

iShares Physical Gold ETF
Product Disclosure Statement



Dated: 17 October 2023

iShares Physical Gold ETF
ASX: GLDN / ARSN: 671 470 009

BlackRock Investment Management (Australia) Limited
ABN 13 006 165 975
Australian Financial Services Licence No 230523

iShares Physical Gold ETF

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1. Before you start

1.1 The issuer of this product disclosure statement

Investment in the iShares Physical Gold ETF (referred to in this Product Disclosure Statement (PDS) as **the Fund**) is offered and managed by BlackRock Investment Management (Australia) Limited ABN 13 006 165 975, AFSL No. 230523 (referred to in this PDS as **BlackRock, the Responsible Entity, we, our or us**). BlackRock is the manager of the Fund and acts as the responsible entity under the Corporations Act 2001 (Cth) (**Corporations Act**). We are the issuer of this PDS and of Units in the Fund.

BlackRock is a wholly owned subsidiary of BlackRock, Inc.^{*} (BlackRock Inc) but is not guaranteed by BlackRock, Inc or any BlackRock, Inc subsidiary or associated entity (collectively, BlackRock Group). Neither BlackRock nor any member of the BlackRock Group guarantees the success of the Fund, the achievement of the investment objective or the repayment of capital or particular rates of return on investment or capital. The performance of the Fund will depend on the performance and market value of the assets held by the Fund. An investor in the Fund could lose all or a substantial part of their investment.

1.2 About this product disclosure statement

This PDS describes the main features of the Fund and is dated 17 October 2023. A copy of this PDS has been lodged with the Australian Securities and Investments Commission (ASIC) and ASX Limited (ASX). Neither ASIC nor the ASX take any responsibility for the contents of this PDS.

This PDS can only be used by investors receiving it (electronically or otherwise) in Australia. It is not available in any other country. Units in the Fund have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any of the states of the United States of America (US). The Fund is not and will not be registered as an investment company under the US Investment Company Act of 1940. Investment in Units of the Fund by or on behalf of US persons is not permitted. Units in the Fund may not at any time be offered, sold, transferred or delivered within the US or to, or for the account or benefit of, a US person. Any issue, sale or transfer in violation of this restriction will not be binding upon the Fund and may constitute a violation of US law.

The information provided in this PDS is general information only and does not take into account your individual objectives, financial situation, needs or circumstances. You should therefore assess whether the information is appropriate for you and obtain financial advice tailored to you having regard to your individual objectives, financial situation, needs and circumstances.

The offer in this PDS is only available to Authorised Participants who have, where required, entered into a relevant Authorised Participant Agreement (AP Agreement).

Investors who are not Authorised Participants cannot invest through this PDS but may do so through the ASX. Please consult your stockbroker or financial adviser. Investors who are not Authorised Participants may use this PDS for informational purposes only and may obtain further information in relation to the Fund by contacting the iShares Call Centre (refer to page 3 of this PDS for contact details).

If any part of this PDS is established to be invalid or unenforceable under the law, it is excluded so that it does not in any way affect the validity or enforceability of the remaining parts.

The offer or invitation to subscribe for Units in the Fund under this PDS is subject to the terms and conditions described in this PDS. We

reserve the right to outsource any or all investment, management and administration functions, including to related parties, without notice to Unitholders. We reserve the right to accept or decline Unit creation requests in full or in part and reserve the right to change these terms and conditions.

If you have received this PDS electronically, we can provide you with a paper copy free of charge upon request by contacting the iShares Call Centre (refer to page 3 of this PDS for contact details).

1.3 Changes to this product disclosure statement and access to additional information

Information contained in this PDS is current as at the date of this PDS. Certain information in this PDS, as well as the terms and features of the Fund, is subject to change from time to time. We will notify you of any material changes or other significant events that affect the information in this PDS (and may issue a supplementary or replacement PDS) in accordance with our obligations under the Corporations Act.

Updated information that is not materially adverse can be obtained from our website at www.blackrock.com/au. A paper copy of any updated information will be given, or an electronic copy made available, free of charge upon request.

Where the Fund is subject to the continuous disclosure requirements of the Corporations Act, we will satisfy our obligations by disclosing material information regarding the Fund on our website at www.blackrock.com/au. A paper copy of this material will be available free of charge upon request. This information will also be released to the ASX via the ASX Markets Announcements Platform (asx.com.au).

1.4 Need help?

If you have questions about or need help investing, we recommend you speak to a licensed financial adviser. ASIC can help you check if a financial adviser is licensed. They have a website at www.asic.gov.au as well as a help line you can call on 1300 300 630.

Should you require general assistance with respect to an iShares ETF, please call the iShares Call Centre (refer to page 3 of this PDS for contact details). Alternatively, information on the different iShares ETFs quoted on ASX is available at www.blackrock.com/au or from your financial adviser.

1.5 Target market determination

BlackRock has issued a target market determination (**TMD**) which, among other things, describes the class of consumers for whom the Fund is likely to be consistent with their likely objectives, financial situation and needs. A summary of the TMD for the Fund is set out in section 3 of this PDS.

The TMD for the Fund can be obtained by contacting Client Services and is available on the BlackRock website at www.blackrock.com/au.

2. About BlackRock and iShares

2.1 About BlackRock

BlackRock's purpose is to help more and more people experience financial well-being. As a fiduciary to investors and a leading provider of financial technology, we help millions of people build savings that serve them throughout their lives by making investing easier and more affordable.

For additional information on BlackRock, please visit www.blackrock.com.

2.2 About iShares

iShares unlocks opportunity across markets to meet the evolving needs of investors. With more than twenty years of experience, a global line-up of 1300+ exchange traded funds (ETFs) and US\$3.11 trillion in assets under management as of September 30, 2023, iShares continues to drive progress for the financial industry. iShares funds are powered by the expert portfolio and risk management of BlackRock.

3. About the iShares Physical Gold ETF

Target market summary

This product is **likely** to be appropriate for a consumer as a satellite/small allocation, seeking capital growth with a high or very high risk/return profile.

This product is **unlikely** to be appropriate for a consumer with a short investment timeframe.

3.1 Investment objective

The Fund aims to provide investors with the performance of the spot price of gold, before fees and expenses.

3.2 Investment strategy

The Fund aims to achieve its investment objective by investing in precious metal-linked securities secured by physical gold bullion.

The Fund will implement its investment strategy through an investment in securities issued by the iShares Physical Gold ETC (**Underlying ETC**). The Underlying ETC is an Irish-domiciled exchange-traded commodity that trades on the London Stock Exchange plc. Securities issued by the Underlying ETC are denominated in U.S. dollars. Neither the Fund nor the Underlying ETC applies currency hedging.

The securities issued by the Underlying ETC are backed by physical gold bullion held by or on behalf of BlackRock in secured London vaults.

Through its investment in the Underlying ETC, the Fund provides investors with exposure to physical gold bullion, without having to take physical delivery or arrange storage.

3.3 What does the Fund invest in?

Through its investment in the Underlying ETC, the Fund will generally be exposed to gold bullion that meets the London Bullion Market Association (**LBMA**) Good Delivery rules, which mandate that the gold must have a minimum purity of 99.5%. In-line with these rules, selection of bullion also aims to comply with LBMA's Responsible Sourcing Programme which is designed to ensure that the gold bullion backing the Underlying ETC is responsibly sourced. The gold bullion is held and insured by J.P. Morgan in their London vault and physical inspections are conducted twice each calendar year.

For further information about the LBMA Good Delivery rules, please refer to the [LBMA website](#).

The Underlying ETC is traded on exchange with multiple market makers appointed and an open-ended structure whereby securities can be created and redeemed by Authorised Participants. The Fund buys and sells securities issued by the Underlying ETC on the London Stock Exchange.

The Fund may also be exposed to a small allocation of cash (or cash equivalents, that may include other BlackRock Group funds) for cash flow management purposes and may enter into Spot/Forward Foreign Exchange positions for currency conversion, in particular to facilitate the Fund's investment in the U.S. dollar denominated Underlying ETC securities.

3.4 About the LBMA Gold Price

The LBMA Gold Price, administered by ICE Benchmark Administration Limited (**IBA**), is a benchmark price for unallocated gold delivered in London.

IBA operates electronic auctions for spot, unallocated loco London gold at 10:30 and 15:00 London time. The final price of the relevant auction is published as the LBMA Gold Price AM or the LBMA Gold Price PM benchmark, as applicable, in US Dollars. IBA also publishes the benchmark in British Pounds and Euros.

IBA has given its written consent for the above statement in the form and context in which it is included in this PDS and has not withdrawn its consent as at the date of this PDS.

Same as the Fund, index performance will be based on the U.S. dollar denominated LBMA Gold PM Price and converted into Australian dollars by the WM/Reuters London 4pm rate.

For further information on the LBMA Gold Price, please refer to the following: www.theice.com/iba/lbma-gold-silver-price.

4. Additional information about the Fund

4.1 The Underlying ETC

The Fund primarily invests in securities issued by iShares Physical Metals plc (**Underlying Issuer**). The Underlying Issuer is incorporated as a public company with limited liability under the laws of Ireland. The Underlying Issuer operates the Secured Precious Metal Linked Securities Programme pursuant to which it may issue secured precious metal linked securities. The securities are issued in series. The Fund invests in the series of securities designated as the 'iShares Physical Gold ETC' (**Underlying Gold Securities**).

The Underlying Gold Securities are debt securities secured by physical gold bullion. The amount payable to holders of Underlying Gold Securities on their redemption is linked to the value of physical gold. The Underlying Gold Securities are backed by the underlying physical gold, which is held by or on behalf of the Underlying Issuer in secured vaults, and the proceeds from the disposal of the underlying physical gold (net of any applicable deductions), should be equal to the amount due under the Underlying Gold Securities.

Each Underlying Gold Security includes a 'Metal Entitlement', which is the amount of physical gold attributable to each security. The Metal Entitlement is calculated daily by the Underlying Issuer's administrator and published on the iShares UK website.

The Underlying Gold Securities are priced on exchange by market makers. The value of the Underlying Gold Securities at any time is expected to be influenced primarily by the value of an amount of the relevant physical gold equal to the Metal Entitlement at such time.

The Underlying Gold Securities are admitted to listing on the official list of the UK Financial Conduct Authority and to trading on the regulated market of the London Stock Exchange plc (**London Stock Exchange**) (among other trading venues). The Fund will access the Underlying Gold Securities via their listing on the London Stock Exchange.

For further information on each Underlying Fund please contact Client Services (refer to page 2 of this PDS for contact details).

4.2 Use of derivatives

The Fund will generally not enter into derivative positions with the exception of forward foreign exchange positions and futures. Forward foreign exchange positions may be used for currency conversion purposes, in particular to facilitate the Fund's investment in the U.S. dollar denominated Underlying ETC securities. Forward foreign exchange positions will not be entered into for currency hedging purposes. When derivative positions are established they will always be backed by cash holdings and/or underlying assets. Derivative securities will not be used to gear the Fund.

The Fund's exposure to over the counter (**OTC**) derivatives is not expected, in aggregate, to exceed 5% of the net asset value (NAV) of the Fund.

4.3 Borrowing

While the Fund's constitution allows the Responsible Entity to borrow on behalf of the Fund, it is our intention that no borrowing arrangements will be entered into by the Fund other than temporary overdrafts, which may be used as a means of managing certain cash flows.

4.4 Fund performance and size

Updated performance information is available from our website at www.blackrock.com/au.

Past performance is not a reliable indicator of future performance.

4.5 Labour standards, environmental, social or ethical considerations

BlackRock does not take into account labour standards or environmental, social or ethical considerations when selecting, retaining or realising investments.

