

This supplement (the "Supplement") is supplemental to, and forms an integral part of, the Hong Kong prospectus of SPDR® Gold Trust dated 14 March 2011 (the "Hong Kong Prospectus") and may not be distributed separately. Capitalised terms used in this Supplement shall have the same meaning as those used in the Hong Kong Prospectus, unless otherwise defined in this Supplement.

The Stock Exchange of Hong Kong Limited, Hong Kong Securities Clearing Company Limited and the Hong Kong Securities and Futures Commission take no responsibility for the contents of this Supplement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Supplement.

SPDR® GOLD TRUST
SPDR金ETF
a Hong Kong unit trust authorised under
section 104 of the Securities and Futures Ordinance
(Chapter 571 of the Laws of Hong Kong)
(Stock Code: 2840)
Supplement to the Hong Kong Prospectus

The Hong Kong Prospectus is hereby supplemented as follows:

The following sentence shall be inserted at the end of paragraph 7.2.16:

"Having said that, the Trust has the right to seek recovery from the Custodian if it delivers gold bullion that is not of the fine weight it has represented to the Trust, i.e. a minimum fineness (or purity) of at least 995 parts per 1,000 (99.5%)."

The Sponsor accepts responsibility of the accuracy of the information contained in this Supplement as at the date of publication.

The Hong Kong Prospectus may only be distributed if accompanied by this Supplement.

4 May 2011

- *This is an exchange traded fund (“ETF”).*
- *This statement provides you with key information about this product.*
- *This statement is a part of the Prospectus¹.*
- *You should not invest in this product based on this statement alone.*

Quick facts

Stock Code:	2840
Trading lot size:	10 Shares
Sponsor:	World Gold Trust Services, LLC, a wholly-owned subsidiary of the World Gold Council
Trustee:	BNY Mellon Asset Servicing, a division of The Bank of New York Mellon
Custodian:	HSBC Bank USA, N.A.
Marketing Agent:	State Street Global Markets, LLC
Estimated Expenses:	0.40% per annum of the daily adjusted net asset value (“ANAV”) *
Underlying Benchmark:	The afternoon fixing price of an ounce of gold by the London Gold Market Fixing Limited (London PM Fix)
Base currency:	US Dollars (USD)
Dividend Policy:	No dividends will be paid
Financial year end of this fund:	30 September
ETF Website:	http://www.spdrgoldshares.com

What is this product?

SPDR® Gold Trust (the “Trust”) is a standalone investment trust formed under New York law. The Trust is an ETF which will hold gold bullion. Shares of the Trust (the “Shares”) are primarily traded on NYSE Arca, Inc. (“NYSE Arca”) and are also traded on the Stock Exchange of Hong Kong Limited (“SEHK”). As to the other exchanges which the Trust is listed, please refer to the Prospectus for details.

The Trust is sponsored by World Gold Trust Services, LLC, a wholly owned subsidiary of the World Gold Council, and marketed by State Street Global Markets, LLC, an affiliate of State Street Global Advisors. State Street Global Advisors Asia Limited, the Hong Kong Representative of the Trust, is the primary contact point for investors in Hong Kong.

Objective and Investment Strategy

Objective

The investment objective of the Trust is for the Shares to reflect the performance of the price of gold bullion, less the Trust’s expenses.

¹ The Hong Kong Prospectus incorporates and should be read in conjunction with the attached U.S. Prospectus for the Trust and the U.S. annual report of the Trust filed with the Securities and Exchange Commission (collectively, the “Prospectus”).

* The fees of the Sponsor and the Marketing Agent are capped (subject to certain conditions). Please refer to the Prospectus for further information.

Strategy

To achieve its investment objective, the Trust will acquire and hold gold bars of minimum fineness of 99.5% gold and otherwise conform to the rules, regulations practices and customs of the *London Bullion Market Association* (“*LBMA*”), including the specifications for a London Good Delivery Bar.

The Trust invests in no derivative financial instruments and has no foreign operations or long-term debt instruments. The Trust does not engage in transactions in foreign currencies which could expose the Trust or holders of Shares to any foreign currency related market risk.

The Trustee is not permitted to borrow for payment of the Trust’s ordinary expenses. In order to pay ongoing expenses of the Trust, the Trustee may be directed to sell gold bullion.

Benchmark

The London PM Fix is a price quoted in USD by The London Gold Market Fixing Limited in London and published by the LBMA usually by 15:00 (London time). The London PM Fix is a widely used international benchmark for daily gold prices. The net asset value (the “NAV”) of the Trust will be valued by reference to the London PM Fix. You may view the London PM Fix published by the LBMA at any time on the LBMA’s website www.lbma.org.uk under “London Gold Fixing”.

You may also view the indicative intra-day NAV and latest NAV per Share at the following website: www.spdrgoldshares.com

What are the key risks?

Investment involves risks. Please refer to the Prospectus for details including the risk factors.

1. Gold market risk/Investment risk

- The value of the Shares relates directly to the value of the gold held by the Trust (less the Trust’s expenses) and fluctuation in the price of gold may materially adversely affect the value of the Shares. The Shares have experienced significant price fluctuations.
- There is no assurance that gold will maintain its long-term value in terms of its long-term purchasing power in the future. In the event that the price of gold declines, it is expected the value of the Shares will decline proportionately.
- Investment involves risk, in particular the Trust invests in one single commodity asset class which may result in higher price volatility compared to more diversified mutual funds or unit trusts investing in portfolios of securities. There is no guarantee that you will get back your original investment

2. Custody and Insurance risk

- The Trust’s gold may be subject to loss, damage, theft or restriction on access. The Trust does not insure its gold. The Custodian maintains insurance which it considers appropriate for its custody and/or bullion business. Consequently, the Trust may suffer a loss with respect to the Trust’s gold which is not covered by insurance and for which no person is liable in damages.
- Because neither the Trustee nor the Custodian oversees or monitors the activities of subcustodians who may temporarily hold the Trust’s gold bars until transported to the Custodian’s London vault, failure by the subcustodians to exercise due care in the safekeeping of the Trust’s gold bars could result in a loss to the Trust.
- The ability of the Trustee and the custodian to take legal action against subcustodians may be limited, which increases the possibility that the Trust may suffer a loss if a subcustodian does not use due care in the safekeeping of the Trust’s gold bars.

3. Termination of the cap on aggregate fees

- Upon the earlier of 11 November 2011 or the termination of the marketing agent agreement between the Sponsor and the Marketing Agent, the estimated ordinary expenses payable by the Trust may increase, thus reducing the NAV of the Trust more rapidly and adversely affecting an investment in the Shares. Please refer to the Section headed “What are the fees and charges?” and the Prospectus for further information.

4. Passive investments

- The Trust is not managed like a corporation or an active investment vehicle and no manager has been appointed. Therefore, no attempt will be made to buy or sell gold to protect against or to take advantage of fluctuations in the price of gold.

5. Trading risk

- Currently, only “Authorised Participants” (i.e. financial institutions which have entered into arrangements with the Sponsor, the Trustee and the Custodian) may place orders to create or redeem baskets of Shares in the U.S. and redemption orders may be postponed, suspended or rejected by the Trustee in certain circumstances. Prospective investors in Hong Kong may enquire with State Street Global Advisors Asia Limited, the Hong Kong Representative of the Trust for details of the creation and redemption procedures. However, as the Shares are listed on the SEHK, prospective investors may buy or sell the Shares at any time during a trading day. Please refer to the list of Authorized Participants in section 1 headed “Summary” in the Prospectus.
- Subject to applicable regulatory requirements, the Sponsor intends to ensure that there is at least one market maker for the Trust in Hong Kong to facilitate efficient trading but there is no guarantee that the Sponsor will be able to do so on appropriate condition and commercial terms. Please refer to SEHK’s website for the latest list of market makers.
- The Shares may trade at a price which is at, above or below the NAV per Share.
- Listing of the Shares on the SEHK does not guarantee a liquid market for the Shares, and the Shares may be suspended or delisted from the SEHK.

6. Currency risk

- Investors are subject to currency risk as the Shares traded on the SEHK are denominated in H.K. dollars but the Shares may only be created or redeemed in USD. Similarly, any distributions relating to the Shares which may be made by the Trust are in USD.

7. Selling gold to meet ongoing expenses

- The Trust does not generate income and as the Trust regularly sells gold to pay for its ongoing expenses, the amount of gold represented by each Share will reduce on an ongoing basis, irrespective of whether the trading price of the Shares rises or falls in response to changes in the price of gold. Moreover, as the Trustee sells gold to pay expenses on an as-need basis, it may be required to sell gold at a time when the gold price is low.

Is there any guarantee?

The Trust does not have any guarantees. You may not get back the amount of money you invest.

What are the fees and charges?

Charges incurred when trading the Shares on SEHK

Fee	What you pay
Brokerage fees:	At each broker’s discretion
Transaction Levy:	0.003% of the total consideration for the Shares of the Trust
SEHK Trading Tariff:	HK\$0.5 payable on each and every purchase or sale transaction
SEHK Trading Fee:	0.005% of the total consideration for the Shares of the Trust
Stamp Duty:	Nil

Please refer to section 6 (Fees) of the Prospectus for details of fees and charges applicable.

Ongoing fees payable by the Trust

The following expenses will be paid out of the Trust. They affect you because they reduce the NAV of the Trust which may affect the trading price.

	Annual Rate (as a % of ANAV)
Sponsor's fee:	0.15% of the ANAV of the Trust per annum, this is subject to a cap which will expire in circumstances set out in the Prospectus.
Trustee's fee:	0.02% of the daily ANAV of the Trust per annum, subject to a minimum fee of US\$500,000 and maximum fee of US\$2 million per year.
Custodian's fee:	0.10% of the average daily aggregate value of the first 4.5 million ounces of Gold held in the allocated account and the unallocated account, and 0.06% of the average daily aggregate value of the Gold held in the allocated account and the unallocated account in excess of 4.5 million ounces.
Marketing Agent's fee:	0.15% of the daily ANAV of the Trust per annum, this is subject to a cap which will expire in circumstances set out in the Prospectus.
Hong Kong Representative's Fee:	US\$250,000 per annum, payable in quarterly instalments, commencing on first day on which the Shares of the Trust are traded on the SEHK.

Other fees

You may have to pay other fees to brokers when dealing in the Shares of the Trust.

Additional Information

You can find the following information of the Trust at the following website at: <http://www.spdrgoldshares.com/#hk>

- The Trust's Prospectus (including this Product Key Facts Statement);
- Indicative intra-day NAV and closing NAV of the Trust;
- Latest available annual report of the Trust on Form 10-K;
- Latest available quarterly report of the Trust on Form 10-Q;
- Latest available Registration Statement on Form S-3; and
- Latest List of Authorized Participants which is disclosed in the Prospectus.

Important

If you are in doubt, you should seek professional advice.

The Securities and Futures Commission takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

Dated 14 March 2011

HONG KONG PROSPECTUS

SPDR^{®1} Gold Trust

SPDR[®] Gold Shares



Application was made to the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 20 June 2008 for permission to list and deal in and for quotation of all the SPDR[®] Gold Shares (the “**Shares**”) of the SPDR[®] Gold Trust (the “**Trust**”) already issued, as well as Shares which may be issued from time to time. The Stock Exchange, the Hong Kong Securities Clearing Company Limited (“**HKSCC**”) and the Hong Kong Securities and Futures Commission (the “**SFC**”) take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the content of this Prospectus.

The Trust is established under the laws of the State of New York and is constituted outside Hong Kong.

The Trust has been authorised by the SFC under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”). The SFC does not take any responsibility for the financial soundness of the Trust or the correctness of any statement made or opinion expressed in this Prospectus.

Investors should note that the Trust is not like a typical unit trust offered to the public in Hong Kong. Amongst other things, the Trust’s assets only consist of allocated gold bullion, gold credited to an unallocated gold account and, from time to time, cash. Furthermore, whilst World Gold Trust Services, LLC (the “Sponsor”) regularly communicates with the BNY Mellon Asset Servicing, a division of The Bank of New York Mellon (the “Trustee”) to monitor the overall performance of the Trust, the Trust is not managed like a corporation or an active investment vehicle and no manager has been appointed.

The Shares will trade on the Stock Exchange at market prices throughout the trading day. Market prices for the Shares are likely to be different from their net asset value (the “NAV”) and the Shares may trade at a price which is at, above or below the NAV per Share.

The Stock Exchange imposes certain requirements for the continued listing of securities, including the Shares, on the Stock Exchange. Investors cannot be assured that the Shares will continue to meet the requirements necessary to maintain the listing of the Shares on the Stock Exchange or that the Stock Exchange will not change the listing requirements.

If you are in doubt as to the contents of this Hong Kong Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.

This Hong Kong Prospectus incorporates and should be read in conjunction with the attached U.S. prospectus for the Trust and the U.S. annual report of the Trust filed with the Securities and Futures Commission.

1 SPDR[®] is a trademark of Standard & Poor’s Financial Services, LLC and has been licensed for use by the SPDR[®] Gold Trust.

CONTENTS

Paragraph	Page
Important Information	i
Directory	ii
1. Summary	1
2. The Gold Market	2
3. Trading and Settlement	13
4. Investment Objective and Strategy of the Trust	17
5. The Sponsor, Trustee, Custodian and Marketing Agent	18
6. Fees	21
7. Risk Factors	23
8. Performance of the Trust	25
9. Conflicts of Interest	26
10. Resignation and Termination of Sponsor, Trustee and Custodian	27
11. Liability and Indemnification of Sponsor and Trustee	28
12. Reports	30
13. Meetings	30
14. Hong Kong Tax Considerations	30
15. Queries and Complaints	31
16. Documents Available for Inspection in Hong Kong	31

SPDR[®] Gold Trust

IMPORTANT INFORMATION

This Hong Kong Prospectus relating to the SPDR[®] Gold Trust (the “**Trust**”) incorporates and shall be read in conjunction with the attached U.S. prospectus for the Trust dated 27 May 2010 (the “**U.S. Prospectus**”) and the U.S. annual report of the Trust for the fiscal year ended 30 September 2010. Unless the context otherwise requires, terms defined in the U.S. Prospectus shall have the same meanings when used in this Hong Kong Prospectus.

The Trust issues SPDR[®] Gold Shares (the “**Shares**”) which represent units of fractional undivided beneficial interest in, and ownership of, the Trust. The investment objective of the Trust is for the Shares to reflect the performance of the price of gold bullion, less the Trust’s expenses. The Shares traded on the Stock Exchange are denominated in HK dollars.

On 13 December 2007, World Gold Trust Services, LLC (the “**Sponsor**”) (as the sponsor of the Trust) transferred the listing of the Trust and trading of the Shares from the New York Stock Exchange, Inc. (“**NYSE**”) to an affiliated exchange of the NYSE, the NYSE Arca, Inc. (“**NYSE Arca**”). On 20 May 2008, the Sponsor changed the name of the Trust to SPDR[®] Gold Trust from streetTRACKS[®] Gold Trust.

The Trust is a standalone investment trust established under the laws of the State of New York pursuant to a trust indenture (the “**Trust Indenture**”) between the Sponsor and BNY Mellon Asset Servicing, a division of The Bank of New York Mellon (the “**Trustee**”) (as the trustee of the Trust) dated as of 12 November 2004. The Trust Indenture was amended on 26 November 2007 to reflect the transfer of the listing of the Shares to NYSE Arca. The Trust Indenture was again amended on 20 May 2008 to reflect the change in name of the Trust to SPDR[®] Gold Trust. There is no maximum period for which the Trust is allowed to exist under New York law.

The Sponsor accepts full responsibility for the accuracy of information contained in this Hong Kong Prospectus and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief the facts stated and the opinions expressed in this Hong Kong Prospectus are fair and accurate in all material respects as of the date of this Hong Kong Prospectus, and there are no other facts the omission of which would make any statement in this Hong Kong Prospectus misleading.

This Hong Kong Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

Investors should seek professional advice to ascertain (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they may encounter under the laws of the countries of their citizenship, residence or domicile for the acquisition, holding or disposal of Shares.

Investors should be aware that there is no assurance that gold will maintain its long-term value in terms of purchasing power in the future. In the event that the price of gold declines, the Sponsor expects the value of an investment in the Shares to similarly decline. Investors are advised to carefully consider the risk factors set out under the heading “Risk Factors” in the U.S. Prospectus and in paragraph 7 of this Hong Kong Prospectus.

IMPORTANT: PLEASE READ AND RETAIN THIS HONG KONG PROSPECTUS AND THE ATTACHED U.S. PROSPECTUS AND THE ANNUAL REPORT FOR FUTURE REFERENCE

DIRECTORY

Sponsor:	World Gold Trust Services, LLC 424 Madison Avenue 3rd Floor New York New York 10017
Trustee:	BNY Mellon Asset Servicing, a division of Bank of New York Mellon 2 Hanson Place Brooklyn New York 11217
Custodian:	HSBC Bank USA, N.A. 8 Canada Square London E14 5HQ United Kingdom
Marketing Agent:	State Street Global Markets, LLC State Street Financial Center One Lincoln Street Boston Massachusetts 02111
Auditors:	KPMG LLP 345 Park Avenue New York New York 10154
Hong Kong Representative:	State Street Global Advisors Asia Limited 68/F Two International Finance Centre 8 Finance Street Central Hong Kong
Legal advisers as to U.S. law:	Carter Ledyard & Milburn LLP 2 Wall Street New York New York 10005-2072
Legal advisers as to Hong Kong law:	Clifford Chance 28/F Jardine House One Connaught Place Central Hong Kong

SPDR[®] Gold Trust

1. SUMMARY

The following table is a summary of key information in respect of the Trust, and should be read in conjunction with the full text of this Hong Kong Prospectus.

Instrument Type	Exchange Traded Fund (“ ETF ”)
Listing Date on the Stock Exchange	31 July 2008
Exchange Listing	NYSE Arca, Singapore Exchange Securities Trading Limited (“ SGX-ST ”), Bolsa Mexicana de Valores (“ BMV ”), Tokyo Stock Exchange Group, Inc (“ TSE ”) and the Stock Exchange
Trading Board Lot Size	10 Shares
Trading Currency	Hong Kong dollars (HK\$)
In-kind Creation/Redemption (only by Authorized Participants)	Minimum of a Basket of 100,000 Shares (as at 30 September 2010, a Basket represents approximately 9,770.634 ounces of gold)
Trust Fund Size	Approximately US\$37,914,851,219 as at 30 September 2010
Sponsor	World Gold Trust Services, LLC
Trustee	BNY Mellon Asset Servicing, a division of The Bank of New York Mellon
Custodian	HSBC Bank USA, N.A.
Authorized Participants	BMO Capital Markets Corp., CIBC World Markets Corp., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., EWT, LLC, Goldman, Sachs & Co., Goldman Sachs Execution & Clearing, L.P., HSBC Securities (USA) Inc., J.P. Morgan Securities Inc., Merrill Lynch Professional Clearing Corp., Morgan Stanley & Co. Incorporated, Newedge USA LLC, RBC Capital Markets Corporation, Scotia Capital (USA) LLC and UBS Securities LLC.
Website	http://www.spdrgoldshares.com/

2. THE GOLD MARKET

2.1 Overview of the Gold Industry

2.1.1 How Gold Travels from the Mine to the Customer

The following is a general description of the typical path gold takes from the mine to the customer. Individual paths may vary at several stages in the process from the following description.

Gold, a naturally occurring mineral element, is found in ore deposits throughout the world. Ore containing gold is first either dug from the surface or blasted from the rock face underground. Mined ore is hauled to a processing plant, where it is crushed or milled. Crushed or milled ore is then concentrated in order to separate out the coarser gold and heavy mineral particles from the remaining parts of the ore. Gold is extracted from these ore concentrates by a number of processes and, once extracted, is then smelted to a gold-rich doré (generally a mixture of gold and silver) and cast into bars. Smelting, in its simplest definition, is the melting of ores or concentrates with a reagent which results in the separation of gold from impurities.

The doré goes through a series of refining processes to upgrade it to a purity and format that is acceptable in the market place. Refining can take a number of different forms, according to the type of ore being treated. The doré is refined to a purity of 99.5% or higher. The most common international standard of purity is the standard established by the London Good Delivery Standards, described in the section headed “Operation of the Gold Bullion Market – The London Bullion Market” of paragraph 2.2.2 of this Hong Kong Prospectus.

The gold mining company pays the refinery a fee, and then sells the bars to a bullion dealer. In some cases, the refinery may buy the gold from the mining company, thus effectively operating as a bullion dealer. Bullion dealers in turn sell the gold to manufacturers of jewelry or industrial products containing gold. Both the sale by the mine and the purchase by the manufacturer will frequently be priced with reference to the London gold price fix, which is widely used as the price benchmark for international gold transactions.

Some gold mining companies sell forward their gold to a bullion dealer in order to lock in cash-flow for revenue management purposes. The price they receive on delivery of the gold will be that which was agreed to at the time of the initial transaction, equivalent to the spot price plus the interest accrued up until the date of delivery.

Once a manufacturer of jewelry or industrial products has taken delivery of the purchased gold, the manufacturer fabricates it and sells the fabricated product to the customer. This is the typical pattern in many parts of the developing world. In some countries, especially in the industrialized world, bullion dealers will consign gold out to a manufacturer. In these cases, the gold will be stored in a secured vault on the premises of the manufacturer, who will use these consignment stocks for fabrication into products as needed. The actual sale of the gold from the bullion dealer to the manufacturer only takes place at the time the manufacturer sells the product, either to a distributor, a retailer or the customer.

In some cases, the manufacturer may, often for cost reasons, ship the gold to another country for fabrication into products. The fabricated products may then be returned to the manufacturer’s country of business for onward sale, or shipped to a third country for sale to the customer.

2.1.2 Gold Supply and Demand

Gold is a physical asset that is accumulated, rather than consumed. As a result, virtually all the gold that has ever been mined still exists today in one form or another. *Gold Survey 2010*, a publication of GFMS Limited (“GFMS”), an independent precious metals research organization based in London, estimates that existing above-ground stocks of gold amounted to 165,600 tonnes (approximately 5.3 billion ounces) at the end of 2009. These stocks have increased by approximately 2.0% per year on average for the 10 years ended December 2009. When used in this Hong Kong Prospectus, “tonne” refers to one metric tonne, which is equivalent to 1,000 kilograms or 32,150.7465 troy ounces.

Existing stocks may be broadly divided into two categories based on the primary reason for the purchase or holding of the gold:

- Gold purchased or held as a store of value or monetary asset; and
- Gold purchased or held as a raw material or commodity.

The first category, gold held as a store of value or monetary asset, includes the 29,820 tonnes of gold that is estimated to be owned by the official sector (central banks, other governmental agencies and multi-lateral institutions such as the International Monetary Fund, or the IMF). GFMS estimate that 920 tonnes of this had already been lent or supplied into the market. This reduces to 28,900 tonnes (17.5% of the estimated total) the total that could theoretically become available in the unlikely event that all official sector holdings were liquidated. The 29,600 tonnes of gold (17.9% of the estimated total) in the hands of private investors also falls into this first category. As of 30 September 2010, the Trust held 1,305 tonnes of gold. While much of the gold in this category exists in bullion form and, in theory, could be mobilized and made available to the market, there are currently no indications that a significantly greater amount of gold will be mobilized in the near future than has been mobilized in recent years.

The second category, gold held as a raw material or commodity, includes the 83,700 tonnes of gold (50.5% of the estimated total) that has been manufactured into jewelry. As all gold jewelry exists as fabricated products, the jewelry would need to be remelted and transformed into bullion bars before being mobilized into the market in an acceptable form. While adornment is the primary motivation behind purchases of gold jewelry in the industrialized world, much of the jewelry in the developing world has an additional store of value element, with this jewelry being held, at least in part, as a means of savings. As this jewelry in the developing world tends to be of higher purity, the price of an item of jewelry is more closely correlated with the value of the gold contained in it than is the case in the industrialized world. As a result, this jewelry is more susceptible to recycling. Recycled jewelry, primarily from the developing world, is the largest single component of annual recycled gold supply, which averaged 1,010 tonnes annually over the last 10 years.

The second category also includes the 19,800 tonnes of gold (12.0% of the estimated total) that has been manufactured or incorporated into industrial products. Similar to jewelry, this gold would need to be recovered from the industrial products and then remelted and recast into bars before it could be mobilized into the market. Small quantities of remelted gold from industrial products come onto the market each year.

Approximately 3,600 tonnes of above-ground stocks (2.2% of the estimated total) is unaccounted for.

The following table sets forth a summary of the world gold supply and demand for the last 10 years. It is based on information reported in the *GFMS Gold Survey 2010*.

	World Gold Supply and Demand, 2000-2009									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Mine production	2,620	2,646	2,618	2,623	2,494	2,549	2,483	2,473	2,409	2,572
Official sector sales	479	520	547	620	479	663	365	484	232	41
Recycled gold	620	749	874	986	881	902	1,133	982	1,316	1,674
Net producer hedging	(15)	(151)	(412)	(289)	(438)	(92)	(434)	(444)	(352)	(254)
Total reported supply¹	3,705	3,764	3,627	3,940	3,416	4,022	3,547	3,495	3,605	4,034
Gold fabrication in carat jewellery	3,205	3,009	2,662	2,484	2,616	2,718	2,298	2,417	2,193	1,759
Gold fabrication in electronics	283	197	206	233	262	282	308	311	293	246
Gold fabrication in other industrial & decorative applications	99	97	83	82	85	89	93	96	91	74
Gold fabrication in dentistry	69	69	69	67	68	62	61	58	56	53
Retail investment	167	358	340	302	349	394	415	433	856	703
Investment in Exchange Traded Funds and related products ²	0	0	3	39	133	208	260	253	321	617
Total identifiable demand¹	3,823	3,730	3,363	3,194	3,512	3,753	3,434	3,568	3,809	3,452
Supply less demand³	(118)	34	264	746	(96)	269	113	(73)	(204)	581

(1) Figures may not add due to independent rounding.

(2) Including Gold Bullion Securities (LSE), SPDR Gold Shares, NewGold Gold Debentures, iShares Gold Trust, ZKB Gold, GOLDIST, ETFS Physical Gold (LSE and ASX), Xetra-Gold, Julius Baer Physical Gold Fund, ETFS Physical Swiss Gold (NYSE-Arca and LSE), Dubai Gold Securities, Central Fund of Canada and Central Gold Trust.

(3) This is the residual from combining all the other data in the table. The residual results from the fact that there is no reliable methodology for measuring all elements of gold supply and demand. It includes net institutional investment other than that in Exchange Traded Funds and similar products, movements in stocks and other elements together with any residual error.

Source: *GFMS Gold Survey 2010*

2.1.3 Sources of Gold Supply

Sources of gold supply include both mine production and the recycling or mobilizing of existing above ground stocks. The largest portion of gold supplied into the market annually is from gold mine production. The second largest source of annual gold supply is from re-cycled gold, which is gold that has been recovered from jewelry and other fabricated products and converted back into marketable gold. Official sector sales outstripped purchases in the period from 1989 to 2009, creating additional net supply of gold into the marketplace, with annual net sales between 2000 and 2009 averaging 443 tonnes. In recent years, however, the pace of net sales has slowed sharply and since the second quarter of 2009, the official sector has been a small net buyer of gold on a quarterly basis, although remained a net supplier over 2009 as a whole. The prominence given by market commentators to this activity and the size of official sector gold holdings, has resulted in this area being one of the more visible sectors of the gold market. Net producer hedging accelerates the sale of physical gold and can therefore impact, positively or negatively, on supply in any given year.

2.1.4 Mine Production

Mine production includes gold produced from primary deposits and from secondary deposits where the gold is recovered as a by-product metal from other mining activities.

Mine production is derived from numerous separate operations on all continents of the world, except Antarctica. Any disruption to production in any one locality is unlikely to affect a significant number of these operations simultaneously. Such potential disruption is unlikely to have a material impact on the overall level of global mine production, and therefore equally unlikely to have a noticeable impact on the gold price.

In the unlikely event of significant disruptions to production occurring simultaneously at a large number of individual mines, any impact on the price of gold, caused by a supply-side shock or rapid increase in demand, has been followed by a reduction in physical demand which lasts until the period of unusual volatility is past. Gold price increases also tend to lead to an increase in the levels of recycled gold used for gold supply. Both of these factors have tended to limit the extent of any developing price spike.

Since 1984, the amount of new gold that is mined each year has been substantially lower than the level of physical demand. For example, during the five years from 2005 to 2009, new mine production satisfied on average 69% of total identifiable demand. The shortfall in total supply has been met by additional supplies from existing above-ground stocks, coming from the recycling of fabricated gold products, official sector sales and net producer de-hedging.

2.1.5 Recycled Gold

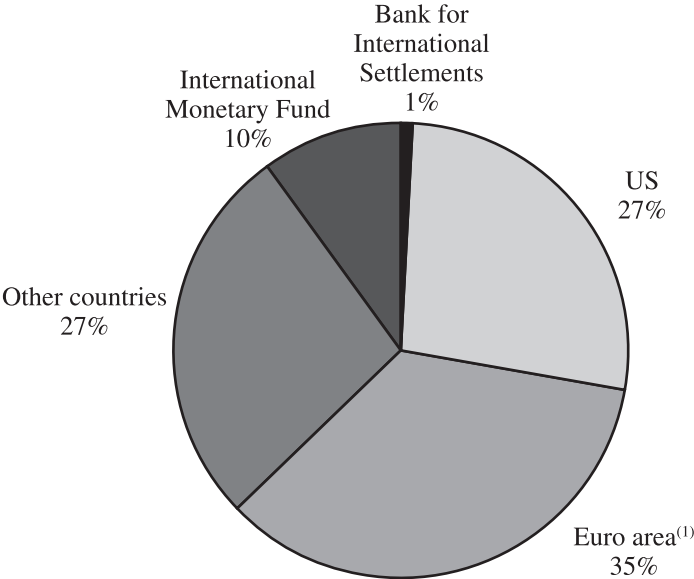
Recycled gold is gold that has been recovered from fabricated products, melted, refined and cast into bullions bars for subsequent resale into the gold market. The predominant source of recycled gold is recycled jewelry. This predominance is largely a function of price and economic circumstances. In 2009, recycling of old gold reached a record high of 1,674 tonnes as a unique combination of high prices (in some currencies, record prices) and the deepening global economic crisis created ideal conditions for unprecedented levels of selling-back. Traditionally the domain of non-western consumers, recycling of gold became a global phenomenon in the first quarter of 2009. Consumers in western markets were forced to sell gold to obtain liquidity in times of financial hardship and sharply tighter credit conditions, while non-western consumers generally reacted to the quarter's high prices by taking profits on existing holdings. During the first quarter of 2009, recycled gold supply exceeded mine production for the first time on record and although recycling activity eased back during subsequent quarters, it remained high on a historical basis.

