



# Global X Metal Securities Australia Limited

## Contents

Year ended 31 December 2023

MANAGEMENT AND ADMINISTRATION	1
CHAIRMAN'S LETTER	2
DIRECTORS' REPORT	3-5
DIRECTORS' DECLARATION	6
AUDITOR'S INDEPENDENCE DECLARATION	7
INDEPENDENT AUDITOR'S REPORT	8-10
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	11
STATEMENT OF FINANCIAL POSITION	12
STATEMENT OF CASH FLOWS	13
STATEMENT OF CHANGES IN EQUITY	14
NOTES TO THE FINANCIAL STATEMENTS	15-22



**Directors**

Thomas Park  
Young Kim  
Evan Metcalf  
Oliver Joseph Reynolds (Appointed 11 September 2023)  
Chi Ho Man (Appointed 12 December 2023)  
Kanish Chugh (Resigned on 7 September 2023)

**Registered Office**

Level 9, 115 Pitt Street  
Sydney, NSW 2000

**Trustee**

Gold Bullion Nominees Pty Ltd  
Level 9, 115 Pitt Street  
Sydney, NSW 2000

**Legal Advisers**

MinterEllison  
Governor Macquarie Tower  
1 Farrer Place  
Sydney, NSW 2000

**Auditor**

KPMG  
Level 30, International Tower 3  
300 Barangaroo  
Sydney, NSW 2000

**Administrator**

R&H Fund Services (Jersey) Limited  
PO Box 83  
Ordnance House  
31 Pier Road  
St Helier  
Jersey, JE4 8PW

**Secretary**

Evan Metcalf and Chi Ho (Cliff) Man  
Level 9, 115 Pitt Street  
Sydney, NSW 2000

**Registrar**

Computershare Investor Services Pty Limited  
Yarra Falls  
452 Johnston Street  
Abbotsford, VIC 3067

**Custodian**

JPMorgan Chase Bank N.A.  
60 Victoria Embankment  
London, EC4Y 0JP

**Manager**

Global X Management (AUS) Limited  
Level 9, 115 Pitt Street  
Sydney, NSW 2000



## Year in review: precious metals in 2023

### Gold

In 2023, gold prices experienced a remarkable surge, rising 15% and culminating in a historic annual close at US\$2,078 per ounce—the highest on record. This closing price not only set a new daily record in US dollars but also in nearly every other currency as well, including the Aussie dollar. Gold strong showing in 2023 – up 15% for the year in US dollars – made it one of the top-performing asset classes of the year.

Several influential factors contributed to gold's stellar performance. But the biggest factor was central bank demand, particularly from institutions in emerging markets. Estimates from the World Gold Council suggest that this central bank demand added a substantial 15% to gold's overall positive performance during the year. This more than offset outflows from ETFs.

### Silver

Silver is often thought of as a higher beta gold: rising more than gold in good times, falling more in bad times. Yet silver underperformed the soaring gold price in 2023, ending the year up only 0.33% in US dollar terms. Silver's price action through the year largely mirrored US dollar fluctuations—due to the well-known fact that commodities go the opposite way of the dollar. Silver continued to attract interest in 2023 due to its use in clean energy, particularly solar panels due to its strong conductivity. However thriving among solar panel producers continues to be a headwind.

### Platinum

Platinum has been rangebound since 2016, and ended the year down 9.4% in US dollar terms. The main cause of struggle was weaker platinum and rhodium prices, which act as substitute metals in car catalyts (catalytic converters). While other demand sources, such as jewellery and investment, remained relatively stable according to the World Platinum Investment Council.

### Palladium

Palladium continued what is increasingly seeming like an existential decline in 2023, falling 38% in US dollar terms over the 2023 calendar year. Palladium is used almost exclusively in car exhausts to scrub pollutants from exhaust. As the world transitions away from internal combustion engines, this well of demand appears to be set for structural decline.

## Outlook: precious metals in 2024

For precious metals this year, the variable to watch in 2024 will be the strength of the US dollar. Driven by a strong Fed hiking cycle, the dollar – as measured by the DXY Index – remains in its highest 90th percentile over the past 20 years. Should the Fed begun cutting rates before other central banks (on that the view that inflation arrived in the US first, and could therefore leave the US first) precious metals may be in for a far better 2024 than 2023.