The Underlying Issuer will only accept gold that meets the LBMA "Good Delivery" requirements. The LBMA "Good Delivery" requirements also include the requirement that refiners comply with the LBMA's Responsible Sourcing Programme. The LBMA's Responsible Sourcing Programme is an independent audit programme for verifying the legitimacy and environmental, social and governance risk of the gold supply chain. It aims to combat systematic or widespread abuses of human rights, avoid contributing to conflict and to comply with high standards of anti-money laundering and to combat terrorist financing practices.

For further information on LBMA's Responsible Sourcing Programme please contact Client Services (refer to page 2 of this PDS for contact details).

4.6 Announcements to ASX

All announcements (including continuous disclosure notices) will be made to ASX via the ASX Market Announcements Platform (asx.com.au).

4.7 Securities lending

The Fund does not currently participate in a securities lending program for the lending of securities held by the Fund. Should the Fund commence securities lending we will notify Unitholders of this change.

4.8 Additional information

The following information can be obtained from our website at www.blackrock.com/au/ishares:

- ▶ the Fund's last calculated NAV;
- ▶ the Fund's last calculated NAV per Unit (NAV Price). The NAV Price is that which is applied to a Unit creation or redemption request received prior to the close of trading on any Business Day. Refer to the section of this PDS titled "Processing of Unit creations and redemptions" for further information on the calculation of the NAV Price and to the Operating Procedures for details of the Fund's Business Day;
- ▶ the performance of the Fund;
- ▶ daily holdings of the Fund including the list of gold bars held by the Underlying ETC;
- ▶ a copy of the latest PDS;
- ▶ copies of the Fund's Annual and Semi Annual Financial Report (the financial year end for the Fund is 30 June); and
- ▶ details of the Fund's distributions (if declared).

4.9 Benefits of iShares

iShares ETFs are managed funds of which units are listed or quoted on exchanges (including ASX). Investments in iShares ETFs generally provide investors with the opportunity to gain exposure to a portfolio of assets in a single transaction.

The significant benefits of investing in the Fund include:

- ▶ providing investors with a liquid and cost-effective means of gaining exposure to the gold market without the need to take delivery and store physical gold bullion.

Other benefits of investing in iShares ETFs generally include:

- ▶ Access global markets: iShares ETFs let you achieve international diversification by investing in overseas equity and bond markets. With iShares ETFs you can gain exposure by asset class, market capitalisation, country and sector.
- ▶ Liquidity and transparency: Each iShares ETF seeks investment results that correspond generally to the performance (before fees and expenses) of a particular benchmark. As a traded security, an iShares ETF enables you to enter and exit your holding on the ASX. You can easily track performance and trade during ASX trading hours (subject to ASX rules).
- ▶ Managing risk: Investing in an iShares ETF can assist you in establishing a portfolio appropriate to your investment needs and risk profile.
- ▶ Lower cost: As each iShares ETF is passively managed and designed to track the performance of a particular benchmark, the expenses of managing an iShares ETF are generally lower compared to other forms of retail managed funds. However, brokerage or adviser fees may still apply when buying or selling units of an iShares ETF.
- ▶ Receipt of income: You may receive income from your investment in the form of distributions. Such distributions may include dividends, coupons and other income. Given that the Fund does not typically produce income and does not receive dividends, there may be years in which no distributions are made.
- ▶ Accessibility: iShares ETFs can offer a cost-effective way to gain exposure to a diversified portfolio of securities. They can be less costly than purchasing a large number of individual securities as there are less trading costs and they offer lower thresholds than an investor might otherwise be able to afford.

5. About the AQUA Rules

The Fund is quoted on the ASX under the AQUA Rules. The AQUA Rules have been designed to offer greater flexibility and are specifically designed for managed funds, ETFs and structured products.

As most investors are more familiar with the ASX Listing Rules, it is important to note the main differences between the AQUA Rules and the ASX Listing Rules, which are set out below.

ASX Listing Rules	ASX AQUA Rules
Control	
<p>A person:</p> <ul style="list-style-type: none"> ▶ controls the value of its own securities and the business it runs, ▶ the value of those securities is directly influenced by the equity issuer's performance and conduct. <p>e.g. the management and board generally control the fate of the business and, therefore, have direct influence over the share price.</p>	<p>A person:</p> <ul style="list-style-type: none"> ▶ does not control the value of the assets underlying its products, but ▶ offers products that give investors exposure to the underlying assets – such as shares, indices, currencies or commodities. <p>The value (price) of products quoted under the AQUA Rules is dependent upon the performance of the underlying assets rather than the financial performance of the issuer itself.</p> <p>e.g. A managed fund issuer does not control the value of the shares it invests in.</p>
Continuous disclosure	
<p>Products under the ASX Listing Rules are subject to the continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the Corporations Act.</p>	<p>Issuers of products quoted under the AQUA Rules are not subject to the continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the Corporations Act.</p> <p>There is, however, still a requirement under the AQUA Rules that an issuer of a product quoted under the AQUA Rules provide ASX with information that the non-disclosure of which may lead to the establishment of a false market in its products or would materially affect the price of its products.</p> <p>In addition, issuers of products quoted under the AQUA Rules must disclose information about:</p> <ul style="list-style-type: none"> ▶ the Net Tangible Assets or the NAV of the funds; ▶ dividends, distributions and other disbursements; and ▶ any other information that is required to be disclosed to ASIC under section 675 of the Corporations Act must be disclosed to ASX via the ASX Company Announcement Platform at the same time it is disclosed to ASIC.
Periodic disclosure	
<p>Products under the ASX Listing Rules are required to disclose half-yearly and annual financial information or annual reports under Chapter 4 of the ASX Listing Rules.</p>	<p>Products quoted under the AQUA Rules are not required to disclose half-yearly and annual financial information or annual reports under the AQUA Rules.</p> <p>However, because the Fund is a registered managed investment scheme, we are still required to prepare financial reports under Chapter 2M of the Corporations Act. These reports will be made available on our website at www.blackrock.com/au.</p>

ASX Listing Rules	ASX AQUA Rules
Corporate control	
<p>Requirements in the Corporations Act and the ASX Listing Rules in relation to matters such as takeover bids, share buy-backs, change of capital, new issuers, restricted securities, disclosure of directors' interests and substantial shareholdings apply to companies and schemes.</p> <p>The responsible entity of a listed scheme may be replaced by a resolution of members holding a majority of the votes cast on the resolution.</p>	<p>Certain requirements in the Corporations Act and the ASX Listing Rules in relation to matters such as takeover bids, buy-backs, change of capital, new issuers, restricted securities, disclosure of directors' interests and substantial shareholdings that apply to companies and listed schemes do not apply to products quoted under the AQUA Rules.</p> <p>Issuers of products quoted under the AQUA Rules are subject to general requirement to provide the ASX with any information concerning itself that may lead to the establishment of a false market or materially affect the price of its products.</p> <p>The responsible entity of an unlisted scheme being admitted to Trading Status on ASX or quoted under the AQUA Rules may only be replaced by a resolution of members holding a majority of votes that are eligible to be cast on the resolution.</p>
Related party transactions	
<p>Chapter 10 of the ASX Listing Rules, which relates to transactions between an entity and persons in a position to influence the entity, specifies controls over related party transactions.</p>	<p>Chapter 10 of the ASX Listing Rules does not apply to AQUA products.</p> <p>Unlisted schemes being admitted to Trading Status on ASX or quoted under the AQUA Rules remain subject to the related party requirements in Part 5C.7 and Chapter 2E of the Corporations Act.</p>
Auditor rotation	
<p>There are specific requirements in relation to auditor rotation under Part 2M.4 Division 5 of the Corporations Act.</p>	<p>Issuers of products under the AQUA Rules are not subject to the requirements under Part 2M.4 Division 5 of the Corporations Act.</p> <p>The responsible entity of an unlisted scheme being admitted to Trading Status on ASX or quoted under the AQUA Rules will continue to be required to undertake an independent audit of its compliance with the scheme's compliance plan in accordance with section 601HG of the Corporations Act.</p>
Disclosure	
<p>Entities admitted under the ASX Listing Rules are subject to the requirements of the Corporations Act in relation to the issue of a PDS.</p>	<p>Products quoted under the AQUA Rules will also be subject to these requirements of the Corporations Act.</p>

Source: ASX Rules Framework

6. Fund risks

6.1 What are the risks of investing?

Before you make an investment decision, it is important to identify your investment objectives and the level of risk that you are prepared to accept. This may be influenced by:

- ▶ the timeframe over which you are expecting a return on your investment and your need for regular income versus long-term capital growth;
- ▶ your level of comfort with volatility in returns; or
- ▶ the general and specific risks associated with investing in particular funds.

6.2 General risks

All investments have an inherent level of risk. Generally, there is a trade-off between higher expected returns for higher expected risk – represented by the variability of fund returns.

The value of your investment will fluctuate with the value of the underlying investments in the Fund. Investment risk may also result in loss of income or capital invested and possible delays in repayment. You could receive back less than you initially invested and there is no guarantee that you will receive any income.

6.3 What about the specific risks of the Fund?

Specific risks of investing in the Fund may include, but are not limited to:

Foreign investment risks. Exposure to securities or derivative instruments issued in foreign markets may include certain risks associated with:

- ▶ **Foreign market risk.** Jurisdictional differences in trading, settlement and clearing procedures that may restrict trading (as a result of suspensions or daily quotas), increase default or market operational risks or require securities to be held on a beneficial basis via a depository nominee.
- ▶ **Currency risk.** The risk that foreign currencies change in value relative to the Australian dollar, which may affect the Fund's investment returns. These movements may either add to or subtract from performance.
- ▶ **Regional instability risk.** Certain countries may be subject to considerable degrees of market volatility, economic, political and social instability, which may reduce or preclude the ability to trade security exposures or negatively affect a security's value.
- ▶ **Foreign regulatory risk.** Differences in accounting, financial reporting, taxation, legal, regulatory, liquidity and pricing practices that are subject to change and if so may adversely affect the Fund's performance.

Physical metal price risk. The performance of a precious metal is dependent upon various factors, including (without limitation) the following:

- ▶ **Supply and demand.** Precious metals are typically considered a finite rather than a renewable resource. If supplies of a precious metal increase, the price of the precious metal will typically fall and vice versa if all other factors remain constant. Similarly, if demand for a precious metal increases, the price of the precious metal will typically increase and vice versa if all other factors remain constant.
- ▶ **Liquidity.** Not all markets in precious metals are liquid and able to quickly and adequately react to changes in supply and

demand. The fact that there are only a few market participants in the precious metals markets means that speculative investments can have negative consequences and may distort prices and market liquidity.

- ▶ **Natural disasters.** The occurrence of natural disasters can influence the supply of certain precious metals. This kind of supply crisis can lead to severe and unpredictable price fluctuations.
- ▶ **Storage and other costs.** Direct investment in precious metals involves storage, security, insurance and tax costs. Moreover, no interest or dividends are paid on precious metals. The returns from investments in precious metals are influenced by these factors.
- ▶ **Location.** Precious metals are often produced in emerging market countries, with demand coming principally from industrialised nations. The political and economic situation is, however, far less stable in many emerging market countries than in the developed world. They are generally much more susceptible to the risks of rapid political change and economic setbacks. Political crises can affect purchaser confidence, which can, as a consequence, affect precious metal prices. Armed conflicts can also impact on the supply and demand for certain precious metals.
- ▶ **Changes in tax rates.** Changes in tax rates and customs duties may have a positive or a negative impact on the profit margins of precious metal producers. When these costs are passed on to purchasers, these changes will affect prices.
- ▶ **Changes in exchange rates and interest rates.** Changes in exchange rates and interest rates may have a positive or negative impact on the price, demand, production costs, direct investment costs of precious metals and the returns from investments in precious metals are therefore influenced by and may be correlated to these factors.
- ▶ **Laws, regulation and action of regulatory bodies.** Changes in law and regulation and/or the action of any applicable government or regulatory body may have a positive or a negative impact on precious metal prices and on any of the factors listed above.