2.1.6 Official Sector

The first Central Bank Gold Agreement (“**CBGA1**”), announced during the IMF meetings in Washington, DC on 26 September 1999, was a voluntary agreement among key central banks to clarify their intentions with respect to their gold holdings. The signatories to the agreement were the European Central Bank and 14 other central banks. These institutions agreed not to enter the gold market as sellers except for already decided sales, which were to be achieved through a five year program that limited annual sales to approximately 400 tonnes. The agreement was extended for a further period of five years from 27 September 2004 (“**CBGA2**”) with a higher 500 tonne annual ceiling on gold sales. The Bank of Greece replaced the Bank of England as a signatory to the CBGA2, as the UK government announced that it had no further plans to sell gold.

In August 2009, an announcement confirmed that a third CBGA (“**CBGA3**”) would run for a further five-year term, from 27 September 2009. Under the CBGA3, the annual ceiling for gold sales was reduced to 400 tonnes and proposed IMF sales of 403.3 tonnes of gold over the five year agreement “can be accommodated within the above ceiling.” CBGA3 covered the 15 original signatories to CBGA2 (the European Central Bank and the national banks of Belgium, Germany, Ireland, Greece, Spain, France, Italy, Luxembourg, The Netherlands, Austria, Portugal, Finland, Sweden and Switzerland), together with the national banks of Slovenia, Cyprus, Malta and Slovakia, which all joined the second agreement when they adopted the Euro.

The following chart shows the reported gold holdings in the official sector at 31 December 2009.



(1) The Euro Area at the end of 2009 comprised the following countries: Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, The Netherlands, Portugal, Slovakia, Slovenia, and Spain, plus the European Central Bank.

Source: IMF, *International Financial Statistics*, May 2010.

Historically, central banks have retained gold as a strategic reserve asset. In the period from 2000 to 2009, the official sector has been a net seller of gold to the private sector, supplying an average of 443 tonnes per year. This resulted in net movements of gold from the official to the private sector. During the five year period from 2004 to 2009, however, the pace of net sales has slowed significantly. In 2009, dwindling sales from European central banks under CBGA2, coupled with substantial purchases on the part of several central banks outside the CBGA2 including China, Russia, and India, resulted in net annual sales of 41 tonnes being the lowest level recorded since 1989. Since the second quarter 2009, the official sector has been a small net buyer of gold on a quarterly basis, although remained a net supplier over 2009 as a whole. This has reduced the overall net supply of gold to the private sector market.

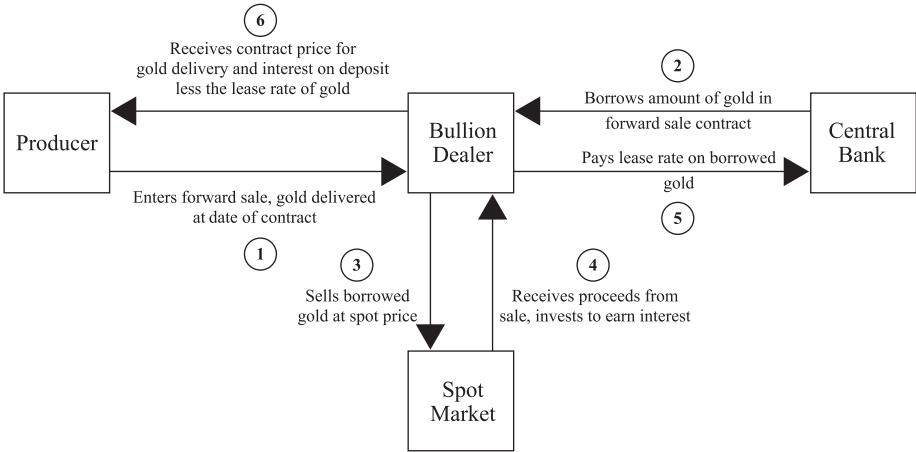
The CBGA3, which covers the five year period from 27 September 2009 allows for the IMF, planned sale of 403.3 tonnes of gold. Initial IMF sales of gold under CBGA3 of 212 tonnes were concluded in off-market transactions to the central banks of India, Mauritius, and Sri Lanka in 2009, with an additional 10 tonnes sold to the central bank of Bangladesh in 2010. The IMF announced in February that the remainder of its gold sales program would be conducted in a phased and transparent manner within the terms of the CBGA and would not be disruptive to the gold market. The eurozone banks sold only 6.7 tonnes of gold in the first year of CBGA3. This is the lowest annual eurozone bank sales figure under any of the CBGA agreements to date, and demonstrates a reduced appetite among the eurozone banks for disposing of gold reserves. Outside of the CBGA, net purchases in 2010 to date were concentrated in Russia, where the central bank continued its program of steady accumulation.

2.1.7 Net Producer Hedging

Net producer hedging accelerates the timing of the sale of gold and by so doing the supply of gold into the market. A mining company wishing to protect itself from the risk of a decline in the gold price may elect to sell some or all of its anticipated production for delivery at a future date. A bullion dealer accepting such a transaction will finance it by borrowing an equivalent quantity of gold (typically from a central bank), which is immediately sold into the market. The bullion dealer then invests the cash proceeds from that sale of gold and uses the yield on these investments to pay the gold mining company the contango (i.e., the premium available on gold for future delivery). When

the mining company delivers the gold it has contracted to sell to the bullion dealer, the dealer returns the gold to the central bank that lent it, or rolls the loan forward in order to finance similar transactions in the future. While over time hedging transactions involve no net increase in the supply of gold to the market, they do accelerate the timing of the sale of the gold, which has an impact on the balance between supply and demand at the time. Since 2000, there has been an annual net reduction in the volume of outstanding producer hedges that has reduced supply.

The following illustration details a typical hedging transaction (numbering indicates sequential timing).



2.1.8 Sources of Gold Demand

Based on the GFMS Gold Survey 2010 published statistics, the demand for gold amounted to 2.1% of total above ground stocks in 2009. Gold demand has traditionally come from three sources: jewelry, industry (including medical applications), and investment. The primary source of demand comes from jewelry, which accounts for 63% of the identifiable demand over the past five years, followed by investment demand which accounts for a further 25% and industry which accounts for the remaining 12%. While jewelry remains by far the largest component of demand, its share has decreased over the past two years in favor of investment demand, as a by-product of the financial crisis.

Gold demand is widely dispersed throughout the world. While there are seasonal fluctuations in the levels of demand for gold (especially jewelry) in many countries, variations in the timing of such fluctuations in different countries mean that seasonal changes in demand do not have a significant impact on the global gold price.

2.1.9 Jewelry

The primary source of gold demand is gold jewelry. The motivation for jewelry purchases differs in various regions of the world. In the industrialized world, gold jewelry tends to be purchased purely for adornment purposes, while gold’s attributes as a store of value and a means of saving provide an additional motivation for jewelry purchases in much of the developing world. Price and economic factors, such as available wealth and disposable income, are the primary factors in jewelry demand. Jewelry purchased purely for adornment purposes is generally of lower caratage or purity, with design input and improved finishes accounting for a substantial portion of the purchase price. In those parts of the world where the additional motivation of savings or investment applies to the purchase of jewelry, which are mainly in Asia, the Indian subcontinent and the Middle East, gold jewelry is generally of higher caratage, and the purchase price more closely reflects the value of the gold contained in each item.

2.1.10 Investment

Investment accounted for 25% of identified demand over the past five years, or 892 tonnes per annum on average, making it the second largest element of demand. In the World Gold Council's Gold Demand Trends, where readers can monitor demand and supply flows on a quarterly basis, investment is divided into investment and inferred investment. Investment is made up of retail investment, consisting of coins, bars under 1 kilogram, medals and imitation coins, and exchange traded funds, or ETFs, and related products. Inferred investment is the balancing item between the supply and demand figures.

Retail investment demand covers coins and bars under 1 kilogram, meeting the standards for investment gold adopted by the European Union, extended to include medallions of variable purity used primarily for investment purposes, and bars or coins which are likely to be worn as jewelry in certain countries. Retail investment is measured as net purchases by the ultimate customer.

Investment in ETFs and related products represents the annual increase in investment in gold ETFs and related products. The products are listed in the footnote to the table of gold supply and demand in the section captioned "Overview of the Gold Industry – Gold Supply and Demand." The statistics in the columns under each calendar year are calculated by subtracting the reported total assets invested in the various products at the beginning of the year from the reported total assets invested at the close of the year.

2.1.11 Industrial-electronics, Dentistry and Other Industrial and Decorative Applications

Gold bonding wire and gold plated contacts and connectors are the two most frequent uses of gold in electronics. Other uses include high-melting point gold alloy solders and gold thick film pastes for hybrid circuits. In conservative and restorative dentistry, gold is generally used alloyed with other noble metals and with base metals, for inlay and onlay fillings, crown and bridgework and porcelain veneered restorations. Increasingly, pure gold electroforming is being used for dental repairs. Other industrial applications of gold include the use of thin gold coatings on table and enamel ware for decorative purposes and on glasses used in the construction and aerospace industries to reflect infra-red rays. Small quantities are also used in various pharmaceutical applications, including the treatment of arthritis, and in medical implants. Future applications for gold catalysts are in pollution control, clean energy generation and fuel cell technology. In addition, work is under way on the use of gold in cancer treatment.

2.2 Operation of the Gold Bullion Market

The global trade in gold consists of over-the-counter (OTC) transactions in spot, forwards, and options and other derivatives, together with exchange-traded futures and options.

2.2.1 Global Over-The-Counter Market

The OTC market trades on a 24-hour per day continuous basis and accounts for most global gold trading.

Market makers, as well as others in the OTC market, trade with each other and with their clients on a principal-to-principal basis. All risks and issues of credit are between the parties directly involved in the transaction. Market makers include the ten market-making members of the London Bullion Market Association ("**LBMA**"), a trade association that acts as the coordinator for activities conducted on behalf of its members and other participants in the London bullion market. The ten market-making members of the LBMA are: the Bank of Nova Scotia – ScotiaMocatta, Barclays Bank PLC, Credit Suisse, Deutsche Bank AG, Goldman Sachs International, HSBC Bank USA, N.A., JPMorgan Chase Bank, Mitsui & Co Precious Metals Inc., Société Générale and UBS AG. The OTC market provides a relatively flexible market in terms of quotes, price, size, destinations for delivery and other factors. Bullion dealers customize transactions to meet clients' requirements. The OTC market has no formal structure and no open-outcry meeting place.

The main centers of the OTC market are London, New York and Zurich. Mining companies, central banks, manufacturers of jewelry and industrial products, together with investors and speculators, tend to transact their business through one of these market centers. Centers such as Dubai and several cities in the Far East also transact substantial OTC market business, typically involving jewelry and small bars of 1 kilogram or less. Bullion dealers have offices around the world and most of the world's major bullion dealers are either members or associate members of the LBMA. Of the ten market-making members of the LBMA, six offer clearing services. There are 67 full members, including the market-making members, plus a number of associate members around the world. The information about LBMA members in this report is as of 18 October 2010. These numbers may change from time to time as new members are added and existing members drop out.

In the OTC market, the standard size of gold trades between market makers ranges between 5,000 and 10,000 ounces. Bid-offer spreads are typically \$0.50 per ounce. Certain dealers are willing to offer clients competitive prices for much larger volumes, including trades over 100,000 ounces, although this will vary according to the dealer, the client and market conditions, as transaction costs in the OTC market are negotiable between the parties and therefore vary widely. Cost indicators can be obtained from various information service providers as well as dealers.

Liquidity in the OTC market can vary from time to time during the course of the 24-hour trading day. Fluctuations in liquidity are reflected in adjustments to dealing spreads – the differential between a dealer's "buy" and "sell" prices. The period of greatest liquidity in the gold market generally occurs at the time of day when trading in the European time zones overlaps with trading in the United States, which is when OTC market trading in London, New York and other centers coincides with futures and options trading on the COMEX division of the New York Mercantile Exchange ("COMEX"). This period lasts for approximately four hours each New York business day morning.

2.2.2 The London Bullion Market

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

The term "loco London" gold refers to gold physically held in London that meets the specifications for weight, dimensions, fineness (or purity), identifying marks (including the assay stamp of a LBMA acceptable refiner) and appearance set forth in "The Good Delivery Rules for Gold and Silver Bars" published by the LBMA. Gold bars meeting these requirements are described in this report from time to time as "London Good Delivery Bars." The unit of trade in London is the troy ounce, whose conversion between grams is: 1,000 grams = 32.1507465 troy ounces and 1 troy ounce = 31.1034768 grams. A London Good Delivery Bar is acceptable for delivery in settlement of a transaction on the OTC market. Typically referred to as 400-ounce bars, a London Good Delivery Bar must contain between 350 and 430 fine troy ounces of gold, with a minimum fineness (or purity) of 995 parts per 1,000 (99.5%), be of good appearance and be easy to handle and stack. The fine gold content of a gold bar is calculated by multiplying the gross weight of the bar (expressed in units of 0.025 troy ounces) by the fineness of the bar. A London Good Delivery Bar must also bear the stamp of one of the melters and assayers who are on the LBMA approved list. Unless otherwise specified, the gold spot price always refers to that of a London Good Delivery Bar. Business is generally conducted over the phone and through electronic dealing systems.

Twice daily during London trading hours there is a fix which provides reference gold prices for that day's trading. Many long-term contracts will be priced on the basis of either the morning (AM) or afternoon (PM) London fix, and market participants will usually refer to one or the other of these prices when looking for a basis for valuations. The London fix is the most widely used benchmark for daily gold prices and is quoted by various financial information sources.

Formal participation in the London fix is traditionally limited to five members, each of which is a bullion dealer and a member of the LBMA. The chairmanship rotates annually among the five member firms. The fix takes place by telephone and the five member firms no longer meet face-to-face as was previously the case. The morning session of the fix starts at 10:30 AM London time and the afternoon session starts at 3:00 PM London time. The current members of the gold fixing are Bank of Nova Scotia – ScotiaMocatta, Barclays Bank plc, Deutsche Bank AG, HSBC Bank USA, N.A. and Société Générale. Any other market participant wishing to participate in the trading on the fix is required to do so through one of the five gold fixing members.

Orders are placed either with one of the five fixing members or with another bullion dealer who will then be in contact with a fixing member during the fixing. The fixing members net-off all orders when communicating their net interest at the fixing. The fix begins with the fixing chairman suggesting a “trying price,” reflecting the market price prevailing at the opening of the fix. This is relayed by the fixing members to their dealing rooms which have direct communication with all interested parties. Any market participant may enter the fixing process at any time, or adjust or withdraw his order. The gold price is adjusted up or down until all the buy and sell orders are matched, at which time the price is declared fixed. All fixing orders are transacted on the basis of this fixed price, which is instantly relayed to the market through various media. The London fix is widely viewed as a full and fair representation of all market interest at the time of the fix.

2.2.3 Futures Exchanges

The most significant gold futures exchanges are the COMEX, the Chicago Board of Trade (CBOT) and the Tokyo Commodity Exchange (TOCOM). The COMEX and the CBOT both began to offer trading in gold futures contracts in 1974. For most of the period since that date the COMEX has been the largest exchange in the world for trading precious metals futures and options. Trading volumes in gold futures on the CBOT have, however, sometimes exceeded those on the COMEX. In July 2007, the Chicago Mercantile Exchange (CME) merged with the CBOT to form the CME Group. On August 22, 2008, the CME Group acquired NYMEX Holdings, Inc., including the COMEX. The TOCOM has been trading gold since 1982. Trading on these exchanges is based on fixed delivery dates and transaction sizes for the futures and options contracts traded. Trading costs are negotiable. As a matter of practice, only a small percentage of the futures market turnover ever comes to physical delivery of the gold represented by the contracts traded. Both exchanges permit trading on margin. Margin trading can add to the speculative risk involved given the potential for margin calls if the price moves against the contract holder. The COMEX operates through a central clearance system. On 6 June 2003, TOCOM adopted a similar clearance system. In each case, the exchange acts as a counterparty for each member for clearing purposes.

2.2.4 Other Exchanges

There are other gold exchange markets, such as the Istanbul Gold Exchange (trading gold since 1995), the Shanghai Gold Exchange (trading gold since October 2002) and the Hong Kong Chinese Gold & Silver Exchange Society (trading gold since 1918).

2.2.5 Market Regulation

The global gold markets are overseen and regulated by both governmental and self-regulatory organizations. In addition, certain trade associations have established rules and protocols for market practices and participants. In the United Kingdom, responsibility for the regulation of the financial market participants, including the major participating members of the LBMA, falls under the authority of the Financial Services Authority (“FSA”) as provided by the Financial Services and Markets Act 2000 (“FSM Act”). Under this act, all UK-based banks, together with other investment firms, are subject to a range of requirements, including fitness and properness, capital adequacy, liquidity, and systems and controls.

The FSA is responsible for regulating investment products, including derivatives, and those who deal in investment products. Regulation of spot, commercial forwards, and deposits of gold and silver not covered by the FSM Act is provided for by The London Code of Conduct for Non-Investment Products, which was established by market participants in conjunction with the Bank of England.

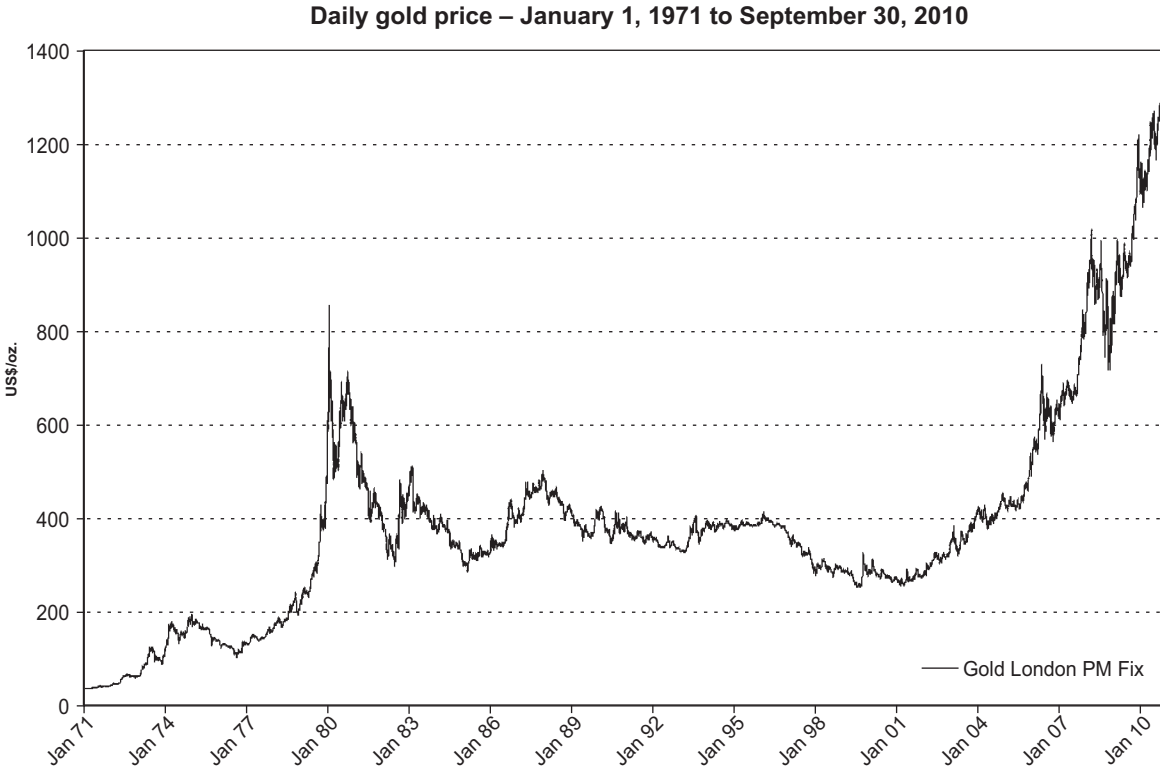
Participants in the U.S. OTC market for gold are generally regulated by the market regulators which regulate their activities in the other markets in which they operate. For example, participating banks are regulated by the banking authorities. In the United States, Congress created the Commodity Futures Trading Commission (“CFTC”) in 1974 as an independent agency with the mandate to regulate commodity futures and option markets in the United States. The CFTC regulates market participants and has established rules designed to prevent market manipulation, abusive trade practices and fraud. The CFTC requires that any trader holding an open position of more than 200 lots (i.e. 20,000 ounces) in any one contract month on the COMEX division of the New York Mercantile Exchange must declare his or her identity, the nature of his or her business (hedging, speculative, etc.) and the existence and size of his or her positions.

The TOCOM has authority to perform financial and operational surveillance on its members’ trading activities, scrutinize positions held by members and large-scale customers, and monitor the price movements of futures markets by comparing them with cash and other derivative markets’ prices. To act as a Futures Commission Merchant Broker, a broker must obtain a license from Japan’s Ministry of Economy, Trade and Industry, the regulatory authority that oversees the operations of the TOCOM.

2.3 Analysis of Historical Movements in the Price of Gold

As movements in the price of gold are expected to directly affect the price of the Shares, investors should understand what the recent movements in the price of gold have been. Investors, however, should also be aware that past movements in the gold price are not indicators of future movements. This section of the Hong Kong Prospectus identifies recent trends in the movements of the gold price and discusses some of the important events which have influenced these movements.

The following chart provides historical background on the price of gold. The chart illustrates movements in the price of gold in U.S. dollars per ounce over the period from 1 January 1971 to 30 September 2010, and is based on the London PM fix.



The following chart illustrates the movements in the price of gold in US dollars per ounce over the five year period from 1 October 2005 to 30 September 2010, and is based on the London PM fix.



After reaching a 20-year low of US\$252.80 per ounce at the London PM fix on 20 July 1999, the gold price has been gradually increasing. The initial reason for the market's turnaround during 1999 was the strong rise in physical demand, notably in price sensitive markets such as China, Egypt, India and Japan. In addition, the sharp gold price rise in September 1999 was also a reflection of the CBGA, which removed an important element of uncertainty from the market and led not just to renewed professional interest in the market but also to short-covering purchases. The CBGA underpinned improved sentiment for the longer term as fears over official sector sales had been a key element to negative sentiment across the market in the latter part of the 1990s.

Despite the CBGA, a number of factors led to the gold price resuming a downward trend in 2000. These included renewed strength in the dollar (gold is often perceived as a dollar hedge), strong global economic growth, low inflation and, for much of the year, buoyant stock markets in the United States and other key countries. This downward price trend persisted into the early part of 2001. At this time, the gold price once again appeared to be approaching US\$250 per ounce but, as before, strong physical demand from price sensitive markets such as India again countered the downward trend.

Sentiment in the gold market started to change in early 2001, and the gold price has shown an upward trend since March of that year. In 2001 there was a rapid economic slowdown in the world economy, while stock markets in the United States and other key countries were falling and an end to the significant disinvestment in gold in Europe and North America that had affected gold prices during 2000. In addition, the rapid sequence of interest rate cuts in the United States reduced the risk/reward ratio that had previously been enjoyed by speculators who had been trading in the gold market from the short side (i.e., selling forwards or futures with a view to buying back at a lower price). Lower interest rates and reduced contango (i.e., the premium available on gold for future delivery), combined with steady prices, meant that such trades became increasingly unattractive. After the first quarter of 2001, some mining companies started to decrease their hedge books, thus reducing the amount of gold coming onto the market. Political uncertainties and the continuing economic downturn after the attacks of 11 September 2001 added to the demand for gold investments.

The upward price trend that began in 2001 has continued for much of the period since the inception of the Trust on November 12, 2004, except for a period of several months during which the gold price corrected between May and October 2006 and, subsequently, during the second half of 2008. The average gold price for 2004 was US\$409.41 per ounce, the average for 2005 was US\$444.95 per ounce and the average for 2006 was US\$603.96. After reaching a peak of US\$725.00 at the London PM fix on 12 May 2006, gold corrected down to a low of US\$560.75 on 6 October 2006. The reason most often cited for the correction was a concern among investors that monetary authorities, especially in the U.S., would move to counter the threat of rising inflation by aggressively raising interest rates. These concerns quickly ebbed, however, and as the dollar continued to fall, the gold price rallied from the October 2006 low. After trading between US\$608.40 (10 January) and US\$691.40 (20 April) for the first eight months of 2007, the price began to move sharply higher as beginning in August 2007, the U.S. authorities began to reduce interest rates in response to the subprime mortgage crisis. The average gold price for 2007 was US\$696.40 per ounce. On 3 January 2008, it broke through the previous record of US\$850.00 per ounce, which was set on 21 January 1980 before rising further to reach a peak of US\$1,011.25 on 17 March 2008. The gold price fell back from this level to US\$853.00 on 1 May 2008 and was volatile for the rest of the year, rising back as high as US\$986.00 on 15 July and falling to a low of US\$712.50 on 24 October before ending the year at US\$865.00 (AM fix). The average price for 2008 was US\$871.80. The higher prices tended to coincide with investor buying on fresh news of distress for companies in the financial sector, and the lows appeared to have been triggered by selling from investors in the search for liquidity. The gold price rose to US\$989.00 in late-February 2009, before correcting back down to around US\$870.00 over the subsequent 8 week period. The gold price then entered a subdued phase during the middle of the year. Between 1 June 2009 and 28 August 2009, the gold price traded in a sideways range between a low of US\$908.50 and a high of US\$981.75. During the closing weeks of the third quarter, however, the price broke higher and set a series of successive record highs over the remainder of the year. The reasons for this included increased investment inflows and a shift in behavior in central bank reserve management as western central banks slowed gold sales and emerging nations increased their gold reserves. The peak for 2009 of US\$1,212.50 was reached on 2 December 2009. The average price for 2009 was US\$973.39.

For the period from 1 January 2010 through 30 September 2010, the average price was US\$1,177.85 based on the London PM fix. This increase in price has been supported by a recovery in jewelry consumption and industrial demand, strong investment demand on the back of currency concerns and a slower than expected economic recovery, and a continuation of the trend in central bank reserve management. During the first quarter of 2010, the gold price traded around US\$1,100.00 per ounce, for the most part holding above this level. The gold price steadily increased during the second quarter, closing at around US\$1,250.00 per ounce by June-end. After a slight correction in July that saw the price fall back to US\$1,157.00 per ounce on the London PM fix on 28 July the gold price continued to rise reaching fresh new highs. The London PM fix on 30 September 2010 was \$1,307.00. Subsequently, the gold price reached a new all time high of US\$1,373.25 per ounce on the London PM fix on 14 October 2010, on the back of a weaker dollar and concerns of extensions of quantitative easing measures signaled by various central banks, including the UK, the U.S. and Japan. The average price for the twelve, nine, six and three months ended 30 September 2010 was US\$1,158.53, US\$1,177.85, US\$1,212.22 and US\$1,226.75 per ounce respectively.

3. TRADING AND SETTLEMENT

3.1 Trading on the Stock Exchange

Application has been made to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Shares.

Necessary arrangements have been made for the Shares to be admitted into the Central Clearing and Settlement System (“CCASS”). The Shares have been accepted by HKSCC as eligible securities of CCASS with effect from the commencement of dealing in the Shares on the Stock Exchange.

Settlement of transactions executed on the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The Shares are listed for trading on the Stock Exchange (Stock Code: 2840) where they may be bought and sold in the secondary market at any time during the trading day.

The Shares may also be purchased by Authorized Participants directly from the Trust in the U.S. by placing purchase orders with the Trustee in one or more blocks of 100,000 Shares (a block of 100,000 Shares is called a “**Basket**”).

An Authorized Participant is a person who (1) is a U.S. registered broker-dealer or other U.S. securities market participant such as a bank or other financial institution which is not required to register as a broker-dealer to engage in securities transactions, (2) is a participant in the Depository Trust Company (“**DTC**”) system or a DTC Participant (as defined in paragraph 3.2 of this Hong Kong Prospectus), (3) has entered into an agreement with the Sponsor and the Trustee which provides the procedures for the creation and redemption of Baskets and for the delivery of the gold and any cash required for such creations and redemptions, or a Participant Agreement, and (4) has established an unallocated gold account with the Custodian, or an Authorized Participant Unallocated Account.

Baskets may also be redeemed by placing redemption orders with the Trustee in the U.S. All Basket purchases and redemptions are done “in kind” only in the U.S., that is, through the delivery or receipt of gold and possibly cash.

The Shares will be issued and realized on a forward pricing basis. The issue price and redemption price of a Basket will be based on the NAV of 100,000 Shares as at the purchase or redemption order date, i.e. the business day on which the Trustee receives a valid purchase or redemption order prior to 4 p.m. (New York time) or the close of regular trading on the NYSE Arca, whichever is earlier, subject to a transaction fee on each creation and redemption order.

For additional details on creation and redemption procedures, please see pages 27 to 32 of the U.S. Prospectus. State Street Global Advisors Asia Limited (“**SSgA Hong Kong**”), the Hong Kong Representative of the Trust, will serve as the primary contact point for investors in Hong Kong. Investors in Hong Kong may contact SSgA Hong Kong for information relating to the creation and redemption procedures. Investors should note that Authorized Participants may charge investors brokerage or fees in respect of a creation and/or redemption of Shares. Investors should consult an Authorized Participant to ascertain the level of any brokerage or fees charged by such Authorized Participant.