### Evan Metcalf

Chairman

8 March 2024

Sydney



The Directors of Global X Metal Securities Australia Limited (the "Company"), submit herewith the annual report and financial statements of the Company for the year ended 31 December 2023. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

## Directors

The names and particulars of the Directors of the Company during and since the end of the financial year are:

Thomas Park  
Young Kim  
Evan Metcalf  
Oliver Joseph Reynolds (Appointed 11 September 2023)  
Chi Ho Man (Appointed 12 December 2023)  
Kanish Chugh (Resigned on 7 September 2023)

## Directors' Interests

None of the Directors hold any interest in the Issued Capital of the Company as at the date of this report. More details of Directors' interests in Metal Securities is presented in note 12.

## Principal Activities

The Company's principal activities during the course of the financial year was the continuing issue of Global X Physical Gold Securities, Global X Physical Palladium Securities, Global X Physical Platinum Securities, Global X Physical Silver Securities and Global X Physical Precious Metals Basket Securities, allowing investors to own and trade that interest through a listed security traded on the Australian Securities Exchange ("ASX").

A Metal Share is a redeemable preference share with a nominal value of 1/1000th of 1 cent (or 1/10000th of 1 cent for Metal Shares associated with Global X Physical Gold following a 10:1 share split on 8 June 2022) which carries with it a right to the Metal Entitlement applicable to that class of share. Although a Metal Share in itself has no economic value, it exists in order to provide a class of "share" which is tradeable on the ASX.

The metals are held in the name of the Trustee, Gold Bullion Nominees Pty Ltd. The metal, to which the Holder is entitled, is held by the Custodian Bank JPMorgan Chase Bank, N.A. ("JPMorgan") in vaults in London.

The Company has entered into an Administration Services Deed Poll with its related party, Global X Management (AUS) Limited ("GXMA"), whereby GXMA is responsible for supplying or procuring the supply of all management and administration services required by the Company.

Gold Bullion Nominees Pty Ltd (the "Trustee") has entered into an Overdraft Facility with JPMorgan that allows for the loan of up one bullion bar of Gold, Silver, Platinum and Palladium. The Metal Bullion held through the Overdraft Facility is used by the Trustee to facilitate the movement of Metal Bullion between unallocated and allocated physical stocks to ensure all Metal Securities issued are supported by holdings of Metal Bullion in allocated form.

In consideration of fees earned in managing the Company and its investments, GXMA provides or procures all management and administration services in connection with the issue and management of the Company's Metal Securities, required by the Company. Pursuant to this Deed Poll, all the operating costs relating to the Company including metals storage, insurance, marketing and administration costs, and compensation of Directors and executives were incurred and paid by GXMA to enable the continued operation of the Company.

During the financial year there were no significant changes in the nature of those activities.



## Review of Operations

The most recent rollover Prospectus was issued on 16 September 2022. The Company was incorporated on 17 September 2002 and was admitted to the official list of the ASX on 27 March 2003. Global X Physical Gold Securities commenced trading on the ASX on 28 March 2003. On 2 February 2009 Global X Physical Gold Securities was launched on the AQUA platform and was joined by Global X Physical Platinum Securities, Global X Physical Palladium Securities, Global X Physical Silver Securities and Global X Physical Precious Metals Basket Securities.

The table below show the quantities and fair value of metal securities on issue as at year-end.

	31 December 2023		31 December 2022	
	Numbers	Fair Value AUD	Numbers	Fair Value AUD
Global X Physical Platinum Securities	138,780	19,007,431	142,780	20,820,560
Global X Physical Palladium Securities	25,463	3,879,165	25,493	6,241,140
Global X Physical Silver Securities	7,666,689	248,313,754	7,716,689	253,000,401
Global X Physical Gold Securities	95,727,150	2,673,303,387	102,899,150	2,537,361,561
Global X Physical Precious Metals Basket Securities	263,111	51,801,273	256,511	56,246,664
	<b>103,821,193</b>	<b>2,996,305,010</b>	<b>111,060,623</b>	<b>2,873,670,326</b>

Pursuant to the arrangements under the Deed Poll outlined above, the Company recognised no income or expenses for the year ended 2023 (2022: AUD Nil).