Shortage of physical metal risk. Metal markets have the potential to suffer from market disruption or volatility caused by shortages of physical metal. Such events could result in sudden increases in Metal prices for a short period.

Custody and insurance risk. BlackRock's ability to meet its obligations will be dependent upon the performance by the Custodian. Consequently, the Securityholders are relying on the creditworthiness of the Custodian.

All physical gold bullion held by the Fund in allocated form will be held by the Custodian in its vaults in London (**Physical Gold**). Access to such Physical Gold could be restricted by, without limitation, natural events, such as earthquakes, or human activities, such as political protests or terrorist attacks.

The Custodian will maintain insurance arrangements in connection with the Custodian's business, including in support of its obligations under a Custody Agreement. Unless otherwise agreed in writing by both BlackRock and the Custodian, the Custodian is under no obligation to maintain insurance specific to BlackRock or specific only to the Physical Gold held for BlackRock in respect of any loss, damage, destruction or mis-delivery of such Physical Gold.

In the event of any loss of Physical Gold that cannot be recovered, BlackRock will be reliant on the Custodian being able to claim successfully on its insurance. The Custodian will indemnify

BlackRock for any loss, liability, cost, claim, demand or expense arising from physical loss or destruction of or damage to the relevant Physical Gold. BlackRock is not responsible for ensuring that adequate insurance arrangements have been made and in particular for insuring any Physical Gold in any unallocated or allocated accounts, or making any enquiry regarding such matters.

Therefore, there is a risk that Physical Gold held in allocated form could be damaged, stolen or otherwise lost in which case BlackRock would not be able to fully satisfy its obligations in respect of the securities issued secured by the Physical Gold.

Unallocated account risk: While arrangements have been put in place to minimise the holding of Physical Gold in Unallocated Accounts, there may be short periods of time during which gold may pass through the Unallocated Accounts. In the event of an insolvency of the Custodian, gold in unallocated form that is deposited with the Custodian is deposited in the name of the Issuer and should be held by the Custodian on trust for the Issuer such that the Issuer should be protected. To the extent that any such Physical Gold is unable to be clearly identified as trust property held for the Issuer, it may be difficult for the Issuer to recover gold and the Issuer may instead have a claim against the Custodian for breach of trust.

Early redemption risk: While the Securities in the Underlying ETC are undated, the Issuer may at any time elect to redeem all the Securities and designate an Early Redemption Trade Date for such purposes, provided that the date designated as the Early Redemption Trade Date may not be earlier than the 10th calendar day following the date of the relevant notice from the Issuer.

6.4 Risks of investing in ETFs and managed funds

The risks of investing in ETFs and more generally managed investment schemes may include, but are not limited to:

Conflicts of interest risk. Certain conflicts of interest may arise in the operation of a BlackRock Group fund. Fund structures may involve members of the BlackRock Group acting in more than one capacity, while BlackRock Group funds may hold over-the-counter derivative agreements where a member of the BlackRock Group is acting (in different capacities) on both sides of the agreement. BlackRock Group funds may be invested in by persons associated with BlackRock Group or by other funds and accounts managed by different members of the BlackRock Group. Investors in a fund may, in some instances, invest on different terms to each other, some of which may be more favourable than others. Each investor in a fund may act in a way which is adverse to the interests of other investors in that fund. Additionally, funds and accounts managed by different members of the BlackRock Group may act as a seed investor in a BlackRock Group fund, which may create a commercial opportunity for the BlackRock Group. For example, a seed investment may allow the BlackRock Group to establish a track record for a fund that can then be sold to other clients. Certain investment strategies of the BlackRock Group may conflict with each other and may affect the price and availability of securities in which to invest. Members of the BlackRock Group may also give advice or take action with respect to any of their clients, which may differ from the advice given or the timing or nature of any action taken with respect to the investments of other BlackRock Group funds or accounts.

While conflicts of interest may arise from time to time, the BlackRock Group has established policies and procedures in place to manage any such conflict, which includes ensuring transactions between BlackRock Group entities are conducted on an arm's length commercial basis.

Dealing risk. There may be instances where the Units in the Fund will not be widely held. Accordingly, any investor buying Units in

small numbers may not necessarily be able to find other buyers should that investor wish to sell. While this risk cannot be entirely removed in order to address such dealing risk, the Fund has been appointed one or more market maker.

Fund risk. The price of units in the Fund may go down as well as up. Investors may not get back their original investment. There can be no assurance that the Fund will achieve its investment objective or that an investor will achieve profits or avoid losses, significant or otherwise. Capital return of the Fund is based on the capital appreciation of the securities invested in, less expenses incurred. Fund returns may fluctuate in response to changes in such capital appreciation. The payment of distributions is at the discretion of the fund issuer, taking into account various factors and its own distribution policy. Distributions are not guaranteed and there may be periods for which distributions are higher or lower than expected. Investing in the Fund may result in a different tax outcome than investing in securities directly. The application of tax laws and certain events occurring within the Fund may result in you receiving some of your investment back as income in the form of a distribution. The fund will generally not be managed with consideration of the individual circumstances, including specific tax considerations, applicable to any single unitholder in the Fund. Past performance is not indicative of future performance.

Individual investment risk. Individual securities held by the Fund can and do fall in value for many reasons. The price of such securities are subject to fluctuation. Returns from individual securities will vary and price movements can be volatile.

Market risk. Economic, technological, political or legislative conditions and even market sentiment can (and do) change and this can affect the value of the investments in the Fund. The value of the Fund will change with changes in the market value of the securities to which it is exposed.

Market trading risk. The units of ETFs (such as the those of the Fund) may trade on securities exchanges in the secondary market, like the ASX. Risks associated with such trading activity may include the following:

- ▶ **Secondary market trading risk.** While the unit creation/redemption feature of an ETF is designed to make it likely that units of the ETF will trade close to their NAV in the secondary market, at times when the ETF does not accept orders to create or redeem units (such as when the Fund suspends trading in accordance with the terms of its constitution) or if there are disruptions to unit creation or redemption processes, units of the ETF may trade in the secondary market with more significant premiums or discounts than might otherwise be experienced.
- ▶ **Settlement risk.** The Fund may be exposed to settlement risk, as the Fund is reliant on the operation of CHES, including for Unit creations and redemptions. The Fund is exposed to the extent that there is a risk that Authorised Participants may fail to fulfil their settlement obligations. The risk is partly mitigated as participants in CHES are subject to rules of participation, which include sanctions if there is a failure to meet their obligations. Where trading in relation to a security is suspended, there may be a delay in settlement in relation to that security.
- ▶ **Secondary market suspension.** Investors will not be able to acquire or dispose of Units on the ASX during any period that the ASX suspends trading in the Units. The ASX may suspend the trading of Units whenever the ASX determines that it is appropriate in the interests of a fair and orderly market to protect investors. The creation and redemption of Units will also be suspended in the event that the trading of Units on the

ASX is suspended. Refer to the section of this PDS, titled “Redemption rights of non-Authorised Participant Unitholders” for further information on the redemption rights of secondary market investors when the trading in Units on the ASX has been suspended.

- ▶ **Revocation of ASX approval of quotation risk.** The ASX imposes certain requirements for the continued quotation of securities, including units of ETFs. There can be no assurance that the Fund will continue to meet the requirements necessary to maintain quotation of Units on the ASX or that the ASX will not change the quotation requirements. The Fund may be terminated if the ASX revokes listing approval.
- ▶ **No trading market in ETF units.** There can be no assurance that an active trading market will exist for units of an ETF on the securities exchanges the ETF is traded. Further, there can be no assurance that units of an ETF will experience trading or pricing patterns similar to those of ETFs which are issued by investment companies in other jurisdictions or those traded on the ASX that seek to track a different benchmark. Investors should note that liquidity in the secondary market for ETF units may be adversely affected if there is no market maker or authorised participant for the ETF. Although units of an ETF may be quoted on a securities exchange and there may be one or more appointed market maker, there may be no liquid trading market for the ETF units or such appointed market maker(s) may cease to fulfil that role. It is the Responsible Entity’s intention that there will always be at least one market maker for the Units of the Fund.

Operational risk. The risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Adverse impacts may arise internally through human error, technology or infrastructure changes, or through external events such as third-party failures or crisis events. The BlackRock Group has procedures in place to manage these risks and, as much as possible, monitor the controls within these procedures to ensure operational risks are adequately managed.

Regulatory and business risk. Changes in corporate, taxation or other relevant laws, regulations or rules may adversely affect your investment. For example, such changes may adversely affect a fund’s ability to execute certain investment strategies, which could have a material effect on performance. The laws affecting registered managed investment schemes may also change in the future.

Tracking error risk. The NAV of the Fund may not correlate exactly with the benchmark it is designed to match. Factors such as fund fees and expenses, imperfect correlation between fund security holdings and benchmark constituents, inability to rebalance portfolio holdings in response to changes to benchmark constituents, rounding of prices, benchmark changes and regulatory policies may affect the ability of a fund to achieve close correlation with the benchmark. A fund’s returns may therefore deviate from the benchmark it is designed to match.

6.5 Risk management

The Fund benefits from the BlackRock Group’s global expertise and risk management practices, with investment strategies employed across the BlackRock Group being continuously monitored and assessed.

Risk management is integral to the BlackRock Group’s culture and has been integrated into management and investment practices wherever possible. The BlackRock Group recognises that risk management is an integral part of sound management practice and is therefore committed to continually investing incrementally in its

risk management capabilities commensurate with the increasing complexity, range and scale of its business activities.

Asset exposures are constantly monitored to ensure all BlackRock Group funds remain within permitted investment parameters. Operating and investment processes are continuously reviewed through a combination of internal and external audit, regular compliance monitoring, management self-assessment procedures and risk management oversight.

Management of key controls and performance measurement is accomplished through routine reporting on investment activities. The BlackRock Group’s automated systems produce reports that enable the ongoing monitoring of trading and investment activity against assigned limits, including individual trader and counterparty limits. Transactions that may result in exceptions to the established limits must have appropriate approval in accordance with internally documented policies.

Departmental oversight

The BlackRock Group has operational functions that help in the implementation of its risk management framework, including:

- ▶ **Risk and Quantitative Analysis:** Monitors the continuing development of process controls and functional segregation in conjunction with relevant business units to ensure that these remain robust and appropriate to the needs of the business. The Risk and Quantitative Analysis Team also measures and monitors all BlackRock Group funds.
- ▶ **Legal and Compliance:** Responsible for the identification, communication and control of applicable legislation and restrictions. Compliance staff also conduct periodic compliance reviews of key processes and work closely with management to develop suitable controls.
- ▶ **Internal Audit:** Responsible for the review of internal processes and controls.
- ▶ **Counterparty & Concentration Risk Group:** Responsible for managing counterparty risk across the BlackRock Group. The Counterparty and Concentration Risk Group monitors and assesses counterparty exposures arising from a wide range of financial instruments.

7. Fees and other costs

7.1 Consumer advisory warning

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC) Moneysmart website (www.moneysmart.gov.au)** has a managed funds fee calculator to help you check out different fee options.

7.2 Fees and other costs

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole. Taxes are set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Fees and costs summary

iShares Physical Gold ETF		
Type of fee or cost	Amount	How and when paid
<i>Ongoing annual fees and costs</i>		
Management fees and costs¹ The fees and costs for managing your investment	0.18% p.a.	The management fee for the Fund is calculated with reference to the NAV of the Fund on a daily basis. This cost is deducted from the assets of the Fund and is generally paid to the Responsible Entity monthly in arrears. Management fees and costs include indirect costs. Indirect costs are a reasonable estimate of certain costs incurred within the Fund that reduce returns. The deduction of managements fees and costs is reflected in the Fund's unit price.