As with other securities, investors will pay negotiated brokerage commissions and the Stock Exchange trading fee, which is currently at the rate of 0.005% and the SFC transaction levy, which is currently at the rate of 0.003%. A trading tariff of HK\$0.50 is payable to the Stock Exchange on each and every purchase or sale transaction and the decision of whether or not to pass the trading tariff on to investors is at the discretion of brokers. The Shares are traded in Hong Kong dollars (HK\$) on the Stock Exchange in board lots of 10 Shares. The primary trading market for the Shares is in the U.S., where the Shares are listed on the NYSE Arca. The term “**market day**” as used in this Hong Kong Prospectus means a business day in which transactions in Shares can be executed and settled. Trading of the Shares on the Stock Exchange may be halted if the Trust fails to comply with continuing listing requirements of the Stock Exchange.

With respect to holders of Shares in Hong Kong, the trading and settlement process, the system through which they receive distributions or the manner in which information may be made available, among other aspects, may differ from the information set forth in the U.S. Prospectus. Holders of Shares in Hong Kong should read this Hong Kong Prospectus carefully and all enquiries in relation hereto should be directed to their local brokers.

No money should be paid to any intermediary in Hong Kong who is not licensed for Type 1 regulated activity under the SFO.

3.2 Book Entry System

Individual certificates will not be issued for the Shares, and the Trust does not have a registrar or transfer agent for its Shares. Instead, global certificates are deposited by the Trustee with The Depository Trust Company (the “DTC”), a limited purpose trust company under New York State banking law and a registered clearing agency with the U.S. Securities and Exchange Commission (“SEC”), and registered in the name of Cede & Co. as nominee for DTC. DTC acts as securities depository for the Shares, and the global certificates evidence all of the Shares outstanding at any time. The Shares are only transferable through the book-entry system of DTC.

HKSCC is a participant of the DTC and has access to the system of DTC. HKSCC may receive the Shares from or deliver the Shares to accounts maintained by member participants in DTC (“DTC Participants”) via its account with DTC.

Only Participants of CCASS may settle dealings of the Shares through CCASS. Investors may open an account with CCASS or an account with a Clearing or Custodian Participant to hold their Shares in CCASS. (The terms “Participant”, “Clearing Participant” and “Custodian Participant” have the meaning ascribed to them in the General Rules of CCASS.)

Through the delivery mechanisms discussed below, it is possible for investors to purchase Shares in Hong Kong and sell them in the U.S. and vice versa. Although both HKSCC and DTC, within their own respective market settlements, provide for Delivery Versus Payment and Free-of Payment transfers of securities, all of the transfers between the two depositories are effected only on a Free-of-Payment basis (i.e., there is no related cash movement to parallel the securities movement, and any related cash transfers may only be effected outside CCASS and the system of DTC directly between the buyer and seller through their own arrangements). Investors should be aware that Hong Kong time is generally 13 hours ahead of Standard time and 12 hours ahead of Eastern Daylight Saving time respectively in New York, and that NYSE Arca and the Stock Exchange are not open at the same time. Because of this time difference between Hong Kong and US markets, trading in Shares between the two markets cannot simultaneously occur.

All dealing in, and transactions of, Shares in Hong Kong must be effected for settlement through CCASS. Investors should ensure that the Shares sold on the Stock Exchange are available for settlement by no later than the second settlement day following the trading date.

Investors’ holdings of Shares in CCASS (held by Participants on their behalf) will be credited or debited for settlement on the second settlement day following the trading date. Shares which are outstanding for settlement on the due date (i.e. second settlement day following the trading date) will be subject to a buy-in by the HKSCC on the third trading day (or if it is not practicable to do so on T+3, at any time thereafter).

3.3 Delivery of the Shares to CCASS for Trading on the Stock Exchange

Investors who hold Shares in DTC’s system in the U.S. and wish to trade them on the Stock Exchange can direct deliver the Shares to CCASS; this book-entry transfer to HKSCC’s account at DTC may be effected only on a Free-of-Payment basis. Investors may deliver their Shares by informing a Participant to submit a form entitled “Cross-Border Transfer Instruction Form” to HKSCC no later than 1400 Hong Kong time on a specified delivery date subject to a cross border transfer fee and out of pocket expenses incurred by HKSCC. As at the date of this Prospectus, the cross-border transfer fee for receipt of foreign securities is HK\$200 per instruction. The effecting of a transfer in accordance with the above instruction will be dependent upon the appropriate action taken by DTC and the person whose account with the DTC will be debited. Investors must concurrently instruct their DTC Participant to deliver such Shares into the account of HKSCC with DTC on the delivery date. Upon receipt of such Shares, HKSCC will correspondingly credit the Shares to the Participant’s Stock Account with CCASS.

Unless a cancel instruction is submitted by HKSCC to the DTC, transfer instructions which are not effected by the DTC on the specified day will be carried forward to the next business day. Investors who wish to submit a cancel instruction must inform a Participant to submit a form to cancel instruction to HKSCC before 1400 Hong Kong time on any business day.

3.4 Delivery of Shares out of CCASS for Trading on the NYSE Arca

Investors who hold Shares with CCASS and wish to trade on the NYSE Arca must arrange to deliver the Shares into their accounts with their DTC Participant for settlement of any such trade, which will occur on the third settlement day following the transaction date. For such delivery, investors must inform a Participant to submit a form entitled “Cross-Border Transfer Instruction Form” to HKSCC no later than 1400 Hong Kong time, subject to a cross border transfer fee and out of pocket expenses incurred by HKSCC. As at the date of this Prospectus, the cross-border transfer fee for delivery of foreign securities is HK\$200 per instruction. Investors must concurrently instruct their DTC Participant to expect receipt of the relevant number of Shares from the account of HKSCC with DTC. If there are sufficient Shares in the Participant’s Stock Account with CCASS, HKSCC will debit Shares from the Participant’s Stock Account with CCASS in accordance with the instruction contained in the Cross-Border Transfer Instruction Form and will transmit a Cross-Border Transfer Instruction (as defined under the CCASS Rules) to the DTC (or its nominee) for processing. Upon notification by the DTC, (or its nominee) that HKSCC’s account with the DTC has been debited with the relevant Shares, HKSCC will advise the Participant.

Transfer instructions which are not effected by the DTC on the specified day will be purged by the DTC at its day end and the Participant will be advised accordingly. The appropriate Shares will be credited back to the Participant’s Stock Account. Participants that wish to proceed with the transfer are required to submit a new duly completed Cross-Border Transfer Instruction Form to HKSCC.

3.5 Distributions

Aside from the termination and liquidation of the Trust, distributions will only be made to Shareholders in the event that the Trustee and Sponsor determine that the Trust’s cash account balance exceeds the anticipated expenses of the Trust for the next 12 months and the excess amount is more than US\$0.01 per Share outstanding. Please see the paragraph under the heading “DISTRIBUTIONS” of the section “Description of Shares” on page 40 of the U.S. Prospectus for more details.

In the event that there are distributions to be made, the Trustee will distribute them (less fees, expenses and any applicable taxes) to DTC. DTC, in turn, will allocate the distributions to DTC Participants (which includes HKSCC). The DTC Participants will, in turn, distribute to the beneficial owners of the Shares. Hong Kong investors will receive their distributions, either in Hong Kong dollars or US dollars, through Participants of CCASS. Such cash distributions will be net of expenses incurred by HKSCC and applicable withholding tax, and where such expenses or withholding tax exceed the amount of the distributions, investors will not receive any distributions.

As of the date of this Hong Kong Prospectus, no distributions have been made by the Trust since inception.

3.6 Transfer of Shares

As described in paragraph 3.2 of this Hong Kong Prospectus, Cede & Co., as nominee for DTC, will be the registered owner of all outstanding Shares on the DTC system. Beneficial ownership of Shares will be shown on the records of DTC or its participants. Beneficial ownership records for holders of Shares in Hong Kong will be maintained through Participants of CCASS. No certificates will be issued in respect of the Shares. Transfers of Shares between investors will normally occur through the trading mechanism of the Stock Exchange or the NYSE Arca.

3.7 Obtaining Prices of Shares

Market prices for the Shares traded on the Stock Exchange are available on the Stock Exchange website (<http://www.hkex.com.hk>).

The NAV per Share is published by the Sponsor on each day that the NYSE Arca is open for regular trading and is posted (together with the date to which the posted NAV per Share relates) on the Trust's website at <http://www.spdrgoldshares.com/>. The indicative intra-day NAV per Shares is also published on the Trust's website. The indicative intra-day NAV of the Shares is calculated on the mid point of the bid/offer gold spot price.

In addition, the Trust's website provides ongoing pricing information for gold spot prices. If trading of the Shares on the Stock Exchange is restricted or suspended and/or if the creation and redemption of the Shares is suspended, notices for suspension and resumption of trading on the Stock Exchange and/or the creation and redemption process will be available on the Trust's website.

3.8 Market Maker

A market maker is generally a broker or dealer registered by the Stock Exchange as a designated market maker to act as such by making a market for the Shares in the secondary market on the Stock Exchange. A market maker is required to maintain two-sided markets during exchange hours and is obligated to buy and sell at its displayed bids and offers, with its benefit being the spread between bid and offer prices. Market makers accordingly facilitate the efficient trading of Shares by providing liquidity in the secondary market when it is required in accordance with the market making requirements of the Stock Exchange. Since the NYSE Arca and US futures market will not be open during the Hong Kong trading day, Hong Kong investors will have to rely on the Hong Kong market maker to provide liquidity for the Shares.

Subject to applicable regulatory requirements, the Sponsor intends to ensure that there is at least one market maker for the Trust in Hong Kong to facilitate efficient trading but there is no guarantee that the Sponsor will be able to do so on appropriate condition and commercial terms. The latest list of market makers is available at the Stock Exchange's website <http://www.hkex.com.hk>.

4. INVESTMENT OBJECTIVE AND STRATEGY OF THE TRUST

The investment objective of the Trust is for the Shares to reflect the performance of the price of gold bullion, less the Trust's expenses. The Trust holds gold bullion and from time to time issues the Shares in Baskets in exchange for deposits of gold and distributes gold in connection with the redemptions of Baskets.

The Shares are intended to offer investors an opportunity to participate in the gold market through an investment in securities. Historically, the logistics of buying, storing and insuring gold have constituted a barrier to entry for some institutional and retail investors alike. The ownership of the Shares is intended to overcome these barriers to entry. The logistics of storing and insuring gold are dealt with by HSBC Bank USA, N.A. (the "**Custodian**"), as custodian of the Trust, and the related expenses are built into the price of the Shares. Therefore, the investor does not have any additional tasks or costs over and above those associated with investing in any other publicly traded security.

The Shares are intended to provide institutional and retail investors with a simple and cost-efficient means of gaining investment benefits similar to those of holding allocated gold bullion.

The Shares offer an investment that is:

Easily Accessible. Investors can access the gold market through a traditional brokerage account. The Sponsor believes that investors will be able to more effectively implement strategic and tactical asset allocation strategies that use gold by using the Shares instead of using the traditional means of purchasing, trading and holding gold.

Relatively Cost Efficient. The Sponsor believes that, for many investors, transaction costs related to the Shares will be lower than those associated with the purchase, storage and insurance of allocated gold.

Exchange Traded. The Shares trade on the NYSE Arca, BMV, SGX-ST, TSE and the Stock Exchange providing investors with an efficient means to buy, sell, or sell short in order to implement a variety of investment strategies. The Shares are eligible for margin accounts.

Transparent. The Shares are backed by the assets of the Trust and the Trust does not hold or employ any derivative securities. Further, the Trust's holdings and their value based on current market prices are reported on the Trust's website each business day.

The Shares represent units of fractional undivided beneficial interest in and ownership of the Trust. The Trust is not managed like a corporation or an active investment vehicle. The gold held by the Trust will only be sold; (1) on an as-needed basis to pay Trust expenses, (2) in the event the Trust terminates and liquidates its assets, or (3) as otherwise required by law or regulation.

The Trust Indenture does not authorize the Trustee to borrow for payment of the Trust's ordinary expenses. The Trust does not engage in transactions in foreign currencies which could expose the Trust or holders of Shares to any foreign currency related market risk. The Trust invests in no derivative financial instruments and has no foreign operations or long-term debt instruments.

5. THE SPONSOR, TRUSTEE, CUSTODIAN AND MARKETING AGENT

5.1 The Sponsor

The Sponsor, World Gold Trust Services, LLC, is wholly-owned by the World Gold Council ("WGC"), a not-for-profit association registered under Swiss law. The Sponsor is a Delaware limited liability company and was formed on 17 July 2002. The paid-up capital of the Sponsor is currently US\$16 million.

The Sponsor does not act as sponsor for any other funds. The Sponsor will remain the sponsor of the Trust until it transfers its obligations to its successor or resigns in accordance with the Trust Indenture, or the Trust Indenture is terminated.

The Sponsor was responsible for establishing the Trust and for the registration of the Shares. The Sponsor generally oversees the performance of the Trustee and the Trust's principal service providers, but does not exercise day-to-day oversight over the Trustee or such service providers. The Sponsor regularly communicates with the Trustee to monitor the overall performance of the Trust. The Sponsor, with assistance and support from the Trustee, is responsible for preparing and filing periodic reports on behalf of the Trust with the SEC and will provide any required certification for such reports. The Sponsor will designate the independent registered public accounting firm of the Trust and may from time to time employ legal counsel for the Trust. In accordance with the Trust Indenture, to assist the Sponsor in marketing the Shares the Sponsor has entered into the Marketing Agent Agreement with the Marketing Agent and the Trust. The Marketing Agent Agreement may be amended from time to time. The Sponsor may also from time to time employ other additional or successor marketing agents after such time as when the Marketing Agent Agreement is no longer in effect. The fees and expenses of the Marketing Agent are, and any additional or successor marketing agent will be, paid by the Trustee from the assets of the Trust. The Sponsor maintains a public website on behalf of the Trust (www.spdrgoldshares.com), which contains information about the Trust and the Shares, and oversees certain Shareholder Services, such as a call centre and prospectus fulfillment. The Marketing Agent has sub-licensed the use of the registered mark "SPDR[®]" to the Sponsor for use by the Trust.

The Sponsor may direct the Trustee, but only as provided in the Trust Indenture. For example, the Sponsor may direct the Trustee to sell the Trust's gold to pay expenses, to suspend a redemption order or postpone a redemption settlement date or to terminate the Trust if certain criteria are met. The Sponsor anticipates that if the NAV of the Trust is less than US\$350 million (as adjusted for inflation) at any time that the Sponsor will, in accordance with the Trust Indenture, direct the Trustee to terminate and liquidate the Trust. The Sponsor may remove the Trustee and appoint a successor; (1) if the Trustee commits certain willful bad acts in performing its duties or willfully disregards its duties, (2) if the Trustee acts in bad faith in performing its duties, (3) if the Trustee's creditworthiness has materially deteriorated or (4) if the Trustee's negligent acts or omissions have had a material adverse effect on the Trust or the interests of Shareholders and the Trustee has not cured the material adverse effect within a certain period of time and established that the material adverse effect will not recur. The Sponsor will remove the Trustee if the Trustee does not meet the qualifications for a trustee under the Trust Indenture.

The Sponsor may direct the Trustee to employ one or more other custodians in addition to or in replacement of the Custodian, provided that the Sponsor may not direct the employment of an additional or successor custodian without the Trustee's consent if the employment would have a material adverse effect on the Trustee's ability to perform its duties. The Sponsor's approval is required for the Trustee to employ one or more other custodians selected by the Trustee for the safekeeping of gold and for services in connection with the deposit and delivery of gold. The Sponsor may permit the Trustee to enter into the custody agreements applicable to an additional or successor custodian without satisfaction of the requirements for such custody agreements set forth in the Trust Indenture.

Principal officers of the Sponsor

- (a) Jason Toussaint is the principal executive officer (i.e. managing director) of the Sponsor. He has worked in the investment banking industry for over 14 years with a number of leading firms including Morgan Stanley, JP Morgan and Northern Trust. He has investment experience in US, Europe, Asia and the Middle East and is currently the managing director for investments of the World Gold Council. Jason Toussaint holds directorships in the following companies: Gold Bullion Holdings (Jersey) Ltd, WGC Holdings Ltd, Dubai Gold Investments DMCC, Exchange Traded Gold Ltd, Gold Bullion Nominees Ltd (Hong Kong), Gold Bullion Securities Ltd (Hong Kong) and Gold Bullion Securities Ltd (England).
- (b) Robin Lee is the principal financial officer and principal accounting officer (i.e. chief financial officer) of the Sponsor. He has over 19 years of financial and investment experience including positions with the Malaysian Securities Commission, the Boston Consulting Group and Millennium & Copthorne Hotels. He is currently the chief financial officer of the World Gold Council and holds directorships in Country Inns Sdn Bhd and Bora Capital Ltd.

5.2 The Trustee

The Trustee, BNY Mellon Asset Servicing, a division of The Bank of New York Mellon, is a banking corporation organized under the laws of the State of New York with trust powers. The Trustee will remain the trustee of the Trust until it is removed or it resigned in accordance with the Trust Indenture, or the Trust Indenture is terminated.

The Trustee is generally responsible for the day-to-day administration of the Trust, including keeping the Trust's operational records. The Trustee's principal responsibilities include: (1) selling the Trust's gold as needed to pay the Trust's expenses (gold sales occur monthly in the ordinary course), (2) calculating the NAV of the Trust and the NAV per Share, (3) receiving and processing orders from Authorized Participants to create and redeem Baskets and coordinating the processing of such orders with the Custodian and DTC, and (4) monitoring the Custodian. If the Trustee determines that maintaining gold with the Custodian is not in the best interest of the Trust, the Trustee must so advise the Sponsor, who may direct the Trustee to take certain actions in respect of the Custodian. In the absence of such instructions, the Trustee may initiate action to remove the gold from the Custodian.

The ability of the Trustee to monitor the performance of the Custodian may be limited because under the Custody Agreements the Trustee may, only up to twice a year, visit the premises of the Custodian for the purpose of examining the Trust's gold and certain related records maintained by the Custodian. In addition, the Trustee has no right to visit the premises of any subcustodian for the purposes of examining the Trust's gold or any records maintained by the subcustodian, and no subcustodian is obligated to cooperate in any review the Trustee may wish to conduct of the facilities, procedures, records or creditworthiness of such subcustodian.

The Trustee regularly communicates with the Sponsor to monitor the overall performance of the Trust. The Trustee, along with the Sponsor, liaise with the Trust's legal, accounting and other professional service providers as needed. The Trustee assists and supports the Sponsor with the preparation of all periodic reports required to be filed with the SEC on behalf of the Trust.

5.3 The Custodian

HSBC Bank USA, N.A., the Custodian, is responsible for safekeeping for the Trust gold deposited with it by Authorized Participants in connection with the creation of Baskets. The Custodian facilitates the transfer of gold in and out of the Trust through the unallocated gold accounts it maintains for each Authorized Participant and the unallocated and allocated gold accounts it maintains for the Trust. The Custodian is responsible for allocating specific bars of gold bullion to the Trust Allocated Account. The bars may be allocated by the Custodian from unallocated bars which it holds or by one of the subcustodians employed by the Custodian, or a subcustodian of such subcustodian, from unallocated bars held by the subcustodian, making the allocation. The Custodian provides the Trustee with regular reports detailing the gold transfers in and out of the Trust Unallocated Account and the Trust Allocated Account and identifying the gold bars held in the Trust Allocated Account.

The Custodian holds all of the Trust's gold in its own London vault premises except when the gold has been allocated in the vault of a sub-custodian, and in such cases the Custodian has agreed that it will use commercially reasonable efforts promptly to transport the gold from the sub-custodian's vault to the Custodian's London vault, at the Custodian's cost and risk.

5.4 The Marketing Agent

State Street Global Markets, LLC, the Marketing Agent, is assisting the Sponsor in: (1) developing a marketing plan for the Trust on an ongoing basis, (2) preparing marketing materials regarding the Shares, including the content of the Trust's website, (3) executing the marketing plan for the Trust, (4) incorporating gold into its strategic and tactical exchange-traded fund research, and (5) sub-licensing the "SPDR[®]" trademark.

The Marketing Agent Agreement provides that the Marketing Agent and the Sponsor will work together to develop similar and related gold based exchange-traded funds in the US. The Marketing Agent Agreement also provides that the Marketing Agent and the Sponsor will jointly negotiate and share equally in any revenue from the development of unlisted trading privileges and dual listing rights relating to the Trust and any similar or related gold based exchange-traded fund, as well as licensing rights to list option contracts and other exchange-traded derivatives that are specific to the Trust and any similar or related gold based exchange-traded fund.

The Marketing Agent Agreement contains customary representations, warranties and covenants. In addition, the Sponsor has agreed to indemnify the Marketing Agent from and against certain liabilities, including liabilities under the U.S. Securities Act of 1933, as amended, and to contribute to payments that the Marketing Agent may be required to make in respect thereof. The Trustee has agreed to reimburse the Marketing Agent, solely from and to the extent of the Trust's assets, for indemnification and contribution amounts due from the Sponsor in respect of such liabilities to the extent the Sponsor has not paid such amounts when due.

6. FEES

6.1 Fee Tables

Fees Payable by Authorized Participants	
Transaction fee on each creation order:	Currently US\$2,000. Maximum 0.10% of the value of the Basket(s) at the time the creation order is accepted.
Transaction fee on each redemption order:	Currently US\$2,000. Maximum 0.10% of the value of the Basket(s) at the time the redemption order is accepted.
Fees Payable by Hong Kong retail investors trading in Shares on the Stock Exchange	
Subscription/redemption fee:	Not applicable
Brokerage fees:	Market rates. Investors will have to bear brokerage fees charged by their stockbrokers.
SFC Transaction Levy:	Currently, the SFC Transaction Levy is at the rate of 0.003%.
Stock Exchange Trading Tariff:	Currently, a trading tariff of HK\$0.5 is payable to the Stock Exchange on each and every purchase or sale transaction.
Stock Exchange Trading Fee:	Currently, the Stock Exchange Trading Fee is at the rate of 0.005%.
Fee Payable by the Trust	
Sponsor's fee:	<p>0.15% of the daily adjusted NAV ("ANAV") of the Trust per annum. Subject to a cap described below in paragraph 6.2 of this Hong Kong Prospectus. For details on the calculation of the ANAV of the Trust, please refer to the paragraphs under the heading "Description of the Trust Indenture – Valuation of Gold, Definition of Net Asset Value and Adjusted Net Asset Value" in the Trust's Annual Report on Form 10-K.</p> <p>All expenses incurred in relation to the establishment of the Trust have been borne by the Sponsor.</p>
Trustee's fee:	0.02% of the daily ANAV of the Trust per annum, subject to a minimum fee of US\$500,000 and maximum fee of US\$2 million per year.

Custodian's fee:	0.10% of the average daily aggregate value of the first 4.5 million ounces of Gold held in the Allocated Account and the Unallocated Account, and 0.06% of the average daily aggregate value of the Gold held in the Allocated Account and the Unallocated Account in excess of 4.5 million ounces.
Marketing Agent's fee:	0.15% of the daily ANAV of the Trust per annum. Subject to a cap described below in paragraph 6.2 of this Hong Kong Prospectus.
Hong Kong Representative's fee:	US\$250,000 per annum, payable in quarterly instalments, commencing on first day on which the Shares of the Trust are traded on the Stock Exchange.

The Trustee sells gold as needed to pay the expenses of the Trust, as described below. The Trust's estimated ordinary operating expenses are accrued daily and are reflected in the NAV of the Trust. The ordinary operating expenses of the Trust include: (1) fees paid to the Sponsor, (2) fees paid to the Trustee, (3) fees paid to the Custodian, (4) fees paid to the Marketing Agent and other marketing costs and (5) various Trust administration fees, including printing and mailing costs, legal and audit fees, registration fees and listing fees. The Sponsor was responsible for the costs of the Trust's organization and the initial sale of the Shares, including the applicable SEC registration fees. The Trustee charged no fee and assumed the Trust's operating expenses (other than extraordinary expenses) for the period from the Trust's formation through to the day the Shares commenced trading. The Trustee and the Sponsor have entered into a separate agreement relating to payment by the Sponsor to the Trustee for this period. These payments were not reimbursable to the Sponsor by the Trust.

Fees are paid to the Sponsor as compensation for services performed under the Trust Indenture and for services performed in connection with the maintenance of the Trust's website and marketing of the Shares. The Sponsor's fee is payable monthly in arrears and is accrued daily at an annual rate equal to 0.15% of the ANAV of the Trust, subject to reduction as described below. The Sponsor will receive reimbursement from the Trust for all of its disbursements and expenses incurred in connection with the Trust. The Sponsor was paid US\$66,249,358 for its services during the year ended 30 September 2010.

Fees are paid to the Trustee as compensation for services performed under the Trust Indenture. The Trustee's fee is payable monthly in arrears and is accrued daily at an annual rate equal to 0.02% of the ANAV of the Trust, subject to a minimum fee of US\$500,000 and a maximum fee of US\$2,000,000 per year. The Trustee's fee is subject to modification as determined by the Trustee and the Sponsor in good faith to account for significant changes in the Trust's administration or the Trustee's duties. The Trustee charges the Trust for its expenses and disbursements incurred in connection with the Trust (including the expenses of the Custodian paid by the Trustee), exclusive of fees of agents for services to be performed by the Trustee, and for any extraordinary services performed by the Trustee for the Trust. The Trustee was paid US\$2,000,000 for its services during the year ended 30 September 2010.

Fees are paid to the Custodian as compensation for its custody services in connection with the Trust Allocated Account and the Trust Unallocated Account. Under the Allocated Bullion Account Agreement, as amended effective 1 April 2006, or the Allocated Bullion Account Agreement, the Custodian's fee is computed at an annual rate equal to 0.10% of the average daily aggregate value of the first 4.5 million ounces of gold held in the Trust Allocated Account and the Trust Unallocated Account and 0.06% of the average daily aggregate value of all gold held in the Trust Allocated

Account and the Trust Unallocated Account in excess of 4.5 million ounces. The Custodian does not receive a fee under the Unallocated Bullion Account Agreement. The Custodian was paid US\$29,030,318 for its services during the year ended 30 September 2010.

Fees are paid to the Marketing Agent by the Trustee from the assets of the Trust as compensation for services performed pursuant to the Marketing Agent Agreement. The Marketing Agent's fee is payable monthly in arrears and is accrued daily at an annual rate equal to 0.15% of the ANAV of the Trust, subject to reduction as described below. The Marketing Agent was paid US\$66,249,358 for its services during the year ended 30 September 2010. Other marketing costs in the year ended 30 September 2010 were US\$9,910,099.

The administration fees of the Trust were US\$3,684,032 in the year ended 30 September 2010. These fees include the following: (1) SEC registration fees and other regulatory fees of US\$1,955,695; (2) legal fees of US\$452,420; (3) audit and quarterly review fees of US\$442,126; (4) internal and external auditor fees in respect of Sarbanes Oxley compliance of US\$213,061; (5) printing fees of US\$512,676; and (6) other costs of US\$108,054. Investors should be aware that administration fees are likely to increase over time due to increases in the fees of service providers to the Trust.

6.2 Cap on Aggregate Fees of Sponsor and Marketing Agent

The Marketing Agent Agreement and the Trust Indenture provide that, until the earlier of November 11, 2011, or until the termination of the Marketing Agent Agreement, if at the end of any month during this period the estimated ordinary expenses of the Trust (including the Marketing Agent's fees and the Sponsor's fees under the Trust Indenture for such month) exceed an amount equal to forty basis points (0.40%) per annum of the daily ANAV of the Trust for such month (as calculated pursuant to the Trust Indenture), the fees payable to the Sponsor and the Marketing Agent for such month shall be reduced by the amount of such excess in equal shares up to the amount of their fees. Investors should be aware that, based on current expenses, if the gross value of the Trust assets is less than approximately US\$1.2 billion, the ordinary expenses of the Trust will be accrued at a rate greater than forty basis points (0.4%) per annum of the daily ANAV of the Trust even after the Sponsor and the Marketing Agent have completely reduced their combined fees of 0.30% per annum of the daily ANAV of the Trust.

7. RISK FACTORS

7.1 General Risk Factors

Investors should be aware that the price of Shares, and the income from them (if any), may fall as well as rise, and investors may not get back their original investment. The value of Shares relates directly to the value of the gold held by the Trust and fluctuations in the price of gold could materially adversely affect an investment in the Shares.

7.2 Specific Risk Factors

The Trust has been authorised by the SFC under the SFO. The SFC does not take any responsibility for the financial soundness of the Trust or the correctness of any statement made or opinion expressed in this Hong Kong Prospectus.

Investors are advised to carefully consider the risk factors set out under the heading "Risk Factors" on pages 50 to 58 of the Annual Report on Form 10-K, which are briefly summarized below:

- 7.2.1 The value of the Shares relates directly to the value of the gold held by the Trust and fluctuations in the price of gold could materially adversely affect an investment in the Shares.
- 7.2.2 The amount of gold represented by the Shares will continue to be reduced during the life of the Trust due to the sales of gold necessary to pay the Trust's expenses irrespective of whether the trading price of the Shares rises or falls in response to changes in the price of gold.

- 7.2.3 The Shares may trade at a price which is at, above or below the NAV per Share and any discount or premium in the trading price relative to the NAV per Share may widen as a result of non-concurrent trading hours between the COMEX and the NYSE Arca.
- 7.2.4 The sale of the Trust's gold to pay expenses at a time of low gold prices could adversely affect the value of the Shares.
- 7.2.5 Crises may motivate large-scale sales of gold which could decrease the price of gold and adversely affect an investment in the Shares.
- 7.2.6 Purchasing activity in the gold market associated with the delivery of gold bullion to the Trust in exchange for Baskets may cause a temporary increase in the price of gold. This increase may adversely affect an investment in the Shares.
- 7.2.7 Shareholders do not have the protections associated with ownership of shares in an investment company registered under the U.S. Investment Company Act of 1940 or the protections afforded by the U.S. Commodity Exchange Act of 1936.
- 7.2.8 The Trust may be required to terminate and liquidate at a time that is disadvantageous to Shareholders.
- 7.2.9 Redemption orders are subject to postponement, suspension or rejection by the Trustee under certain circumstances.
- 7.2.10 Shareholders do not have the rights enjoyed by investors in certain other vehicles.
- 7.2.11 An investment in the Shares may be adversely affected by competition from other methods of investing in gold.
- 7.2.12 Substantial sales of gold by the official sector could adversely affect an investment in the Shares.
- 7.2.13 When the seven year fee reduction period described in paragraph 6.2 of this Hong Kong Prospectus terminates or expires, the estimated ordinary expenses payable by the Trust may increase, thus reducing the NAV of the Trust more rapidly and adversely affecting an investment in the Shares.
- 7.2.14 The Trust's gold may be subject to loss, damage, theft or restriction on access.
- 7.2.15 The Trust may not have adequate sources of recovery if its gold is lost, damaged, stolen or destroyed and recovery may be limited, even in the event of fraud, to the market value of the gold at the time the fraud is discovered.
- 7.2.16 Gold bars allocated to the Trust in connection with the creation of a Basket may not meet the London Good Delivery Standards and, if a Basket is issued against such gold, the Trust may suffer a loss.
- 7.2.17 Because neither the Trustee nor the Custodian oversees or monitors the activities of subcustodians who may temporarily hold the Trust's gold bars until transported to the Custodian's London vault, failure by the subcustodians to exercise due care in the safekeeping of the Trust's gold bars could result in a loss to the Trust.
- 7.2.18 The ability of the Trustee and the Custodian to take legal action against subcustodians may be limited, which increases the possibility that the Trust may suffer a loss if a subcustodian does not use due care in the safekeeping of the Trust's gold bars.