## Future Developments

The Directors are not aware of any other developments that might have a significant effect on the operations of the Company in subsequent financial periods not already disclosed in this report or the attached Financial Statements.

## Dividends

The Directors do not recommend the provision or payment of a dividend to holders of Ordinary Shares for the year ended 31 December 2023 (2022: AUD Nil).

## Share Options Granted to Directors

No share options were granted or issued to Directors or executives during the year ended 31 December 2023 (2022: Nil).

## Directors' remuneration

No Director has a service contract with the Company.

The Directors of the Company who are employees within the Mirae Asset Global Investments Group did not receive separate remuneration in their capacity as Directors of the Company.



### **Indemnification of Officers and Auditors**

The Company provided a written indemnity to the Directors of the Company, the company secretary and all executive officers of the Company against any liability incurred while performing the duties of a Director, secretary or executive officer to the extent permitted by the Corporations Act 2001.

The Company has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify an officer or auditor of the Company against a liability incurred as such an officer or auditor.

### **Auditor's Independence Declaration**

The auditor's independence declaration is included on page 7.

### **Matters subsequent to the end of the year**

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect:

- (i) the operations of the Company in future financial periods, or
- (ii) the results of those operations in future financial periods, or
- (iii) the state of affairs of the Company in future financial periods.

Signed in accordance with a resolution of the Directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors

**Evan Metcalf**  
Director

Sydney  
8 March 2024



1. In the opinion of the Directors of Global X Metal Securities Australia Limited (the "Company"):
  - (a) the financial statements and notes set out on pages 11 to 22 are in accordance with the Corporations Act 2001, including:
    - (i). giving a true and fair view of the Company's financial position as at 31 December 2023 and of its performance, for the financial year ended on that date; and
    - (ii). complying with Australian Accounting Standards and the Corporations Regulations 2001; and
  - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 for the financial year ended 31 December 2023.
3. The Directors draw attention to note 2 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors made pursuant to Section 295(5) of the Corporations Act 2001:

On behalf of the Directors

**Evan Metcalf**

Director

Sydney

8 March 2024



# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Global X Metal Securities Australia Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Global X Metal Securities Australia Limited for the financial year ended 31 December 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

K Hopkins

Karen Hopkins  
Partner  
Sydney  
8 March 2024





# Independent Auditor's Report

To the shareholders of Global X Metal Securities Australia Limited

## Opinion

We have audited the **Financial Report** of Global X Metal Securities Australia Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 31 December 2023 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at 31 December 2023
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes, including material accounting policies
- Directors' Declaration.

## Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

## Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.



## Redeemable Preference Shares (Metal Shares) (AUD 176)

Refer to Notes 2 and 7 to the Financial Report.

### The key audit matter

The principal activity of the Company is the issuance of Metal Securities. A Metal Security comprises a Metal Share (Redeemable Preference Share) of nominal value plus a beneficial interest in a specific metal (Metal Entitlement).

Redeemable Preference Shares (Metal Shares) is a Key Audit Matter given the issuance of Metal Securities, including associated recognition of Redeemable Preference Shares in the Company's Financial Report, reflects the principal activity of the entity. As a result, this had the greatest effect on our overall audit strategy and allocation of our resources in planning and performing our audit.

We focused on:

- The Company's accounting treatment of Redeemable Preference Shares against accounting standard requirements;
- The quantity of Metal Securities on issue at year end which impacts the amount of Redeemable Preference Shares recognised by the Company in its Financial Report.
- The quantity and value of metals held by the Trustee on behalf of metal security holders which impacts the Company's disclosure of Metal Entitlements in their Financial Report.

The Company outsources certain processes and controls relevant to the recording and administration of Metal Securities to an external Registrar.