Performance fees Amounts deducted from your investment in relation to the performance of the product	Nil	The Fund does not charge a performance fee.
Transaction costs The costs incurred by the Fund when buying or selling assets	0.00% p.a.	Transaction costs which are incurred when a member invests or redeems from the Fund will generally be recovered through the buy-sell spread applied to the unit price. Transaction costs that are not recovered ('net transaction costs') reduce returns and are reflected in the Fund's unit price.
<i>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)</i>		
Establishment fee The fee to open your investment	Nil	Not applicable.
Contribution fee The fee on each amount contributed to your investment	If you are BUYING ON EXCHANGE Nil	If you are an Authorised Participant creating Units \$14
		These fees are only applicable to Authorised Participants, as only Authorised Participants are able to create Units. These fixed fees are payable at the time of creating Units. Refer to the section of this PDS titled "Additional explanation of fees and costs" for details of the contribution fee charged by the Fund.
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the Fund	Nil	Buy-sell spreads do not apply when buying/selling units on exchange.
Withdrawal fee The fee on each amount you take out of your investment	If you are SELLING ON EXCHANGE Nil	If you are an Authorised Participant redeeming Units \$14
		These fees are only applicable to Authorised Participants, as only Authorised Participants are able to redeem Units. These fixed fees are payable at the time of redeeming Units. Refer to the section of this

		PDS titled "Additional explanation of fees and costs" for details of the withdrawal fee charged by the Fund.
Exit fee The fee to close your investment	Nil	Not applicable.
Switching fee The fee for changing investment options	Nil	Not applicable.

¹ Fees can be negotiated with certain "wholesale clients" investors (as defined by the Corporations Act) in compliance with legal requirements and any applicable ASIC class orders. See 'Differential fees' within the "Additional explanation of fees and costs" section for further information.

7.3 Example of annual fees and costs

The table below gives an example of how ongoing annual fees and costs in the iShares Physical Gold ETF can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

Example – iShares Physical Gold ETF		
Balance of \$50,000 with a contribution of \$5,000 during year		
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS		
Management fees and costs	0.18%	And , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment \$90 each year
Performance fees	Nil	And , you will be charged or have deducted from your investment \$0 in performance fees each year
Transaction costs	0.00%	And , you will be charged or have deducted from your investment \$0 in transaction costs.
EQUALS		
Cost of Fund	If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year you would be charged fees and costs of \$90 . What it costs you will depend on the fees you negotiate.	

¹ Additional fees may apply. Authorised Participants may incur a fixed contribution fee to create Units in the Fund. Additionally, Authorised Participants may also incur transaction costs when creating units in the Fund by way of a cash creation/redemption. These fees/costs are not applicable to investors buying on exchange. Refer to the section of this PDS titled "Additional explanation of fees and costs" for further information.

7.4 Additional explanation of fees and other costs

Ongoing annual fees and costs

The ongoing annual fees and costs comprise:

► Management fees and costs

Management fees and costs include:

- amounts payable to us for administering the Fund ('management fees');
- amounts paid for investing in the assets of the Fund; and
- other expenses and reimbursements in relation to the Fund.

Management fees and costs also include indirect costs.

Management fees and costs			
Fund name	Management fee	Indirect costs	Total
iShares Physical Gold ETF	0.18%	0.00%	0.18%

Management fees and costs are not deducted directly from your Fund account. Instead, they are accrued daily within the Fund's NAV price and are deducted from the assets of the Fund. Management fees and costs are generally paid to the Responsible Entity monthly in arrears.

Investment management services may be provided to the Responsible Entity by other members of the BlackRock Group, for which management fees and costs are charged. Where such fees and costs are paid for the provision of investment management services, they are payable by BlackRock and are not at an additional cost to you.

Where an investment is made through a fund managed by us or another company in the BlackRock Group the management fees and costs of the underlying fund will generally either be rebated or not charged.

► Performance fees

The Fund does not charge a performance fee.

► Transaction costs

Transaction costs are incurred when assets are bought and sold. Transaction costs include, but are not limited to:

- explicit transaction costs, such as brokerage, buy-sell spread, settlement costs, clearing costs (including custody costs) and stamp duty; and
- where applicable, OTC derivative transaction costs, the costs of investing in OTC derivatives, excluding such costs disclosed as indirect costs.

Transaction costs exclude borrowing costs, property operating costs and certain implicit or market impact costs.

Transaction costs may be incurred when Authorised Participants create or redeem Units in the Fund or when transacting to manage the Fund's investment strategy.

Transaction costs incurred when an Authorised Participant creates or redeems Units may be recovered through the contribution or withdrawal fee. Additionally, where an Authorised Participant creates/redeems Units by way of a cash only creation/redemption, actual brokerage incurred (and GST payable, after taking into account expected reduced input tax credits) in acquiring or realising securities (as applicable) may be charged to the transacting Authorised Participant.

Transaction costs that are not recovered (the “net transaction costs” in the below table) reduce the investment return of the Fund. Net transaction costs are reflected in the Fund’s NAV Price and are not charged separately to the investor.

Transaction costs are generally calculated with consideration to the financial year of a fund ending 30 June. In the case of a new fund, transaction costs are disclosed as a reasonable estimate of the costs BlackRock expects to be incurred over the next twelve months. Certain amounts or figures used to calculate transaction costs may include estimates in circumstances where actual figures could not be obtained.

The below table provides details of the transaction costs and any applicable transaction cost recovery attributable to the Fund as a percentage of the Fund’s average AUM for the last financial year.

Estimated transaction costs and transaction cost recovery			
Fund name	Gross	Recovery	Net
iShares Physical Gold ETF ¹	0.00%	0.00%	0.00%

¹ Costs shown are a reasonable estimate of the costs we expect to be incurred over the next twelve months.

Transaction costs are dependent upon a number of factors and therefore may change from year to year. Transaction costs for future periods may be higher or lower than the transaction costs currently disclosed.

Expense recovery costs

We are entitled to be reimbursed for certain expenses in managing and administering the Fund. These expenses may cover:

- ▶ certain out-of-pocket expenses incurred during the day-to-day operations of a Fund that the Responsible Entity is entitled to recover from the Fund; and
- ▶ other expenses that are incurred due to abnormal events (such as the cost of running a Unitholder meeting or legal costs incurred by changes to a Fund’s constitution or defending legal proceedings).

Expense recovery costs are generally calculated with consideration to the actual costs incurred during the previous financial year and disclosed as part of ‘management fees and costs’. In the case of a new fund, expense recovery costs are disclosed as a reasonable estimate of any such costs we expect to be incurred over the next twelve months.

Expense recovery costs are dependent upon a number of factors and therefore may change from year to year. Expense recovery costs for future periods may be higher or lower than the expense recovery costs currently disclosed.

▶ Indirect costs

Indirect costs include any amount that we know, reasonably ought to know or, where this is not the case, may reasonably estimate, will reduce the return of the Fund. Indirect costs may be incurred directly by the Fund or, where applicable, indirectly through an underlying fund.

Indirect costs may include, but are not limited to:

- Over the counter (OTC) derivative costs: Where applicable, costs of investing in OTC derivatives, excluding such costs disclosed as transaction costs, see below for further information).

Indirect costs exclude certain transaction costs (see below for further information).

Indirect costs reduce the investment return of a fund (or where applicable underlying fund). Indirect costs are reflected in the Fund’s NAV Price and are not charged separately to an investor.

Indirect costs are generally calculated with consideration to the financial year of a fund ending 30 June. In the case of a new fund, indirect costs are disclosed as a reasonable estimate of the costs we expect to be incurred over the next twelve months. Certain amounts or figures used to calculate indirect costs may include estimates in circumstances where actual figures could not be obtained.

Indirect costs are dependent upon a number of factors and therefore may change from year to year. Indirect costs for future periods may be higher or lower than the indirect costs currently disclosed.

Contribution/withdrawal fee for Authorised Participants

These fees are only applicable only to Authorised Participants, as only Authorised Participants are able to create/redeem Units.

A contribution/withdrawal fee may be payable by an Authorised Participant with every creation/redemption of Units.

This fee represents the estimated custody and administration costs associated with the purchase or sale of securities following a creation or redemption of Units by an Authorised Participant. The same fee may be applied to both Unit creations and redemptions and is a separate flat dollar fee regardless of the size of the transaction.

The contribution/withdrawal fee is payable by the Authorised Participant to the Fund and is not paid to BlackRock. In the case of a creation of Units the contribution fee is payable in addition to the issue price and in the case of a redemption of Units the withdrawal fee will be deducted from the redemption proceeds.

Can the fees change?

All fees can change. They may vary over time as a result of changes to the Fund, changing economic conditions and changes in regulations, and may change without Unitholder consent.

We will provide investors 30 days prior notice of any proposed increase to our fees. Under special circumstances, we may elect to vary the frequency of our fee collection.

The current fees applicable to your investment are set out in this PDS and although we have the power to change our fee structure without your consent, we have no present intention to do so.

Ongoing service commission

No commission is currently payable by us to advisers in relation to the Fund.

Stockbroker fees for ASX investors

Investors buying and selling Units on the ASX will incur customary brokerage fees and commissions. These fees and charges should be discussed with your stockbroker prior to investing.

Alternative forms of remuneration

We may provide alternative forms of remuneration, which include professional development, sponsorship and entertainment to

licensed financial advisers, dealer groups and master trust or IDPS operators. Where such benefits are provided, they are payable by BlackRock and are not an additional cost to you.

We maintain a public register of alternative forms of remuneration in accordance with FSC/FPA Industry Code of Practice on Alternative Forms of Remuneration. Please contact Client Services if you wish to inspect this register (refer to page 3 of this PDS for contact details).

BlackRock will only make these payments to the extent that they are permitted by law.

Fee for wholesale investors

We may individually negotiate fees with investors classed as “wholesale clients”, as defined by the Corporations Act. We may also negotiate special arrangements concerning fees (including fee reductions or waivers) with other investors in certain circumstances determined by us, as permitted by law. Please contact us for further details.

8. Primary market matters

8.1 Authorised participants

Requests for the creation or redemption of Units in the Fund may only be submitted by Authorised Participants.

Before we can process an initial Unit creation request, Authorised Participants are required to provide us with a signed AP Agreement. Authorised Participants are required to comply with any additional requirements as set out in the AP Agreement.

As part of the initial Unit creation process, Authorised Participants will be provided with a copy of the Operating Procedures. Authorised Participants should read the Operating Procedures before making an investment decision. The Operating Procedures contain the following important information, which is only relevant to Authorised Participants:

- ▶ the Cut-off Time for Unit creation and redemption requests;
- ▶ details of the Business Days the Fund is open for Unit creation and redemption requests;
- ▶ settlement timeframes for Unit creation and redemption requests;
- ▶ minimum Unit creation and redemption sizes; and
- ▶ after an Authorised Participant’s initial investment in the Fund, details on how subsequent Unit creation and redemption requests can be made.

The Operating Procedures may be updated at any time. Should the Operating Procedures be updated we will notify all Authorised Participants of the update and will make available a copy of the updated document. Authorised Participants may also request a copy of the current Operating Procedures by contacting the iShares Australia Capital Markets Desk (refer to page 3 of this PDS for contact details).

8.2 Minimum Unit creation and redemption size

Except in respect of a distribution reinvestment, Units in the Fund may only be created or redeemed by Authorised Participants with consideration to a minimum Unit creation or redemption size, as specified in the Operating Procedures. Additionally, Authorised Participants will only be permitted create or redeem Units that have been aggregated into blocks of one Creation Unit or one Redemption Unit or multiples thereof.

Other investors looking to acquire or dispose of Units in the Fund may do so on exchange, through their stockbroker. We do not currently set any restrictions on secondary market transactions. Such transactions, however, may be subject to minimum transaction amounts, as required by the exchange and/or your stockbroker.

