

SPDR® Gold Shares

Capital Markets Perspective

2840 HK

With more than US\$48bn of in assets,¹ SPDR® Gold Shares is the largest Gold ETF in the World. It is also the first ETF domiciled in the United States to have been cross-listed on the Stock Exchange of Hong Kong (SEHK). Listed in Hong Kong Dollars, SPDR® Gold Shares (2840 HK) has been trading since July 2008. More than eleven years later, 2840 HK is one of the most traded ETFs on the SEHK and its liquidity offers can compel potential benefits for investors.

On-exchange Liquidity

2840 HK is the most traded Gold ETF on the SEHK with HK\$14.5bn of turnover over the last 12 months.¹ In March 2020, 2840 HK had a turnover of HK\$3,417m, more than 16 times the turnover of the Hong Kong Dollars listing of Value Gold ETF (3081 HK). Across all available Gold ETF listings on the SEHK, 2840 HK represented more than 92% of the total turnover in March 2020.²

Notional Trading Volume Comparison

Name	Average Daily Notional Trading Volume
SPDR® Gold Shares (2840 HK)	HK\$155,334,955
Value Gold ETF HKD counter (3081 HK)	HK\$9,375,903
Value Gold ETF RMB counter (83081 HK)	HK\$121,491
Value Gold ETF USD counter (9081 HK)	HK\$166,579
Hang Seng RMB Gold ETF (83168 HK)	HK\$161,697
Total	HK\$165,160,626

Source: Bloomberg, State Street Global Advisors, as of 31/03/2020. Average Daily Notional Trading Volume is the 1-Month daily average.

Liquidity can be a source of cost advantage for investors — the higher the liquidity, the tighter bid-ask spreads, which translates into lower trading costs for investors.

2840 HK has the tightest average bid-ask spreads across all the Gold ETFs listed on the SEHK. In March 2020, 2840 had an average bid-ask spreads of 11.0bps whilst 3081 HK had an average bid-ask spreads of 35.0bps.

Bid-Ask Spreads Comparison

Name	Bid-Ask Spreads (bps)
SPDR® Gold Shares (2840 HK)	11.0bps
Value Gold ETF HKD counter (3081 HK)	35.0bps
Value Gold ETF RMB counter (83081 HK)	91.8bps
Value Gold ETF USD counter (9081 HK)	115.7bps
Hang Seng RMB Gold ETF (83168 HK)	62.9bps

Source: Bloomberg, State Street Global Advisors, as of 31/03/2020. Bid-Ask spreads are the 1-Month daily average.

Potential Benefits of Multiple Cross-listings

SPDR® Gold Shares trades on several venues including NYSE Arca, Bolsa Mexicana de Valores, the Singapore Stock Exchange as well as the Tokyo Stock Exchange and the Stock Exchange of Hong Kong. As the spot price for gold bullion is determined by market forces in the 24-hour global over-the-counter (OTC) market for gold, the multiple listing locations of SPDR® Gold Shares offer investors **the flexibility to gain exposure to the price of gold denominated in a number of base currencies during both Asian and US time zones.**

Dedicated SPDR Global Capital Markets Group for Asia-Pacific

As one of the first dedicated ETF Capital Markets teams established in Asia Pacific, the SPDR Capital Markets team oversees the SPDR® ETF Trading ecosystem and manages relationships with Authorized Participants, Market Makers, Exchanges, Platforms, and Broker Dealers.

For any questions related to ETF Trading and Liquidity, please do not hesitate to contact the team at APACSPDR-CapitalMarkets@ssga.com.

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Endnotes

- 1 Source: Bloomberg Finance LP and State Street Global Advisors, as of 31 March 2020.
- 2 Source: State Street Global Advisors.

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Frequent trading of ETFs could significantly increase commissions and other costs such that they may offset any savings from low fees or costs.

These investments may have difficulty in liquidating an investment position without taking a significant discount from current market value, which can be a significant problem with certain lightly traded securities. Investing in commodities entail significant risk and is not appropriate for all investors. Commodities investing entail significant risk as commodity prices can be extremely volatile due to wide range of factors. A few such factors include overall market movements, real or perceived inflationary trends, commodity index volatility, international, economic and political changes, change in interest and currency exchange rates.

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The offering documents of the Trust may be obtained upon request from SSGA and can be downloaded from the Trust's website: spdrgoldshares.com*

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