- 7.2.19 Gold held in the Trust's unallocated gold account and any Authorized Participant's unallocated gold account will not be segregated from the Custodian's assets. If the Custodian becomes insolvent, its assets may not be adequate to satisfy a claim by the Trust or any Authorized Participant. In addition, in the event of the Custodian's insolvency, there may be a delay and costs incurred in identifying the gold bars held in the Trust's allocated gold account.
- 7.2.20 In issuing Baskets, the Trustee relies on certain information received from the Custodian which is subject to confirmation after the Trustee has relied on the information. If such information turns out to be incorrect, Baskets may be issued in exchange for an amount of gold which is more or less than the amount of gold which is required to be deposited with the Trust.
- 7.2.21 The Trust's obligation to reimburse the Marketing Agent and the Authorized Participants for certain liabilities in the event the Sponsor fails to indemnify such parties could adversely affect an investment in the Shares.
- 7.2.22 Competing claims over ownership of intellectual property rights related to the Trust could adversely affect the Trust and an investment in the Shares.

Investors should also note the following:

- 7.2.23 The Shares traded on the Stock Exchange are denominated and traded in H.K. dollars. The Shares may only be created or redeemed in U.S. dollars in the manner set out in the U.S. Prospectus. Similarly, any distributions which may be made by the Trust are in U.S. dollars. To the extent a Hong Kong investor wishes to convert such U.S. dollar holdings or distributions to Hong Kong dollars, fluctuations in the exchange rate between the Hong Kong dollar and the U.S. dollar may affect the value of the proceeds from a currency conversion.
- 7.2.24 The creation and redemption of Shares can only be effected through Authorized Participants. The number of Authorized Participants at any given time may be limited. Authorized Participants are under no obligation to accept instructions to apply for or redeem Shares on behalf of any period when, amongst other things, trading on the NYSE Arca is restricted or suspended.

8. PERFORMANCE OF THE TRUST

8.1 Past performance of the Trust and its benchmark gold spot price (as of 30 September 2010) are as follows:

Trust/Benchmark	One Year	Three Years (Annualised Returns)	Five Years (Annualised Returns)	Since Inception on 18 November 2004 (Annualised Returns)
Trust	30.75%	20.22%	22.03%	19.82%
Gold London PM fix	31.26%	20.69%	22.51%	20.29%

- The performance figures exceeding 1 year are based on annualised returns. All performance figures are calculated on a single pricing basis (NAV-NAV). The figures do not include transaction fees which are payable to the Trustee only by persons purchasing and redeeming Baskets, and also do not include brokerage commissions and charges incurred only by persons who make purchases and sales of Shares in the secondary market. To date, the Trust has not made any distributions.
- Investors should note that the past performance of the Trust is not necessarily indicative of the future performance of the Trust.

8.2 Expense Cap and Turnover Ratio

The total expenses of the Trust for the period 1 October 2009 to 30 September 2010 was capped at forty basis points (0.40%) per annum of the NAV of the Trust.

The turnover ratio of the Trust for the period 1 October 2009 to 30 September 2010 is 11%.

Note: The turnover ratio is calculated based on the lesser of purchases or sales of underlying investments expressed as a percentage of daily average NAV.

9. CONFLICTS OF INTEREST

The Sponsor and the Trustee are not in any position of conflict in relation to the Trust. In the event that a potential conflict of interest arises between the Sponsor and the Trustee with the Trust, the Sponsor and Trustee will have regard to their respective obligations under the Trust Indenture and will endeavour to act, so far as practicable, in the best interest of the Trust and Shareholders.

The Sponsor, Trustee and Custodian and their respective connected persons² are prohibited from voting their beneficially held Shares, if any, at or being counted in the quorum for a meeting of Shareholders at which they have a material interest in the business to be contracted.

2 “**Connected Person**” means, in relation to any company (the “**relevant person**”):

- (a) any person beneficially owning, directly or indirectly, twenty per cent or more of the ordinary share capital of the relevant person or able to exercise, directly or indirectly, twenty per cent or more of the total voting rights attributable to the voting share capital of the relevant person;
- (b) any person or company controlled by any such person as is described in paragraph (a) above; for this purpose “control” of a company means:
 - i. control (either direct or indirect) of the composition of the board of directors of that company; or
 - ii. control (either direct or indirect) of more than half the voting rights attributable to the voting share capital of that company; or
 - iii. the holding (either directly or indirectly) of more than half of the issued share capital (excluding any part of it which confers no right to participate beyond a specified amount in a distribution of either profits or capital),provided always that if the Trustee and the Manager agree some other definition acceptable to the SFC of the expression “control” such definition shall be substituted for the above definition thereof;
- (c) any company which is a holding company or subsidiary (in each case within the meaning of section 2 of the Companies Ordinance (Cap. 32) of the laws of Hong Kong) of the relevant person or a subsidiary of any such holding company; and
- (d) any director or other officer of the relevant person or of any company which is a Connected Person of the relevant person pursuant to paragraph (a), (b) or (c) above.

10. RESIGNATION AND TERMINATION OF SPONSOR, TRUSTEE AND CUSTODIAN

10.1 Circumstances under which the Sponsor, Trustee and Custodian may resign

- 10.1.1 Prior notice to Shareholders is not required for the resignation of the Sponsor, but such resignation is not effective unless a successor Sponsor is appointed or the Trust is liquidated. Section 7.03 of the Trust Indenture provides that if the Sponsor desires to resign, it must deliver a notice to the Trustee. Such resignation will not become effective until the earlier of the time when: (1) the Trustee appoints a successor sponsor to assume, with appropriate compensation from the Trust, the duties and obligations of the Sponsor, (2) the Trustee agrees to act as sponsor without appointing a successor sponsor, or (3) if a successor sponsor has not been found within 60 days following the date the instrument of resignation was delivered, the date the Trustee terminates and liquidates the Trust and distributes all remaining assets to DTC for distribution to DTC participants who are then owners of Shares on the records of DTC. Any successor sponsor must be satisfactory to the Trustee.
- 10.1.2 Prior notice to Shareholders is required in the case of the resignation of the Trustee. Section 8.06 of the Trust Indenture provides that the Trustee may resign by executing a written instrument of resignation, filing the same with the Sponsor, mailing a copy to all Authorized Participants for distribution to Shareholders not less than sixty days before the date specified in such instrument when such resignation is to take effect. Any resignation of the Trustee and appointment of a successor Trustee will become effective upon acceptance of appointment by the successor Trustee.
- 10.1.3 Similarly, prior notice to Shareholders is not required for the resignation of the Custodian. However, the Sponsor is authorized pursuant to Section 3.02 of the Trust Indenture to direct the Trustee to employ one or more other custodians in addition to or as successors to the initial Custodian. If any sole Custodian then acting resigns and no successor Custodian has been employed within 60 days of such resignation, the Trust must be liquidated.
- 10.1.4 Any resignation of the Sponsor, the Trustee or the Custodian will be announced via the website of the Stock Exchange upon confirmation of such resignation.

10.2 Circumstances under which the Sponsor, Trustee and Custodian may be terminated

- 10.2.1 If the Sponsor fails to perform or becomes incapable of performing any of the duties under the Trust Indenture, and such failure is not cured within 15 business days after notice from the Trustee, or the Sponsor becomes bankrupt or insolvent, then the Sponsor shall be deemed to have resigned. The Trustee may then: (1) appoint a successor Sponsor; or (2) agree to act as Sponsor; or (3) terminate and liquidate the Trust and distribute its remaining assets.
- 10.2.2 If the Sponsor determines that (1) the Trustee is guilty of willful misconduct or malfeasance or willful disregard of its duties under the Trust Indenture, (2) the Trustee has acted in bad faith in performing its duties thereunder, (3) there has occurred a material deterioration in the creditworthiness of the Trustee or (4) there has occurred one or more negligent acts or omissions on the part of the Trustee having a materially adverse effect, either singly or in the aggregate, on the Trust or the interests of the Shareholders, and the Trustee has not, within fifteen (15) days of receipt of the Sponsor's notice thereof, either (i) cured such adverse effect, or (ii) responded to that notice explaining the steps it will take to cure such adverse effect and shall have cured such adverse effect within 30 days from the date of the Sponsor's notice and shall have established, to the Sponsor's satisfaction, that such act or omission will not recur, the Sponsor may remove the Trustee and appoint a successor.

If the Trustee is no longer a bank, trust company, corporation or national banking association organized under the laws of the United States or any state thereof, authorized to exercise corporate trust powers, a participant in DTC and an aggregate capital, surplus, and undivided

profits of not less than US\$500,000,000, fails to perform or becomes incapable of performing any of its duties under the Indenture, and such failure shall not be cured within 15 business days after notice from the Sponsor of such failure, or becomes bankrupt or insolvent, the Sponsor shall remove the Trustee and appoint a successor.

DTC participants acting on the direction of holders of at least 66 2/3% of the Shares then outstanding may at any time remove the Trustee by written instrument or instruments delivered to the Trustee and Sponsor.

10.2.3 The Trustee may terminate the Allocated Bullion Account Agreement and the Unallocated Bullion Account Agreement upon 90 business days' prior written notice to the Custodian. Any such notice given by the Trustee must specify: (a) the date on which the termination will take effect; (b) the person to whom the bullion is to be made available; and (c) all other necessary arrangements for the redelivery of the bullion to the Trustee.

11. LIABILITY AND INDEMNIFICATION OF SPONSOR AND TRUSTEE

11.1 Liability and Indemnification of the Sponsor

The Sponsor will not be liable to the Trustee or any Shareholder for any action taken or for refraining from taking any action in good faith, or for errors in judgment or for depreciation or loss incurred by reason of the sale of any gold or other assets of the Trust. However, the preceding liability exclusion will not protect the Sponsor against any liability resulting from its own gross negligence, bad faith, willful misconduct or willful malfeasance in the performance of its duties or the reckless disregard of its obligations and duties to the Trust.

The Sponsor and its shareholders, members, directors, officers, employees, affiliates and subsidiaries are indemnified from the Trust and held harmless against certain losses, liabilities or expenses incurred in the performance of its duties under the Trust Indenture without gross negligence, bad faith, willful misconduct, willful malfeasance or reckless disregard of the indemnified party's obligations and duties under the Trust Indenture. Such indemnity includes payment from the Trust of the costs and expenses incurred in defending against any claim or liability under the Trust Indenture. Under the Trust Indenture, the Sponsor may be able to seek indemnification from the Trust for payments it makes in connection with the Sponsor's activities under the Trust Indenture to the extent its conduct does not disqualify it from receiving such indemnification under the terms of the Trust Indenture. The Sponsor shall also be indemnified from the Trust and held harmless against any loss, liability or expense arising under the Marketing Agent Agreement or any Participant Agreement insofar as such loss, liability or expense arises from any untrue statement or alleged untrue statement of a material fact contained in any written statement provided to the Sponsor by the Trustee. Any amounts payable to the Sponsor are secured by a lien on the Trust.

11.2 Liability and Indemnification of the Trustee

11.2.1 Limitation on Trustee's Liability

The Trustee is not liable for the disposition of gold or moneys, or in respect of any evaluation which it makes under the Trust Indenture or otherwise, or for any action taken or omitted or for any loss or injury resulting from its actions or its performance or lack of performance of its duties under the Trust Indenture in the absence of gross negligence or willful misconduct on its part. In no event will the Trustee be liable for acting in accordance with or conclusively relying upon any instruction, notice, demand, certificate or document from the Sponsor, an Authorized Participant or any entity acting on their behalf which the Trustee believes is given as authorized by the Trust Indenture. In addition, the Trustee is not liable for any delay in performance or for the non-performance of any of its obligations under the Trust Indenture by reason of causes beyond its reasonable control, including acts of God, war or terrorism. The Trustee is not liable for any indirect, consequential, punitive or special damages, regardless of the form of action and whether or not any such damages were foreseeable or contemplated, or for an amount in excess of the value of the Trust's assets.

11.2.2 Trustee's Liability for Custodial Services and Agents

The Trustee is not answerable for the default of the Custodian or any other custodian of the Trust's gold employed at the direction of the Sponsor or selected by the Trustee with reasonable care. The Trustee may also employ custodians for Trust assets other than gold, agents, attorneys, accountants, auditors and other professionals and shall not be answerable for the default or misconduct of any of them if they were selected with reasonable care. The fees and expenses charged by custodians for the custody of gold and related services, agents, attorneys, accountants, auditors or other professionals, and expenses reimbursable to any custodian under a custody agreement authorized by the Trust Indenture, exclusive of fees for services to be performed by the Trustee, are expenses of the Trust. Fees paid for the custody of assets other than gold are an expense of the Trustee.

11.2.3 Trustee's Liability for Taxes

The Trustee is not personally liable for any taxes or other governmental charges imposed upon the gold or its custody, moneys or other Trust assets, or on the income therefrom or the sale or proceeds of the sale thereof, or upon it as Trustee or upon or in respect of the Trust or the Shares. For all such taxes and charges and for any expenses, including counsel's fees, which the Trustee may sustain or incur with respect to such taxes or charges, the Trustee will be reimbursed and indemnified out of the Trust's assets and the payment of such amounts shall be secured by a lien on the Trust.

11.2.4 Indemnification of the Trustee

The Trustee and its directors, shareholders, officers, employees, agents and affiliates will be indemnified from the Trust's assets against any loss, liability or expense: (1) in connection with the acceptance or administration of the Trust and any actions taken in accordance with the Trust Indenture or the administration of the Trust or in connection with any offer or sale of Shares incurred without (A) gross negligence, bad faith, willful misconduct and willful malfeasance on the part of the indemnified party and without (B) reckless disregard on the part of the indemnified party of its obligations and duties under the Trust Indenture or (2) related to any filings or submissions, or the failure to make any filings or submissions, with the SEC concerning the Shares, except where the loss, liability or expense arises out of any written information provided by the Trustee to the Sponsor for any such filings or submissions. Such indemnity shall include payment from the Trust of the costs and expenses incurred by the indemnified party in investigating or defending itself against any claim or liability. Any amounts payable to an indemnified party may be payable in advance or will be secured by a lien on the Trust.

11.2.5 Indemnity for Actions Taken to Protect the Trust

The Trustee is under no obligation to appear in, prosecute or defend any action that in its opinion may involve it in expense or liability, unless it is furnished with reasonable security and indemnity against the expense or liability. The Trustee's costs resulting from the Trustee's appearance in, prosecution of or defense of any such action are deductible from and constitute a lien against the Trust's assets. Subject to the preceding conditions, the Trustee shall, in its discretion, undertake such action as it may deem necessary to protect the Trust and the rights and interests of all Shareholders pursuant to the terms of the Trust Indenture.

11.2.6 Protection for Amounts due to Trustee

If any fees or costs owed to the Trustee under the Trust Indenture are not paid when due, the Trustee may sell or otherwise dispose of any Trust assets (including gold) and pay itself from the proceeds. As security for all obligations owed to the Trustee under the Trust Indenture, the Sponsor, each Authorized Participant and each Shareholder grants the Trustee a continuing security interest in, and a lien on, the Trust's assets and all Trust distributions.

12. REPORTS

12.1 Financial Year End

The fiscal year end of the Trust is 30 September.

12.2 Reports

The Trust's quarterly reports on Form 10-Q are filed with the SEC within 40 days after the end of the relevant fiscal quarter. The Trust's annual reports on Form 10-K are filed within 60 days after the end of the Trust's fiscal year. The Trusts' quarterly reports and annual reports will be in English only.

The Trust's latest quarterly and annual reports are posted on the SEC's website at <http://www.sec.gov> and on the Trust's website at <http://www.spdrgoldshares.com>.

Investors should note that the Trust is recognised as a "well-known seasoned issuer" in the U.S. and is permitted to engage at any time in all communications, including use at any time of a "free writing prospectus" which contain information in relation to the Trust. Investors may access the "free writing prospectus" at <http://www.sec.gov/edgar/searchedgar/companysearch.html>.

As defined in the U.S. Securities Act Rule 405, "free writing prospectuses" are written communications, including electronic communications, that constitute an offer to sell or solicitation to buy securities in a registered offering by means other than the statutory Prospectus. The "free writing prospectuses" may include information that is not included in the registration statement, but it cannot conflict with information in the filed registration statement, including any prospectus and any reports filed under the U.S. Securities Exchange Act of 1934 incorporated by reference.

13. MEETINGS

The Trust Indenture makes no provision for meetings of shareholders.

Shareholders have no voting rights except in limited circumstances. Section 10.07(d) of the Trust Indenture provides that the requisite number of "Beneficial Owners" (as defined below) may, by vote, (i) remove the Trustee pursuant to Section 8.06 of the Trust Indenture; (ii) terminate the Trust pursuant to Section 9.01 of the Trust Indenture; and (iii) approve an amendment of the Trust Indenture pursuant to Section 10.01 of the Trust Indenture.

"Beneficial Owners" is defined, pursuant to Section 3.10(d) as (i) the DTC Participants; (ii) banks, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("**Indirect Participants**"); and (iii) persons holding interests through DTC Participants and Indirect Participants.

Votes would be taken by proxy or ballot.

14. HONG KONG TAX CONSIDERATIONS

The statements below are general in nature and are based on certain aspects of current tax laws in Hong Kong in force as at the date of this Hong Kong Prospectus and are subject to any changes in such laws or administrative guidelines, or the interpretation of those laws or guidelines, occurring after such date, which changes could be made on a retroactive basis. The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Shares and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. Prospective holders of the Shares who are in doubt about their respective tax positions or any such tax implications of the purchase, ownership or transfer of Shares or who may be subject to tax in a jurisdiction other than Hong Kong should consult their own professional advisers.

14.1 General

Dividends

Under the current practice of the Inland Revenue Department, no tax is payable in Hong Kong in respect of dividends payable to investors.

14.2 Capital Gains and Profit Tax

No tax is imposed in Hong Kong in respect of capital gains from the sale of the Shares. Trading gains from the sale of shares by persons carrying on a trade, profession or business in Hong Kong, where such gains are arising in or derived from Hong Kong, will be chargeable to Hong Kong profits tax. Currently, profit tax is imposed on corporations at the rate of 16.5% and on individuals at a maximum rate of 15.0% with effect from 1 April 2010. Gains from sales of the Shares effected on the Stock Exchange will be considered to be sourced in Hong Kong. Liability for Hong Kong profit tax would thus arise in respect of trading gains from sales of Shares effected on the Stock Exchange realised by persons carry on a business of trading or dealing in securities in Hong Kong.

14.3 Estate Duty

The Revenue (Abolition of Estate Duty) Ordinance 2005 abolished estate duty in respect of deaths occurring on or after 11 February 2006. In addition, estate duty in respect of deaths occurring on or after 15 July 2005 but before 11 February 2006 has been reduced to a nominal duty of HK\$100 in respect of estate whose assessed value exceeds HK\$7.5 million. No estate duty is payable where the assessed value of the dutiable estate does not exceed HK\$7.5 million.

14.4 Stamp Duty

At the date of the Prospectus, the Shares are not considered as Hong Kong Stock and no stamp duty is payable in Hong Kong upon the transfer of Shares.

15. QUERIES AND COMPLAINTS

Investors may call the Hong Kong Representative at +852 2103 0100 to raise any queries or complaints regarding the Trust.

16. DOCUMENTS AVAILABLE FOR INSPECTION IN HONG KONG

The following documents will be available for inspection at the office of SSgA Hong Kong³ at 68/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong, during normal business hours:

- the latest version of the Trust Indenture;
- the latest available annual report of the Trust on Form 10-K;
- the latest available quarterly report of the Trust on Form 10-Q; and
- the latest available Registration Statement on Form S-3.

Copies of the above documents may also be obtained from SSgA Hong Kong upon request, subject to a reasonable administrative fee.

³ State Street Global Advisors Asia Limited will hold copies of the above documents for inspection by investors. However, it is not in any way acting as an agent for the Sponsor or Trustee.

PROSPECTUS

SPDR[®] Gold Trust

239,300,000

SPDR[®] Gold Shares

The SPDR[®] Gold Trust, or the Trust, issues SPDR[®] Gold Shares, or the Shares, which represent units of fractional undivided beneficial interest in and ownership of the Trust. World Gold Trust Services, LLC is the sponsor of the Trust, or the Sponsor. BNY Mellon Asset Servicing, a division of The Bank of New York Mellon, is the trustee of the Trust, or the Trustee, HSBC Bank USA, N.A. is the custodian of the Trust, or the Custodian, and State Street Global Markets, LLC is the marketing agent of the Trust, or the Marketing Agent. The Trust intends to issue additional Shares on a continuous basis through its Trustee. The Trust is not a commodity pool for purposes of the Commodity Exchange Act of 1936, as amended, and its sponsor is not subject to regulation by the Commodity Futures Trading Commission as a commodity pool operator, or a commodity trading advisor.

The Shares trade on NYSE Arca, Inc., or NYSE Arca, under the symbol “GLD.” The closing price of the Shares on the NYSE Arca on May 26, 2010 was \$118.47.

The Shares may be purchased from the Trust only in one or more blocks of 100,000 Shares (a block of 100,000 Shares is called a Basket). The Trust issues Shares in Baskets to certain authorized participants, or the Authorized Participants, on an ongoing basis. Baskets are offered continuously at the net asset value, or the NAV, for 100,000 Shares on the day that an order to create a Basket is accepted by the Trustee. It is expected that the Shares will be sold to the public at varying prices to be determined by reference to, among other considerations, the price of gold and the trading price of the Shares on the NYSE Arca at the time of each sale.

Investing in the Shares involves significant risks. See “Risk Factors” starting on page 6.

Neither the Securities and Exchange Commission nor any state securities commissions has approved or disapproved of the securities offered in this prospectus, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The Shares are neither interests in nor obligations of the Sponsor, the Trustee or the Marketing Agent. The Shares represent units of fractional undivided beneficial interest in and ownership of the Trust. A Shareholder does not have the statutory rights normally associated with the ownership of shares of a corporation. Each Share is transferable and is fully paid and non-assessable. The Shares do not entitle their holders to any conversion or pre-emptive rights. The Shares may only be redeemed by or through an Authorized Participant and only in Baskets.

“SPDR” is a trademark of Standard & Poor’s Financial Services, LLC and has been licensed for use by the SPDR[®] Gold Trust.

The date of this prospectus is May 27, 2010.

This prospectus contains information you should consider when making an investment decision about the Shares. You may rely on the information contained in this prospectus. The Trust and the Sponsor have not authorized any person to provide you with different information and, if anyone provides you with different or inconsistent information, you should not rely on it. This prospectus is not an offer to sell the Shares in any jurisdiction where the offer or sale of the Shares is not permitted.

The Shares are not registered for public sale in any jurisdiction other than the United States.

TABLE OF CONTENTS

Statement Regarding Forward-Looking Statements	ii	ERISA and Related Considerations	38
Prospectus Summary	1	Plan of Distribution	39
Risk Factors	6	Description of the Shares	40
Use of Proceeds	14	Legal Matters	41
Overview of the Gold Industry	15	Experts	41
Creation and Redemption of Shares	27	Where You Can Best Find More Information; Incorporation of Certain Information by Reference	41
United States Federal Tax Consequences	33		

Authorized Participants may be required to deliver a prospectus when making transactions in the Shares.

The information contained in the sections captioned “Overview of the Gold Industry,” “Operation of the Gold Bullion Market” and “Analysis of Historical Movements in the Price of Gold” is based on information obtained from sources that the Sponsor believes are reliable. This prospectus summarizes certain documents and other information in a manner the Sponsor believes to be accurate. In making an investment decision, you must rely on your own examination of the Trust, the gold industry, the operation of the gold bullion market and the terms of the offering and the Shares, including the merits and risks involved. Although the Sponsor believes this information to be reliable, the accuracy and completeness of this information is not guaranteed and has not been independently verified.

The “SPDR” trademark is used under license from Standard & Poor’s Financial Services, LLC (“S&P”) and the SPDR® Gold Trust is permitted to use the “SPDR” trademark pursuant to a sublicense from the Marketing Agent. No financial product offered by SPDR® Gold Trust or its affiliates is sponsored, endorsed, sold or promoted by S&P. S&P makes no representation or warranty, express or implied, to the owners of any financial product or any member of the public regarding the advisability of investing in securities generally or in financial products particularly or the ability of the index on which financial products are based to track general stock market performance. S&P is not responsible for and has not participated in any determination or calculation made with respect to issuance or redemption of financial products. S&P has no obligation or liability in connection with the administration, marketing or trading of financial products.

WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL S&P HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING, BUT NOT LIMITED TO, LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

Statement Regarding Forward-Looking Statements

This prospectus includes “forward-looking statements” which generally relate to future events or future performance. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential” “it is likely” or the negative of these terms or other comparable terminology. All statements (other than statements of historical fact) included in this prospectus that address activities, events or developments that will or may occur in the future, including such matters as changes in commodity prices and market conditions (for gold and the Shares), the Trust’s operations, the Sponsor’s plans and references to the Trust’s future success and other similar matters are forward-looking statements. These statements are only predictions. Actual events or results may differ materially. These statements are based upon certain assumptions and analyses the Sponsor made based on its perception of historical trends, current conditions and expected future developments, as well as other factors appropriate in the circumstances. Whether or not actual results and developments will conform to the Sponsor’s expectations and predictions, however, is subject to a number of risks and uncertainties, including the special considerations discussed in this prospectus, general economic, market and business conditions, changes in laws or regulations, including those concerning taxes, made by governmental authorities or regulatory bodies, and other world economic and political developments. See “Risk Factors.” Consequently, all the forward-looking statements made in this prospectus are qualified by these cautionary statements, and there can be no assurance that the actual results or developments the Sponsor anticipates will be realized or, even if substantially realized, that they will result in the expected consequences to, or have the expected effects on, the Trust’s operations or the value of the Shares. Moreover, neither the Sponsor nor any other person assumes responsibility for the accuracy or completeness of the forward-looking statements. Neither the Trust nor the Sponsor is under a duty to update any of the forward-looking statements to conform such statements to actual results or to reflect a change in the Sponsor’s expectations or predictions.

Prospectus Summary

You should read this entire prospectus and the material incorporated by reference herein, including “Risk Factors,” before making an investment decision about the Shares.

TRUST STRUCTURE

The Trust is an investment trust, formed on November 12, 2004 under New York law pursuant to a trust indenture, or the Trust Indenture. The Trust Indenture was amended on November 26, 2007 to reflect the transfer of the listing of the Shares to NYSE Arca. The Trust Indenture was again amended on May 20, 2008 to reflect the change in the name of the Trust to SPDR® Gold Trust. The Trust holds gold bars and is expected from time to time to issue Baskets in exchange for deposits of gold and to distribute gold in connection with redemptions of Baskets. The investment objective of the Trust is for the Shares to reflect the performance of the price of gold bullion, less the Trust’s expenses. The Sponsor believes that, for many investors, the Shares represent a cost-effective investment in gold. The Shares represent units of fractional undivided beneficial interest in and ownership of the Trust and trade under the ticker symbol GLD on the NYSE Arca.

The Trust’s Sponsor is World Gold Trust Services, LLC, or WGTS, which is wholly-owned by the World Gold Council, or WGC, a not-for-profit association registered under Swiss law. The Sponsor is a Delaware limited liability company and was formed on July 17, 2002. Under the Delaware Limited Liability Company Act and the governing documents of the Sponsor, the WGC, the sole member of the Sponsor, is not responsible for the debts, obligations and liabilities of the Sponsor solely by reason of being the sole member of the Sponsor.

The Sponsor established the Trust and generally oversees the performance of the Trustee and the Trust’s principal service providers, but does not exercise day-to-day oversight over the Trustee and such service providers. The Sponsor may remove the Trustee and appoint a successor: (1) if the Trustee commits certain willful bad acts in performing its duties or willfully disregards its duties; (2) if the Trustee acts in bad faith in performing its duties; (3) if the Trustee’s creditworthiness has materially deteriorated; or (4) if the Trustee’s negligent acts or omissions have had a material adverse effect on the Trust or the interests of owners of beneficial interests in the Shares, or Shareholders, and the Trustee has not cured the material adverse effect within a certain period of time and established that the material adverse effect will not recur. The Sponsor will remove the Trustee if the Trustee does not meet the qualifications for a trustee under the Trust Indenture. The Sponsor may direct the Trustee to employ one or more other custodians in addition to or in replacement of the Custodian, provided that the Sponsor may not appoint a successor custodian without the consent of the Trustee if the appointment has a material adverse effect on the Trustee’s ability to perform its duties. To assist the Sponsor in marketing the Shares, the Sponsor has entered into a marketing agent agreement with the Marketing Agent, or the Marketing Agent Agreement. The Marketing Agent Agreement was amended on November 26, 2007 to reflect the transfer of the Shares to NYSE Arca and on May 20, 2008 to reflect the change in the name of the Trust to SPDR® Gold Trust. The Sponsor maintains a public website on behalf of the Trust, containing information about the Trust and the Shares, including a listing of the gold bars held by the Trust. The internet address of the Trust’s website is www.spdrgoldshares.com. This internet address is only provided here as a convenience to you, and the information contained on or connected to the Trust’s website is not considered part of this prospectus. The Marketing Agent has sub-licensed the use of the registered mark “SPDR®” to the Sponsor for use by the Trust.