### How the matter was addressed in our audit

Our procedures included, we:

- Assessed the Company's accounting treatment of Redeemable Preference Shares against the requirements of relevant accounting standards.
- Checked the quantities of Metal Securities on issue by the Company at year end to external registry reports.
- Obtained and read ISAE 3402 (*Assurance Reports on Controls at a Service Organization*) assurance reports for the period from 1 July 2022 to 30 June 2023 to understand processes and assess controls relevant to the Registrar's recording and administration of Metal Securities.
- Obtained and read the Registrar's bridging letter over the period not covered by the ISAE 3402 assurance report. We compared the processes and controls in the bridging letter for consistency with those in the ISAE 3402 assurance report.
- Assessed the reputation, professional competence and independence of the auditors ISAE 3402 assurance report.
- We checked the Company's disclosure of Metal Entitlements by:
  - Requesting and obtaining external confirmations from the Trustee's Custodian, of the quantity of metals held by the Trustee on behalf of Metal Security holders at year end, and compared this to the quantities disclosed.
  - Checking the value of metals to externally quoted market prices from relevant commodity exchanges at year end and comparing this to the values disclosed.
- Recalculated the amount of Redeemable Preference Shares recognised by the Company using the quantity of Metal Securities on issue at year end and the nominal value relevant to each class of share. We compared this to the amount recorded in the Company's Financial Report.
- Evaluated the Company's disclosures of Redeemable Preference Shares (Metal Shares), Metal Securities and Metal Entitlements, using our understanding based on our testing and against the requirements of the accounting standards.

## Other Information

Other Information is financial and non-financial information in Global X Metal Securities Australia Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we



consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

### Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: [https://www.auasb.gov.au/admin/file/content102/c3/ar2\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf). This description forms part of our Auditor's Report.

KPMG

Karen Hopkins  
Partner  
Sydney  
8 March 2024



	Notes	Year ended 31 December	
		2023 AUD	2022 AUD
<b>Revenue</b>			
Net Gains/(Losses) on Financial Instruments	3	-	-
<b>Expenses</b>			
		-	-
<b>Profit Before Tax</b>			
Income Tax	4	-	-
<b>Profit for the Year Attributable to Equity Holders of the Company</b>			
		-	-
Other Comprehensive Income		-	-
<b>Total Comprehensive Income for the Year</b>			
		-	-

The above Statement of Profit or Loss and Other Comprehensive Income are to be read in conjunction with the accompanying notes.



	Notes	As at	
		31 December 2023 AUD	31 December 2022 AUD
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents		-	-
Receivable from Related Parties	6	407,936	407,944
<b>Total Current Assets</b>		<b>407,936</b>	<b>407,944</b>
<b>Total Assets</b>		<b>407,936</b>	<b>407,944</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Redeemable Preference Shares	7	176	184
<b>Total Current Liabilities</b>		<b>176</b>	<b>184</b>
<b>Total Liabilities</b>		<b>176</b>	<b>184</b>
<b>Net Assets</b>		<b>407,760</b>	<b>407,760</b>
<b>Equity</b>			
Issued Capital	8	250,100	250,100
Equity Contributions	9	360,000	360,000
Retained Earnings		(202,340)	(202,340)
<b>Total Equity</b>		<b>407,760</b>	<b>407,760</b>

The above Statement of Financial Position are to be read in conjunction with the accompanying notes.



	Year ended 31 December	
Note	2023 AUD	2022 AUD
<b>Cash Flows generated from/(used in) Operating Activities</b>		
Receipts from/(Payments to) Related Parties	8	(4)
Net Cash generated from/(used in) Operating Activities	<b>8</b>	<b>(4)</b>
<b>Cash Flows (used in)/generated from Financing Activities</b>		
Movement on Trading of Metal Securities	(8)	4
Net Cash (used in)/generated from Financing Activities	<b>(8)</b>	<b>4</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>-</b>	<b>-</b>
Cash and Cash Equivalents at the Beginning of the Year	-	-
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>-</b>	<b>-</b>

The above Statement of Cash Flows are to be read in conjunction with the accompanying notes.