In accordance with the Fund’s constitution, we may set a minimum holding amount in respect of the Fund. Currently no minimum holding amount has been set, meaning unitholders can hold as little as one Unit in the Fund. Should we choose to set a minimum holding amount in respect of the Fund, in accordance with the provisions of the Fund’s constitution, we may choose to redeem a unitholder’s holding where the holding is below the stated minimum holding amount, without the need for a unitholder redemption request.

We may choose to alter the minimum unit creation and redemption sizes and minimum unit holding amounts in respect of the Fund from time to time. Unitholders will be notified of any such changes in accordance with the requirements of the Corporations Act and the Fund’s constitution.

8.3 Unit creation requests

To make an initial investment in the Fund, Authorised Participants may, subject to the minimum unit creation size, request the creation of Units on any Business Day by:

- ▶ submitting a request through the iShares Online platform (“iShares Online”) or complying with such other Unit creation request method that the Responsible Entity may determine from time to time;
- ▶ completing the Unit creation request to us by the required Cut-off Time; and
- ▶ transferring cash to the Fund in which the Authorised Participant wishes to create Units.

In return, we will issue the Authorised Participant with the required number of Units of the Fund, the transfer of which will be made through CHESS.

Refer to the Operating Procedures for details of the Fund’s Business Day, order types, minimum Unit creation size and Cut-off Time.

A contribution fee may be payable by Authorised Participants in relation to Unit creation requests (refer to the section of this PDS titled “Fees and other costs” for further information).

Authorised Participants may also need to complete an Investor Identification Form for the purposes of Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (“AML Legislation”).

Additional investments can be made at any time via iShares Online, or by complying with such other Unit creation request method that the Responsible Entity may determine from time to time. Authorised Participants using iShares Online may do so in accordance with the iShares Online Terms and Conditions. Users will need to read and accept the Terms and Conditions upon logging in to the system for the first time. Additional investments are made on the basis of a current PDS. A copy of the current PDS for the Fund and any information updating it is available free of charge upon request by contacting the iShares Call Centre (refer to page 3 of this PDS for contact details).

Units issued pursuant to a Unit creation request will be quoted under the AQUA Rules on the ASX with effect from the settlement of the issue of the relevant Units through CHESS. On a monthly basis, we will announce to the ASX via the ASX Markets Announcements Platform the Fund’s total Units on issue. As the settlement of the issue of the relevant Units will be made through CHESS, we will not be required to hold application money prior to the issue of the Units.

Other investors looking to acquire Units in the Fund may purchase Units on the ASX.

8.4 Unit redemption requests

An Authorised Participant may, subject to the minimum unit redemption size, request the redemption of Units on any Business Day by:

- ▶ submitting a request through iShares Online or complying with such other Unit redemption request method that the Responsible Entity may determine from time to time;
- ▶ completing the Unit redemption request to us by the required Cut-off Time; and
- ▶ transferring to the Fund in which the Authorised Participant wishes to redeem Units, the relevant number of Units through CHESS.

In return, the Fund in which the Authorised Participant wishes to redeem Units will transfer cash to the Authorised Participant.

Refer to the Operating Procedures for details of the Fund’s Business Day, order types, minimum Unit redemption size and Cut-off Time.

Authorised Participants who have agreed to submit Unit redemption requests using iShares Online may do so in accordance with the iShares Online Terms and Conditions. Users will need to read and accept the Terms and Conditions upon logging in to the system for the first time.

A withdrawal fee may be payable by Authorised Participants in relation to Unit redemption requests (refer to the section of this PDS titled “Fees and other costs” for further information).

In certain circumstances we may be required or permitted by the Fund’s constitution to deduct other amounts from redemption proceeds that would otherwise be payable to a Unitholder, refer to the section of this PDS titled “Distribution on redemption” for further information.

Other investors looking to dispose of Units in the Fund may sell Units on the ASX. Refer to the section of this PDS titled “Redemption rights of non-Authorised Participant Unitholders” for further information on the redemption rights of non-Authorised Participants.

The redemption procedures described above assume that the Fund remains liquid (as defined in the Corporations Act). We expect that the Fund will remain liquid. If the Fund becomes illiquid, withdrawals may only be made in accordance with the Corporations Act. We will advise Unitholders if the Fund becomes illiquid and the terms of any withdrawal offer.

8.5 Processing of Unit creations and redemptions

Generally, Unit creation or redemption requests are processed each Business Day. Unit creation or redemption requests received after the required Cut-off Time or on a non-Business Day will generally be treated as having been received the following Business Day.

Refer to the section of this PDS titled “Calculation of NAV Prices” for information regarding the calculation of NAV Prices used for Unit creations and redemptions.

In addition to the Unit creation and redemption request requirements set out in this PDS, Authorised Participants are also required to comply with other process requirements and deadlines associated with Unit creation and redemption requests, as described in the Operating Procedures.

Standard settlement timeframes of Unit creation and redemption requests are set out in the Operating Procedures. Settlement, however, may be on a non-standard basis, to accommodate the holiday schedules of any non-Australian market in which the securities of a fund are traded. For every occurrence of one or more intervening holiday in the applicable non-Australian market that are not holidays observed in Australia, the settlement cycle may be extended by the number of such intervening holidays. In addition to holidays, other unforeseeable closings in non-Australian markets, for example due to emergencies, may also prevent the Fund from settling Unit creation and redemption requests within the standard settlement timeframe.

Please note that in certain circumstances we may be entitled to suspend or postpone Unit creation and redemption requests. This will generally occur before or after the end of the Fund distribution period, but may also occur if trading or settlement on the ASX or other non-Australian market in which the securities of the Fund are traded is closed, suspended or restricted. There may be other circumstances where we need to suspend or postpone Unit creation and redemption requests, such as where the Fund cannot

properly ascertain the value of an asset or an event occurs that results in us not being able to reasonably acquire or dispose of assets held by the Fund. Any Unit creation or redemption request received during a period of suspension will be processed on the next available Business Day after the suspension has ended.

Refer to the Operating Procedures for details of the Fund's Business Day and Cut-off Time.

8.6 Calculation of NAV Prices

When you invest in the Fund, you are allocated a number of Units. Each of these Units represents an equal interest in the net assets of the Fund. As a result, each Unit has a value or "unit price", also referred to as the NAV Price. The NAV Price is based on the NAV of the Fund divided by the number of Units on issue.

The NAV and NAV Price are generally calculated as at the close of trading on each Business Day, usually one Business Day in arrears. The NAV is determined by deducting the liabilities of the Fund from the assets. Assets and liabilities of the Fund are generally valued at their market value in accordance with the Fund's constitution. The Fund is valued using the NAV Price of the Underlying ETC.

Unit creation and redemption requests received before the required Cut-off Time on a Business Day will generally be processed at the NAV Price calculated as at the close of trading on that Business Day.

We have the discretion, however, to price the Fund more or less frequently when unusual circumstances prevail (for example, where there has been unusual volatility in the market) in order to protect the interests of all Unitholders in that Fund. BlackRock has a formal "Unit Pricing Discretions Policy", which is available free of charge upon request by contacting Client Services (refer to page 3 of this PDS for contact details).

Details of the Fund's daily NAV and NAV Price, as at the close of the previous Business Day, are available from our website at www.blackrock.com/au/ishares.

Refer to the Operating Procedures for details of the Fund's Business Day and Cut-off Time.

8.7 Non-Standard Transaction requests

From time to time, non-standard Unit creation and Unit redemption requests may be agreed between us and the Authorised Participant (**Non-Standard Transaction**).

Authorised Participants are responsible for notifying us of any Non-Standard Transaction request before the required Cut-off Time. Authorised Participants are, however, advised to notify us of any such requests as soon as possible.

We must approve any Non-Standard Transaction request before the Unit creation or redemption request is submitted.

8.8 Indemnity

Authorised Participants acknowledge that, upon receipt of a Unit creation request, BlackRock may enter into transactions for the Fund, in anticipation of cash being received from the Authorised Participant. Authorised Participants agree to indemnify BlackRock against any losses and expenses incurred by us if cash is not received as cleared money by the Fund in the normal course.

8.9 Redemption rights of non-Authorised Participant Unitholders

Generally, only Authorised Participants are eligible to transact directly with the Fund, with all other investors acquiring and

disposing of Units in the Fund through their broker by buying and selling Units on the ASX.

However, in accordance with the requirements of ASIC Class Order CO [13/721], when Units in the Fund are suspended from trading on ASX for more than five consecutive trading days, non-Authorised Participant Unitholders will have a right to redeem Units directly with the Fund and receive the cash proceeds from the redemption within a reasonable period time unless:

- ▶ the Fund is being wound up;
- ▶ the Fund is not liquid for the purpose of the Corporations Act; or
- ▶ BlackRock, as responsible entity for the Fund, has suspended the redemption of Units in accordance with the provisions of the Fund's constitution.

In the event that this direct redemption right is triggered BlackRock will post further information on its website at www.blackrock.com/au at that time. This will include a non-Authorised Participant Redemption Form for Unitholders to complete, together with instructions on how to complete and submit the form and anticipated processing and payment timeframes. Non-Authorised Participant Unitholders may request to redeem in these circumstances by completing and returning the form as per these instructions.

8.10 Anti-money laundering and counter-terrorism financing

We are required to comply with the AML Legislation. The AML Legislation requires us to (amongst other requirements) verify the identity of investors making applications into funds offered by us.

We cannot accept a Unit creation request until satisfied that the identity of the Authorised Participant has been verified in accordance with the AML Legislation. The processing of a Unit creation request may be delayed until the requested information is received in a satisfactory form and the identity of the Authorised Participant is verified.

By completing the Fund's Application Form requested by BlackRock during the application process or by complying with such other Unit creation request method that the Responsible Entity may determine from time to time, Authorised Participants agree that:

- ▶ they do not make a Unit creation request under an assumed name;
- ▶ any money used to invest in a Fund is not derived from or related to any criminal activities;
- ▶ any proceeds of an investment in a Fund will not be used in relation to any criminal activities;
- ▶ upon request, the Authorised Participant will provide to us any additional information we reasonably require for the purpose of the AML Legislation; and
- ▶ we may obtain information about an Authorised Participant from third parties if we believe this is necessary to comply with the AML Legislation.

In order to comply with the AML Legislation, BlackRock may be required to take action, including:

- ▶ delaying or refusing the processing of a Unit creation or redemption request; or
- ▶ disclosing information that we hold about an Authorised Participant to our related bodies corporate or relevant regulators of the AML Legislation; or

- ▶ request from an Authorised Participant additional identification or verification documentation to verify the Authorised Participant's identity or comply with the AML Legislation. Where documentation provided is not in English, an English translation must be provided by a translator who is accredited by the National Accreditation Authority for Translators and Interpreters Ltd at the level of Professional Translator or above.

Investor identification requirements

To comply with the requirements of the AML Legislation, BlackRock may require an Authorised Participant to complete an Investor Identification Form. In order to establish your identity, BlackRock may require an Authorised Participant to submit supporting identification/verification documentation. Where such identification/verification documentation is required, an originally certified copy must be provided.

Appointed representatives

BlackRock is required to verify the identity of legal representatives and agents appointed to act on behalf of an Authorised Participant. We cannot proceed to act on the instructions of a nominated legal representative or agent until we verify the identity of that representative or agent.

Appointed legal representatives include, but are not limited to, executors of estates, attorneys (appointed under power of attorney) and nominated representatives.

9. Distributions

9.1 Receipt of income

The Fund will hold non distributing securities issued by the Underlying ETC and therefore expects to pay minimal cash distributions of income. Attributed income for tax purposes (please refer to Section 10 of this PDS for the tax summary) may include interest or other income components, including realised foreign exchange gains.

