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July 2020  
FAQ

## **SPDR® Gold Trust**

### **GLD®**

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July 2020  
FAQ

## SPDR<sup>®</sup> Gold Trust (the “Trust”)

### GLD<sup>®</sup>

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#### Pricing Information

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#### 1. Where Do You Get the Spot Price for Gold? How Does It Relate to the LBMA Gold Price AM/PM? What Is the Difference Between the LBMA Gold Price and the COMEX Gold Price?

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The spot price for gold is determined by market forces in the 24-hour global over-the-counter (OTC) market for gold including spot, forwards, and options and other derivatives, together with exchange-traded futures and options. The OTC market trades accounts for most global gold trading, and prices quoted reflect the information available to the market at any given time.

The OTC market trades on a continuous basis. Market makers and participants in the OTC market trade with each other and their clients on a principal-to-principal basis. Although the market for physical gold is global, most OTC market trades are cleared through London. The London Bullion Market Association (LBMA) coordinates market activities and acts as the principal point of contact between the market and its regulators.

The LBMA currently has 143 member companies – 86 members (including 12 Market Makers) and 54 Associates, located in more than 30 countries<sup>1</sup>. The LBMA Gold Price is determined twice each business day (10:30 a.m. and 3:00 p.m. London time) by the participants in a physically settled, electronic and tradable auction administered by ICE Benchmark Administration Limited (“IBA”) using a bidding process that determines the price of gold by matching buy and sell orders submitted by the participants for the applicable auction time. The LBMA Gold Price PM replaced the London Gold Fix and IBA became the third-party administrator on March 20, 2015.

The COMEX division of the New York Mercantile Exchange (NYMEX) is a futures and options exchange that acts as a marketplace to trade futures and options contracts on metals, including gold. Gold futures contracts

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<sup>1</sup> LBMA members as of May, 2020.

typically trade at a premium to the spot price. Further discussion can be found in the [prospectus](#).

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## **2. What Is the Relationship Between the GLD Net Asset Value, the GLD Share Price and the Gold Spot Price?**

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The investment objective of the Trust is for the value of the shares to reflect the price of gold bullion, less the expenses of the Trust's operations. The net asset value (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). The NAV of the Trust is determined by the Trustee each day that the NYSE Arca is open for regular trading. The NAV of the Trust is calculated based on the total ounces of gold owned by the Trust valued at the LBMA Gold Price PM of that day plus any cash held by the Trust less accrued expenses. The NAV of each GLD share is the NAV of the Trust divided by the total number of shares outstanding.

The gold spot price is determined by market forces in the 24-hour global over-the-counter market for gold and reflects the information available to the market at any given time. The Indicative Intraday Value per GLD share published on the [www.spdrgoldshares.com](http://www.spdrgoldshares.com) website is based on the mid-point of the bid/offer gold spot price adjusted for the Trust's daily accrued expenses. The NYSE Arca is an electronic exchange which displays orders simultaneously to both buyer and seller. Once orders are submitted, all trades are executed in the manner designated by the party entering the national best bid or offer. The buy and sell offers are posted on NYSE Arca in price order from best to worst and if the prices match up, they are executed based on the time the buy order or sell order was posted (earliest to latest). These prices reflect the supply and demand for shares which is influenced by factors including the gold spot price and its impact on the NAV.

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## **3. How do I find the intra-day NAV of GLD?**

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The indicative intra-day NAV of GLD can be found at [www.spdrgoldshares.com](http://www.spdrgoldshares.com). The indicative intra-day value is calculated based on the mid-point of the bid/offer gold spot price.

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## **4. How is GLD treated from a tax standpoint?**

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The Trust is treated as a "grantor trust" for U.S. federal income tax purposes. As a result, the Trust itself will not pay 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 on that basis. For a more thorough explanation of the Trust's tax status and rates that may be applicable to particular taxpayers, please see the Trust's prospectus by

## **Tax Information**

clicking [here](#). Investors should consult their own tax professionals to determine the tax consequences of their investment in the Trust.

