

ETFS PHYSICAL GOLD ETF

(STOCK CODE: 2830 HK)

INTERIM REPORT

**FOR THE PERIOD FROM 5 SEPTEMBER 2012
(DATE OF INCEPTION) TO**

28 JUNE 2013

(UNAUDITED)

ETFS Physical Gold ETF

Interim Report

**For the period from 5 September 2012 (date of inception) to 28 June 2013
(Unaudited)**

Contents

	Pages
Management and Professional Service Details	1
Investment Report (Unaudited)	2 - 3
Statement of Financial Position (Unaudited)	4

ETFS Physical Gold ETF

Management and Professional Service Details

Manager

ETF Securities (HK) Limited
Room 1303
Silver Fortune Plaza
1 Wellington Street, Central
Hong Kong

Directors of the Manager

Chi Lok Cheung (appointed on 2 April 2013)
Fred Jheon (resigned on 2 April 2013)
Graham Tuckwell

Trustee and Registrar

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Custodian

HSBC Bank USA, N.A.
8 Canada Square
London, E14 5HQ
United Kingdom

Service Agent

HK Conversion Agency Services Limited
2nd Floor, Infinitus Plaza
199 Des Voeux Road, Central
Hong Kong

Listing Agent

Changjiang Corporate Finance (HK) Limited
Suite 1908
19th Floor, Cosco Tower
183 Queen's Road Central
Hong Kong

Legal Adviser to the Manager

Baker & McKenzie
23rd Floor, One Pacific Place
88 Queensway
Hong Kong

Auditors

Deloitte Touche Tohmatsu
35th Floor, One Pacific Place
88 Queensway
Hong Kong

ETFS Physical Gold ETF

Investment Report

For the period from 5 September 2012 (date of inception) to 28 June 2013

Manager's report

The ETFS Physical Gold ETF (the "Fund") is an exchange traded fund listed on The Stock Exchange of Hong Kong Limited (the "SEHK"). The Fund's investment objective is to provide investment results, before fees and expenses, that closely correspond to the performance of the London PM Fix for gold.

We are pleased to present the first interim report of the Fund for the period from 5 September 2012 (date of inception) to 28 June 2013.

Fund Performance

As at 28 June 2013, the Net Asset Value ("NAV") per unit of the Fund was USD 118.929284 and 20,000 units were outstanding. The total size of the Fund was approximately USD 2,378,586.

Market Commentary

Between 5 September 2012 and 28 June 2013, the gold price fell 28%. Over this period, gold prices fell 13% over two trading days in April, marking one of the sharpest declines of the past few decades. Since July 2013, however, the gold price has rebounded and stabilised above USD 1,300 per ounce as physical demand – particularly in China – has risen strongly in reaction to the price fall. Futures investors have played a major role in the gold price correction, with non-commercial short positions on the COMEX futures exchange reaching an all-time high. Exchange Traded Fund (ETF) investors were large physical sellers over the period as well. This supply has been largely absorbed by Asian investors, with China's imports of gold from Europe and the US through Hong Kong rising strongly. Adding to physical demand has been continued strong gold purchases by central banks. At the same time, recycling of jewellery into the gold market has fallen sharply and gold miners have been cutting back on expansion plans, reducing current and potential future supply. This has caused some near term gold shortages.

ETFS Physical Gold ETF**Investment Report****For the period from 5 September 2012 (date of inception) to 28 June 2013****(Unaudited)****Investment portfolio****As at 28 June 2013**

Commodity	Holdings Fine Troy Ounces	Market value USD	% of net assets
Gold bullion	1,995	2,378,586	100.00
Total investment		2,378,586	100.00
Net assets value attributable to unitholders at 28 June 2013		2,378,586	100.00
Total investment, at cost		3,416,223	

Statement of movements in investment portfolio**For the period from 5 September 2012 (date of inception) to 28 June 2013**

Commodity	Holdings			28 June 2013
	5 September 2012 (date of inception) Fine Troy Ounces	Additions Fine Troy Ounces	Deductions Fine Troy Ounces	Fine Troy Ounces
Gold bullion	-	4,000	2,005	1,995

Performance table**Net asset value**

	Total net asset value USD	Net asset value per unit USD
28 June 2013	2,378,586	118.929284

Performance record

	Highest issue price per unit USD	Lowest redemption price per unit USD
Period from 5 September 2012 (date of inception) to 28 June 2013	172.594502	118.929284

ETFS Physical Gold ETF
Statement of Financial Position
As at 28 June 2013
(Unaudited)

	28 June 2013 USD
Assets	
Current assets	
Gold bullion (at fair value)	2,378,586
Amounts receivable from brokers	805
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Total assets	2,379,391
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Liabilities	
Current liabilities	
Fees payable to investment manager	805
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Total liabilities	805
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Equity	
Units (at cost)	3,534,228
Unitholder's reserve	(1,155,642)
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Total equity	2,378,586
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Total liabilities and equity	2,379,391
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NAV per unit	118.929284
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