If you hold Units in the Fund as at the close of business on the last day of the Fund's distribution period, you are entitled to participate in the distributable income of the Fund based on the number of units in the Fund you hold.

The Fund may distribute up to once a year, with distributions being determined at the end of each financial year.

The Fund may distribute on such other day as determined by BlackRock.

Distributions of cash and attribution of income (if any) may vary over time depending on a Fund's realised losses, gains (if any), income and expenses in a particular period. Distributions are not guaranteed and there may be periods for which distributions are higher or lower than expected. There may be periods in which no distributions are made.

Following the determination of a distribution, the NAV Price of the Fund will generally fall to reflect the reduced value of that Fund following the payment of the distribution to Unitholders. In other words, it is priced to exclude the distribution entitlement.

Distributions will be paid to the Registrar for payment to Unitholders and until the payment is made will be held by the Registrar in a bank account. Payment of distributions will generally be made by direct credit into a nominated Australian bank account. Unitholders will receive a payment advice detailing the components of any distribution paid by a Fund.

If applicable, distribution of Australian sourced income to non-resident Unitholders may be subject to withholding tax.

Information in relation to the distributions of the Fund will be disclosed to the ASX via the ASX Market Announcements Platform and made available on our website at www.blackrock.com/au/ishares.

9.2 Distribution reinvestment plan

A Distribution Reinvestment Plan (DRP) is available to eligible Unitholders so that income distributions are automatically reinvested as additional Units in the Fund that issued the distribution. Partial and full reinvestment of distributions is available.

Unless you elect to participate in the DRP, distributions will be automatically paid in cash. Unitholders can participate in the DRP by registering directly with the Registrar. Refer to the section of this PDS titled "Registrar" for further information on the Registrar.

Participation in the DRP is subject to the terms outlined in the DRP Rules, which are available on our website at www.blackrock.com/au.

9.3 Distribution on redemption

Proceeds resulting from Authorised Participant Unit redemption requests may include a distribution of gains and/or income in the Fund. Where this is the case and once the relevant information is available, we will notify redeeming Authorised Participants of the estimated amount of distribution included in the redemption proceeds. Refer to the section of this PDS titled "Authorised Participant Unit redemption requests" for further information.

For non-resident Authorised Participants, the Responsible Entity may withhold an amount of tax applicable to such Authorised Participant's distribution. This will reduce the redemption proceeds payable or paid to the Authorised Participant.

9.4 Tax statement

Unitholders entitled to income in the Fund will receive an annual tax statement outlining their entitlements and the composition of taxable income in Fund. We will issue this as soon as practicable after the end of the income year.

10. Taxation

10.1 Overview

The Australian tax commentary below is provided for Unitholders and assumes that Unitholders will be either:

- ▶ Authorised Participants, who will acquire and dispose of Units by creating and redeeming Units directly with the Fund or by buying and selling Units on ASX; or
- ▶ non-Authorised Participants Unitholders, who will acquire and dispose of Units by buying and selling Units on ASX.

It is assumed that Authorised Participants hold their Units in the Fund as trading stock as part of a securities trading business, and that all other investors hold their Units on capital account. This commentary does not address Unitholders who are temporary residents for tax purposes.

Investing and dealing with investments often has tax implications which can be complex and which are invariably particular to each Unitholder's circumstances. It is important that Unitholders seek professional advice before making an investment decision.

The taxation information contained in this document reflects the income tax legislation in force, and the interpretation of the Australian Taxation Office and the courts, as at the date of issue of this document. Taxation laws are subject to continual change and there are reviews in progress that may affect the taxation of trusts and Unitholders.

10.2 Taxation of the Fund

The Responsible Entity intends to manage the Fund such that the Fund is not subject to Australian tax. An elective taxation regime is available to certain eligible management investment trusts, known as "Attribution Managed Investment Trusts" (AMITs). The existing tax rules for managed funds applying unless an election to enter the regime is made.

As at the date of this document, the Responsible Entity intends to make an irrevocable election for the Fund to enter the AMIT regime from the commencement year, on the basis that entry into the AMIT regime is in the best interest of unitholders.

The Responsible Entity does not expect the Fund to be subject to tax on the income of the Fund (other than in relation to withholding tax or other tax payable in respect of non-resident Unitholders) as it is intended that all taxable income will be 'attributed' to the unitholders in each financial year.

Under the AMIT regime, the Responsible Entity is obliged to allocate or attribute income to unitholders on a fair and reasonable basis.

10.3 Investment portfolio taxes

The Fund may be subject to withholding or other taxes on income and/or gains arising from its investment portfolio. The Fund may not be able to recover such taxes and any unrecovered taxes could have an adverse effect on the NAV of the Fund. Where the Fund invests in securities that are not subject to withholding or other taxes at the time of acquisition, there can be no assurance that tax may not be imposed in the future, as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof.

10.4 Taxation of a resident Unitholder

You will be assessed on your share of the taxable income of the Fund in which you are invested to which you have been attributed or which you are presently entitled, regardless of whether you

receive the distribution in cash or it is reinvested. You will be assessed in the year to which your entitlement relates.

For example, an income distribution for the period ending 30 June 2023 is included in the assessable income for 2022/2023, even if the cash is received in July 2023.

If you are not an Authorised Participant who holds Units as trading stock, you may have to pay tax on all or part of your capital gain (the increase in the value of your investment) when you dispose of your Units. If you hold Units as trading stock and you redeem or otherwise dispose of Units, you may need to include any profit as part of your assessable income for tax purposes.

10.5 Taxable income of the Fund

The taxable income to which you are entitled may include various amounts, as described below. If a Fund incurs a net loss for a year, the loss cannot be distributed but may be carried forward and utilised in subsequent years subject to satisfaction of various tests.

Types of income

Depending on the types of investments made, a Fund can derive income in the form of dividends, interest, gains on the disposal of investments and other types of income.

The Fund will hold non distributing securities issued by the iShares Physical Gold ETC (the 'Underlying ETC') and therefore expects to pay minimal cash distributions of income. As the securities issued by the Underlying ETC are denominated in U.S. dollars, conversion to Australian dollars may result in realised foreign exchange gains or losses that may be included in attributable income.

Generally, such income derived by a Fund is taxable.

Capital gains tax (CGT)

In broad terms, under the CGT provisions, net capital gains arising on the disposal of a Fund's investments will be included in that Fund's taxable income.

A Fund will generally calculate taxable capital gains based on half the nominal gain made on the disposal of an asset, if that asset was held for 12 months or more. Capital gains distributed may include some gains where eligible Unitholders are able to claim concessional CGT treatment.

Capital/revenue (MIT) election for Managed Investment Trusts

Trusts which are managed investment trusts (MITs) (which include Australian managed investment schemes that are widely held or that are taken to be widely held and that satisfy certain closely held restrictions) may be eligible to make the MIT election to apply the CGT provisions to tax gains and losses from certain eligible assets (shares, units and real property interests). Where a MIT is eligible to make an election and it does not do so, any gains and losses on the disposal of those eligible assets (excluding land or interests in land) will be taxed on the revenue account. When a Fund qualifies to make a MIT election, certain investors may obtain the benefit of the CGT discount and other tax concessions on distributions of capital gains.

As the Fund will invest in securities issued by the Underlying ETC, holding these securities should enable the Fund to make the MIT capital election, with gains and losses from these securities subject to the CGT provisions.

Non-resident Unitholders will generally not be subject to withholding tax on capital gains made by managed investment funds which are 'fixed trusts' for tax purposes, unless those gains relate to certain direct or indirect interests in Australian real property.

Taxation of financial arrangements

Financial arrangements directly held by a Fund (for example debt securities) may be subject to the Taxation of Financial Arrangements rules (TOFA). Under the TOFA rules, gains and losses on financial arrangements are generally assessed for tax purposes on an accruals basis (where the gains/losses are sufficiently certain) or realisation basis; unless a specific TOFA elective methodology is adopted.

Controlled foreign company (CFC) regime

A Fund may invest in foreign entities which could mean that the Fund becomes subject to Australia's CFC regime. If the CFC regime applies, the Fund will determine any income attributable under the CFC rules. CFC attributable income will be included in the taxable income of the Fund (even if unrealised) and, generally, will be taxable to investors. It is not expected that the Fund's interests in foreign entities will result in income attributed under the CFC Rules as generally the relevant control requirements should not be reached.

10.6 Taxation of non-resident Unitholders

If a non-resident Unitholder is entitled to or attributed taxable income of a Fund, the Unitholder may be subject to Australian withholding tax. Distributions to you of amounts attributed to Australian franked dividends will not be subject to withholding tax. Any distribution of unfranked dividends, interest or amounts in the nature of interest, however, may be subject to withholding tax. This is irrespective of whether distributions are paid in cash or reinvested as additional units.

You may have to pay tax on all or part of your capital gain (reflecting the increase in the value of your investment) when your Units are disposed of. Non-resident Unitholders may also not be eligible to utilise the CGT discount on capital gains. We recommend that you seek professional advice and visit the Australian Taxation Office website (www.ato.gov.au) for further information. In addition, the distributable income of a Fund may include non-assessable amounts. Receipt of certain non-assessable amounts may have capital gains tax consequences.

10.7 Tax file number (TFN), exemption and Australian business number (ABN)

Australian Unitholders may quote their Tax File Number (TFN) to us or claim an exemption at any time. However, you are not obliged to quote your TFN or claim an exemption. Strict guidelines govern the use and storage of TFNs. If you do not quote your TFN or claim an exemption, then your income distributions will have tax withheld at the top marginal rate plus Medicare levy. Some investors that invest in a Fund in the course of carrying on an enterprise of investing may also be entitled to quote their Australian Business Number as an alternative to their TFN.

10.8 Goods and services tax (GST)

The creation and redemption of Units are not subject to GST. Fees incurred (e.g. management fees) will attract GST at the prevailing rate. Where under the GST legislation a Fund is entitled to credits for GST paid to another entity, the cost of paying GST from that Fund will be reduced proportionately.

10.9 Taxation reform

Reforms to the taxation of managed funds are generally ongoing and investors should seek their own advice and monitor the progress of such legislative changes.

10.10 Authorised Participant Unit redemption requests

This section contains general comments for Authorised Participants requesting the redemption of Units. As the taxation implications are specific to each investor, we strongly recommend that Authorised Participants seek their own independent professional taxation advice.

Redemptions

Authorised Participants who request the redemption of Units will be entitled to receive a withdrawal amount, which may include a distribution of income from the Fund from which the Authorised Participant is redeeming.

The distribution of income from a Fund may include an entitlement to gains and/or income realised by or connected with the disposal of securities as a result of the redemption. The distribution may also include income earned and gains realised by a Fund to the date of redemption.

For non-resident Authorised Participants, the Responsible Entity may withhold an amount of tax applicable to such Authorised Participant's distribution. This will reduce the redemption proceeds payable or paid to the Authorised Participant.

Authorised Participants redeeming Units should be assessed on any profits arising on the redemption, or may be entitled to a deduction for any loss arising from the redemption of Units.

10.11 Acquisition and disposal of Units on ASX

This section contains general comments for non-Authorised Participant Unitholders, who will buy and sell Units on ASX and who hold these Units on capital account. As the taxation implications are specific to each investor, we strongly recommend that non-Authorised Participant Unitholders seek their own independent professional advice.

Acquisitions

For Units bought on ASX, the amount paid for the shares (plus incidental acquisition costs) will be included in the tax cost base of the Units. Receipt of tax deferred amounts or attribution of AMIT cost base adjustments or tax deferred amounts from a Fund may reduce the cost base of that Fund's Units for CGT purposes. If the cost base is reduced to below zero, an immediate capital gain may be realised. Under the AMIT regime, AMIT cost base adjustments may increase or decrease the cost base of that Fund's Units for CGT purposes.