	Issued Capital AUD	Retained Earnings AUD	Other Reserves AUD	Total Equity AUD
Opening Balance at 1 January 2022	250,100	(202,340)	360,000	407,760
Total Comprehensive Income for the Year	-	-	-	-
<b>Balance at 31 December 2022</b>	<b>250,100</b>	<b>(202,340)</b>	<b>360,000</b>	<b>407,760</b>
Opening Balance at 1 January 2023	250,100	(202,340)	360,000	407,760
Total Comprehensive Income for the Year	-	-	-	-
<b>Balance at 31 December 2023</b>	<b>250,100</b>	<b>(202,340)</b>	<b>360,000</b>	<b>407,760</b>

The above Statement of Changes in Equity are to be read in conjunction with the accompanying notes.



## 1. GENERAL INFORMATION

Global X Metal Securities Australia Limited (the “Company”) is a public company incorporated and operating in Australia and admitted to the official list of the Australian Securities Exchange (“ASX”) under the AQUA rules. The Company’s Metal Securities are quoted on the ASX under the following codes:

Global X Physical Gold	GOLD
Global X Physical Silver	ETPMAG
Global X Physical Platinum	ETPMPT
Global X Physical Palladium	ETPMPD
Global X Physical Precious Metals Basket	ETPMPM

The address of the registered office and principal place of business is Level 9, 115 Pitt Street, Sydney, NSW 2000. The Company is domiciled in Australia and is a for-profit entity.

Mirae Asset Global ETFs Holdings Limited and its subsidiaries (which include the Company), specialises in the development and issuance of Exchange Traded Products (“ETPs”). ETPs are transparent securities designed to track the value (before fees and expenses) of the underlying commodity, index or currency while providing market liquidity for the investor. ETPs typically are not actively managed, are significantly lower in cost when compared to actively managed mutual funds and are easily accessible to investors.

The purpose of the Company is to provide a vehicle that permits trading of the Metal Securities, not to make gains from trading in the underlying Metal Bullion assets themselves. The Metal Securities are issued under limited recourse arrangements whereby the Company has no residual exposure to price movements of the underlying assets, therefore from a commercial perspective gains and losses in respect of Metal Bullion will always be offset by an equal and opposite loss or gain on the Metal Securities. Further details regarding the risks of the Company are disclosed in note 14.

The Year Ended Financial Report was authorised for issue by the Directors on 8 March 2024. The Directors of the Company have the power to amend and reissue the financial statements. The financial statements are presented in Australian Dollars, which is the Company’s functional currency.

### Administrative Services And Economic Support

The Company has entered into an Administration Services Deed Poll with its related party, Global X Management (AUS) Limited (“GXMA”), whereby GXMA is responsible for supplying or procuring the supply of all management and administration services required by the Company.

Under the Administration Service Deed Poll, GXMA is entitled to:

- i) A Management Fee which is calculated by applying a fixed percentage to the contractual value of Metal Securities in issue on a daily basis; and
- ii) Creation and Redemption Fees on the issue and redemption of the Metal Securities.

No Creation or Redemption Fees are payable when investors trade in the Metal Securities on a listed market such as the Australian Securities Exchange.

In consideration of fees earned in managing the Company and its investments, GXMA provides or procures all management and administration services in connection with the issue and management of the Company’s Metal Securities, required by the Company. Pursuant to this Deed Poll all the operating costs relating to the Company including metals storage, insurance, marketing and administration costs, and compensation of Directors and executives were incurred and paid by GXMA to enable the continued operation of the Company.

### Overdraft Facility

JPMorgan Chase Bank (“JPMorgan”) has provided an overdraft facility (the “Overdraft Facility”) to the Trustee to facilitate the movement of Metal Bullion between unallocated and allocated physical stocks to ensure all Metal Securities issued by the Company are supported by holdings of Metal Bullion in allocated form. The Overdraft Facility is denominated in ounces of the underlying Metal Bullion, and is repayable in ounces of the underlying Metal Bullion.





## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

### Statement of Compliance

These financial statements are a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and interpretations and comply with other requirements of the law. Accounting standards include Australian equivalents to International Financial Reporting standards ("AASBs"). The financial statements and notes of the Company comply with International Financial Reporting Standards ("IFRS").