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#### **5. Does a Shareholder Receive a Form 1099B Reporting His or Her Share of the Trust's Sales of Gold (to pay expenses)?**

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Because the Trust sells only a de minimis amount of gold for payment of Trust expenses during the year and makes no distributions of sale proceeds to the Trust's shareholders ("shareholders"), the Treasury Regulations do not require either the Trust or brokers to report the gross proceeds of such sales on Form 1099B. Certain brokers may nevertheless elect to report these proceeds to their customers on a composite Form 1099B. For those shareholders who have not received this information on Form 1099B, an example of this information is available under "Tax Reporting" at [spdrgoldshares.com](http://spdrgoldshares.com), illustrating how a shareholder should calculate gain or loss on such sales.

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#### **6. What Is the Long-Term Capital Gains Tax Rate for U.S. Shareholders Who are Individuals?**

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Under current law, gains recognized by individuals from the sale of a "collectible," including gold bullion, held for more than one year are taxed at a maximum rate of 28%, rather than the 20% rate applicable to most other long-term capital gains. However, if a U.S. shareholder is otherwise subject to rate lower than 28%, the 28% rate does not apply. For these purposes, gain recognized by an individual upon the sale of an interest in a trust that holds collectibles is treated as a gain recognized on the sale of collectibles, to the extent that such gain is attributable to unrealized appreciation in the 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 bullion that the U.S. 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. The deductibility of capital losses by a U.S. shareholder is subject to limitations.

*Investors should consult their own tax professionals to determine the tax consequences of their investment in the Trust. Please refer to the Trust's prospectus ([here](#)) for additional information regarding the taxation of U.S. shareholders with respect to their investment in the Trust.*

**Physical Gold**

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**7. Can an Investor Take Physical Possession of the Gold Backing His/Her Shares of SPDR<sup>®</sup> Gold Trust?**

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The Trustee of the Trust, The Bank of New York Mellon, does not deal directly with the public. The Trustee handles creation and redemption of the orders for the Trust's shares with Authorized Participants, who deal in blocks of 100,000 SPDR<sup>®</sup> Gold Shares (each a "Creation Unit"). An individual investor wishing to exchange the Trust's shares for physical gold would have to come to the appropriate arrangements with his or her broker and an Authorized Participant.

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**8. What Happens to the Gold If There Is a Terrorist Attack and It Is Stolen or Damaged?**

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If the Trust's gold bars are lost, damaged, stolen or destroyed under circumstances rendering a party liable to the Trust, the responsible party will be responsible. However, 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, as currently it is the sole custodian holding all of the Trust's gold; or one or more subcustodians, if appointed; or, to the extent identifiable, other responsible third parties (e.g., a thief or terrorist) any or all of which may not have the financial resources (including liability insurance coverage) to satisfy a valid claim of the Trust.

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**9. How Often Is the Trust Audited, and Do the Auditors Have Access to the Vault to Physically Count the Gold?**

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Under the Trust's custody agreements with the Custodian, the Trustee and World Gold Trust Services, LLC, the Sponsor of the Trust, World Gold Trust Services, LLC (the "Sponsor") and its representatives visit and inspect the Trust's gold held in the Custodian's vault facility. The Trust's independent auditors audit the gold holdings in the vault as part of their annual audit of the financial statements of the Trust.

**Gold Custody**

Following are responses to frequently asked questions concerning the custody of the gold transferred to the Trust. For further information about the custody of the Trust's gold, including information about the duties and obligations of the Custodian of the Trust's gold and certain risks associated with the custody of the Trust's gold, please refer to the Trust's most recent Annual Report on Form 10-K and most recent Prospectus filed with the Securities and Exchange Commission.

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**10. Who Is the Custodian of the Trust's Gold?**

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HSBC Bank plc serves as the custodian of the Trust's gold. The Custodian is authorized by the Prudential Regulation Authority and regulated by the

Prudential Regulation Authority and the Financial Conduct Authority. The Custodian's London office is located at 8 Canada Square, London, E14 5HQ, United Kingdom. The Custodian is also a market maker, clearer and approved weigher under the rules of the London Bullion Market Association, or the LBMA. The global parent company of the Custodian is HSBC Holdings plc, a public limited company incorporated in England.

