

## The Royal Mint Physical Gold Exchange Traded Commodity | RMAU

### Introduction

The Royal Mint has recently partnered with HANetf to list its first financial product on the London Stock Exchange and other European exchanges, with the primary ticker symbol RMAU LN.

**The Royal Mint Physical Gold ETC** allows investors to track the spot price of physical gold just like a share of a company on a stock exchange. The ETC is fully backed by LBMA gold bars held on a segregated basis by The Royal Mint in Wales.

### RMAU product details

<b>Denomination</b>	Each ETC is equal to 1/100 <sup>th</sup> of a troy ounce of gold which is approximately \$15 per ETC based on today's price of gold <sup>1</sup> .
<b>Asset backed</b>	100% backed by London Bullion Market Association (LBMA) good delivery bars which are sourced on a best endeavour basis from the LBMA's responsible sourcing program. This is to assure investors that the gold is from a conflict-free source with an audited, transparent process.
<b>Custody</b>	The Royal Mint, Llantrisant (near Cardiff), Wales.
<b>Total Expense Ratio (TER)</b>	22 bps
<b>Tax</b>	Seeking UK Fund Reporting Status.  Please note, tax treatment depends on individual circumstances and tax laws are subject to change.
<b>AUM at launch</b>	Minimum \$150 million.
<b>Redemption</b>	Investors can redeem for gold bullion including LBMA bars and coins. Storage and delivery offered by The Royal Mint.

<sup>1</sup> Gold price was \$1573.45 per ounce as of 29/01/2020

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### How is the Royal Mint Physical Gold ETC unique?

The following table outlines the key selling points of the RMAU ETC and provides a general comparison with other Gold ETCs in Europe.

Feature	RMAU	Other ETCs
<b>Systemic risk exposure</b>	The Royal Mint is a privately held company where Her Majesty's Treasury is the sole shareholder. This means that you can be assured of The Royal Mint's independence and impartiality while being confident of its integrity and reliability. The RMAU ETC is the only physical gold ETC in Europe that is not backed by gold held at a commercial bank. It provides an attractive option for investors looking to diversify their custody arrangements.	All other gold ETCs are held by commercial banks or financial institutions. They are at a higher risk of the institution defaulting.
<b>Custody location</b>	Llantrisant, near Cardiff, Wales. The Vault™ is built to Federal Standard 832 Class A and is guarded by state-of-the-art security systems, advanced protocols and highly-trained security staff, 24 hours a day, 7 days a week, 365 days a year. This provides a lower risk of being disrupted from an act of war or terrorism.	Other ETCs have their gold custodied in London, New York and other financial centres that are at a higher risk of being disrupted from an act of war or terrorism.
<b>Physical gold</b>	100% backed by London Bullion Market Association (LBMA) good delivery bars which are sourced on a best endeavour basis from the LBMA's Responsible Sourcing Programme. This is to assure investors that the gold is from a conflict-free source with an audited, transparent process. <sup>2</sup>	Any LBMA gold is eligible including gold that may be sourced from conflict zones.

<sup>2</sup> LBMA's Responsible Sourcing Programme explicitly requires refiners to engage with producers defining minimum requirements that are mandatory along the entire precious metal supply chain. The Guidance follows the five-step framework for risk-based Due Diligence of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas adopted on 15 December 2010 and the requirements detailed in the OECD Gold Supplement adopted on 17 July 2012.

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<b>Allocated gold</b>	<p>RMAU will only issue gold ETCs once gold has been allocated.</p> <p>These are uniquely identifiable gold bars which are held on a segregated basis by the custodian. All gold held in custody on behalf of investors is fully allocated.</p>	Some gold ETCs issue new units on an unallocated basis which carries an operational risk until the gold is allocated upon settlement. There may also be a residual amount of gold held on behalf of investors which is not “allocated” for amounts that are less than one 400 oz gold bar.
<b>Value per ETC</b>	1/100 <sup>th</sup> oz, circa \$15 per ETC. This provides more flexibility for smaller investment amounts and portfolio management precision.	1/10 <sup>th</sup> oz, circa \$150.
<b>Experience and track record</b>	The Royal Mint is one of the world’s oldest organisations, shaping and leading the precious metals and minting industry for over 1,100 years.	
<b>Pricing</b>	22 bps	Price ranges from 15-40 bps for the 5 largest competing products in Europe <sup>3</sup> .
<b>Investor redemption</b>	Investors can redeem for gold bullion including LBMA bars and coins. Storage and delivery offered by The Royal Mint <sup>4</sup> .	Many do not offer physical redemption. Those that do may require the nomination of an account to hold physical metal e.g. an LBMA account.

When you trade ETCs, your capital is at risk. For professional investors only. This content is issued by HANetf Limited), an appointed representative of Mirabella Advisers LLP, which is authorised and regulated by the Financial Conduct Authority. For professional clients only.

If you would like more information about visit the [RMAU ETC fund page](#)

<sup>3</sup> Top 5 includes Gold ETCs from Wisdom Tree, Invesco, iShares, DWS and ZKB as of 06/08/2020.

<sup>4</sup> As per the base prospectus, UCITS funds may not receive metal on redemption of securities and must sell any RMAU via a relevant exchange.

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