### Basis of Preparation

These financial statements have been prepared under the historical cost convention. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian Dollars, unless otherwise stated.

In the application of AASBs management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of AASBs that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

### New and amended accounting standards adopted by the Company

The Company has adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in note 2 Summary of material accounting policies (2022: Summary of significant accounting policies) in certain instances in line with the amendments.

The Company has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended standards and interpretations are not considered to be material.

### Redeemable Preference Shares

Global X Metal Securities are redeemable preference shares and are recorded at their nominal value of 1/1,000th of one cent each (or 1/10,000th of 1 cent for Metal Shares associated with Global X Physical Gold).

### Cash and Cash Equivalents

Cash and cash equivalents may comprise of cash in hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts.



## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Impairment of Assets

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

### Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

### Loans and Receivables

Trade receivables and other receivables are recorded at amortised cost less impairment.

### Payables

Trade payables and other accounts payable are recognised when the parent company becomes obliged to make future payments resulting from the purchase of goods and services.

## 3. REVENUE AND COSTS

Pursuant to the arrangements under the Administration Services Deed Poll with GXMA as outlined above in note 1, the Company recognised no income or expenses for the year ended 31 December 2023 (2022: AUD Nil). In accordance with this Deed Poll, GXMA earns management fees of:

	Year ended 31 December	
	2023 AUD	2022 AUD
<b>Management fees</b>	<b>11,943,725</b>	<b>11,305,550</b>

No Director has a service contract with the Company. The Directors of the Company who are employees within the Mirae Asset Global Investments Group did not receive separate remuneration in their capacity as Directors of the Company.

## 4. INCOME TAX

Under the terms of the Administration Services Deed Poll between the Company and GXMA,

- the creation and redemption fees are paid by holders transacting in Metal Securities directly with the Company to the management company (GXMA);
- the monthly bullion sales charge is paid directly to the management company; and
- the management company pays all expenses required to facilitate the investment in the Metal Securities, including income taxes.

This arrangement means the Company has received no income and incurred no liabilities or expenses, and therefore no income tax expense is recorded for the year ended 31 December 2023 (2022: AUD Nil).



## 5. AUDITORS' REMUNERATION

	Year ended 31 December	
	2023 AUD	2022 AUD
Amount received or due and receivable by KPMG:		
Review of the Interim Financial Statements	11,000	10,250
Audit of the Financial Statements	21,000	19,500
<b>Total Auditor's remuneration</b>	<b>32,000</b>	<b>29,750</b>

The auditor's remuneration is paid or payable by GXMA, which is wholly owned by GXAPL, the immediate parent of the Company.

## 6. RECEIVABLE FROM RELATED PARTIES

	As at	
	31 December 2023 AUD	31 December 2022 AUD
<b>Amount Receivable from Global X Management (AUS) Limited ("GXML")</b>	<b>407,936</b>	<b>407,944</b>

The amounts receivable from related parties are receivable upon demand. The fair value of these receivables is equal to the carrying value.

## 7. REDEEMABLE PREFERENCE SHARES

	As at	
	31 December 2023 AUD	31 December 2022 AUD
<b>Redeemable Preference Shares (Metal Shares)</b>	<b>176</b>	<b>184</b>

A Metal Security comprises of a Metal Share of nominal value plus a Beneficial Interest in the relevant amount of bullion (the "Metal Entitlement"), which is held in a Separate Trust for each Holder. A Metal Share is a redeemable preference share with a nominal value of 1/1,000th of one cent (or 1/10,000th of 1 cent for Metal Shares associated with Global X Physical Gold) which carries with it a right to the Metal Entitlement applicable to that class of share. The Metal Share exists in order to provide a class of "share" which is tradable on the Australian Securities Exchange. The economic value of each Metal Security lies in the Metal Entitlement which is carried around with each Metal Share.

Whenever there is a transfer in ownership of a Metal Share, there is a corresponding transfer in the ownership of the Metal Entitlement applicable to that Metal Share. The Trustee of the metals is Gold Bullion Nominees Pty Ltd, a special purpose company established to facilitate the offer of Metal Securities. The owners and Directors of the Trustee are the same as that of the Company.



