying the product, applicable currencies, underlying indexes, related futures or options on futures, and any related derivative instruments (including the Shares).

As a general matter, the Exchange has regulatory jurisdiction over its ETP Holders and their associated persons, which include any person or entity controlling an ETP Holder. A subsidiary or affiliate of an ETP Holder that does business only in commodities or futures contracts would not be subject to Exchange jurisdiction, but the Exchange could obtain information regarding the activities of such subsidiary or affiliate through surveillance sharing agreements with regulatory organizations of which such subsidiary or affiliate is a member.

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Shares. Trading on the Exchange in the Shares may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable. In addition, trading in Shares will be subject to trading halts caused by extraordinary market volatility pursuant to the Exchange’s “circuit breaker” rule.<sup>33</sup> The Exchange will halt trading in the Shares if the NAV of the Trust is not calculated or disseminated daily. The Exchange may halt trading during the day in which an interruption occurs to the dissemination of the IIV, as described above, or the Index value. If the interruption to the dissemination of the IIV or the Index value persists past the trading day in which it occurs, the Exchange will halt trading no later than the beginning of the trading day following the interruption.

#### Surveillance

The Exchange represents that trading in the Shares will be subject to the existing trading surveillances administered by the Exchange, as well as cross-market surveillances administered by the Financial Industry Regulatory Authority (“FINRA”) on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws.<sup>34</sup> The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules and federal securities laws applicable to trading on the Exchange.

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<sup>33</sup> See NYSE Arca Equities Rule 7.12.

<sup>34</sup> FINRA conducts cross-market surveillances on behalf of the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA’s performance under this regulatory services agreement.



The surveillances referred to above generally focus on detecting securities trading outside their normal patterns, which could be indicative of manipulative or other violative activity. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Shares with other markets and other entities that are members of the ISG, and the Exchange or FINRA, on behalf of the Exchange, or both, may obtain trading information regarding trading in the Shares from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.<sup>35</sup>

Also, pursuant to NYSE Arca Equities Rule 8.201(g), the Exchange is able to obtain information regarding trading in the Shares and the underlying gold, gold futures contracts, options on gold futures, any other gold derivative, applicable non-U.S. currencies or applicable non-U.S. currency derivatives through ETP Holders acting as registered Market Makers, in connection with such ETP Holders' proprietary or customer trades through ETP Holders which they effect on any relevant market.

All statements and representations made in this filing regarding (a) the description of the portfolios of the Funds, (b) limitations on portfolio holdings, or (c) the applicability of Exchange listing rules specified in this rule filing shall constitute continued listing requirements for listing the Shares on the Exchange.

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<sup>35</sup> For a list of the current members of ISG, see [www.isgportal.org](http://www.isgportal.org).

The issuer has represented to the Exchange that it will advise the Exchange of any failure by the Funds to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will monitor for compliance with the continued listing requirements. If a Fund is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under NYSE Arca Equities Rule 5.5(m).

In addition, the Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

### Information Bulletin

Prior to the commencement of trading, the Exchange will inform its ETP Holders in an Information Bulletin of the special characteristics and risks associated with trading the Shares. Specifically, the Information Bulletin will discuss the following: (1) the procedures for purchases and redemptions of Shares in Baskets (including noting that Shares are not individually redeemable); (2) NYSE Arca Equities Rule 9.2(a), which imposes a duty of due diligence on its ETP Holders to learn the essential facts relating to every customer prior to trading the Shares; (3) how information regarding the IIV is disseminated; (4) the requirement that ETP Holders deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; (5) the possibility that trading spreads and the resulting premium or discount on the Shares may widen as a result of reduced liquidity of gold trading during the Core and Late Trading Sessions after the close of the major world gold markets; and (6) trading information. For example, the Information Bulletin will advise ETP Holders, prior to the commencement of trading, of the prospectus delivery requirements applicable to a Fund. The Exchange notes that investors purchasing Shares directly from a Fund (by delivery of the Creation Basket Deposit) will receive a prospectus. ETP Holders purchasing Shares from a Fund for resale to investors will deliver a prospectus to such investors.