The Trustee is BNY Mellon Asset Servicing, a division of The Bank of New York Mellon, or BNY Mellon. The Trustee is generally responsible for the day-to-day administration of the Trust. This includes (1) selling the Trust’s gold as needed to pay the Trust’s expenses (gold sales are expected to occur approximately monthly in the ordinary course), (2) calculating the NAV of the Trust and the NAV per Share, (3) receiving and processing orders from Authorized Participants to create and redeem Baskets and coordinating the processing of such orders with the Custodian and The Depository Trust Company, or the DTC and (4) monitoring the Custodian.

The Trustee determines the NAV of the Trust on each day that NYSE Arca is open for regular trading, at the earlier of the afternoon session of the twice daily fix of the price of an ounce of gold which starts at 3:00 PM London, England time, or the London PM fix, or 12:00 PM New York time. The London PM fix is performed in London by the five members of the London Gold Fix. The NAV of the Trust is the aggregate value of the Trust’s assets less its estimated accrued but unpaid liabilities (which include accrued expenses). In determining

the Trust's NAV, the Trustee values the gold held by the Trust based on the London PM fix price for an ounce of gold. The Trustee also determines the NAV per Share.

The Custodian is HSBC Bank USA, N.A., or HSBC. The Custodian is responsible for the safekeeping of the Trust's gold bars transferred to it in connection with the creation of Baskets by Authorized Participants. The Custodian also facilitates the transfer of gold in and out of the Trust through gold accounts it maintains for Authorized Participants and the Trust. The Custodian is a market maker, clearer and approved weigher under the rules of the London Bullion Market Association, or LBMA.

Detailed descriptions of certain specific rights and duties of the Sponsor, Marketing Agent, Trustee and the Custodian are set forth in our Annual Report on Form 10-K incorporated herein by reference.

TRUST OVERVIEW

The investment objective of the Trust is for the Shares to reflect the performance of the price of gold bullion, less the expenses of the Trust's operations. The Shares are designed for investors who want a cost-effective and convenient way to invest in gold. Advantages of investing in the Shares include:

- ▶ *Ease and Flexibility of Investment.* The Shares trade on the NYSE Arca and provide institutional and retail investors with indirect access to the gold bullion market. The Shares may be bought and sold on the NYSE Arca like any other exchange-listed securities, and the Shares regularly trade until 8:00 PM New York time.
- ▶ *Expenses.* The Sponsor expects that, for many investors, costs associated with buying and selling the Shares in the secondary market and the payment of the Trust's ongoing expenses will be lower than the costs associated with buying and selling gold bullion and storing and insuring gold bullion in a traditional allocated gold bullion account.

Investing in the Shares does not insulate the investor from certain risks, including price volatility. See "Risk Factors."

TRUST'S GOLD HOLDINGS AS OF MARCH 31, 2010

As at March 31, 2010, the amount of gold owned by the Trust was 36,324,952 ounces with a market value of \$40,520,483,790 (cost – \$30,289,189,919), including gold receivable of 166,431 ounces with a market value of \$185,653,480 based on the London PM fix on March 31, 2010.

As at March 31, 2010, the Custodian held 36,158,483 ounces of allocated gold in the form of London Good Delivery gold bars in its vault and 38 ounces of unallocated gold, excluding gold receivables, with a market value of \$40,334,830,509 (cost – \$30,103,536,538). Subcustodians held nil ounces of gold in their vaults on behalf of the Trust and 166,431 ounces of gold was receivable by the Trust in connection with the creation of Baskets (which gold was received by the Custodian in the normal course of business).

An allocated account is an account with a bullion dealer, which may also be a bank, to which individually identified gold bars owned by the account holder are credited. The gold bars in an allocated gold account are specific to that account and are identified by a list which shows, for each gold bar, the refiner, assay or fineness, serial number and gross and fine weight. Gold held in the Trust's allocated account is the property of the Trust and is not traded, leased or loaned under any circumstances.

PRINCIPAL OFFICES

The Trust's office is located at 424 Madison Avenue, 3rd Floor, New York, New York 10017 and its telephone number is 212-317-3800. The Sponsor's office is located at 424 Madison Avenue, 3rd Floor, New York, New York 10017. The Trustee has a trust office at 2 Hanson Place, Brooklyn, New York 11217. The Custodian's office is located at 8 Canada Square, London, E14 5HQ, United Kingdom. The Marketing Agent's office is located at State Street Financial Center, One Lincoln Street, Boston, Massachusetts 02111.

The Offering

Offering.	The Shares represent units of fractional undivided beneficial interest in and ownership of the Trust.
Shares outstanding and NAV per share . .	As of May 26, 2010, 390,400,000 Shares were outstanding and the estimated NAV per Share as determined by the Trust for May 26, 2010, was \$118.58.
Use of proceeds	Proceeds received by the Trust from the issuance and sale of Baskets consist of gold and, possibly from time to time, cash. Pursuant to the Trust Indenture, during the life of the Trust the gold and any cash will only be (1) held by the Trust, (2) distributed to Authorized Participants in connection with the redemption of Baskets or (3) sold or disbursed as needed to pay the Trust's ongoing expenses.
NYSE Arca symbol	GLD
CUSIP	78463V 107
Creation and redemption	The Trust creates and redeems the Shares from time to time, but only in one or more Baskets (a Basket equals a block of 100,000 Shares). The creation and redemption of Baskets requires the delivery to the Trust or the distribution by the Trust of the amount of gold and any cash represented by the Baskets being created or redeemed, the amount of which is based on the combined NAV of the number of Shares included in the Baskets being created or redeemed. The initial amount of gold required for deposit with the Trust to create Shares for the period from the formation of the Trust to the first day of trading of the Shares on the NYSE was 10,000 ounces per Basket. The number of ounces of gold required to create a Basket or to be delivered upon the redemption of a Basket gradually decreases over time, due to the accrual of the Trust's expenses and the sale of the Trust's gold to pay the Trust's expenses. Baskets may be created or redeemed only by Authorized Participants, who pay a transaction fee for each order to create or redeem Baskets and may sell the Shares included in the Baskets they create to other investors.
Net Asset Value	The NAV of the Trust is the aggregate value of the Trust's assets less its liabilities (which include estimated accrued but unpaid fees and expenses). In determining the NAV of the Trust, the Trustee values the gold held by the Trust on the basis of the price of an ounce of gold as set by the afternoon session of the twice daily fix of the price of an ounce of gold which starts at 3:00 PM London, England time and is performed by the five members of the London gold fix. The Trustee determines the NAV of the Trust on each day the NYSE Arca is open for regular trading, at the earlier of the London PM fix for the day or 12:00 PM New York time. If no London PM fix is made on a particular evaluation day or if the London PM fix has not been announced by 12:00 PM New York time on a particular evaluation day, the next most recent London gold price fix (AM or PM) is used in the determination of the NAV of the Trust, unless the Trustee, in consultation with the Sponsor, determines that such price is inappropriate to use as the basis for such determination. The Trustee also determines the NAV per

Share, which equals the NAV of the Trust, divided by the number of outstanding Shares.

Trust expenses The Trust's ordinary operating expenses have accrued daily and are reflected in the NAV of the Trust. The Trust's expenses include fees and expenses of the Trustee (which include fees and expenses paid to the Custodian by the Trustee for the custody of the Trust's gold bars), the fees and expenses of the Sponsor, certain taxes, the fees of the Marketing Agent, printing and mailing costs, legal and audit fees, registration fees, NYSE Arca listing fees and other marketing costs and expenses. In order to pay the Trust's expenses, the Trustee sells gold held by the Trust on an as-needed basis. Each sale of gold by the Trust is a taxable event to Shareholders. Until the earlier of November 11, 2011, or until the termination of the Marketing Agent Agreement, if at the end of any month during this period the estimated ordinary expenses of the Trust exceed an amount equal to 0.40% per year of the daily adjusted NAV, or ANAV, of the Trust for such month, the fees payable to the Sponsor and the Marketing Agent for such month will be reduced by the amount of such excess in equal shares up to the amount of their fees provided that the gross assets of the Trust exceed a certain minimum amount. See "Risk Factors — When the fee reduction terminates or expires . . ." For details on the calculation of the ANAV of the Trust, see the Trust's Annual Report on Form 10-K, incorporated herein by reference. The Trust pays on an ongoing basis the expenses of its operation.

Sponsor's and Marketing Agent's fees . . . The Sponsor's fee is payable monthly in arrears and is accrued daily at an annual rate equal to 0.15% of the daily ANAV of the Trust. The Marketing Agent's fee is payable monthly in arrears and is accrued daily at an annual rate equal to 0.15% of the daily ANAV of the Trust. If at the end of any month during the period ending on the earlier of November 11, 2011 or upon the termination of the Marketing Agent Agreement the estimated ordinary expenses of the Trust exceed an amount equal to 0.40% per year of the daily ANAV of the Trust for such month, the Marketing Agent's fee and the Sponsor's fee are subject to reduction.

Voting rights Shareholders have no voting rights except in limited circumstances. Shareholders holding at least 66-2/3% of the Shares outstanding may vote to remove the Trustee. The Trustee, in turn, may terminate the Trust with the agreement of Shareholders owning at least 66-2/3% of the outstanding Shares. In addition, certain amendments to the Trust Indenture require 51% or unanimous consent of the Shareholders.

Termination events The Sponsor may, and it is anticipated that the Sponsor will, direct the Trustee to terminate and liquidate the Trust at any time after the first anniversary of the Trust's formation when the NAV of the Trust is less than \$350 million (as adjusted for inflation). The Sponsor may also direct the Trustee to terminate the Trust if the Commodity Futures Trading Commission, or the CFTC, determines that the Trust is a commodity pool under the Commodity Exchange Act of 1936, as amended, or the CEA. The Trustee may also terminate the Trust upon the agreement of Shareholders owning at least 66-2/3% of the outstanding Shares.

The Trustee will terminate and liquidate the Trust if one of the following events occurs:

- ▶ DTC, the securities depository for the Shares, is unwilling or unable to perform its functions under the Trust Indenture and no suitable replacement is available;
- ▶ The Shares are de-listed from the NYSE Arca and are not listed for trading on another US national securities exchange or through the NASDAQ Stock Market within five business days from the date the Shares are de-listed;
- ▶ The NAV of the Trust remains less than \$50 million for a period of 50 consecutive business days;
- ▶ The Sponsor resigns or is unable to perform its duties or becomes bankrupt or insolvent and the Trustee has not appointed a successor and has not itself agreed to act as sponsor;
- ▶ The Trustee resigns or is removed and no successor trustee is appointed within 60 days;
- ▶ The Custodian resigns and no successor custodian is appointed within 60 days;
- ▶ The sale of all of the Trust's assets;
- ▶ The Trust fails to qualify for treatment, or ceases to be treated, for US federal income tax purposes, as a grantor trust; or
- ▶ The maximum period for which the Trust is allowed to exist under New York law ends.

Upon the termination of the Trust, the Trustee will, within a reasonable time after the termination of the Trust, sell the Trust's gold bars and, after paying or making provision for the Trust's liabilities, distribute the proceeds to the Shareholders.

Authorized Participants	Baskets may be created or redeemed only by Authorized Participants. Each Authorized Participant must (1) be a registered broker-dealer or other securities market participant such as a bank or other financial institution which is not required to register as a broker-dealer to engage in securities transactions, (2) be a participant in DTC or DTC Participant, (3) have entered into an agreement with the Trustee and the Sponsor, or the Participant Agreement, and (4) have established an unallocated gold account with the Custodian, or the Authorized Participant Unallocated Account. The Participant Agreement provides the procedures for the creation and redemption of Baskets and for the delivery of gold and any cash required for such creations or redemptions. A list of the current Authorized Participants can be obtained from the Trustee or the Sponsor.
Clearance and settlement	The Shares are evidenced by global certificates that the Trustee issues to DTC. The Shares are available only in book-entry form. Shareholders may hold their Shares through DTC, if they are DTC Participants, or indirectly through entities that are DTC Participants.

Risk Factors

You should consider carefully the risks described below before making an investment decision. You should also refer to the other information included or incorporated by reference in this prospectus, including the Trust's financial statements and the related notes.

The value of the Shares relates directly to the value of the gold held by the Trust and fluctuations in the price of gold could materially adversely affect an investment in the Shares.

The Shares are designed to mirror as closely as possible the performance of the price of gold, and the value of the Shares relates directly to the value of the gold held by the Trust, less the Trust's liabilities (including estimated accrued but unpaid expenses). The price of gold has fluctuated widely over the past several years.

Several factors may affect the price of gold, including:

- Global gold supply and demand, which is influenced by such factors as forward selling by gold producers, purchases made by gold producers to unwind gold hedge positions, central bank purchases and sales, and production and cost levels in major gold-producing countries such as South Africa, the United States and Australia;
- Global or regional political, economic or financial events and situations;
- Investors' expectations with respect to the rate of inflation;
- Currency exchange rates;
- Interest rates; and
- Investment and trading activities of hedge funds and commodity funds.

The Shares have experienced significant price fluctuations. If gold markets continue to be subject to sharp fluctuations, this may result in potential losses if you need to sell your Shares at a time when the price of gold is lower than it was when you made your investment. Even if you are able to hold Shares for the long-term, you may never experience a profit, since gold markets have historically experienced extended periods of flat or declining prices, in addition to sharp fluctuations.

In addition, investors should be aware that there is no assurance that gold will maintain its long-term value in terms of purchasing power in the future. In the event that the price of gold declines, the Sponsor expects the value of an investment in the Shares to decline proportionately.

The Shares may trade at a price which is at, above or below the NAV per Share and any discount or premium in the trading price relative to the NAV per Share may widen as a result of non-concurrent trading hours between the COMEX division of the New York Mercantile Exchange, or the COMEX, and the NYSE Arca.

The Shares may trade at, above or below the NAV per Share. The NAV per Share fluctuates with changes in the market value of the Trust's assets. The trading price of the Shares fluctuates in accordance with changes in the NAV per Share as well as market supply and demand. The amount of the discount or premium in the trading price relative to the NAV per Share may be influenced by non-concurrent trading hours between the COMEX and the NYSE Arca. While the Shares trade on the NYSE Arca until 8:00 PM New York time, liquidity in the global gold market may be reduced after the close of the COMEX at 1:30 PM New York time. As a result, during this time, trading spreads, and the resulting premium or discount, on the Shares may widen.

The sale of gold by the Trust to pay expenses will reduce the amount of gold represented by each Share on an ongoing basis irrespective of whether the trading price of the Shares rises or falls in response to changes in the price of gold.

Each outstanding Share represents a fractional, undivided interest in the gold held by the Trust. The Trust does not generate any income and as the Trust regularly sells gold to pay for its ongoing expenses, the amount of

Risk Factors

gold represented by each Share has gradually declined over time. This is also true with respect to Shares that are issued in exchange for additional deposits of gold into the Trust, as the amount of gold required to create Shares proportionately reflects the amount of gold represented by the Shares outstanding at the time of creation. Assuming a constant gold price, the trading price of the Shares is expected to continue to gradually decline relative to the price of gold as the amount of gold represented by the Shares gradually declines.

Investors should be aware that the gradual decline in the amount of gold represented by the Shares will occur regardless of whether the trading price of the Shares rises or falls in response to changes in the price of gold. The estimated ordinary operating expenses of the Trust, which accrue daily, are described in the Trust's Annual Report on Form 10-K, incorporated herein by reference.

The sale of the Trust's gold to pay expenses at a time of low gold prices could adversely affect the value of the Shares.

The Trustee sells gold held by the Trust to pay Trust expenses on an as-needed basis irrespective of then-current gold prices. The Trust is not actively managed and no attempt will be made to buy or sell gold to protect against or to take advantage of fluctuations in the price of gold. Consequently, the Trust's gold may be sold at a time when the gold price is low, resulting in a negative effect on the value of the Shares.

Crises may motivate large-scale sales of gold which could decrease the price of gold and adversely affect an investment in the Shares.

The possibility of large-scale distress sales of gold in times of crisis may have a short-term negative impact on the price of gold and adversely affect an investment in the Shares. For example, the 1998 Asian financial crisis resulted in significant sales of gold by individuals which depressed the price of gold. Crises in the future may impair gold's price performance which would, in turn, adversely affect an investment in the Shares.

Purchasing activity in the gold market associated with the delivery of gold bullion to the Trust in exchange for Baskets may cause a temporary increase in the price of gold. This increase may adversely affect an investment in the Shares.

Purchasing activity associated with acquiring the gold bullion bars that are transferred into the Trust in connection with the creation of Baskets may temporarily increase the market price of gold, which will result in higher prices for the Shares. Temporary increases in the market price of gold may also occur as a result of the purchasing activity of other market participants. Other market participants may attempt to benefit from an increase in the market price of gold that may result from increased purchasing activity of gold connected with the issuance of Baskets. Consequently, the market price of gold may decline immediately after Baskets are created. If the price of gold declines, the trading price of the Shares will also decline.

Shareholders do not have the protections associated with ownership of shares in an investment company registered under the Investment Company Act of 1940 or the protections afforded by the CEA.

The Trust is not registered as an investment company under the Investment Company Act of 1940 and is not required to register under such act. Consequently, Shareholders do not have the regulatory protections provided to investors in investment companies. The Trust will not hold or trade in commodity futures contracts regulated by the CEA, as administered by the Commodity Futures Trading Commission, or CFTC. Furthermore, the Trust is not a commodity pool for purposes of the CEA, and none of the Sponsor, the Trustee or the Marketing Agent is subject to regulation by the CFTC as a commodity pool operator or a commodity trading advisor in connection with the Shares. Consequently, Shareholders do not have the regulatory protections provided to investors in CEA-regulated instruments or commodity pools.

The Trust may be required to terminate and liquidate at a time that is disadvantageous to Shareholders.

If the Trust is required to terminate and liquidate, such termination and liquidation could occur at a time which is disadvantageous to Shareholders, such as when gold prices are lower than the gold prices at the time when Shareholders purchased their Shares. In such a case, when the Trust's gold is sold as part of the Trust's

Risk Factors

liquidation, the resulting proceeds distributed to Shareholders will be less than if gold prices were higher at the time of sale. See the section of the Trust's Annual Report on Form 10-K, incorporated herein by reference, captioned "Description of the Trust Indenture — Termination of the Trust" for more information about the termination of the Trust, including when the termination of the Trust may be triggered by events outside the direct control of the Sponsor, the Trustee or the Shareholders.

Redemption orders are subject to postponement, suspension or rejection by the Trustee under certain circumstances.

The Trustee may, in its discretion, and will when directed by the Sponsor, suspend the right of redemption or postpone the redemption settlement date, (1) for any period during which the NYSE Arca is closed other than customary weekend or holiday closings, or trading on the NYSE Arca is suspended or restricted, (2) for any period during which an emergency exists as a result of which the delivery, disposal or evaluation of gold is not reasonably practicable, or (3) for such other period as the Sponsor determines to be necessary for the protection of Shareholders. In addition, the Trustee will reject a redemption order if the order is not in proper form as described in the Participant Agreement or if the fulfillment of the order, in the opinion of its counsel, might be unlawful. Any such postponement, suspension or rejection could adversely affect a redeeming Shareholder. For example, the resulting delay may adversely affect the value of the Shareholder's redemption distribution if the price of the Shares declines during the period of the delay. See the Trust's Annual Report on Form 10-K, incorporated herein by reference. Under the Trust Indenture, the Sponsor and the Trustee disclaim any liability for any loss or damage that may result from any such suspension or postponement.

Shareholders do not have the rights enjoyed by investors in certain other vehicles.

As interests in an investment trust, the Shares have none of the statutory rights normally associated with the ownership of shares of a corporation (including, for example, the right to bring "oppression" or "derivative" actions). In addition, the Shares have limited voting and distribution rights (for example, Shareholders do not have the right to elect directors and will not receive dividends). See "Description of the Shares" for a description of the limited rights of holders of Shares.

An investment in the Shares may be adversely affected by competition from other methods of investing in gold.

The Trust competes with other financial vehicles, including traditional debt and equity securities issued by companies in the gold industry and other securities backed by or linked to gold, direct investments in gold and investment vehicles similar to the Trust. Market and financial conditions, and other conditions beyond the Sponsor's control, may make it more attractive to invest in other financial vehicles or to invest in gold directly, which could limit the market for the Shares and reduce the liquidity of the Shares.

Substantial sales of gold by the official sector could adversely affect an investment in the Shares.

The official sector consists of central banks, other governmental agencies and multi-lateral institutions that buy, sell and hold gold as part of their reserve assets. The official sector holds a significant amount of gold, most of which is static, meaning that it is held in vaults and is not bought, sold, leased or swapped or otherwise mobilized in the open market. A number of central banks have sold portions of their gold over the past 10 years, with the result that the official sector, taken as a whole, has been a net supplier to the open market. Since 1999, most sales have been made in a coordinated manner under the terms of the Central Bank Gold Agreement, or CBGA, under which 18 of the world's major central banks (including the European Central Bank) agree to limit the level of their gold sales and lending to the market. In the event that future economic, political or social conditions or pressures require members of the official sector to liquidate their gold assets all at once or in an uncoordinated manner, the demand for gold might not be sufficient to accommodate the sudden increase in the supply of gold to the market. Consequently, the price of gold could decline significantly, which would adversely affect an investment in the Shares.

Risk Factors

When the seven year fee reduction period terminates or expires, the estimated ordinary expenses payable by the Trust may increase, thus reducing the NAV of the Trust more rapidly and adversely affecting an investment in the Shares.

Until the earlier of November 11, 2011, or until the termination of the Marketing Agent Agreement, if at the end of any month during this period the estimated ordinary expenses of the Trust exceed an amount equal to 0.40% per year of the daily ANAV of the Trust for such month, the fees payable to the Sponsor and the Marketing Agent from the assets of the Trust for such month will be reduced by the amount of such excess in equal shares up to the amount of their fees. Investors should be aware that, based on current level of expenses, if the gross value of the Trust's assets is less than approximately \$600 million, the ordinary expenses of the Trust will be accrued at a rate greater than 0.40% per year of the daily ANAV of the Trust, even after the Sponsor and the Marketing Agent have completely reduced their combined fees of 0.30% per year of the daily ANAV of the Trust. This amount is based on the estimated ordinary expenses of the Trust, which are described in the Trust's Annual Report on Form 10-K and incorporated herein by reference, and may be higher if the Trust's actual ordinary expenses exceed those estimates. Additionally, if the Trust incurs unforeseen expenses that cause the total ordinary expenses of the Trust to exceed 0.70% per year of the daily ANAV of the Trust, the ordinary expenses will accrue at a rate greater than 0.40% per year of the daily ANAV of the Trust, even after the Sponsor and the Marketing Agent have completely reduced their combined fees of 0.30% per year of the daily ANAV of the Trust.

Upon the earlier of November 11, 2011 or the termination of the Marketing Agent Agreement, the fee reduction will expire and the estimated ordinary expenses of the Trust which are payable from the assets of the Trust each month may be more than they would have been during the period when the fee reduction is in effect, thus reducing the NAV of the Trust more rapidly than if the fee reduction was in effect and adversely affecting the value of the Shares.

The estimated ordinary operating expenses of the Trust, which accrue daily, and details on the calculation of the ANAV of the Trust are provided in our Annual Report on Form 10-K, incorporated herein by reference.

The Trust's gold may be subject to loss, damage, theft or restriction on access.

There is a risk that some or all of the Trust's gold bars held by the Custodian or any subcustodian on behalf of the Trust could be lost, damaged or stolen. Access to the Trust's gold bars could also be restricted by natural events (such as an earthquake) or human actions (such as a terrorist attack). Any of these events may adversely affect the operations of the Trust and, consequently, an investment in the Shares.

The Trust may not have adequate sources of recovery if its gold is lost, damaged, stolen or destroyed and recovery may be limited, even in the event of fraud, to the market value of the gold at the time the fraud is discovered.

Shareholders' recourse against the Trust, the Trustee and the Sponsor, under New York law, the Custodian, under English law, and any subcustodians under the law governing their custody operations is limited. The Trust does not insure its gold. The Custodian maintains insurance with regard to its business on such terms and conditions as it considers appropriate. The Trust is not a beneficiary of any such insurance and does not have the ability to dictate the existence, nature or amount of coverage. Therefore, the Custodian may not maintain adequate insurance or any insurance with respect to the gold held by the Custodian on behalf of the Trust. In addition, the Custodian and the Trustee do not require any direct or indirect subcustodians to be insured or bonded with respect to their custodial activities or in respect of the gold held by them on behalf of the Trust. Consequently, a loss may be suffered with respect to the Trust's gold which is not covered by insurance and for which no person is liable in damages.

The liability of the Custodian is limited under the agreements between the Trustee and the Custodian which establish the Trust's custody arrangements, or the Custody Agreements. Under the Custody Agreements, the Custodian is only liable for losses that are the direct result of its own negligence, fraud or willful default in the performance of its duties. Any such liability is further limited, in the case of the Allocated Bullion Account Agreement, to the market value of the gold bars held in the Trust's allocated gold account with the Custodian,

Risk Factors

or the Trust Allocated Account, at the time such negligence, fraud or willful default is discovered by the Custodian in the case of the Unallocated Bullion Account Agreement, to the amount of gold credited to the Trust's unallocated gold account with the Custodian, or the Trust Unallocated Gold Account, at the time such negligence, fraud or willful default is discovered by the Custodian. Under each Participant Unallocated Bullion Account Agreement, the Custodian is not contractually or otherwise liable for any losses suffered by any Authorized Participant or Shareholder that are not the direct result of its own gross negligence, fraud or willful default in the performance of its duties under such agreement, and in no event will its liability exceed the market value of the balance in the Authorized Participant Unallocated Account at the time such gross negligence, fraud or willful default is discovered by the Custodian.

In addition, the Custodian will not be liable for any delay in performance or any non-performance of any of its obligations under the Allocated Bullion Account Agreement, the Unallocated Bullion Account Agreement or the Participant Unallocated Bullion Account Agreement by reason of any cause beyond its reasonable control, including acts of God, war or terrorism. As a result, the recourse of the Trustee or the investor, under English law, is limited. Furthermore, under English common law, the Custodian or any subcustodian will not be liable for any delay in the performance or any non-performance of its custodial obligations by reason of any cause beyond its reasonable control.

Gold bars may be held by one or more subcustodians appointed by the Custodian, or employed by the subcustodians appointed by the Custodian, until it is transported to the Custodian's London vault premises. Under the Allocated Bullion Account Agreement, except for an obligation on the part of the Custodian to use commercially reasonable efforts to obtain delivery of the Trust's gold bars from any subcustodians appointed by the Custodian, the Custodian is not liable for the acts or omissions of its subcustodians unless the selection of such subcustodians was made negligently or in bad faith. There are expected to be no written contractual arrangements between subcustodians that hold the Trust's gold bars and the Trustee or the Custodian, because traditionally such arrangements are based on the LBMA's rules and on the customs and practices of the London bullion market. In the event of a legal dispute with respect to or arising from such arrangements, it may be difficult to define such customs and practices. The LBMA's rules may be subject to change outside the control of the Trust. Under English law, neither the Trustee, nor the Custodian would have a supportable breach of contract claim against a subcustodian for losses relating to the safekeeping of gold. If the Trust's gold bars are lost or damaged while in the custody of a subcustodian, the Trust may not be able to recover damages from the Custodian or the subcustodian.

The obligations of the Custodian under the Allocated Bullion Account Agreement, the Unallocated Bullion Account Agreement and the Participant Unallocated Bullion Account Agreement are governed by English law. The Custodian may enter into arrangements with subcustodians, which arrangements may also be governed by English law. The Trust is a New York investment trust. Any United States, New York or other court situated in the United States may have difficulty interpreting English law (which, insofar as it relates to custody arrangements, is largely derived from court rulings rather than statute), LBMA rules or the customs and practices in the London custody market. It may be difficult or impossible for the Trust to sue a subcustodian in a United States, New York or other court situated in the United States. In addition, it may be difficult, time consuming and/or expensive for the Trust to enforce in a foreign court a judgment rendered by a United States, New York or other court situated in the United States.

If the Trust's gold bars are lost, damaged, stolen or destroyed under circumstances rendering a party liable to the Trust, the responsible party may not have the financial resources sufficient to satisfy the Trust's claim. For example, as to a particular event of loss, the only source of recovery for the Trust might be limited to the Custodian or one or more subcustodians or, to the extent identifiable, other responsible third parties (e.g., a thief or terrorist), any of which may not have the financial resources (including liability insurance coverage) to satisfy a valid claim of the Trust.

Neither the Shareholders nor any Authorized Participant has a right under the Custody Agreements to assert a claim of the Trustee against the Custodian or any subcustodian; claims under the Custody Agreements may only be asserted by the Trustee on behalf of the Trust.

Risk Factors

Gold bars allocated to the Trust in connection with the creation of a Basket may not meet the London Good Delivery Standards and, if a Basket is issued against such gold, the Trust may suffer a loss.

Neither the Trustee nor the Custodian independently confirms the fineness of the gold bars allocated to the Trust in connection with the creation of a Basket. The gold bars allocated to the Trust by the Custodian may be different from the reported fineness or weight required by the LBMA's standards for gold bars delivered in settlement of a gold trade, or the London Good Delivery Standards, the standards required by the Trust. If the Trustee nevertheless issues a Basket against such gold, and if the Custodian fails to satisfy its obligation to credit the Trust the amount of any deficiency, the Trust may suffer a loss.

Because neither the Trustee nor the Custodian oversees or monitors the activities of subcustodians who may temporarily hold the Trust's gold bars until transported to the Custodian's London vault, failure by the subcustodians to exercise due care in the safekeeping of the Trust's gold bars could result in a loss to the Trust.