## 7. REDEEMABLE PREFERENCE SHARES (CONTINUED)

The quantities of Metal Securities on issue at the year end are as follows:

	As at	
	31 December 2023 AUD	31 December 2022 AUD
Global X Physical Gold	95,727,150	102,899,150
Global X Physical Silver	7,666,689	7,716,689
Global X Physical Platinum	138,780	142,780
Global X Physical Palladium	25,463	25,493
Global X Physical Precious Metals Basket	263,111	276,511
	<b>103,821,193</b>	<b>111,060,623</b>

The Trustee holds the below metals on behalf of holders of the respective class of Metal Security (Global X Physical Platinum, Global X Physical Palladium, Global X Physical Gold and Global X Physical Silver and Global X Physical Precious Metals Basket) (the "Holders"). The metals were not brought to account by the Trustee or the Company as the Holders each class of Metal Security have the direct beneficial interest in the metal.

	31 December 2023		31 December 2022	
	Troy Ounces	Market Value AUD	Troy Ounces	Market Value AUD
Platinum	15,336.630	22,610,995	15,910.656	24,852,670
Palladium	7,253.985	11,895,932	7,542.696	19,780,145
Gold	894,381.633	2,703,258,154	965,020.922	2,565,158,238
Silver	7,415,516.954	258,539,929	7,513,721.242	263,879,273
		<b>2,996,305,010</b>		<b>2,873,670,326</b>

The market value of each metal is determined based on the last available price on the financial trading day of each year.

Holders of Metal Securities have the right to vote:

- on any proposal that affects rights attached to a Metal Security (except the issue of new Metal Securities, or the redemption of Metal Securities on issue);
- on any proposal to wind up the Company; and
- during the winding up of the Company.

Holders of Metal Securities are not entitled to:

- any right to the payment of any dividends;
- any rights of participation in any surplus assets and profits of the Company; or
- priority of payment of capital or dividends in relation to other classes of shares, except on the winding up of the Company.

Metal Securities are redeemable at any time (in accordance with the terms of Redemption) by the Holders. Metal Securities can also be compulsorily redeemed by the Company on provision of 30 days' notice or in the case of insolvency. Therefore, an investment in Metal Securities may be redeemed earlier than desired by the Holders.



## 8. ISSUED CAPITAL

	As at	
	31 December 2023 AUD	31 December 2022 AUD
<b>250,100 Fully Paid Ordinary Shares (2022: 250,100)</b>	<b>250,100</b>	<b>250,100</b>

All ordinary shares issued by the Company carry one vote per share without restriction and carry the right to dividends. All Ordinary Shares are held by Global X (AUS) Pty Ltd (“GXAPL”). There was no movement in the fully paid ordinary shares during the year (2022: nil).

It is intended the capital reserve remain at AUD 250,100 (2022: AUD 250,100); the Directors consider this is sufficient to maintain on-going operations and the continuing issue of the Company’s Metal Securities.

## 9. EQUITY CONTRIBUTION

	As at	
	31 December 2023 AUD	31 December 2022 AUD
<b>Equity Contributions</b>	<b>360,000</b>	<b>360,000</b>

The equity contribution was received in 2006 from the parent entities of the Company at that time.

## 10. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company does not have material contingent liabilities, contingent assets or commitments at 31 December 2023 (31 December 2022: AUD Nil).

## 11. ECONOMIC SUPPORT

Pursuant to the Administration Services Deed Poll between the Company and GXMA, all the operating costs relating to the Company, including metals storage, insurance, marketing and administration costs, are incurred and paid by GXMA to enable the continued operation of the Company.

## 12. RELATED PARTY DISCLOSURES

GXAPL is the immediate parent entity. The Directors considered that GXAPL’s immediate holding company was Mirae Asset Global ETFs Holdings Limited and the Company’s ultimate holding company was Mirae Asset Global Investments Co., Ltd (the “Ultimate Holding Company”).

Refer to note 6 Amount Receivable from Related Parties.