In addition, the Information Bulletin will reference that a Fund is subject to various fees and expenses as will be described in the Registration Statement. The Information Bulletin will also reference the fact that there is no regulated source of last sale information regarding physical gold, that the Commission has no jurisdiction over the trading of gold as a physical commodity, and that the Commodity Futures Trading Commission has regulatory jurisdiction over the trading of gold futures contracts and options on gold futures contracts.

## 2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)<sup>36</sup> that an exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest. The Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices in that the Shares will be listed and traded on the Exchange pursuant to the initial and continued listing criteria in NYSE Arca Equities Rule 8.201. The Exchange has in place surveillance procedures that are adequate to properly monitor trading in the Shares in all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities laws. The Exchange may obtain information via ISG from other exchanges that are members of ISG or with which the Exchange has entered into a comprehensive surveillance sharing agreement. Under NYSE Arca Equities Rule 10.2, in the course of an investigation by the Exchange, the Exchange may request from ETP Holders documentary materials and other information, including trading records, regarding trading in currencies and currency derivatives. In addition, Commentary .04 of NYSE Arca Equities Rule 6.3 requires an ETP Holder acting as a registered Market Maker, and its affiliates, in the Shares to establish, maintain and enforce written policies and procedures reasonably designed to prevent the misuse of any material nonpublic information with respect to such products, any components of the related products, any physical asset or commodity underlying the product, applicable currencies, underlying indexes, related futures or options on futures, and any related derivative instruments (including the Shares).

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<sup>36</sup> 15 U.S.C. 78f(b)(5).

The proposed rule change is designed to promote just and equitable principles of trade and to protect investors and the public interest in that there is a considerable amount of gold price and gold market information available on public websites and through professional and subscription services. Investors may obtain on a 24-hour basis gold pricing information based on the spot price for an ounce of gold from various financial information service providers. Investors may obtain gold pricing information based on the spot price for an ounce of gold from various financial information service providers. Current spot prices also are generally available with bid/ask spreads from gold bullion dealers. In addition, the Funds' website will provide pricing information for gold spot prices and the Shares. Market prices for the Shares will be available from a variety of sources including brokerage firms, information websites and other information service providers. The NAV of the Funds will be published by the Sponsor on each day that the NYSE Arca is open for regular trading and will be posted on the Funds' website. The IIV relating to the Shares will be widely disseminated by one or more major market data vendors at least every 15 seconds during the Core Trading Session. In addition, the LBMA Gold Price is publicly available at no charge at [www.lbma.org.uk](http://www.lbma.org.uk). The Funds' website will also provide the Funds' prospectus, as well as the two most recent reports to stockholders. In addition, the Exchange will make available over the Consolidated Tape quotation information, trading volume, closing prices and NAV for the Shares from the previous day.

The proposed rule change is designed to perfect the mechanism of a free and open market and, in general, to protect investors and the public interest in that it will facilitate the listing and trading of an additional type of exchange-traded product that will enhance competition among market participants, to the benefit of investors and the marketplace. As noted above, the Exchange has in place surveillance procedures relating to trading in the Shares and may obtain information via ISG from other exchanges that are members of ISG or with which the Exchange has entered into a comprehensive surveillance sharing agreement. In addition, as noted above, investors will have ready access to information regarding gold pricing.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes the proposed rule change will enhance competition by accommodating Exchange trading of an additional exchange-traded product relating to physical gold.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve or disapprove the proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be disapproved.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, as modified by Amendment No. 1, is consistent with the Act. Comments may be submitted by any of the following methods:

##### Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEArca-2017-33 on the subject line.

##### Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSEArca-2017-33. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the

Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSEArca-2017-33, and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>37</sup>

Brent J. Fields  
Secretary

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<sup>37</sup> 17 CFR 200.30-3(a)(12).