Under the Allocated Bullion Account Agreement described in the Trust's Annual Report on Form 10-K, incorporated herein by reference, the Custodian has agreed that it will hold all of the Trust's gold bars in its own London vault premises except when the gold bars have been allocated in a vault other than the Custodian's London vault premises, and in such cases the Custodian has agreed that it will use commercially reasonable efforts promptly to transport the gold bars to the Custodian's London vault, at the Custodian's cost and risk. Nevertheless, there will be periods of time when some portion of the Trust's gold bars will be held by one or more subcustodians appointed by the Custodian or by a subcustodian of such subcustodian.

The subcustodians which the Custodian currently uses are the Bank of England, Brinks Ltd., Via Mat International, and LBMA market-making members that provide bullion vaulting and clearing services to third parties. The Custodian is required under the Allocated Bullion Account Agreement to use reasonable care in appointing its subcustodians but otherwise has no other responsibility in relation to the subcustodians appointed by it. These subcustodians may in turn appoint further subcustodians, but the Custodian is not responsible for the appointment of these further subcustodians. The Custodian does not undertake to monitor the performance by subcustodians of their custody functions or their selection of further subcustodians. The Trustee does not undertake to monitor the performance of any subcustodian. Furthermore, the Trustee may have no right to visit the premises of any subcustodian for the purposes of examining the Trust's gold bars or any records maintained by the subcustodian, and no subcustodian will be obligated to cooperate in any review the Trustee may wish to conduct of the facilities, procedures, records or creditworthiness of such subcustodian. See the section of the Trust's Annual Report on Form 10-K, incorporated herein by reference captioned "Custody of the Trust's Gold" for more information about subcustodians that may hold the Trust's gold bars.

In addition, the ability of the Trustee to monitor the performance of the Custodian may be limited because under the Custody Agreements the Trustee has only limited rights to visit the premises of the Custodian for the purpose of examining the Trust's gold bars and certain related records maintained by the Custodian.

The ability of the Trustee and the Custodian to take legal action against subcustodians may be limited, which increases the possibility that the Trust may suffer a loss if a subcustodian does not use due care in the safekeeping of the Trust's gold bars.

If any subcustodian does not exercise due care in the safekeeping of the Trust's gold bars, the ability of the Trustee or the Custodian to recover damages against such subcustodian may be limited to only such recourse, if any, as may be available under applicable English law or, if the subcustodian is not located in England, under other applicable law. This is because there are expected to be no written contractual arrangements between subcustodians who may hold the Trust's gold bars and the Trustee or the Custodian, as the case may be. If the Trustee's or the Custodian's recourse against the subcustodian is so limited, the Trust may not be adequately compensated for the loss. For more information on the Trustee's and the Custodian's ability to seek recovery against subcustodians and the subcustodian's duty to safekeep the Trust's gold bars, see the section of the Trust's Annual Report on Form 10-K, incorporated by reference herein, captioned "Custody of the Trust Gold."

Risk Factors

Gold held in the Trust's unallocated gold account and any Authorized Participant's unallocated gold account will not be segregated from the Custodian's assets. If the Custodian becomes insolvent, its assets may not be adequate to satisfy a claim by the Trust or any Authorized Participant. In addition, in the event of the Custodian's insolvency, there may be a delay and costs incurred in identifying the gold bars held in the Trust's allocated gold account.

Gold which is part of a deposit for a purchase order or part of a redemption distribution will be held for a time in the Trust Unallocated Account and, previously or subsequently in, the Authorized Participant Unallocated Account of the purchasing or redeeming Authorized Participant. During those times, the Trust and the Authorized Participant, as the case may be, will have no proprietary rights to any specific bars of gold held by the Custodian and will each be an unsecured creditor of the Custodian with respect to the amount of gold held in such unallocated accounts. In addition, if the Custodian fails to allocate the Trust's gold in a timely manner, in the proper amounts or otherwise in accordance with the terms of the Unallocated Bullion Account Agreement, or if a subcustodian fails to so segregate gold held by it on behalf of the Trust, unallocated gold will not be segregated from the Custodian's assets, and the Trust will be an unsecured creditor of the Custodian with respect to the amount so held in the event of the insolvency of the Custodian. In the event the Custodian becomes insolvent, the Custodian's assets might not be adequate to satisfy a claim by the Trust or the Authorized Participant for the amount of gold held in their respective unallocated gold accounts.

In the case of the insolvency of the Custodian, a liquidator may seek to freeze access to the gold held in all of the accounts held by the Custodian, including the Trust Allocated Account. Although the Trust would be able to claim ownership of properly allocated gold bars, the Trust could incur expenses in connection with asserting such claims, and the assertion of such a claim by the liquidator could delay creations and redemptions of Baskets.

In issuing Baskets, the Trustee relies on certain information received from the Custodian which is subject to confirmation after the Trustee has relied on the information. If such information turns out to be incorrect, Baskets may be issued in exchange for an amount of gold which is more or less than the amount of gold which is required to be deposited with the Trust.

The Custodian's definitive records are prepared after the close of its business day. However, when issuing Baskets, the Trustee relies on information reporting the amount of gold credited to the Trust's accounts which it receives from the Custodian during the business day and which is subject to correction during the preparation of the Custodian's definitive records after the close of business. If the information relied upon by the Trustee is incorrect, the amount of gold actually received by the Trust may be more or less than the amount required to be deposited for the issuance of Baskets.

The Trust's obligation to reimburse the Marketing Agent, the Authorized Participants and certain parties connected with its initial public offering of 2,300,000 Shares for certain liabilities in the event the Sponsor fails to indemnify such parties could adversely affect an investment in the Shares.

The Sponsor agreed to indemnify the Marketing Agent and UBS Securities LLC, as Purchaser in the Trust's initial public offering in November 2004 of 2,300,000 Shares, their partners, directors and officers, and any person who controls the Marketing Agent or the Purchaser, and their respective successors and assigns, against any loss, damage, expense, liability or claim that may be incurred by the Marketing Agent and/or the Purchaser in connection with (1) any untrue statement or alleged untrue statement of a material fact contained in the registration statement of which this prospectus forms a part (including this prospectus, any preliminary prospectus, any prospectus supplement and any exhibits thereto) or any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (2) any untrue statement or alleged untrue statement of a material fact made by the Sponsor with respect to any representations and warranties or any covenants under (A) the distribution agreement between the Sponsor and the Purchaser, dated November 16, 2004, or the Distribution Agreement, or (B) the Marketing Agent Agreement, or failure of the Sponsor to perform any agreement or covenant therein, (3) any untrue statement or alleged untrue statement of a material fact contained in any materials used in connection with the marketing of the Shares, (4) circumstances surrounding the third party allegations relating to patent and

Risk Factors

contract disputes as described in “Risk Factors — Competing claims over ownership of intellectual property rights related to the Trust could adversely affect the Trust and an investment in the Shares,” or (5) the Marketing Agent’s performance of its duties under the Marketing Agent Agreement, and to contribute to payments that the Purchaser or the Marketing Agent may be required to make in respect thereof. The Trustee has agreed to reimburse the Marketing Agent, solely from and to the extent of the Trust’s assets, for indemnification and contribution amounts due from the Sponsor under the preceding sentence and the Purchaser for indemnification and contribution amounts due from the Sponsor in respect of the items identified in subsections (1), (2), (3) and (4) of the preceding sentence to the extent the Sponsor has not paid such amounts directly when due. Under the Participant Agreement, the Sponsor also has agreed to indemnify the Authorized Participants against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or the Securities Act, and to contribute to payments that the Authorized Participants may be required to make in respect of such liabilities. The Trustee has agreed to reimburse the Authorized Participants, solely from and to the extent of the Trust’s assets, for indemnification and contribution amounts due from the Sponsor in respect of such liabilities to the extent the Sponsor has not paid such amounts when due. In the event the Trust is required to pay any such amounts, the Trustee would be required to sell assets of the Trust to cover the amount of any such payment and the NAV of the Trust would be reduced accordingly, thus adversely affecting an investment in the Shares.

Under the Trust Indenture, the Sponsor may be able to seek indemnification from the Trust for payments it makes in connection with the Sponsor’s activities under the Trust Indenture to the extent its conduct does not disqualify it from receiving such indemnification under the terms of the Trust Indenture. The Sponsor shall also be indemnified from the Trust and held harmless against any loss, liability or expense arising under the Distribution Agreement, the Marketing Agent Agreement or any Participant Agreement insofar as such loss, liability or expense arises from any untrue statement or alleged untrue statement of a material fact contained in any written statement provided to the Sponsor by the Trustee. See the Trust’s Annual Report on Form 10-K, incorporated herein by reference.

Competing claims over ownership of intellectual property rights related to the Trust could adversely affect the Trust and an investment in the Shares.

While the Sponsor believes that all intellectual property rights needed to operate the Trust are owned by or licensed to the Sponsor or the WGC or have been obtained, third parties may allege or assert ownership of intellectual property rights which may be related to the design, structure and operations of the Trust. To the extent any claims of such ownership are brought or any proceedings are instituted to assert such claims, the negotiation, litigation or settlement of such claims, or the ultimate disposition of such claims in a court of law if a suit is brought, may adversely affect the Trust and an investment in the Shares, for example, resulting in expenses or damages or the termination of the Trust.

Use of Proceeds

Proceeds received by the Trust from the issuance and sale of Baskets will consist of gold and, possibly from time to time, cash. Pursuant to the Trust Indenture, during the life of the Trust, the gold and any cash will only be (1) held by the Trust, (2) distributed to Authorized Participants in connection with the redemption of Baskets or (3) sold or disbursed as needed to pay the Trust's ongoing expenses.

Overview of the Gold Industry

HOW GOLD TRAVELS FROM THE MINE TO THE CUSTOMER

The following is a general description of the typical path gold takes from the mine to the customer. Individual paths may vary at several stages in the process from the following description.

Gold, a naturally occurring mineral element, is found in ore deposits throughout the world. Ore containing gold is first either dug from the surface or blasted from the rock face underground. Mined ore is hauled to a processing plant, where it is crushed or milled. Crushed or milled ore is then concentrated in order to separate out the coarser gold and heavy mineral particles from the remaining parts of the ore. Gold is extracted from these ore concentrates by a number of processes and, once extracted, is then smelted to a gold-rich dore (generally a mixture of gold and silver) and cast into bars. Smelting, in its simplest definition, is the melting of ores or concentrates with a reagent which results in the separation of gold from impurities.

The dore goes through a series of refining processes to upgrade it to a purity and format that is acceptable in the market place. Refining can take a number of different forms, according to the type of ore being treated. The dore is refined to a purity of 99.5% or higher. The most common international standard of purity is the standard established by the London Good Delivery Standards, described in “Operation of the Gold Bullion Market — The London Bullion Market.”

The gold mining company pays the refinery a fee, and then sells the bars to a bullion dealer. In some cases, the refinery may buy the gold from the mining company, thus effectively operating as a bullion dealer. Bullion dealers in turn sell the gold to manufacturers of jewelry or industrial products containing gold. Both the sale by the mine and the purchase by the manufacturer will frequently be priced with reference to the London gold price fix, which is widely used as the price benchmark for international gold transactions.

Some gold mining companies sell forward their gold to a bullion dealer in order to lock in cash-flow for revenue management purposes. The price they receive on delivery of the gold will be that which was agreed to at the time of the initial transaction, equivalent to the spot price plus the interest accrued up until the date of delivery.

Once a manufacturer of jewelry or industrial products has taken delivery of the purchased gold, the manufacturer fabricates it and sells the fabricated product to the customer. This is the typical pattern in many parts of the developing world. In some countries, especially in the industrialized world, bullion dealers will consign gold out to a manufacturer. In these cases, the gold will be stored in a secured vault on the premises of the manufacturer, who will use these consignment stocks for fabrication into products as needed. The actual sale of the gold from the bullion dealer to the manufacturer only takes place at the time the manufacturer sells the product, either to a distributor, a retailer or the customer.

In some cases, the manufacturer may, often for cost reasons, ship the gold to another country for fabrication into products. The fabricated products may then be returned to the manufacturer's country of business for onward sale, or shipped to a third country for sale to the customer.

GOLD SUPPLY AND DEMAND

Gold is a physical asset that is accumulated, rather than consumed. As a result, virtually all the gold that has ever been mined still exists today in one form or another. Gold Survey 2010, a publication of GFMS Limited, or GFMS, an independent precious metals research organization based in London, estimates that existing above-ground stocks of gold amounted to 165,600 tonnes (approximately 5.3 billion ounces) at the end of 2009. These stocks have increased by approximately 2.0% per year on average for the 10 years ending December 2009. When used in this prospectus, “tonne” refers to one metric tonne, which is equivalent to 1,000 kilograms or 32,150.7465 troy ounces.

Overview of the Gold Industry

Existing stocks may be broadly divided into two categories based on the primary reason for the purchase or holding of the gold:

- Gold purchased or held as a store of value or monetary asset; and
- Gold purchased or held as a raw material or commodity.

The first category, gold held as a store of value or monetary asset, includes the nearly 29,820 tonnes of gold that is estimated to be owned by the official sector (central banks, other governmental agencies and multi-lateral institutions such as the International Monetary Fund, or the IMF). GFMS estimate that 920 tonnes of this had already been mobilized into the market and fabricated into gold products. This reduces to 28,900 tonnes (17.5% of the estimated total) the total that could theoretically become available in the unlikely event that all official sector holdings were liquidated. The 29,600 tonnes of gold (17.9% of the estimated total) in the hands of private investors also falls into this first category. As of May 26, 2010, the Trust held 1,267 tonnes of gold. While much of the gold in this category exists in bullion form and, in theory, could be mobilized and made available to the market, there are currently no indications that a significantly greater amount of gold will be mobilized in the near future than has been mobilized in recent years.

The second category, gold held as a raw material or commodity, includes the 83,700 tonnes of gold (50.5% of the estimated total) that has been manufactured into jewelry. As all gold jewelry exists as fabricated products, the jewelry would need to be remelted and transformed into bullion bars before being mobilized into the market in an acceptable form. While adornment is the primary motivation behind purchases of gold jewelry in the industrialized world, much of the jewelry in the developing world has an additional store of value element, with this jewelry being held, at least in part, as a means of savings. As this jewelry in the developing world tends to be of higher purity, the price of an item of jewelry is more closely correlated with the value of the gold contained in it than is the case in the industrialized world. As a result, this jewelry is more susceptible to recycling. Recycled jewelry, primarily from the developing world, is the largest single component of annual gold scrap supply, which averaged 1,010 tonnes annually over the last 10 years.

The second category also includes the 19,800 tonnes of gold (12.0% of the estimated total) that has been manufactured or incorporated into industrial products. Similar to jewelry, this gold would need to be recovered from the industrial products and then remelted and recast into bars before it could be mobilized into the market. Small quantities of remelted gold from industrial products come onto the market each year.

Approximately 3,600 tonnes of above-ground stocks (2.2% of the estimated total) is unaccounted for.

WORLD GOLD SUPPLY AND DEMAND (2000 – 2009)

The following table sets forth a summary of the world gold supply and demand for the last 10 years. It is based on information reported in the GFMS Gold Survey 2010.

World Gold Supply and Demand, 2000-2009

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Mine production	2,620	2,646	2,618	2,623	2,494	2,550	2,485	2,473	2,409	2,572
Official sector sales	479	520	547	620	479	663	365	484	232	41
Old gold scrap	619	749	872	985	878	898	1,129	982	1,316	1,674
Net producer hedging	(15)	(151)	(412)	(289)	(438)	(92)	(410)	(444)	(352)	(254)
Total reported supply¹	3,704	3,764	3,625	3,939	3,413	4,019	3,569	3,494	3,605	4,033
Gold fabrication in carat jewellery	3,205	3,009	2,662	2,484	2,616	2,718	2,298	2,417	2,193	1,759
Gold fabrication in electronics	283	197	206	233	262	282	308	311	293	246
Gold fabrication in other industrial & decorative applications	99	97	83	82	85	90	93	96	91	74
Gold fabrication in dentistry	69	69	69	67	68	62	61	58	56	53
Retail investment	166	357	340	301	349	394	416	434	858	703
Investment in Exchange Traded Funds and related products ²	0	0	3	39	133	208	260	253	321	617
Total identifiable demand¹	3,822	3,729	3,363	3,194	3,512	3,753	3,436	3,569	3,811	3,451
Supply less demand³	(119)	35	262	745	(99)	266	133	(75)	(206)	582

Overview of the Gold Industry

(1) *Figures may not add due to independent rounding.*

(2) *Including Gold Bullion Securities (LSE and ASX), SPDR Gold Shares, NewGold Gold Debentures, Barclays Global Investors iShares Comex Gold Trust, ZKB Gold, GOLDIST, ETFS Physical Gold, Extra-Gold, Julius Baer Physical Gold Fund, Dubai Gold Securities, Central Fund of Canada and Central Gold Trust.*

(3) *This is the residual from combining all the other data in the table. The residual results from the fact that there is no reliable methodology for measuring all elements of gold supply and demand. It includes net institutional investment other than that in Exchange Traded Funds and similar products, movements in stocks and other elements together with any residual error.*

Source: GFMS Gold Survey 2010

SOURCES OF GOLD SUPPLY

Sources of gold supply include both mine production and the recycling or mobilizing of existing above-ground stocks. The largest portion of gold supplied into the market annually is from gold mine production. The second largest source of annual gold supply is from old scrap, which is gold that has been recovered from jewelry and other fabricated products and converted back into marketable gold. Official sector sales have outstripped purchases since 1989, creating additional net supply of gold into the marketplace, although the pace of these net sales has slowed sharply in recent years. Net producer hedging accelerates the sale of physical gold and can therefore impact, positively or negatively, on supply in a given year.

MINE PRODUCTION

Mine production includes gold produced from primary deposits and from secondary deposits where the gold is recovered as a by-product metal from other mining activities.

Mine production is derived from numerous separate operations on all continents of the world, except Antarctica. Any disruption to production in any one locality is unlikely to affect a significant number of these operations simultaneously. Such potential disruption is unlikely to have a material impact on the overall level of global mine production, and therefore equally unlikely to have a noticeable impact on the gold price.

In the unlikely event of significant disruptions to production occurring simultaneously at a large number of individual mines, any impact on the price of gold would likely be short-lived. Historically, any sudden and significant rise in the price of gold has been followed by a reduction in physical demand which lasts until the period of unusual volatility is past. Gold price increases also tend to lead to an increase in the levels of recycled scrap used for gold supply. Both of these factors have tended to limit the extent and duration of upward movements in the price of gold.

Since 1984, the amount of new gold that is mined each year has been substantially lower than the level of physical demand. For example, during the five years from 2004 to 2009, new mine production satisfied on average 69% of total identifiable demand. The shortfall in total supply has been met by additional supplies from existing above-ground stocks, coming from the recycling of fabricated gold products, official sector sales and net producer de-hedging.

OLD GOLD SCRAP

Gold scrap is gold that has been recovered from fabricated products, melted, refined and cast into bullion bars for subsequent resale into the gold market. The predominant source of gold scrap is recycled jewelry. This predominance is largely a function of price and economic circumstances. In 2009, recycling of old gold reached a record high of 1,674 tonnes as a unique combination of high prices (in some currencies, record prices) and the deepening global economic crisis created ideal conditions for unprecedented levels of selling-back. Traditionally the domain of non-western consumers, recycling of old gold became a global phenomenon in the first quarter of 2009. Consumers in western markets were forced to sell to obtain liquidity in times of financial hardship and sharply tighter credit conditions, while non-western consumers generally reacted to the quarter's high prices by taking profits on existing holdings. During the first quarter of 2009, scrap supply exceeded mine production for the first time on record and although recycling activity eased back during subsequent quarters, it remained high on a historical basis.

OFFICIAL SECTOR SALES

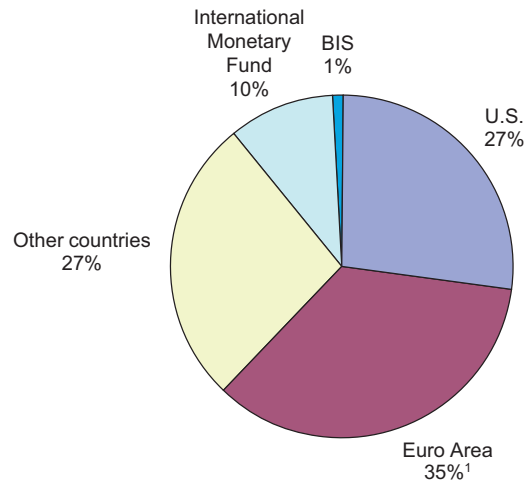
Historically, central banks have retained gold as a strategic reserve asset. However, since 1989 the official sector has been a net seller of gold to the private sector, supplying an average of 381 tonnes per year from 1989 to 2009. This has resulted in net movements of gold from the official to the private sector. The prominence given by market commentators to this activity and the size of official sector gold holdings, has resulted in this area being one of the more visible sources of supply. During 2009, dwindling sales from European central banks under the CBGA, coupled with substantial purchases on the part of several central banks outside the CBGA including China, Russia, and India, resulted in net annual sales of 41 tonnes being the lowest level of recorded since 1989. The current CBGA allows for the IMF planned sale of 403.3 tonnes of gold, of which 212 tonnes were sold in off-market transactions to the central banks of India, Mauritius and Sri Lanka during the fourth quarter of 2009. So far in 2010, the IMF has been the only seller of gold under the CBGA with 24.1 tonnes being sold in the first quarter 2010. The IMF announced in February that the remainder of its gold sales program would be conducted in a phased and transparent manner within the terms of the CBGA and would not be disruptive to the gold market. Outside of the CBGA, net purchases were concentrated in Russia, where the central bank continued its program of steady accumulation, and this has resulted in the sector turning a net buyer for the first time in two decades. Other smaller purchases have followed, reducing the overall net supply of gold to the private sector market.

The first CBGA, announced during the International Monetary Fund meetings in Washington, DC on September 26, 1999, was a voluntary agreement among key central banks to clarify their intentions with respect to their gold holdings. The signatories to the agreement were the European Central Bank and 14 other central banks. These institutions agreed not to enter the gold market as sellers except for already decided sales, which were to be achieved through a five year program that limited annual sales to approximately 400 tonnes. The Bank of Greece replaced the Bank of England as a signatory to the second agreement, as the UK government announced that it had no further plans to sell gold.

In August 2009, an announcement confirmed that a third CBGA would run for a further five-year term, from September 27, 2009 (immediately after the second agreement expires). Under the third agreement, the annual ceiling for gold sales was reduced to 400 tonnes. The agreement also stated that proposed IMF sales of 403 tonnes of gold “can be accommodated within the above ceiling.” This third agreement covered the 15 original signatories to the second agreement (the European Central Bank and the national banks of Belgium, Germany, Ireland, Greece, Spain, France, Italy, Luxembourg, The Netherlands, Austria, Portugal, Finland, Sweden and Switzerland), together with the national banks of Slovenia, Cyprus, Malta and Slovakia, which all joined the second agreement when they adopted the Euro.

Overview of the Gold Industry

The following chart shows the reported gold holdings in the official sector at December 31, 2009.



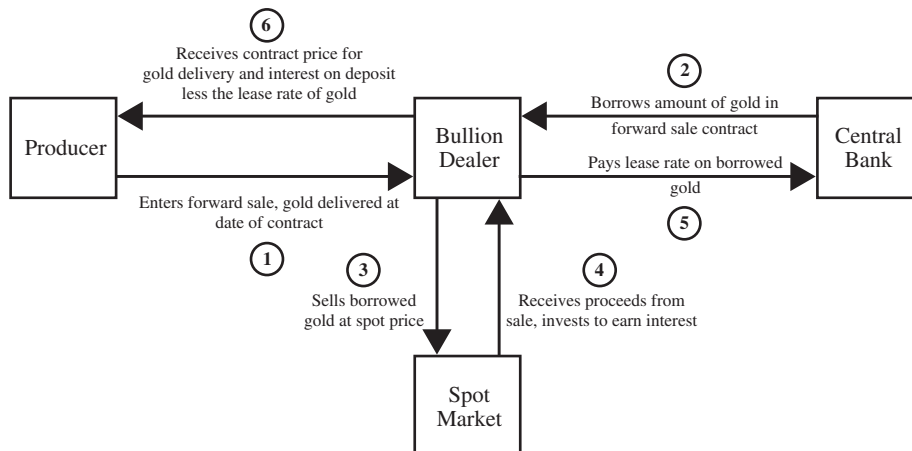
(1) The Euro Area at the end of 2009 comprised the following countries: Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, The Netherlands, Portugal, Slovakia, Slovenia, and Spain, plus the European Central Bank.

Source: IMF, International Financial Statistics, May 2010.

NET PRODUCER HEDGING

Net producer hedging creates incremental supply in the market by accelerating the timing of the sale of gold. A mining company wishing to protect itself from the risk of a decline in the gold price may elect to sell some or all of its anticipated production for delivery at a future date. A bullion dealer accepting such a transaction will finance it by borrowing an equivalent quantity of gold (typically from a central bank), which is immediately sold into the market. The bullion dealer then invests the cash proceeds from that sale of gold and uses the yield on these investments to pay the gold mining company the contango (i.e., the premium available on gold for future delivery). When the mining company delivers the gold it has contracted to sell to the bullion dealer, the dealer returns the gold to the central bank that lent it, or rolls the loan forward in order to finance similar transactions in the future. While over time hedging transactions involve no net increase in the supply of gold to the market, they do accelerate the timing of the sale of the gold, which has an impact on the balance between supply and demand at the time. Since 2000, there has been an annual net reduction in the volume of outstanding producer hedges that has reduced supply.

The following illustration details a typical hedging transaction (numbering indicates sequential timing).



SOURCES OF GOLD DEMAND

As reported by published statistics, the demand for gold amounted to 2.1% of total above ground stocks in 2009. Demand for gold is driven primarily by demand for jewelry, which is used for adornment and, in much of the developing world, also as an investment. Retail investment and industrial applications represent increasingly important, though relatively small, components of overall demand. Retail investment is measured as customer purchases of bars and coins. Gold bonding wire and gold plated contacts and connectors are the two most frequent uses of gold in industrial applications.

Gold demand is widely dispersed throughout the world. While there are seasonal fluctuations in the levels of demand for gold (especially jewelry) in many countries, variations in the timing of such fluctuations in different countries mean that seasonal changes in demand do not have a significant impact on the global gold price.

JEWELRY

The primary source of gold demand is gold jewelry. The motivation for jewelry purchases differs in various regions of the world. In the industrialized world, gold jewelry tends to be purchased purely for adornment purposes, while gold's attributes as a store of value and a means of saving provide an additional motivation for jewelry purchases in much of the developing world. Price and economic factors, such as available wealth and disposable income, are the primary factors in jewelry demand. Jewelry purchased purely for adornment purposes is generally of lower caratage or purity, with design input and improved finishes accounting for a substantial portion of the purchase price. In those parts of the world where the additional motivation of savings or investment applies to the purchase of jewelry, which are mainly in Asia, the Indian subcontinent and the Middle East, gold jewelry is generally of higher caratage, and the purchase price more closely reflects the value of the gold contained in each item.

ELECTRONICS, DENTISTRY AND OTHER INDUSTRIAL AND DECORATIVE APPLICATIONS

Gold bonding wire and gold plated contacts and connectors are the two most frequent uses of gold in electronics. Other uses include high-melting point gold alloy solders and gold thick film pastes for hybrid circuits. In conservative and restorative dentistry, gold is generally used alloyed with other noble metals and with base metals, for inlay and onlay fillings, crown and bridgework and porcelain veneered restorations. Increasingly, pure gold electroforming is being used for dental repairs. Other industrial applications of gold include the use of thin gold coatings on table and enamel ware for decorative purposes and on glasses used in the construction and aerospace industries to reflect infra-red rays. Small quantities are also used in various pharmaceutical applications, including the treatment of arthritis, and in medical implants. Future applications for gold catalysts are in pollution control, clean energy generation and fuel cell technology. In addition, work is under way on the use of gold in cancer treatment.

RETAIL INVESTMENT

Retail investment demand covers coins and bars meeting the standards for investment gold adopted by the European Union, extended to include medallions of variable purity used primarily for investment purposes, and bars or coins which are likely to be worn as jewelry in certain countries. Retail investment is measured as net purchases by the ultimate customer.

INVESTMENT IN EXCHANGE TRADED FUNDS AND RELATED PRODUCTS

This line item represents the annual increase in investment in gold ETFs and related products. The products are listed in the footnote to the table of gold supply and demand in the section captioned "Overview of the Gold Industry — Gold Supply and Demand." The statistics in the columns under each calendar year are calculated by subtracting the reported total assets invested in the various products at the beginning of the year from the reported total assets invested at the close of the year.

OPERATION OF THE GOLD BULLION MARKET

The global trade in gold consists of over-the-counter, or OTC, transactions in spot, forwards, and options and other derivatives, together with exchange-traded futures and options.

GLOBAL OVER-THE-COUNTER MARKET

The OTC market trades on a 24-hour per day continuous basis and accounts for most global gold trading. Market makers, as well as others in the OTC market, trade with each other and with their clients on a principal-to-principal basis. All risks and issues of credit are between the parties directly involved in the transaction. Market makers include the nine market-making members of the LBMA, a trade association that acts as the coordinator for activities conducted on behalf of its members and other participants in the London bullion market. The nine market-making members of the LBMA are: the Bank of Nova Scotia – ScotiaMocatta, Barclays Bank PLC, Deutsche Bank AG, Goldman Sachs International, HSBC Bank USA, National Association, London Branch, JPMorgan Chase Bank, N.A., Mitsui & Co Precious Metals Inc., London Branch, Société Générale and UBS AG. The OTC market provides a relatively flexible market in terms of quotes, price, size, destinations for delivery and other factors. Bullion dealers customize transactions to meet clients' requirements. The OTC market has no formal structure and no open-outcry meeting place.

The main centers of the OTC market are London, New York and Zurich. Mining companies, central banks, manufacturers of jewelry and industrial products, together with investors and speculators, tend to transact their business through one of these market centers. Centers such as Dubai and several cities in the Far East also transact substantial OTC market business, typically involving jewelry and small bars of 1 kilogram or less. Bullion dealers have offices around the world and most of the world's major bullion dealers are either members or associate members of the LBMA. Of the nine market-making members of the LBMA, six offer clearing services. There are an additional 57 full members, plus a number of associate members around the world. The information about LBMA members in this report is as of May 12, 2010. These numbers may change from time to time as new members are added and existing members drop out.