As at 31 December 2023, Directors held 1,670 (31 December 2022: 2,360) Global X Physical Gold Securities and 300 (31 December 2022: 46) Global X Physical Palladium Securities.

The number of closing metal securities presented in the 2022 financial statements were based on metal securities held by Directors who held the position at 31 December 2022. Changes to metal securities holdings during 2023 are the result of Director resignations and appointments, and sales by Directors.



**13. NOTES TO CASH FLOW STATEMENT**

	Year ended 31 December	
	2023 AUD	2022 AUD
Reconciliation of Profit/(Loss) for the Year to Net Cash Flows from Operating Activities:		
Profit/(Loss) for the Year	-	-
Changes in Net Assets and Liabilities:		
Decrease/(Increase) in Current Receivables	8	(4)
<b>Net Cash generated from/(used in) Operating Activities</b>	<b>8</b>	<b>(4)</b>

**14. FAIR VALUE HIERARCHY**

**Financial Risk Factors**

The Company undertakes transactions in a limited range of financial instruments including cash assets and receivables. These transactions and activities result in exposure to a number of financial risks, including market risk (foreign currency risk, fair value risk), liquidity risk and credit risk.

These financial risks are managed such as to mitigate inappropriate volatility of financial performance and maintain an optimal capital structure that enables the continued issue of the Metal Securities, allowing investors to own and trade physical metals through listed securities traded on the ASX.

Material accounting policies, terms and conditions of financial instruments are disclosed in note 2. Details of foreign currency risk, credit risk and fair values are detailed below.

*a) Credit Risk*

Credit risk primarily refers to the risk that a client will default on its contractual obligations resulting in financial loss to the Company. All related party receivables are deemed to be readily available for collection so the credit risk associated to them is considered to be low.

The carrying amount of financial assets recorded in the financial report represents the Company’s maximum exposure to credit risk. There have been no changes to the Company’s exposure to credit risk from the prior year.

*b) Liquidity Risk*

Liquidity risk includes the risk that, as a result of deficiencies in managing operational liquidity, the Company has insufficient funds to settle a transaction; or it is forced to sell financial assets at a value less than what they are worth.

The Company has a limited liquidity risk exposure. As detailed in notes 1 and 3, all of the operating costs relating to the Company, including gold storage, gold insurance, and marketing and administration costs, are incurred and paid by GXMA and all amounts receivable from Holders in respect of creations and redemptions of Metal Securities and Holders gold interests are earned by GXMA.

The liquidity risk of the Company is managed by determining, in cooperation with the ultimate parent company, the optimal timing of settlement of net receivables from the ultimate parent company. There have been no changes to the Company’s exposure to liquidity risk from the prior year.



**14. FAIR VALUE HIERARCHY (CONTINUED)**

*c) Fair Value and Foreign Currency Risk*

The carrying amount of assets and liabilities recorded in the financial statements are recorded at their fair values. There have been no changes to the Company’s exposure to fair value and foreign currency risk from the prior year.

The valuation technique for Redeemable Preference Shares are disclosed in note 7.

*d) Three tier hierarchy of fair value*

The following table provides an analysis of financial assets and liabilities that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**As at 31 December 2023**

	Level 1 AUD	Level 2 AUD	Level 3 AUD
<b>Liabilities</b>			
Redeemable Preference Shares	(176)	-	-

**As at 31 December 2022**

	Level 1 AUD	Level 2 AUD	Level 3 AUD
<b>Liabilities</b>			
Redeemable Preference Shares	(184)	-	-

There were no transfers of financial instruments between Level 1 and Level 2 during the year (2022: nil).

**15. ULTIMATE CONTROLLING PARTY**

Mirae Asset Global ETFs Holding Ltd and Global X Management Company Inc. hold all the shares in GXAPL (the immediate parent entity of the Company).

The Directors consider that GXAPL’s immediate holding company was Mirae Asset Global ETFs Holdings Limited and the Company’s ultimate holding company was Mirae Asset Global Investments Co., Ltd (the “Ultimate Holding Company”).

**16. SUBSEQUENT EVENTS**

There has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years that is not already disclosed in these financial statements.