Disposals

The sale of Units on ASX, will give rise to a CGT event, which may result in a capital gain or loss to the Unitholder. Capital losses can be offset against capital gains. A net capital loss can be carried forward and applied against future capital gains (if any).

Unitholders who are individuals, trustees (conditions apply) and complying superannuation entities may be eligible to claim concessional treatment based on the net capital gain made on the disposal of a Unit that was held for 12 months or more.

10.12 United States Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act (FATCA) is a US tax law aimed at financial institutions and other financial intermediaries to prevent tax evasion by US citizens and US tax residents through use of non-US investments or accounts. The FATCA provisions were included in the US HIRE Act, which was signed into US law on 18 March 2010. Australia has entered into an intergovernmental

agreement (IGA) with the US to implement FATCA in Australia, via the Australian Taxation Administration Act 1953 (Cth), which is to be administered by the Australian Taxation Office (ATO). Under the IGA, Reporting Australian Financial Institutions will have identification and reporting obligations with regard to FATCA. The Funds are expected to be a Reporting Australian Financial Institution under the IGA. The Funds intend to fully comply with their FATCA obligations as determined by the FATCA regulation, the IGA and any associated guidance from the ATO. These obligations include, but are not limited to, the Fund identifying and documenting the FATCA status of its investors. The Funds must also report certain information on applicable investors to the ATO, which will in turn report this information to the US Internal Revenue Service.

In order for the Funds to comply with their FATCA obligations, the Funds will be required to request certain information from their investors. Please consult your tax advisor should you wish to understand the implications of FATCA on your particular circumstances. We are not liable for any loss an investor may suffer as a result of the Funds' compliance with FATCA.

10.13 Common Reporting Standards (CRS)

The Common Reporting Standard (CRS) is a new, single global standard on Automatic Exchange Of Information (AEOI). It was approved by the Organisation for Economic Co-operation and Development (OECD) in February 2014 and draws on earlier work of the OECD and the EU, global anti-money laundering standards and, in particular, the Model FATCA Intergovernmental Agreement. Under the CRS, participating jurisdictions will be required to exchange certain information held by financial institutions regarding their non-resident investors. The CRS was effective in Australia from 1 July 2017. The Funds will be required to provide certain information to the ATO about non-Australian tax resident holders of Shares (which information will in turn be provided to the relevant tax authorities. In light of the above, holders of Shares in the Funds will be required to provide certain information to the Funds to comply with the terms of the reporting systems.

11. Additional information

11.1 No cooling off rights

Authorised Participants are "wholesale clients" as defined in the Corporations Act and are therefore not entitled to cooling off rights in relations to Unit creation requests. Please contact Client Services if you have any queries in relation to cooling off rights.

11.2 Reporting requirements

A copy of the audited annual financial report of the Fund is generally available by the end of September from us. The Fund's report will be issued in accordance with the Australian Accounting Standards, the Corporations Act and all other applicable professional reporting requirements.

The Fund will be a disclosing entity and subject to the regular financial reporting and continuous disclosure requirements of the Corporations Act. We will satisfy our obligations by publishing the following material on our website at www.blackrock.com/au:

- ▶ a copy of the Fund's annual financial report most recently lodged with ASIC;
- ▶ any half-yearly financial report lodged with ASIC in respect of the Fund after the lodgement of the annual financial report; and
- ▶ any continuous disclosure notices given in respect of the Fund.

A paper copy of this material will be available from BlackRock free of charge upon request. Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office.

11.3 Receipt of instructions

Please be aware that fraudulent or other unauthorised instructions can be made by persons with access to a Unitholder's account name and a copy of their authorised signatures. Accordingly, Unitholders agree to release and indemnify us against all claims and demands arising as a result of our acting on what appeared to us to be proper instructions.

11.4 Legal

We are the Responsible Entity for the Fund and as such, we are licensed by ASIC, which is responsible for regulating the operation of managed investment schemes like the Fund.

Our responsibilities and obligations, as Responsible Entity of the Fund, are governed by the Fund's constitution as well as the Corporations Act and general trust law.

The Fund's constitution contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both you and us. A copy of the Fund's constitution is available free of charge from Client Services (refer to page 3 of this PDS for contact details).

Some of the main provisions that relate to Unitholder rights under the constitution include:

- ▶ Unitholder rights to share in the income of the Fund, and how we calculate it;
- ▶ Unitholder rights to withdraw from the Fund and what Unitholders are entitled to receive when they withdraw or if the Fund is wound up;
- ▶ the nature of the Units and classes of Units (if applicable);
- ▶ Unitholder rights to attend and vote at meetings – these mainly reflect the requirements of the Corporations Act which also deals with Unitholder rights to requisition or call a meeting; and

- ▶ resolutions passed by a requisite majority at a meeting of Unitholders are binding on all Unitholders.

The constitution of the Fund provides that the liability of each Unitholder is limited to its investment in the Fund. A Unitholder is not required to indemnify us or our creditors in respect of the Fund. However, no complete assurance can be given in this regard, as the ultimate liability of a Unitholder has not been finally determined by the courts.

There are also provisions governing our powers and duties, some of which are discussed elsewhere in this PDS.

Other provisions include:

- ▶ when we can terminate the Fund or class of Units (if applicable) or reclassify Units (if applicable) and what happens if we do. Generally, we can only terminate the Fund in accordance with the Corporations Act and only if we provide Unitholders with the required notice, and if we do, Unitholders share pro rata in the net proceeds from us selling the Fund's investments;
- ▶ when we can amend the Fund's constitution. Generally, we can only amend a constitution where we reasonably believe that the changes will not adversely affect a Unitholder's rights as an investor. Otherwise the Fund constitution can only be amended if approved by special resolution at a meeting of investors;
- ▶ our right to refuse to accept Unit creation requests or record any transfer of Units without giving any reason;
- ▶ our right to determine minimum Unit creation, redemption and holding amounts and powers in support of these minimums;
- ▶ our right to deduct amounts Unitholders owe us from withdrawal proceeds; and
- ▶ our broad powers to invest, borrow and generally manage the Fund. We do not currently intend to borrow funds to acquire assets for the Fund, although this is permitted under the Fund's constitution. We may only borrow if we consider it to be in the best interests of Unitholders.

The constitution also deals with our liabilities in relation to the Fund and when they can be reimbursed to us out of the Fund's assets, for example, subject to the Corporations Act:

- ▶ we are not liable for acting in reliance and in good faith on professional advice;
- ▶ we are not liable to Unitholders for any loss unless we fail to comply with our duties, fail to act in good faith or if we act negligently; and
- ▶ we can be reimbursed for all liabilities we incur in connection with the proper performance of our duties in respect of the Fund.

Amendment of the Fund's constitution is subject to both the Corporations Act and the terms of the constitution itself.

11.5 Compliance plan

In accordance with the requirements of the Corporations Act, the Fund has a Compliance Plan. The Compliance Plan sets out the measures we will take to ensure we comply with the Corporations Act and the constitution of the Fund. To oversee compliance with the Compliance Plan, we have established a Compliance Committee.

The Compliance Committee is required to report breaches of the Fund constitution and the Corporations Act to the directors of BlackRock, and in some circumstances, to ASIC.

A copy of the Fund's Compliance Plan is available free of charge by contacting Client Services (refer to page 3 of this PDS for contact details).

11.6 Auditor

We have an obligation under the Corporations Act to appoint an auditor for the Fund and the Fund's Compliance Plan.

11.7 Custody

J.P. Morgan Chase Bank, N.A. Sydney Branch has been appointed as custodian for the Fund. The role of a custodian is limited to holding assets of the Fund on behalf of BlackRock and acting in accordance with express instructions from BlackRock (except in limited circumstances where the custodian is obliged to act without express instructions per the terms of the agreement).

BlackRock remains liable to Unitholders for acts and omissions of the custodian. A custodian has no supervisory obligation to ensure that BlackRock complies with its obligations as Responsible Entity of the Fund.

The custodian may change from time to time but must satisfy any relevant regulatory requirements as mentioned above. If you require details of our custodian at any time, you should contact Client Services (refer to page 3 of this PDS for contact details).

11.8 Registrar

We have appointed Computershare Investors Services Pty Limited (Computershare) as the Registrar for the Fund. Computershare is responsible for the maintenance of Unitholder records such as quantity of securities held, tax file number and details of participation in the DRP.

Computershare has given and, as at the date hereof, has not withdrawn its written consent to be named as the Registrar in the form and context in which it is named. Computershare has had no involvement in the preparation of any part of this PDS other than being named as the Registrar for the Fund. Computershare has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this PDS. Refer to page 3 of this PDS for Computershare's contact details.

11.9 Market maker

Under the AQUA Rules, we have certain obligations in respect of the Fund to ensure the development of an orderly and liquid market. Designated market makers are the dealers or brokers permitted by the ASX to act as such by making a market for the Units in the secondary market on the ASX.

Various other market makers may also be active in maintaining liquidity in the Fund by acting as buyer and seller in the secondary market.

Market makers enter into agreements with the ASX and ETF issuers to act as a market maker and must have the necessary skill and expertise to perform a market making function. The designated market maker appointed by BlackRock in respect of the Fund has the experience to meet the requirements of the AQUA Rules and already acts as a market maker for ASX quoted ETFs. Generally, the appointed designated market maker will also have experience of trading ETFs on other global exchanges. BlackRock may change its appointed designated market maker from time to time.

BlackRock will publish the Fund's portfolio composition file each day.

Market makers apply a bid and ask spread to the Fund's NAV Price and publish these prices on the exchange, and to the extent required by the market making agreements entered into with the

ASX and BlackRock and as trading orders are submitted, continuously update the prices throughout the trading day.

Market makers are well positioned to assess the likely value of the Fund and to provide prices throughout the day by, including but not limited to, subscribing to data services that provide intra-day offer prices for the underlying securities in the Fund's benchmark, deriving price information by analysing flows, and interacting with brokers and other market participants.

Units may be purchased from and sold through market makers. However, there is no guarantee or assurance as to the price at which a market will be made.

11.10 Conflicts of interest and related party information

The Responsible Entity is a member of the BlackRock Group.

BlackRock uses a global service delivery model across the BlackRock Group to deliver superior outcomes to its clients. In the delivery of functions, powers and duties to clients, we use multiple entities of the BlackRock Group (in addition to the Responsible Entity). For example, global order routing entails the use of multiple trading desks located in various regions and the use of global centres of excellence allows certain related parties to specialise in functions such as investment operations and portfolio management. Even though we use offshore related parties, the Responsible Entity has systems and procedures in place as the holder of an Australian financial service (AFS) licence to monitor and supervise the services provided by our related parties. The Responsible Entity remains responsible and liable for the acts and omissions of any related party.

The BlackRock Group participates in global financial markets in a number of different capacities. The Fund may invest or engage in transactions with entities for which the BlackRock Group may perform services and may act as the seed, lead or only investor in an underlying strategy or fund, which may create a commercial opportunity for the BlackRock Group. For example, a seed investment in an underlying fund may allow the BlackRock Group to establish a track record for that fund that it is then able to sell to other clients. In addition, the Responsible Entity or persons associated with the Responsible Entity may invest in the Fund from time to time. All such transactions will be on an arm's length commercial basis.

In addition, certain members of the BlackRock Group may have actual and potential conflicts of interest regarding the allocation of investment opportunities amongst funds and products they manage. The BlackRock Group will seek to manage these conflicts in a fair and equitable manner having regard to the interests of their clients generally. As a Responsible Entity and a holder of an AFS Licence, BlackRock has policies and procedures in place to manage such conflicts of interest.