In the OTC market, the standard size of gold trades between market makers ranges between 5,000 and 10,000 ounces. Bid-offer spreads are typically \$0.50 per ounce. Certain dealers are willing to offer clients competitive prices for much larger volumes, including trades over 100,000 ounces, although this will vary according to the dealer, the client and market conditions, as transaction costs in the OTC market are negotiable between the parties and therefore vary widely. Cost indicators can be obtained from various information service providers as well as dealers.

Liquidity in the OTC market can vary from time to time during the course of the 24-hour trading day. Fluctuations in liquidity are reflected in adjustments to dealing spreads – the differential between a dealer's "buy" and "sell" prices. The period of greatest liquidity in the gold market generally occurs at the time of day when trading in the European time zones overlaps with trading in the United States, which is when OTC market trading in London, New York and other centers coincides with futures and options trading on the COMEX. This period lasts for approximately four hours each New York business day morning.

THE LONDON BULLION MARKET

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

The term "loco London" gold refers to gold bars physically held in London that meet the specifications for weight, dimensions, fineness (or purity), identifying marks (including the assay stamp of a LBMA acceptable refiner) and appearance set forth in "The Good Delivery Rules for Gold and Silver Bars" published by the LBMA. Gold bars meeting these requirements are described in this report from time to time as "London Good Delivery Bars." The unit of trade in London is the troy ounce, whose conversion between grams is: 1,000

Overview of the Gold Industry

grams = 32.1507465 troy ounces and 1 troy ounce = 31.1034768 grams. A London Good Delivery Bar is acceptable for delivery in settlement of a transaction on the OTC market. Typically referred to as 400-ounce bars, a London Good Delivery Bar must contain between 350 and 430 fine troy ounces of gold, with a minimum fineness (or purity) of 995 parts per 1,000 (99.5%), be of good appearance and be easy to handle and stack. The fine gold content of a gold bar is calculated by multiplying the gross weight of the bar (expressed in units of 0.025 troy ounces) by the fineness of the bar. A London Good Delivery Bar must also bear the stamp of one of the melters and assayers who are on the LBMA approved list. Unless otherwise specified, the gold spot price always refers to that of a London Good Delivery Bar. Business is generally conducted over the phone and through electronic dealing systems.

Twice daily during London trading hours there is a fix which provides reference gold prices for that day's trading. Many long-term contracts will be priced on the basis of either the morning (AM) or afternoon (PM) London fix, and market participants will usually refer to one or the other of these prices when looking for a basis for valuations. The London fix is the most widely used benchmark for daily gold prices and is quoted by various financial information sources.

Formal participation in the London fix is traditionally limited to five members, each of which is a bullion dealer and a member of the LBMA. The chairmanship rotates annually among the five member firms. The fix takes place by telephone and the five member firms no longer meet face-to-face as was previously the case. The morning session of the fix starts at 10:30 AM London time and the afternoon session starts at 3:00 PM London time. The current members of the gold fixing are Bank of Nova Scotia — ScotiaMocatta, Barclays Bank plc, Deutsche Bank AG, HSBC Bank USA, N.A., and Société Générale. Any other market participant wishing to participate in the trading on the fix is required to do so through one of the five gold fixing members.

Orders are placed either with one of the five fixing members or with another bullion dealer who will then be in contact with a fixing member during the fixing. The fixing members net-off all orders when communicating their net interest at the fixing. The fix begins with the fixing chairman suggesting a "trying price," reflecting the market price prevailing at the opening of the fix. This is relayed by the fixing members to their dealing rooms which have direct communication with all interested parties. Any market participant may enter the fixing process at any time, or adjust or withdraw his order. The gold price is adjusted up or down until all the buy and sell orders are matched, at which time the price is declared fixed. All fixing orders are transacted on the basis of this fixed price, which is instantly relayed to the market through various media. The London fix is widely viewed as a full and fair representation of all market interest at the time of the fix.

FUTURES EXCHANGES

The most significant gold futures exchanges are the COMEX, the Chicago Board of Trade or CBOT, and the Tokyo Commodity Exchange or TOCOM. The COMEX and the CBOT both began to offer trading in gold futures contracts in 1974. For most of the period since that date, the COMEX has been the largest exchange in the world for trading precious metals futures and options. Trading volumes in gold futures on the CBOT have, however, sometimes exceeded those on the COMEX. In July 2007, the Chicago Mercantile Exchange or CME merged with the CBOT to form the CME Group. On August 22, 2008, the CME Group acquired NYMEX Holdings, Inc., including the COMEX. The TOCOM has been trading gold since 1982. Trading on these exchanges is based on fixed delivery dates and transaction sizes for the futures and options contracts traded. Trading costs are negotiable. As a matter of practice, only a small percentage of the futures market turnover ever comes to physical delivery of the gold represented by the contracts traded. Both exchanges permit trading on margin. Margin trading can add to the speculative risk involved given the potential for margin calls if the price moves against the contract holder. The COMEX operates through a central clearance system. On June 6, 2003, TOCOM adopted a similar clearance system. In each case, the exchange acts as a counterparty for each member for clearing purposes.

OTHER EXCHANGES

There are other gold exchange markets, such as the Istanbul Gold Exchange (trading gold since 1995), the Shanghai Gold Exchange (trading gold since October 2002) and the Hong Kong Chinese Gold & Silver Exchange Society (trading gold since 1918).

MARKET REGULATION

The global gold markets are overseen and regulated by both governmental and self-regulatory organizations. In addition, certain trade associations have established rules and protocols for market practices and participants. In the United Kingdom, responsibility for the regulation of the financial market participants, including the major participating members of the LBMA, falls under the authority of the Financial Services Authority, or FSA, as provided by the Financial Services and Markets Act 2000, or FSM Act. Under this act, all UK-based banks, together with other investment firms, are subject to a range of requirements, including fitness and properness, capital adequacy, liquidity, and systems and controls.

The FSA is responsible for regulating investment products, including derivatives, and those who deal in investment products. Regulation of spot, commercial forwards, and deposits of gold and silver not covered by the FSM Act is provided for by The London Code of Conduct for Non-Investment Products, which was established by market participants in conjunction with the Bank of England.

Participants in the U.S. OTC market for gold are generally regulated by the market regulators which regulate their activities in the other markets in which they operate. For example, participating banks are regulated by the banking authorities. In the United States, Congress created the CFTC in 1974 as an independent agency with the mandate to regulate commodity futures and option markets in the United States. The CFTC regulates market participants and has established rules designed to prevent market manipulation, abusive trade practices and fraud. The CFTC requires that any trader holding an open position of more than 200 lots (i.e. 20,000 ounces) in any one contract month on the COMEX division of the New York Mercantile Exchange must declare his or her identity, the nature of his or her business (hedging, speculative, etc.) and the existence and size of his or her positions.

The TOCOM has authority to perform financial and operational surveillance on its members' trading activities, scrutinize positions held by members and large-scale customers, and monitor the price movements of futures markets by comparing them with cash and other derivative markets' prices. To act as a Futures Commission Merchant Broker, a broker must obtain a license from Japan's Ministry of Economy, Trade and Industry, the regulatory authority that oversees the operations of the TOCOM.

ANALYSIS OF HISTORICAL MOVEMENTS IN THE PRICE OF GOLD

As movements in the price of gold are expected to directly affect the price of the Shares, investors should understand what the recent movements in the price of gold have been. Investors, however, should also be aware that past movements in the gold price are not indicators of future movements. This section of the prospectus identifies recent trends in the movements of the gold price and discusses some of the important events which have influenced these movements.

Overview of the Gold Industry

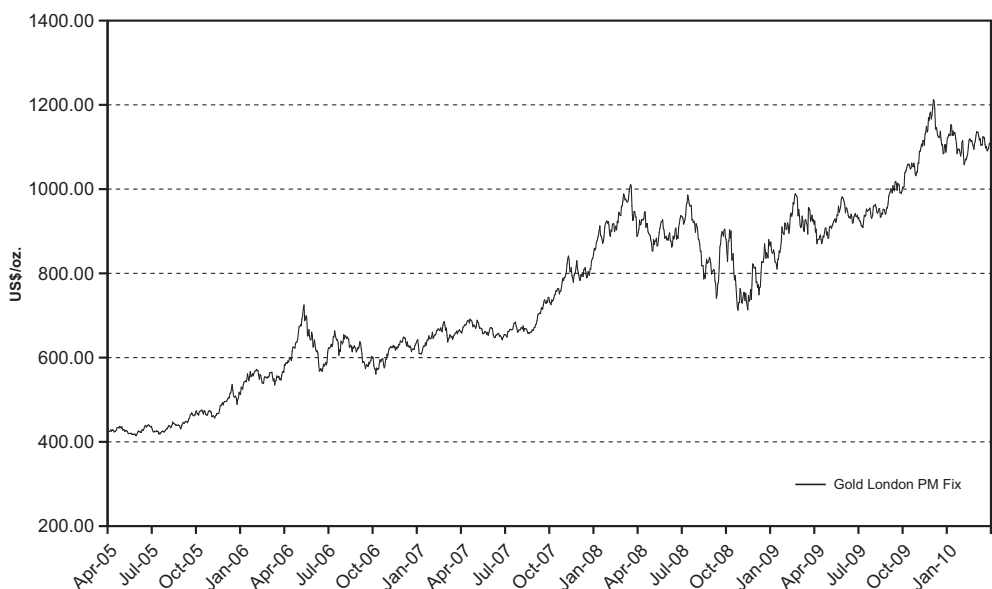
The following chart provides historical background on the price of gold. The chart illustrates movements in the price of gold in US dollars per ounce over the period from January 1, 1971 to March 31, 2010, and is based on the London PM fix.

Daily gold price - January 1, 1971 to March 31, 2010



The following chart illustrates the movements in the price of gold in US dollars per ounce over the five year period from April 1, 2005 to March 31, 2010, and is based on the London PM fix.

Daily gold price - April 1, 2005 to March 31, 2010



After reaching a 20-year low of \$252.80 per ounce at the London PM fix on July 20, 1999, the gold price gradually increased. The average gold price for 2004 was \$409.17 per ounce, the average for 2005 was \$444.45 per ounce and the average for 2006 was \$603.77. In 2007, the average gold price for the year was \$695.39 per ounce. After trading between \$608.40 (January 10) and \$691.40 (April 20) for the first eight

Overview of the Gold Industry

months of 2007, the price subsequently began to move sharply higher. On January 3, 2008 it broke through the previous record of \$850.00 per ounce, which was set on January 21, 1980 before rising further to reach a peak of \$1,011.25 on March 17, 2008. The gold price fell back from this level to \$853.00 on May 1, 2008 and was volatile for the rest of the year, rising back as high as \$986.00 on July 15 and falling to a low of \$712.50 on October 24 before ending the year at \$869.75. The average price for the year in 2008 was \$871.96.

The gold price rose to a fresh record high of \$989.00 in late-February 2009, before correcting back down to around \$870.00 over the subsequent 8 week period. The gold price then entered a subdued phase during the middle of the year. Between June 1, 2009 and August 28, 2009, the gold price traded in a sideways range between a high of \$981.75 and a low of \$908.50. During the closing weeks of the third quarter, however, the price broke higher and set a series of successive record highs over the remainder of the year. The peak for 2009 of \$1,212.50 was reached on December 2, 2009. Strong inflows from western investors concerned about building inflation and the value of the U.S. dollar were the driving force behind the rising price.

For the period from January 1, through March 31, 2010, the average price was \$1,109.12 based on the London PM fix. The gold price reached a high of \$1,153.00 on January 11, 2010 before correcting back to a low of \$1,058.00 on February 5, 2010. Subsequently, the price held within a tight range around \$1,100.00, for the most part holding above this level. The London PM fix on March 31, 2010 was \$1,115.50. Subsequently, the gold price reached a new all time high of \$1,237.50 per ounce on May 12, 2010 and May 13, 2010.

The initial reason for the market's turnaround during 1999 was the strong rise in physical demand, notably in price sensitive markets such as China, Egypt, India and Japan. The sharp gold price rise in September 1999 was largely a reflection of the CBGA, which removed an important element of uncertainty from the market and led not just to renewed professional interest in the market but also to short-covering purchases. The CBGA underpinned improved sentiment in the longer term (fears over official sector sales had been a key element to negative sentiment across the market in the latter part of the 1990s).

Despite the CBGA, a number of factors led to the gold price resuming a downward trend in 2000. These included renewed strength in the dollar (gold is often perceived as a dollar hedge), strong global economic growth, low inflation and, for much of the year, buoyant stock markets in the United States and other key countries. This downward price trend persisted into the early part of 2001. At this time the gold price once again appeared to be approaching \$250 per ounce but, as before, strong physical demand from price sensitive markets such as India again countered the downward trend.

Sentiment in the gold market started to change in early 2001, and the gold price has shown an upward trend since March of that year. A rapid economic slowdown occurred in the world economy, while stock markets in the United States and other key countries were falling. There was an end to the significant disinvestment in gold in Europe and North America that had affected gold prices during 2000. In addition, the rapid sequence of interest rate cuts in the United States reduced the risk/reward ratio that had previously been enjoyed by speculators who had been trading in the gold market from the short side (i.e., selling forward or futures with a view to buying back at a lower price). Lower interest rates reduced the contango (i.e., the premium available on gold for future delivery) available and this, combined with steady prices, meant that such trades became increasingly unattractive. After the first quarter of 2001, some mining companies started to reduce their hedge books, reducing the amount of gold coming onto the market. Political uncertainties and the continuing economic downturn after the attacks of September 11, 2001 added to demand for gold investments.

The upward price trend that began in 2001 has continued for much of the period since the inception of the Trust on November 12, 2004, except for a period of several months during which the gold price corrected between May and October 2006. After reaching a peak of \$725.00 at the London PM fix on May 12, 2006, gold corrected down to a low of \$560.75 at the PM Fix on October 6, 2006. The reason most often cited for the correction was a concern among investors that monetary authorities, especially in the U.S., would move to counter the threat of rising inflation by aggressively raising interest rates. These concerns quickly ebbed, however, and as the dollar continued to fall, the gold price rallied from the October 2006 low. In any event, beginning in August 2007, the U.S. authorities began to reduce interest rates in response to the subprime mortgage crisis. The continued reduction in the fed funds rate helped to drive gold to a fresh all-time high of \$1,011.25 on March 17, 2008. As the subprime mortgage problems escalated into a global financial crisis

Overview of the Gold Industry

throughout 2008, gold traded in a range from the mid-\$900s down to the mid-\$700s. The higher prices tended to coincide with investor buying on fresh news of distress for companies in the financial sector, and the lows appeared to have been triggered by selling from investors in the search for liquidity. The gold price broke out of this range in the third quarter of 2009, once again breaching the symbolic \$1,000 per ounce level during the next to the last week of the quarter. The rally continued in the fourth quarter of 2009, with the gold price posting successive new records. The record for the year of \$1,212.50 per ounce was set at the London PM fix on December 2, 2009. The major driver appears to have been increased investment inflows supported by: first, stronger economic activity and actions by the worlds' major central banks which have led to an uptick in inflation fears and a rise in demand for gold as a store of value; and second, further dollar weakness, which has increased demand for gold as a dollar hedge. During the first quarter of 2010, the gold price edged up modestly ending at \$1,115.50 per ounce on the London PM fix from \$1,087.50 per ounce at the end of fourth quarter of 2009. Through the quarter, gold mostly traded in a range between \$1,058.00 per ounce and \$1,153.00 per ounce as seasonally strong jewelry demand from India and China was partly offset by mixed financial and economic developments around the globe. However, as concerns on European sovereign debt mounted, demand for gold increased and the gold price reached a new all time high of \$1,237.50 on May 12, 2010 and May 13, 2010.

Creation and Redemption of Shares

Authorized Participants are the only persons that may place orders to create and redeem Baskets. Authorized Participants must be (1) registered broker-dealers or other securities market participants, such as banks and other financial institutions, which are not required to register as broker-dealers to engage in securities transactions, and (2) DTC Participants. To become an Authorized Participant, a person must enter into a Participant Agreement with the Sponsor and the Trustee. The Participant Agreement provides the procedures for the creation and redemption of Baskets and for the delivery of the gold and any cash required for such creations and redemptions. The Participant Agreement and the related procedures attached thereto may be amended by the Trustee and the Sponsor, without the consent of any Shareholder or Authorized Participant. Authorized Participants pay a transaction fee of \$2,000 to the Trustee for each order they place to create or redeem one or more Baskets. Authorized Participants who make deposits with the Trust in exchange for Baskets receive no fees, commissions or other form of compensation or inducement of any kind from either the Sponsor or the Trust, and no such person has any obligation or responsibility to the Sponsor or the Trust to effect any sale or resale of Shares.

Authorized Participants are cautioned that some of their activities will result in their being deemed participants in a distribution in a manner which would render them statutory underwriters and subject them to the prospectus-delivery and liability provisions of the Securities Act, as described in “Plan of Distribution.”

Prior to initiating any creation or redemption order, an Authorized Participant must have entered into an agreement with the Custodian to establish an Authorized Participant Unallocated Account in London, or a Participant Unallocated Bullion Account Agreement. Authorized Participant Unallocated Accounts may only be used for transactions with the Trust. Gold held in Authorized Participant Unallocated Accounts is not segregated from the Custodian’s assets, as a consequence of which an Authorized Participant will have no proprietary interest in any specific bars of gold held by the Custodian. Credits to its Authorized Participant Unallocated Account are therefore at risk of the Custodian’s insolvency. No fees will be charged by the Custodian for the use of the Authorized Participant Unallocated Account as long as the Authorized Participant Unallocated Account is used solely for gold transfers to and from the Trust Unallocated Account and the Custodian (or one of its affiliates) receives compensation for maintaining the Trust Allocated Account. Authorized Participants should be aware that the Custodian’s liability threshold under the Participant Unallocated Bullion Account Agreement is gross negligence, not negligence, which is the Custodian’s liability threshold under the Trust’s Custody Agreements.

As the terms of the Participant Unallocated Bullion Account Agreement differ in certain respects from the terms of the Trust’s Unallocated Bullion Account Agreement, potential Authorized Participants should review the terms of the Participant Unallocated Bullion Account Agreement carefully. The form of Participant Unallocated Bullion Account Agreement is attached as an attachment to the Participant Agreement. A copy of the Participant Agreement may be obtained by potential Authorized Participants from the Trustee.

Certain Authorized Participants are expected to have the facility to participate directly in the gold bullion market and the gold futures market. In some cases, an Authorized Participant may from time to time acquire gold from or sell gold to its affiliated gold trading desk, which may profit in these instances. The Sponsor believes that the size and operation of the gold bullion market make it unlikely that an Authorized Participant’s direct activities in the gold or securities markets will impact the price of gold or the price of the Shares. Each Authorized Participant will be registered as a broker-dealer under the Securities Exchange Act of 1934, or the Exchange Act, and regulated by the Financial Industry Regulatory Authority, or FINRA, or will be exempt from being or otherwise will not be required to be so regulated or registered, and will be qualified to act as a broker or dealer in the states or other jurisdictions where the nature of its business so requires. Certain Authorized Participants may be regulated under federal and state banking laws and regulations. Each Authorized Participant will have its own set of rules and procedures, internal controls and information barriers as it determines is appropriate in light of its own regulatory regime.

Creation and Redemption of Shares

Authorized Participants may act for their own accounts or as agents for broker-dealers, custodians and other securities market participants that wish to create or redeem Baskets. An order for one or more Baskets may be placed by an Authorized Participant on behalf of multiple clients. As of the date of this prospectus, BMO Capital Markets Corp., CIBC World Markets Corp., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., EWT, LLC, Goldman, Sachs & Co., Goldman Sachs Execution & Clearing L.P., HSBC Securities (USA) Inc., J.P. Morgan Securities Inc., Merrill Lynch Professional Clearing Corp., Morgan Stanley & Co. Incorporated, Newedge USA LLC, RBC Capital Markets Corporation, Scotia Capital (USA) Inc. and UBS Securities LLC have each signed a Participant Agreement with the Trust and may create and redeem Baskets as described above. Persons interested in purchasing Baskets should contact the Sponsor or the Trustee to obtain the contact information for the Authorized Participants. Shareholders who are not Authorized Participants will only be able to redeem their Shares through an Authorized Participant.

All gold will be delivered to the Trust and distributed by the Trust in unallocated form through credits and debits between Authorized Participant Unallocated Accounts and the Trust Unallocated Account. Gold transferred from an Authorized Participant Unallocated Account to the Trust in unallocated form is first credited to the Trust Unallocated Account. Thereafter, the Custodian allocates specific bars of gold representing the amount of gold credited to the Trust Unallocated Account (to the extent such amount is representable by whole gold bars) to the Trust Allocated Account. The movement of gold is reversed for the distribution of gold to an Authorized Participant in connection with the redemption of Baskets.

All gold bars represented by a credit to any Authorized Participant Unallocated Account and to the Trust Unallocated Account and all gold bars held in the Trust Allocated Account with the Custodian must be of at least a minimum fineness (or purity) of 995 parts per 1,000 (99.5%) and otherwise conform to the rules, regulations practices and customs of the LBMA, including the specifications for a London Good Delivery Bar.

Under the Participant Agreement, the Sponsor has agreed to indemnify the Authorized Participants against certain liabilities, including liabilities under the Securities Act, and to contribute to the payments the Authorized Participants may be required to make in respect of those liabilities. The Trustee has agreed to reimburse the Authorized Participants, solely from and to the extent of the Trust's assets, for indemnification and contribution amounts due from the Sponsor in respect of such liabilities to the extent the Sponsor has not paid such amounts when due.

The following description of the procedures for the creation and redemption of Baskets is only a summary and an investor should refer to the relevant provisions of the Trust Indenture and the form of Participant Agreement for more detail, each of which is attached as an exhibit to the registration statement of which this prospectus is a part. The form of Participant Unallocated Bullion Account Agreement is attached as an attachment to the form of Participant Agreement which may be obtained from the Trustee. See "Where You Can Find More Information" for information about where you can obtain the registration statement.

CREATION PROCEDURES

On any business day, an Authorized Participant may place an order with the Trustee to create one or more Baskets. For purposes of processing both purchase and redemption orders, a "business day" means any day other than a day: (1) when the NYSE Arca is closed for regular trading; or (2), if the order requires the receipt or delivery, or the confirmation of receipt or delivery, of gold in the United Kingdom or in some other jurisdiction on a particular day, (A) when banks are authorized to close in the United Kingdom or in such other jurisdiction or when the London gold market is closed or (B) when banks in the United Kingdom or in such other jurisdiction are, or the London gold market is, not open for a full business day and the transaction requires the execution or completion of procedures which cannot be executed or completed by the close of the business day. Purchase orders must be placed by 4:00 PM or the close of regular trading on NYSE Arca, whichever is earlier. The day on which the Trustee receives a valid purchase order is the purchase order date.

By placing a purchase order, an Authorized Participant agrees to deposit gold with the Trust, or a combination of gold and cash, as described below. Prior to the delivery of Baskets for a purchase order, the Authorized Participant must also have wired to the Trustee the non-refundable transaction fee due for the purchase order.

DETERMINATION OF REQUIRED DEPOSITS

The total deposit required to create each Basket, or a Creation Basket Deposit, is an amount of gold and cash, if any, that is in the same proportion to the total assets of the Trust (net of estimated accrued but unpaid fees, expenses and other liabilities) on the date the order to purchase is properly received as the number of Shares to be created under the purchase order is in proportion to the total number of Shares outstanding on the date the order is received. The Sponsor anticipates that in the ordinary course of the Trust's operations a cash deposit will not be required for the creation of Baskets.

The amount of the required gold deposit is determined by dividing the number of ounces of gold held by the Trust by the number of Baskets outstanding, as adjusted for estimated accrued but unpaid fees and expenses as described in the next paragraph.

The amount of any required cash deposit is determined as follows. The estimated unpaid fees, expenses and liabilities of the Trust accrued through the purchase order date are subtracted from any cash held or receivable by the Trust as of the purchase order date. The remaining amount is divided by the number of Shares outstanding immediately before the purchase order date and then multiplied by the number of Shares being created pursuant to the purchase order. If the resulting amount is positive, this amount is the required cash deposit. If the resulting amount is negative, the amount of the required gold deposit is reduced by the number of fine ounces of gold equal in value to that resulting amount, determined at the price of gold used in calculating the NAV of the Trust on the purchase order date. Fractions of a fine ounce of gold smaller than 0.001 of a fine ounce which are included in the gold deposit amount are disregarded. All questions as to the composition of a Creation Basket Deposit are finally determined by the Trustee. The Trustee's determination of the Creation Basket Deposit shall be final and binding on all persons interested in the Trust.

DELIVERY OF REQUIRED DEPOSITS

An Authorized Participant who places a purchase order is responsible for crediting its Authorized Participant Unallocated Account with the required gold deposit amount by the end of the second business day in London following the purchase order date. Upon receipt of the gold deposit amount, the Custodian, after receiving appropriate instructions from the Authorized Participant and the Trustee, will transfer on the third business day following the purchase order date the gold deposit amount from the Authorized Participant Unallocated Account to the Trust Unallocated Account and the Trustee will direct DTC to credit the number of Baskets ordered to the Authorized Participant's DTC account. The expense and risk of delivery, ownership and safekeeping of gold until such gold has been received by the Trust shall be borne solely by the Authorized Participant. The Trustee may accept delivery of gold by such other means as the Sponsor, from time to time, may determine to be acceptable for the Trust, provided that the same is disclosed in a prospectus relating to the Trust filed with the SEC pursuant to Rule 424 under the Securities Act. If gold is to be delivered other than as described above, the Sponsor is authorized to establish such procedures and to appoint such custodians and establish such custody accounts in addition to those described in this prospectus as the Sponsor determines to be desirable.

Acting on standing instructions given by the Trustee, the Custodian will transfer the gold deposit amount from the Trust Unallocated Account to the Trust Allocated Account by allocating to the Trust Allocated Account specific bars of gold from unallocated bars which the Custodian holds or instructing a subcustodian to allocate specific bars of gold from unallocated bars held by or for the subcustodian. The Custodian will use commercially reasonable efforts to complete the transfer of gold to the Trust Allocated Account prior to the time by which the Trustee is to credit the Basket to the Authorized Participant's DTC account; if, however, such transfers have not been completed by such time, the number of Baskets ordered will be delivered against receipt of the gold deposit amount in the Trust Unallocated Account, and all Shareholders will be exposed to the risks of unallocated gold to the extent of that gold deposit amount until the Custodian completes the allocation process. See "Risk Factors — Gold held in the Trust's unallocated gold account and any Authorized Participant's unallocated gold account will not be segregated from the Custodian's assets . . ."

Because gold is allocated only in multiples of whole bars, the amount of gold allocated from the Trust Unallocated Account to the Trust Allocated Account may be less than the total fine ounces of gold

Creation and Redemption of Shares

credited to the Trust Unallocated Account. Any balance is held in the Trust Unallocated Account. The Custodian will use commercially reasonable efforts to minimize the amount of gold held in the Trust Unallocated Account; no more than 430 ounces of gold is expected to be held in the Trust Unallocated Account at the close of each business day.

REJECTION OF PURCHASE ORDERS

The Trustee may reject a purchase order or a Creation Basket Deposit if:

- ▶ It determines that the purchase order or the Creation Basket Deposit is not in proper form;
- ▶ The Sponsor believes that the purchase order or the Creation Basket Deposit would have adverse tax consequences to the Trust or its Shareholders;
- ▶ The acceptance or receipt of the Creation Basket Deposit would, in the opinion of counsel to the Sponsor, be unlawful; or
- ▶ Circumstances outside the control of the Trustee, the Sponsor or the Custodian make it, for all practical purposes, not feasible to process creations of Baskets.

None of the Trustee, the Sponsor or the Custodian will be liable for the rejection of any purchase order or Creation Basket Deposit.

REDEMPTION PROCEDURES

The procedures by which an Authorized Participant can redeem one or more Baskets mirror the procedures for the creation of Baskets. On any business day, an Authorized Participant may place an order with the Trustee to redeem one or more Baskets. Redemption orders must be placed by 4:00 PM or the close of regular trading on NYSE Arca, whichever is earlier. A redemption order so received is effective on the date it is received in satisfactory form by the Trustee. The redemption procedures allow Authorized Participants to redeem Baskets and do not entitle an individual Shareholder to redeem any Shares in an amount less than a Basket, or to redeem Baskets other than through an Authorized Participant.

By placing a redemption order, an Authorized Participant agrees to deliver the Baskets to be redeemed through DTC's book-entry system to the Trust not later than the third business day following the effective date of the redemption order. Prior to the delivery of the redemption distribution for a redemption order, the Authorized Participant must also have wired to the Trustee the non-refundable transaction fee due for the redemption order.

DETERMINATION OF REDEMPTION DISTRIBUTION

The redemption distribution from the Trust consists of a credit to the redeeming Authorized Participant's Authorized Participant Unallocated Account representing the amount of the gold held by the Trust evidenced by the Shares being redeemed plus, or minus, the cash redemption amount. The cash redemption amount is equal to the value of all assets of the Trust other than gold less all estimated accrued but unpaid expenses and other liabilities, divided by the number of Baskets outstanding and multiplied by the number of Baskets included in the Authorized Participant's redemption order. The Trustee distributes any positive cash redemption amount through DTC to the account of the Authorized Participant as recorded on DTC's book entry system. If the cash redemption amount is negative, the credit to the Authorized Participant Unallocated Account is reduced by the number of ounces of gold equal in value to the negative cash redemption amount, determined at the price of gold used in calculating the NAV of the Trust on the redemption order date. The Sponsor anticipates that in the ordinary course of the Trust's operations there will be no cash distributions made to Authorized Participants upon redemptions. Fractions of a fine ounce of gold included in the redemption distribution smaller than 0.001 of a fine ounce are disregarded. Redemption distributions are subject to the deduction of any applicable tax or other governmental charges which may be due.