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## **11. Where Is the Trust's Gold Physically Held?**

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The custodian of the Trust is HSBC Bank plc (the “Custodian”) and is responsible for the safekeeping of the Trust’s gold bars transferred to it in connection with the creation of baskets by Authorized Participants. Under the Allocated Bullion Account Agreement, the Custodian 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 vault premises, and in such cases the Custodian agreed that it will use commercially reasonable efforts promptly to transport the gold bars to the Custodian’s vault, at the Custodian’s cost and risk. Nevertheless, there may 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 Custodian also facilitates the transfer of gold in and out of the Trust through gold accounts it maintains for Authorized Participants and the Trust.

More information about the subcustodians used by the Custodian is provided below in FAQ 18.

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## **12. What Is an Unallocated Account?**

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An unallocated account is an account with a bullion dealer, which may also be a bank, to which a fine weight amount of gold is credited. Transfers to or from an unallocated account are made by crediting or debiting the number of ounces of gold being deposited or withdrawn. The account holder is entitled to direct the bullion dealer to deliver an amount of physical gold equal to the amount of gold standing to the credit of the account holder. Gold held in an unallocated account is not segregated from the Custodian’s assets. The account holder therefore has no ownership interest in any specific bars of gold that the bullion dealer holds or owns. The account holder is an unsecured creditor of the bullion dealer, and credits to an unallocated account are at risk of the bullion dealer’s insolvency, in which event it may not be possible for a liquidator to identify any gold held in an unallocated account as belonging to the account holder rather than to the bullion dealer.

The Fund Unallocated Account is used for several purposes. It is used to facilitate the transfer of gold bullion deposits and gold bullion redemption distributions between Authorized Participants and the Trust in connection with the creation and redemption of Creation Units. It is also used for sales of gold bullion to pay the Trust's expenses, and when gold bullion is transferred into and out of the Trust. The Custodian is instructed to allocate all gold bullion deposited with the Trust to the Fund Allocated Account by the close of business on each day the NYSE Arca or other primary US national securities exchange on which Shares are listed is open for business.

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### **13. What Is an Allocated Account?**

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An allocated account is an account with a bullion dealer to which individually identified gold bars owned by the account holder are credited. The bullion dealer may also be a bank. The gold bars in an allocated 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. The account holder has full ownership of the gold bars. The Trust's allocated account is only used for holding the allocated gold bars of the Trust.

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### **14. When Is Gold Not Held in the Trust's Allocated Account?**

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All of the gold owned by the Trust is held in the Trust's allocated account in bar form, with two exceptions:

Gold involved in creation or redemption activity on any given day will pass through the Trust's unallocated account before being credited to the Trust's allocated account or transferred to an Authorized Participant's unallocated account, as the case may be. The quantity of gold involved in creation or redemption activity on any given day has, over the life of the Trust, generally been small in comparison with the total gold holdings of the Trust. Additionally, creation and redemption activity has not taken place every trading day.

The Trustee sells a small quantity of gold every month in order to pay the Trust's expenses. In connection with these sales, the Custodian debits gold bars from the Trust's allocated account sufficient to meet the monthly expenses and credits this amount to the Trust's unallocated account. The appropriate quantity of gold is then sold from the Trust's unallocated account. Over the life of the Trust, the amounts of gold involved in these monthly sales have been very small in comparison to the total holdings of the Trust.

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**15. Is the Gold Insured?**

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The Trust does not insure its gold. The Custodian, HSBC Bank plc maintains insurance with regard to its business on such terms and conditions as it considers appropriate which does not cover the full amount of gold held in custody. 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. 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.

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**16. What Standards Must Be Met By the Gold Transferred to the Trust?**

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All gold represented by a credit to any Authorized Participant's unallocated account and to the Trust's unallocated account and all gold bars held in the Trust's 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. Typically referred to as 400-ounce bars, a London Good Delivery Bar must contain between 350 and 430 fine troy ounces of gold, 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. Additional specifications for a London Good Delivery Bar are described in "The Good Delivery Rules for Gold and Silver Bars" published by the LBMA. For more information about the LBMA, please see the LBMA's website at [lbma.org.uk](http://lbma.org.uk).