The investment choices of a BlackRock Group entity for its fund or client accounts may, at times, be restricted as a result of aggregation limits. For example, with respect to certain industries and markets, corporate and/or regulatory requirements may limit the aggregate amount of investment in certain issuers by affiliated investors. Exceeding these limits without reporting or the grant of a license, exemption or other corporate or regulatory consent may result in fines or other adverse consequences to the relevant BlackRock Group entity its funds and/or its clients. As a consequence of these limits, the ability of a fund or a client to achieve its investment objective may be affected. A BlackRock Group entity, in order to avoid exceeding these limits may, among other actions, limit purchases, sell existing investments and/or transfer, outsource or limit voting rights.

In circumstances where ownership thresholds or limitations must be observed, the BlackRock Group has established policies and procedures which seek to equitably allocate limited investment opportunities amongst the relevant BlackRock Group accounts.

11.11 Privacy policy

We collect your personal information for the primary purpose of establishing and administering your investments with us, communicating with you and providing you with access to protected areas of our websites. We also collect some personal information to meet our obligations, under the AML Legislation and the Corporations Act.

We use and disclose personal information to administer your investment, conduct product and market research, and deal with your concerns. We collect personal information through our interactions with you, as well as in some instances from your financial adviser or other authorised representative, your organisation, public sources and information brokers. BlackRock may take steps to verify information collected.

We are unable to process your application and provide you with the requested investment without your personal information. We ask that you advise us of any changes to the personal information you have provided. If you provide us with personal information about any other individuals (e.g. directors), you must ensure that they are aware of this privacy section.

A Privacy Policy setting out further details of our handling of personal information is available upon request or from our website at www.blackrock.com/au. The Privacy Policy contains information about how you can access and seek correction of your personal information, about how you can complain or enquire about breaches of your privacy and about how we will deal with your complaint or enquiry.

We may disclose your information to our related bodies corporate and to our service providers who assist us with, among other things, data storage and archiving, auditing, accounting, customer contact, legal, business consulting, banking, payment, data processing, data analysis, information broking, research, website and technology services. Your personal information may be disclosed to Australian and overseas regulatory authorities on reasonable request by those authorities. We may also disclose your information to external parties on your behalf, such as your financial adviser, unless you have instructed otherwise.

BlackRock operates as a global organisation and to this end functions generally operate from dedicated centres that also provide shared services around the globe. Typically, personal information collected in relation to an investment in our funds may be disclosed to our related body corporate located offshore currently in Singapore. Personal information (generally other than personal information held in relation to individual investors) may be held within applications on our portfolio management system or client relationship management system, which are potentially accessible, by our related body corporates in any country in which the BlackRock Group has an office. A list of those countries is available through a link found in our Privacy Policy. Key data is held at locations in Australia, the U.S. and the United Kingdom, at either a BlackRock related party site or third party site.

We take reasonable steps to ensure that any recipients of your personal information do not breach the privacy obligations relating to your personal information.

We, BlackRock Inc and its related bodies corporate may use your information on occasion, to inform you by telephone, electronic messages (like email), online and other means, about other services

or products offered by us or them. We may do this on an ongoing basis, but you may opt out at any time.

If you wish to opt out, update or request access to your information, obtain a copy of our Privacy Policy or raise any queries or concerns regarding privacy, you may contact our Privacy Officer by contacting Client Services (refer to page 3 of this PDS for contact details).

11.12 Complaints

We have established procedures for dealing with enquiries and complaints. If you are a Unitholder and have an enquiry or complaint, you can contact our Enquiries and Complaints Officer via Client Services (refer to page 3 of this PDS for contact details). If you make a complaint to us, the complaint will be acknowledged and steps will be taken to investigate your concerns. A final response will be provided within 30 calendar days in accordance with our obligations.

If you have invested through an IDPS, superannuation fund or master trust and you have a complaint, you can contact the operator of such service, using the contact details they have provided. The operator of such service may respond to your complaint in accordance with processes that are different to those set out in this document. Alternatively, you can contact our Enquiries and Complaints Officer via Client Services.

BlackRock is a member of the Australian Financial Complaints Authority (AFCA), an independent complaint resolution body. If your complaint is not addressed within 30 calendar days from the date it was received, or you are not satisfied with our response, you may refer your complaint to AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers. AFCA can be contacted by:

- ▶ Telephone: 1800 931 678 (free call)
- ▶ Mail: Australian Financial Complaints Authority Limited, GPO Box 3, Melbourne VIC 3001
- ▶ Email: info@afca.org.au
- ▶ Website: www.afca.org.au

For the hearing and speech impaired, AFCA can be contacted

via National Relay Service (<https://www.accesshub.gov.au/about-the-nrs>):

- ▶ Voice Relay: 1300 555 727;
- ▶ TTY: 133 677;
- ▶ SMS Relay: 0423 677 767

11.13 ASIC relief

Equal treatment relief in relation to withdrawals

BlackRock relies upon the relief granted by ASIC in ASIC Class Order [CO13/721] from the equal treatment requirement in section 601FC(1)(d), to the extent necessary to permit the Responsible Entity to not treat Unitholders equally to the extent that it restricts the redemption of Units by Authorised Participants as described in this PDS. For the purposes of this relief, except in exceptional circumstances outlined below, it is important to note that only Authorised Participants are able to redeem Units in the Fund, but other Unitholders may sell their Units on ASX.

Unitholders, including non-Authorised Participant Unitholders, may withdraw from the Fund directly where units in the Fund have been suspended from trading on ASX for a period of five consecutive trading days (refer to the section of this PDS titled

“Redemption rights of non-Authorised Participant Unitholders” for further information).

Ongoing disclosure relief

Under ASIC Class Order [CO13/721], ASIC has granted relief from the ongoing disclosure requirements in section 1017B on condition that BlackRock complies with the continuous disclosure requirements in section 675 of the Corporations Act as if the Fund were an unlisted disclosing entity.

PDS and Issue of securities requirements

ASIC has granted relief under section 1020F(1)(c) of the Corporations Act from sections 1013H and 1016D, to reflect the continuous offering of Units in the Fund. For the purposes of this relief Units issued pursuant to an application will be quoted under the AQUA Rules on the ASX with effect from the settlement of the issue of the relevant Units through CHES and on a monthly basis we will announce to the ASX via the ASX Market Announcements Platform the Fund's total Units on issue within five business days of the month end. As the settlement of the issue of the relevant Units will be made through CHES, we will not be required to hold application money prior to the issue of Units.

Periodic statements

BlackRock relies upon the relief granted by ASIC in ASIC Class Order [CO13/1200]. Under this relief if BlackRock is not aware of the price at which a Unitholder bought or sold Units on the ASX, periodic statements are not required to include details of the transaction price, nor the return on investment during the reporting period, provided that BlackRock is not able to calculate the return on investment and the periodic statement explains why this information is not included and describes how it can be obtained or calculated.

Periodic statements include the date on which the Unitholder bought or sold the Units, the number of Units transacted and an explanation why the price per Unit and total dollar value is not included.

11.14 Benchmark provider disclaimer

ICE Benchmark Administration Limited

The LBMA Gold Price is administered and published by ICE Benchmark Administration Limited (IBA).

LBMA Gold Price is a trade mark of Precious Metals Prices Limited, and is licensed to IBA as the administrator of the LBMA Gold Price. ICE Benchmark Administration is a trade mark of IBA and/or its affiliates. The LBMA Gold Price PM, and the trade marks LBMA Gold Price and Ice Benchmark Administration, are used by BlackRock with permission under licence by IBA.

IBA and its affiliates make no claim, predication, warranty or representation whatsoever, express or implied, as to the results to be obtained from any use of the LBMA Gold Price, or the appropriateness or suitability of the LBMA Gold Price for any particular purpose to which it might be put, including with respect to the Fund. To the fullest extent permitted by applicable law, all implied terms, conditions and warranties, including, without limitation, as to quality, merchantability, fitness for purpose, title or non-infringement, in relation to the LBMA Gold Price, are hereby excluded and none of IBA or any of its affiliates will be liable in contract or tort (including negligence), for breach of statutory duty or nuisance, for misrepresentation, or under antitrust laws or otherwise, in respect of any inaccuracies, errors, omissions, delays, failures, cessations or changes (material or otherwise) in the LBMA Gold Price, or for any damage, expense or other loss (whether

direct or indirect) you may suffer arising out of or in connection with the LBMA Gold Price or any reliance you may place upon it.

IBA has given its written consent to all statements by it or to be based on statements by it in the form and context in which they are included in this PDS, and has not withdrawn its consent as at the date of this PDS.

12. Glossary

ABN	means Australian Business Number.
AEOI	means the Automatic Exchange Of Information.
AFCA	means the Australian Financial Complaints Authority.
AFSL	means Australian Financial Services Licence.
AMIT, AMITs	means Attribution Managed Investment Trust(s).
AML Legislation	means the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth).
AP Agreement	means an agreement between BlackRock and an Authorised Participant governing the creation and redemption of units in iShares ETFs.
Application Form	means the form accompanying this PDS that may be used in the submission of Unit creation/redemption requests by Authorised Participants.
AQUA Rules	means the ASX Operating Rules that apply to AQUA products and AQUA trading.
ASIC	means Australian Securities and Investments Commission.
ASX	means ASX Limited and its affiliates.
ATO	means the Australian Tax Office.
AUM	means assets under management.
Authorised Participant	means a person who is a wholesale client as described in section 761G of the Corporations Act and who has entered into a relevant Authorised Participant Agreement.
BlackRock Group	means BlackRock Inc and its subsidiary and affiliated entities collectively.
BlackRock Inc	means BlackRock, Inc. [®] .
BlackRock, Responsible Entity, Issuer, we, our or us	means BlackRock Investment Management (Australia) Limited ABN 13 006 165 975 (Australian financial service licence number 230523).
Business Day	means that days on which the Fund is open for Unit creation and redemption requests, as defined in the Operating Procedures.
CGT	means capital gains tax.
CHES	means the Clearing House Electronic Subregister System operated by ASX Settlement and another ASX subsidiary.
Compliance Committee	means the BlackRock compliance committee established to oversee the Fund's compliance with the Compliance Plan.
Compliance Plan	means the compliance plan of the Fund.
Computershare	means Computershare Investors Services Pty Limited ACN 078 279 277.
Corporations Act	means the Corporations Act 2001 (Cth).
CRS	means the Common Reporting Standards, a single global standard on the AEOI.
Cut-off Time	means the deadline by which BlackRock must receive Unit creation or redemption requests, as defined in the Operating Procedures.
DRP	means the distribution reinvestment plan for the Fund, as described in the section of this PDS titled "Distribution reinvestment plan".
DRP Rules	means the terms and conditions of the DRP Plan.
ETF, ETFs	means exchange traded fund(s).
FATCA	means the Foreign Account Tax Compliance Act.
Fund	means the iShares Physical Gold ETF.
GST	means Goods and Services Tax.
IGA	means the intergovernmental agreement between the U.S. and Australia to implement FATCA in Australia.
J.P. Morgan	means J.P. Morgan Securities Inc..
MIT, MITs	means managed investment trust(s).

NAV	means net asset value.
NAV Price	means the NAV of the Fund divided by the number of Units on issue in the Fund.
OECD	means the Organisation for Economic Co-operation and Development.
Operating Procedures	means the iShares Authorised Participant Operating Procedures, as amended from time to time.
OTC	means over the counter.
PDS	means this product disclosure statement dated 17 October 2023 and any supplementary or replacement product disclosure statement in relation to this document.
Registrar	means the registrar of the Fund, as appointed by BlackRock, being Computershare.
Tax Law	means the Income Tax Assessment Act 1936 (Cth), Income Tax Assessment Act 1997 (Cth), the Taxation Administration Act 1953 (Cth) and any relevant regulations, rulings or judicial or administrative pronouncements.
TFN	means Tax File Number.
TOFA	means Taxation of Financial Agreements.
Unit	means an undivided share in the beneficial interest in the assets of the Fund as described in this PDS.
Unitholders	means a person holding Units in the Fund.
U.S.	means United States of America.