DELIVERY OF REDEMPTION DISTRIBUTION

The redemption distribution due from the Trust is delivered to the Authorized Participant on the third business day following the redemption order date if, by 9:00 AM New York time on such third business day, the Trustee's DTC account has been credited with the Baskets to be redeemed. If the Trustee's DTC account has not been credited with all of the Baskets to be redeemed by such time, the redemption distribution is delivered to the extent of whole Baskets received. Any remainder of the redemption distribution is delivered on the next business day to the extent of remaining whole Baskets received if the Trustee receives the fee applicable to the extension of the redemption distribution date which the Trustee may, from time to time, determine and the remaining Baskets to be redeemed are credited to the Trustee's DTC account by 9:00 AM New York time on such next business day. Any further outstanding amount of the redemption order shall be cancelled. The Trustee is also authorized to deliver the redemption distribution notwithstanding that the Baskets to be redeemed are not credited to the Trustee's DTC account by 9:00 AM New York time on the third business day following the redemption order date if the Authorized Participant has collateralized its obligation to deliver the Baskets through DTC's book entry system on such terms as the Sponsor and the Trustee may from time to time agree upon.

The Custodian transfers the redemption gold amount from the Trust Allocated Account to the Trust Unallocated Account and, thereafter, to the redeeming Authorized Participant's Authorized Participant Unallocated Account. The Authorized Participant and the Trust are each at risk in respect of gold credited to their respective unallocated accounts in the event of the Custodian's insolvency. See "Risk Factors — Gold held in the Trust's unallocated gold account and any Authorized Participant's unallocated gold account will not be segregated from the Custodian's assets . . ."

As with the allocation of gold to the Trust Allocated Account which occurs upon a purchase order, if in transferring gold from the Trust Allocated Account to the Trust Unallocated Account in connection with a redemption order there is an excess amount of gold transferred to the Trust Unallocated Account, the excess over the gold redemption amount will be held in the Trust Unallocated Account. The Custodian will use commercially reasonable efforts to minimize the amount of gold held in the Trust Unallocated Account; no more than 430 ounces of gold is expected to be held in the Trust Unallocated Account at the close of each business day.

SUSPENSION OR REJECTION OF REDEMPTION ORDERS

The Trustee may, in its discretion, and will when directed by the Sponsor, suspend the right of redemption, or postpone the redemption settlement date, (1) for any period during which the NYSE Arca is closed other than customary weekend or holiday closings, or trading on the NYSE Arca is suspended or restricted, (2) for any period during which an emergency exists as a result of which delivery, disposal or evaluation of gold is not reasonably practicable, or (3) for such other period as the Sponsor determines to be necessary for the protection of the Shareholders. None of the Sponsor, the Trustee or the Custodian will be liable to any person or in any way for any loss or damages that may result from any such suspension or postponement.

The Trustee will reject a redemption order if the order is not in proper form as described in the Participant Agreement or if the fulfillment of the order, in the opinion of its counsel, might be unlawful.

CREATION AND REDEMPTION TRANSACTION FEE

To compensate the Trustee for services in processing the creation and redemption of Baskets, an Authorized Participant is required to pay a transaction fee to the Trustee of \$2,000 per order to create or redeem Baskets. An order may include multiple Baskets. The transaction fee may be reduced, increased or otherwise changed by the Trustee with the consent of the Sponsor. The Trustee shall notify DTC of any agreement to change the transaction fee and will not implement any increase in the fee for the redemption of Baskets until 30 days after the date of the notice. A transaction fee may not exceed 0.10% of the value of a Basket at the time the creation and redemption order is accepted.

TAX RESPONSIBILITY

Authorized Participants are responsible for any transfer tax, sales or use tax, recording tax, value added tax or similar tax or governmental charge applicable to the creation or redemption of Baskets, regardless of whether or not such tax or charge is imposed directly on the Authorized Participant, and agree to indemnify the Sponsor, the Trustee and the Trust if they are required by law to pay any such tax, together with any applicable penalties, additions to tax or interest thereon.

United States Federal Tax Consequences

The following discussion of the material United States federal income tax consequences that generally apply to the purchase, ownership and disposition of Shares by a U.S. Shareholder (as defined below), and certain United States federal income, gift and estate tax consequences that may apply to an investment in Shares by a Non-U.S. Shareholder (as defined below), represents, insofar as it describes conclusions as to U.S. federal tax law and subject to the limitations and qualifications described therein, the opinion of Carter Ledyard & Milburn LLP, special United States federal tax counsel to the Sponsor. The discussion below is based on the United States Internal Revenue Code of 1986, as amended, or Code, Treasury Regulations promulgated under the Code and judicial and administrative interpretations of the Code, all as in effect on the date of this prospectus and all of which are subject to change either prospectively or retroactively. The tax treatment of Shareholders may vary depending upon their own particular circumstances. Certain Shareholders (including broker-dealers, traders or other investors with special circumstances) may be subject to special rules not discussed below. In addition, the following discussion applies only to investors who hold Shares as “capital assets” within the meaning of Code section 1221. Moreover, the discussion below does not address the effect of any state, local or foreign tax law on an owner of Shares. Purchasers of Shares are urged to consult their own tax advisors with respect to all federal, state, local and foreign tax law considerations potentially applicable to their investment in Shares.

For purposes of this discussion, a “U.S. Shareholder” is a Shareholder that is:

- An individual who is treated as a citizen or resident of the United States for U.S. federal income tax purposes;
- A corporation created or organized in or under the laws of the United States or any political subdivision thereof;
- An estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- A trust, if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust.

A Shareholder that is not a U.S. Shareholder as defined above is generally considered a “Non-U.S. Shareholder” for purposes of this discussion. For United States federal income tax purposes, the treatment of any beneficial owner of an interest in a partnership, including any entity treated as a partnership for United States federal income tax purposes, will generally depend upon the status of the partner and upon the activities of the partnership. Partnerships and partners in partnerships should consult their tax advisors about the United States federal income tax consequences of purchasing, owning and disposing of Shares.

TAXATION OF THE TRUST

The Trust is classified as a “grantor trust” for U.S. federal income tax purposes. As a result, the Trust itself is not subject to U.S. federal income tax. Instead, the Trust’s income and expenses “flow through” to the Shareholders, and the Trustee will report the Trust’s income, gains, losses and deductions to the Internal Revenue Service, or IRS, on that basis.

TAXATION OF U.S. SHAREHOLDERS

Shareholders generally will be treated, for U.S. federal income tax purposes, as if they directly owned a pro rata share of the underlying assets held in the Trust. Shareholders also will be treated as if they directly received their respective pro rata shares of the Trust’s income, if any, and as if they directly incurred their respective pro rata shares of the Trust’s expenses. In the case of a Shareholder that purchases Shares for cash, its initial tax basis in its pro rata share of the assets held in the Trust at the time it acquires its Shares will be equal to its cost of acquiring the Shares. In the case of a Shareholder that acquires its Shares as part of a creation, the delivery of gold to the Trust in exchange for the underlying gold represented by the Shares will not be a taxable event to the Shareholder, and the Shareholder’s tax basis and holding period for the

United States Federal Tax Consequences

Shareholder's pro rata share of the gold held in the Trust will be the same as its tax basis and holding period for the gold delivered in exchange therefor. For purposes of this discussion, it is assumed that all of a Shareholder's Shares are acquired on the same date, at the same price per Share and, except where otherwise noted, that the sole asset of the Trust is gold.

When the Trust sells gold, for example to pay expenses, a Shareholder generally will recognize gain or loss in an amount equal to the difference between (1) the Shareholder's pro rata share of the amount realized by the Trust upon the sale and (2) the Shareholder's tax basis for its pro rata share of the gold that was sold, which gain or loss will generally be long-term or short-term capital gain or loss, depending upon whether the Shareholder has held its Shares for more than one year. A Shareholder's tax basis for its share of any gold sold by the Trust generally will be determined by multiplying the Shareholder's total basis for its share of all of the gold held in the Trust immediately prior to the sale, by a fraction the numerator of which is the amount of gold sold, and the denominator of which is the total amount of the gold held in the Trust immediately prior to the sale. After any such sale, a Shareholder's tax basis for its pro rata share of the gold remaining in the Trust will be equal to its tax basis for its share of the total amount of the gold held in the Trust immediately prior to the sale, less the portion of such basis allocable to its share of the gold that was sold.

Upon a Shareholder's sale of some or all of its Shares, the Shareholder will be treated as having sold the portion of its pro rata share of the gold held in the Trust at the time of the sale that is attributable to the Shares sold. Accordingly, the Shareholder generally will recognize gain or loss on the sale in an amount equal to the difference between (1) the amount realized pursuant to the sale of the Shares, and (2) the Shareholder's tax basis for the portion of its pro rata share of the gold held in the Trust at the time of sale that is attributable to the Shares sold, as determined in the manner described in the preceding paragraph.

A redemption of some or all of a Shareholder's Shares in exchange for the underlying gold represented by the Shares redeemed generally will not be a taxable event to the Shareholder. The Shareholder's tax basis for the gold received in the redemption generally will be the same as the Shareholder's tax basis for the portion of its pro rata share of the gold held in the Trust immediately prior to the redemption that is attributable to the Shares redeemed. The Shareholder's holding period with respect to the gold received should include the period during which the Shareholder held the Shares redeemed. A subsequent sale of the gold received by the Shareholder will be a taxable event.

After any sale or redemption of less than all of a Shareholder's Shares, the Shareholder's tax basis for its pro rata share of the gold held in the Trust immediately after such sale or redemption generally will be equal to its tax basis for its share of the total amount of the gold held in the Trust immediately prior to the sale or redemption, less the portion of such basis which is taken into account in determining the amount of gain or loss recognized by the Shareholder upon such sale or, in the case of a redemption, which is treated as the basis of the gold received by the Shareholder in the redemption.

As noted above, the foregoing discussion assumes that all of a Shareholder's Shares were acquired on the same date and at the same price per Share. If a Shareholder owns multiple lots of Shares (i.e., Shares acquired on different dates and/or at different prices), it is uncertain whether the Shareholder may use the "specific identification" rules that apply under Treas. Reg. Section 1.1012-1(c) in the case of sales of shares of stock, in determining the amount, and the long-term or short-term character, of any gain or loss recognized by the Shareholder upon the sale of gold by the Trust, upon the sale of any Shares by the Shareholder, or upon the sale by the Shareholder of any gold received by it upon the redemption of any of its Shares. The IRS could take the position that a Shareholder has a blended tax basis and holding period for its pro rata share of the underlying gold in the Trust. Shareholders that hold multiple lots of Shares, or that are contemplating acquiring multiple lots of Shares, should consult their own tax advisers as to the determination of the tax basis and holding period for the underlying gold related to such Shares.

MAXIMUM 28% LONG-TERM CAPITAL GAINS TAX RATE FOR US SHAREHOLDERS WHO ARE INDIVIDUALS

Under current law, gains recognized by individuals from the sale of "collectibles," including gold bullion, held for more than one year are taxed at a maximum rate of 28%, rather than the 15% rate applicable to most

United States Federal Tax Consequences

other long-term capital gains. For these purposes, gain recognized by an individual upon the sale of an interest in a trust that holds collectibles is treated as gain recognized on the sale of collectibles, to the extent that the gain is attributable to unrealized appreciation in value of the collectibles held by the trust. Therefore, any gain recognized by an individual U.S. Shareholder attributable to a sale of Shares held for more than one year, or attributable to the Trust's sale of any gold bars which the Shareholder is treated (through its ownership of Shares) as having held for more than one year, generally will be taxed at a maximum rate of 28%. The tax rates for capital gains recognized upon the sale of assets held by an individual U.S. Shareholder for one year or less or by a taxpayer other than an individual U.S. taxpayer are generally the same as those at which ordinary income is taxed.

3.8% TAX ON NET INVESTMENT INCOME FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2012

The Health Care Reform and Education Reconciliation Act of 2010 (Pub. Law 111-152) requires certain U.S. Shareholders who are individuals to pay a 3.8% tax on the lesser of the excess of their modified adjusted gross income over a threshold amount (\$250,000 for married persons filing jointly and \$200,000 for single taxpayers) or their "net investment income," which generally includes capital gains from the disposition of property, for taxable years beginning after December 31, 2012. This tax is in addition to any capital gains taxes due on such investment income. A similar tax will apply to estates and trusts. U.S. Shareholders should consult their tax advisors regarding the effect, if any, this law may have on an investment in the Shares.

BROKERAGE FEES AND TRUST EXPENSES

Any brokerage or other transaction fee incurred by a Shareholder in purchasing Shares will be treated as part of the Shareholder's tax basis in the underlying assets of the Trust. Similarly, any brokerage fee incurred by a Shareholder in selling Shares will reduce the amount realized by the Shareholder with respect to the sale.

Shareholders will be required to recognize gain or loss upon a sale of gold by the Trust (as discussed above), even though some or all of the proceeds of such sale are used by the Trustee to pay Trust expenses. Shareholders may deduct their respective pro rata shares of each expense incurred by the Trust to the same extent as if they directly incurred the expense. Shareholders who are individuals, estates or trusts, however, may be required to treat some or all of the expenses of the Trust as miscellaneous itemized deductions. Individuals may deduct certain miscellaneous itemized deductions only to the extent they exceed 2% of adjusted gross income. In addition, such deductions may be subject to phase-outs and other limitations under applicable provisions of the Code.

INVESTMENT BY U.S. TAX-EXEMPT SHAREHOLDERS

U.S. Tax-Exempt Shareholders are subject to U.S. federal income tax only on their unrelated business taxable income, or UBTI. Unless they incur debt in order to purchase Shares, it is expected that U.S. Tax-Exempt Shareholders should not realize UBTI in respect of income or gains from the Shares. U.S. Tax-Exempt Shareholders should consult their own independent tax advisers regarding the U.S. federal income tax consequences of holding Shares in light of their particular circumstances.

INVESTMENT BY REGULATED INVESTMENT COMPANIES

Mutual funds and other investment vehicles which are "regulated investment companies" within the meaning of Code section 851 should consult with their tax advisors concerning (1) the likelihood that an investment in Shares, although they are a "security" within the meaning of the Investment Company Act of 1940, may be considered an investment in the underlying gold for purposes of Code section 851(b), and (2) the extent to which an investment in Shares might nevertheless be consistent with preservation of their qualification under Code section 851.

INVESTMENT BY CERTAIN RETIREMENT PLANS

Code section 408(m) provides that the acquisition of a "collectible" by an individual retirement account, or IRA, or a participant-directed account maintained under any plan that is tax-qualified under Code section 401(a) is treated as a taxable distribution from the account to the owner of the IRA, or to the participant for whom the plan account is maintained, of an amount equal to the cost to the account of

United States Federal Tax Consequences

acquiring the collectible. The Sponsor has received a private letter ruling from the IRS to the effect that a purchase of Shares by an IRA, or by a participant-directed account under a Code section 401(a) plan, will not be treated as resulting in a taxable distribution to the IRA owner or plan participant under Code section 408(m). However, if any of the Shares so purchased are distributed from the IRA or plan account to the IRA owner or plan participant, or if any gold received by such IRA or plan account upon the redemption of any of the Shares purchased by it is distributed to the IRA owner or plan participant, the Shares or gold so distributed will be subject to federal income tax in the year of distribution, to the extent provided under the applicable provisions of Code section 408(d) or Code section 402. See also “ERISA and Related Considerations.”

U.S. INFORMATION REPORTING AND BACKUP WITHHOLDING FOR U.S. AND NON-U.S. SHAREHOLDERS

The Trustee will file certain information returns with the IRS, and provide certain tax-related information to Shareholders, in connection with the Trust. Each Shareholder will be provided with information regarding its allocable portion of the Trust’s annual income (if any) and expenses.

A U.S. Shareholder may be subject to U.S. backup withholding tax in certain circumstances unless it provides its taxpayer identification number and complies with certain certification procedures. Non-U.S. Shareholders may have to comply with certification procedures to establish that they are not a U.S. person in order to avoid the information reporting and backup withholding tax requirements.

The amount of any backup withholding will be allowed as a credit against a Shareholder’s U.S. federal income tax liability and may entitle such a Shareholder to a refund, provided that the required information is furnished to the IRS.

INCOME TAXATION OF NON-U.S. SHAREHOLDERS

The Trust does not expect to generate taxable income except for gain (if any) upon the sale of gold. A Non-U.S. Shareholder generally will not be subject to U.S. federal income tax with respect to gain recognized upon the sale or other disposition of Shares, or upon the sale of gold by the Trust, unless (1) the Non-U.S. Shareholder is an individual and is present in the United States for 183 days or more during the taxable year of the sale or other disposition, and the gain is treated as being from United States sources; or (2) the gain is effectively connected with the conduct by the Non-U.S. Shareholder of a trade or business in the United States and certain other conditions are met.

ESTATE AND GIFT TAX CONSIDERATIONS FOR NON-U.S. SHAREHOLDERS

Under the U.S. federal tax law, individuals who are neither citizens nor residents (as determined for estate and gift tax purposes) of the United States are subject to estate tax on all property that has a U.S. “situs.” Shares may well be considered to have a U.S. situs for these purposes. If they are, then Shares would be includible in the U.S. gross estate of a non-resident alien Shareholder. Currently, U.S. estate tax is imposed at rates of up to 45% of the fair market value of the taxable estate. The U.S. estate tax rate is subject to change in future years. In addition, the U.S. federal “generation-skipping transfer tax” may apply in certain circumstances. The estate of a non-resident alien Shareholder who was resident in a country which has an estate tax treaty with the United States may be entitled to benefit from such treaty.

For non-citizens and non-residents of the United States, the U.S. federal gift tax generally applies only to gifts of tangible personal property or real property having a U.S. situs. Tangible personal property (including gold) has a U.S. situs if it is physically located in the United States. Although the matter is not settled, it appears that ownership of Shares should not be considered ownership of the underlying gold for this purpose, even to the extent that gold were held in custody in the United States. Instead, Shares should be considered intangible property, and therefore they should not be subject to U.S. gift tax if transferred during the holder’s lifetime.

Such Shareholders are urged to consult their tax advisers regarding the possible application of U.S. estate, gift and generation-skipping transfer taxes in their particular circumstances.

TAXATION IN JURISDICTIONS OTHER THAN THE UNITED STATES

Prospective purchasers of Shares that are based in or acting out of a jurisdiction other than the United States are advised to consult their own tax advisers as to the tax consequences, under the laws of such jurisdiction (or any other jurisdiction not being the United States to which they are subject), of their purchase, holding, sale and redemption of or any other dealing in Shares and, in particular, as to whether any value added tax, other consumption tax or transfer tax is payable in relation to such purchase, holding, sale, redemption or other dealing.

ERISA and Related Considerations

The Employee Retirement Income Security Act of 1974, as amended, or ERISA, and/or Code section 4975 impose certain requirements on employee benefit plans and certain other plans and arrangements, including individual retirement accounts and annuities, Keogh plans, and certain collective investment funds or insurance company general or separate accounts in which such plans or arrangements are invested, that are subject to ERISA and/or the Code, collectively the Plans, and on persons who are fiduciaries with respect to the investment of assets treated as “plan assets” of a Plan. Government plans and some church plans are not subject to the fiduciary responsibility provisions of ERISA or the provisions of section 4975 of the Code, but may be subject to substantially similar rules under state or other federal law.

In contemplating an investment of a portion of Plan assets in Shares, the Plan fiduciary responsible for making such investment should carefully consider, taking into account the facts and circumstances of the Plan, the “Risk Factors” discussed above and whether such investment is consistent with its fiduciary responsibilities, including, but not limited to (1) whether the fiduciary has the authority to make the investment under the appropriate governing plan instrument, (2) whether the investment would constitute a direct or indirect non-exempt prohibited transaction with a party in interest, (3) the Plan’s funding objectives, and (4) whether under the general fiduciary standards of investment prudence and diversification such investment is appropriate for the Plan, taking into account the overall investment policy of the Plan, the composition of the Plan’s investment portfolio and the Plan’s need for sufficient liquidity to pay benefits when due.

The Shares constitute “publicly-offered securities” as defined in Department of Labor Regulations Section 2510.3-101(b)(2). Accordingly, Shares purchased by a Plan, and not the Plan’s interest in the underlying gold bullion held in the Trust represented by the Shares, should be treated as assets of the Plan, for purposes of applying the “fiduciary responsibility” and “prohibited transaction” rules of ERISA and the Code. See also “United States Federal Tax Consequences — Investment by Certain Retirement Plans.”

Plan of Distribution

The Trust issues Shares in Baskets to Authorized Participants from time to time in exchange for deposits of the amount of gold and any cash represented by the Baskets being created. As of the date of this prospectus, the Authorized Participants are BMO Capital Markets Corp., CIBC World Markets Corp., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., EWT, LLC, Goldman, Sachs & Co., Goldman Sachs Execution & Clearing L.P., HSBC Securities (USA) Inc., J.P. Morgan Securities Inc., Merrill Lynch Professional Clearing Corp., Morgan Stanley & Co. Incorporated, Newedge USA LLC, RBC Capital Markets Corporation, Scotia Capital (USA) Inc. and UBS Securities LLC. Because new Shares can be created and issued on an ongoing basis, at any point during the life of the Trust, a “distribution,” as such term is used in the Securities Act, will be occurring. Authorized Participants, other broker-dealers and other persons are cautioned that some of their activities will result in their being deemed participants in a distribution in a manner which would render them statutory underwriters and subject them to the prospectus-delivery and liability provisions of the Securities Act. For example, an Authorized Participant, other broker-dealer firm or its client will be deemed a statutory underwriter if it purchases a Basket from the Trust, breaks the Basket down into the constituent Shares and sells the Shares to its customers; or if it chooses to couple the creation of a supply of new Shares with an active selling effort involving solicitation of secondary market demand for the Shares. A determination of whether one is an underwriter must take into account all the facts and circumstances pertaining to the activities of the broker-dealer or its client in the particular case, and the examples mentioned above should not be considered a complete description of all the activities that would lead to categorization as an underwriter.

Investors who purchase Shares through a commission/fee-based brokerage account may pay commissions/fees charged by the brokerage account. Investors are encouraged to review the terms of their brokerage accounts for details on applicable charges.

Dealers who are not “underwriters” but are participating in a distribution (as contrasted to ordinary secondary trading transactions), and thus dealing with Shares that are part of an “unsold allotment” within the meaning of section 4(3)(C) of the Securities Act, would be unable to take advantage of the prospectus-delivery exemption provided by section 4(3) of the Securities Act.

The Sponsor intends to qualify the Shares in states selected by the Sponsor and through broker-dealers who are members of FINRA. Investors intending to create or redeem Baskets through Authorized Participants in transactions not involving a broker-dealer registered in such investor’s state of domicile or residence should consult their legal advisor regarding applicable broker-dealer or securities regulatory requirements under the state securities laws prior to such creation or redemption.

The Marketing Agent is assisting the Sponsor in: (1) developing a marketing plan for the Trust on an ongoing basis; (2) preparing marketing materials regarding the Shares, including the content on the Trust’s website; (3) executing the marketing plan for the Trust; (4) incorporating gold into its exchange-traded fund research; and (5) sub-licensing the SPDR® trademark. Fees are paid to the Marketing Agent by the Trustee from the assets of the Trust as compensation for services performed pursuant to the Marketing Agent Agreement.

The Sponsor has agreed to indemnify certain parties against certain liabilities, including liabilities under the Securities Act, and to contribute to payments that such parties may be required to make in respect of those liabilities. The Trustee has agreed to reimburse such parties, solely from and to the extent of the Trust’s assets, for indemnification and contribution amounts due from the Sponsor in respect of such liabilities to the extent the Sponsor has not paid such amounts when due. In addition, the WGC has agreed to indemnify certain parties against certain liabilities.

The Shares trade on the NYSE Arca under the symbol “GLD.”

Description of the Shares

GENERAL

The Trustee is authorized under the Trust Indenture to create and issue an unlimited number of Shares. The Trustee will create Shares only in Baskets (a Basket equals a block of 100,000 Shares) and only upon the order of an Authorized Participant. The Shares represent units of fractional undivided beneficial interest in and ownership of the Trust and have no par value. Any creation and issuance of Shares above the amount registered on the registration statement of which this prospectus is a part will require the registration of such additional Shares.

DESCRIPTION OF LIMITED RIGHTS

The Shares do not represent a traditional investment and you should not view them as similar to “shares” of a corporation operating a business enterprise with management and a board of directors. As a Shareholder, you do not have the statutory rights normally associated with the ownership of shares of a corporation, including, for example, the right to bring “oppression” or “derivative” actions. All Shares are of the same class with equal rights and privileges. Each Share is transferable, is fully paid and non-assessable and entitles the holder to vote on the limited matters upon which Shareholders may vote under the Trust Indenture. The Shares do not entitle their holders to any conversion or pre-emptive rights, or, except as provided below, any redemption rights or rights to distributions.

DISTRIBUTIONS

The Trust Indenture provides for distributions to Shareholders in only two circumstances. First, if the Trustee and the Sponsor determine that the Trust’s cash account balance exceeds the anticipated expenses of the Trust for the next 12 months and the excess amount is more than \$0.01 per Share outstanding, they shall direct the excess amount to be distributed to the Shareholders. Second, if the Trust is terminated and liquidated, the Trustee will distribute to the Shareholders any amounts remaining after the satisfaction of all outstanding liabilities of the Trust and the establishment of such reserves for applicable taxes, other governmental charges and contingent or future liabilities as the Trustee shall determine. Shareholders of record on the record date fixed by the Trustee for a distribution will be entitled to receive their pro rata portion of any distribution.

VOTING AND APPROVALS

Under the Trust Indenture, Shareholders have no voting rights, except in limited circumstances. Shareholders holding at least 66⅔% of the Shares outstanding may vote to remove the Trustee. The Trustee may terminate the Trust upon the agreement of Shareholders owning at least 66⅔% of the outstanding Shares. In addition, certain amendments to the Trust Indenture require 51% or unanimous consent of the Shareholders.

REDEMPTION OF THE SHARES

The Shares may only be redeemed by or through an Authorized Participant and only in Baskets.

BOOK ENTRY FORM

Individual certificates will not be issued for the Shares. Instead, global certificates are deposited by the Trustee with DTC and registered in the name of Cede & Co., as nominee for DTC. The global certificates evidence all of the Shares outstanding at any time. Under the Trust Indenture, Shareholders are limited to: (1) DTC Participants, such as banks, brokers, dealers and trust companies; (2) those who maintain, either directly or indirectly, a custodial relationship with a DTC Participant, or Indirect Participants; and (3) those banks, brokers, dealers, trust companies and others who hold interests in the Shares through DTC Participants or Indirect Participants. The Shares are only transferable through the book-entry system of DTC. Shareholders who are not DTC Participants may transfer their Shares through DTC by instructing the DTC Participant holding their Shares (or by instructing the Indirect Participant or other entity through which their Shares are held) to transfer the Shares. Transfers are made in accordance with standard securities industry practice.

Legal Matters

The validity of the Shares have been passed upon for the Sponsor by Carter Ledyard & Milburn LLP, New York, New York, who, as special US tax counsel to the Trust, also rendered an opinion regarding the material federal income tax consequences relating to the Shares.

Experts

The financial statements incorporated in this Prospectus by reference from SPDR Gold Trust's Annual Report on Form 10-K for the year ended September 30, 2009, and the effectiveness of SPDR® Gold Trust's internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such financial statements have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

Where You Can Best Find More Information; Incorporation of Certain Information by Reference

This prospectus is a part of a registration statement on Form S-3 of SPDR® Gold Trust, Registration No. 333-167132, which we filed with the Securities and Exchange Commission (SEC) under the Securities Act of 1933. As permitted by the rules and regulations of the SEC, this prospectus does not contain all of the information contained in the registration statement and the exhibits and schedules thereto. As such we make reference in this prospectus to the registration statement and to the exhibits and schedules thereto. For further information about us and about the securities we hereby offer, you should consult the registration statement and the exhibits and schedules thereto. You should be aware that statements contained in this prospectus concerning the provisions of any documents filed as an exhibit to the registration statement or otherwise filed with the SEC are not necessarily complete, and in each instance reference is made to the copy of such document so filed. Each such statement is qualified in its entirety by such reference.

We file annual, quarterly and special reports and other information with the Securities and Exchange Commission (Commission File Number 1-32356). These filings contain important information which does not appear in this prospectus. For further information about us, you may read and copy these filings at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330, and may obtain copies of our filings from the public reference room by calling (202) 551-8090.

The SEC allows us to "incorporate by reference" information into this prospectus, which means that we can disclose important information to you by referring you to other documents which we have filed or will file with the SEC. We are incorporating by reference in this prospectus the documents listed below and all amendments or supplements we may file to such documents, as well as any future filings we may make with the SEC on Form 10-K under the Exchange Act before the time that all of the securities offered by this prospectus have been sold or de-registered.

- Our Annual Report on Form 10-K for the fiscal year ended September 30, 2009;
- Our Quarterly Report on Form 10-Q for the three month period ended December 31, 2009;
- Our Quarterly Report on Form 10-Q for the three and six month periods ended March 31, 2010; and
- The description of our Shares set forth in the Registration Statement on Form 8-A we filed with the SEC on November 16, 2004.

All documents filed by us with the SEC pursuant to Section 13(a), 13(c) 14 or 15(d) of the Securities Exchange Act after the date of this prospectus and before the termination or completion of this offering of our Shares shall be deemed to be incorporated by reference in this prospectus and to be a part of it from the filing dates

Where You Can Best Find More Information; Incorporation of Certain Information by Reference

of such documents. Certain statements in and portions of this prospectus update and replace information in the above listed documents incorporated by reference. Likewise, statements in or portions of a future document incorporated by reference in this prospectus may update and replace statements in and portions of this prospectus or the above listed documents.

We will provide you without charge, upon your written or oral request, a copy of any of the documents incorporated by reference in this prospectus, other than exhibits to such documents which are not specifically incorporated by reference into such documents, other than information in future filings that is deemed not to be filed. Please direct your written or telephone requests to State Street Global Markets, LLC, One Lincoln Street, Floor 30, Boston, MA 02111-2900 (Tel: 866-320-4053). You may also obtain information about us by visiting our website at <http://www.spdrgoldshares.com>. Information contained in our website is not part of this prospectus.

SPDR[®]
Gold Trust