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**17. Is the Trust's Gold Ever Traded, Leased or Loaned?**

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Gold held in the Trust's allocated account is the property of the Trust and is not traded, leased or loaned under any circumstances.



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**18. When Does the Custodian Employ Subcustodians for the Holding of the Trust's Gold?**

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Under the Allocated Bullion Account Agreement, the Custodian agreed that it will hold all of the Trust's gold bars in its own vault premises except when the gold bars have been allocated in a vault other than the Custodian's vault premises, and in such cases the Custodian agreed that it will use commercially reasonable efforts promptly to transport the gold bars to the Custodian's vault, at the Custodian's cost and risk. Nevertheless, there may 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 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. If any subcustodian which holds gold on a temporary basis 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.

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**19. What Effect Would the Insolvency of the Custodian Have on the Trust's Allocated Account and the Trust's Unallocated Account?**

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The Trust has full ownership rights to the specific bars of gold allocated to the Trust's allocated 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 event 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 retain legal title to the allocated gold bars, the Trust could incur expenses in connection with obtaining control of the allocated gold bars, and the assertion of a claim by such liquidator for unpaid fees due to the Custodian could delay creations and redemptions of Baskets.

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## **20. When Can the Trustee or the Sponsor Remove or Replace the Custodian or Hire Additional Custodians?**

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If the Trustee determines that maintaining gold with the Custodian is not in the best interests of the Trust's shareholders, the Trustee will so advise the Sponsor. The Trustee will then take such reasonable action as the Sponsor may direct concerning the Custodian. In the absence of such instruction, the Trustee may initiate action to remove the gold bars from the Custodian or take such other action as the Trustee determines appropriate to safeguard the interests of the Trust's shareholders. In addition, the Sponsor may direct the Trustee to employ one or more other custodians in addition to or in replacement of the Custodian. The Trustee, with the Sponsor's approval, may 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. Before gold bars may be placed with any additional or successor custodian, the Trustee will determine that the custody agreements and any related custody arrangements applicable to the additional or successor custodian substantially satisfy specified requirements set forth in the Trust Indenture.

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**Important Risk Information**

Investing involves risk, and you could lose money on an investment in SPDR® Gold Trust (“GLD®”).

ETFs trade like stocks, are subject to investment risk, fluctuate in market value and may trade at prices above or below the ETFs’ net asset value. Brokerage commissions and ETF expenses will reduce returns.

Commodities and commodity-index linked securities may be affected by changes in overall market movements, changes in interest rates, and other factors such as weather, disease, embargoes, or political and regulatory developments, as well as trading activity of speculators and arbitrageurs in the underlying commodities.

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

Diversification does not ensure a profit or guarantee against loss.

**Investing in commodities entails significant risk and is not**

**with the Securities and Exchange Commission (“SEC”) for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents GLD has filed with the SEC for more complete information about GLD and this offering. Please see the GLD prospectus for a detailed discussion of the risks of investing in GLD shares. The GLD prospectus is available by clicking [here](#). You may get these documents for free by visiting EDGAR on the SEC website at [sec.gov](#) or by visiting [spdrgoldshares.com](#). Alternatively, the Trust or any authorized participant will arrange to send you the prospectus if you request it by calling 866.320.4053.**

GLD is not an investment company registered under the Investment Company Act of 1940 (the “1940 Act”) and is not subject to regulation under the Commodity Exchange Act of 1936 (the “CEA”). As a result, shareholders of the Trust do not have the protections associated with ownership of shares in an investment company registered under the 1940 Act or the protections afforded by the CEA.

GLD shares trade like stocks, are subject to investment risk and will

fluctuate in market value. The value of GLD shares relates directly to the value of the gold held by GLD (less its expenses), and fluctuations in the price of gold could materially and adversely affect an investment in the shares. The price received upon the sale of the shares, which trade at market price, may be more or less than the value of the gold represented by them. GLD does not generate any income, and as GLD regularly sells gold to pay for its ongoing expenses, the amount of gold represented by each Share will decline over time to that extent.

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**For more information, please contact the Marketing Agent for GLD: State Street Global Advisors Funds Distributors, LLC, One Iron Street, Boston, MA, 02210; T: +1 866 320 4053 [ssga.com](#)**

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May Lose Value**