

SPDR® Gold Shares ETF Capital Markets Perspective

INVESTMENT PROFESSIONAL USE ONLY

GLD

SPDR Gold Shares (GLD®) was the first US-listed gold bullion-backed exchange traded fund (ETF). Other products have launched since GLD's 2004 debut, so for institutional investors, understanding that there are many factors to consider when choosing a gold ETF is of paramount importance.

Liquidity

One factor to consider for institutional investors is the market size, because trading volume is a key determinant of cost. GLD is the most traded gold ETF in the US, with a 12-month average daily notional trading volume nearly 9 times higher than its closest competitor.

12-Month Average Daily Notional Trading Volume

GLD \$887,530,587	IAU \$102,081,227
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Source: Bloomberg Finance, L.P., State Street Global Advisors, as of 12/29/2017. The trading volume table above includes GLD and its biggest US-listed competitor in terms of assets under management, the iShares Gold Trust (IAU). Inception dates: GLD: 11/18/2004, IAU: 1/21/2005.

Higher liquidity tightens bid-ask spreads, lowering trading costs for investors, whether they are buying, selling or rebalancing. Also, each share of GLD amounts to about 10 times more gold exposure than shares of IAU, GLD's biggest competitor by assets.¹ That means that for any given transaction, total per-share trading costs associated with the same amount of gold exposure are about 10 times less using GLD than using IAU. That's why the bid-ask spread on GLD, measured in basis points, is lower than IAU's in the following table.

Bid/Ask Spread Comparison

	GLD	IAU
Share Price	\$123.85	\$12.51
Bid/Ask Spread (\$)	0.01	0.01
Bid/Ask Spread (bps)	0.81	8.00

Source: Bloomberg Finance, L.P., State Street Global Advisors, as of 12/29/2017. Share price is as of 12/29/2017. Bid/Ask Spread data is for the month of December 2017. The table above shows GLD and its biggest US-listed competitor, the iShares Gold Trust (IAU). Inception dates: GLD: 11/18/2004, IAU: 1/21/2005.

Trading Comparison

GLD's higher share price is also a factor in its advantage for large investors. Compare a hypothetical \$1 million dollar investment in GLD versus IAU. The same \$1 million investment buys 8,087 shares of GLD, compared to 79,936 shares of IAU. Because investors need to buy roughly 10 times as many shares of IAU as GLD shares for similar gold exposure, costs related to bid-ask spreads and commissions are 10 times as much on IAU than on GLD, when those fees are paid on a per-share basis.

Gold Exposure Comparison

	GLD	IAU
Investment	\$1,000,000	\$1,000,000
Share Price	\$123.85	\$12.51
Bid/Ask Spread	\$0.01	\$0.01
Trading Cost	\$81.38	\$799.95
Shares Purchased	8,087	79,936

Source: Bloomberg Finance, L.P., State Street Global Advisors, as of 12/29/2017.

Options Liquidity

Trading GLD options is less expensive for the same reasons as trading GLD shares. GLD's options market is more than 3,026 times larger than its closest competitor, IAU, as the table below shows. The higher volume means tighter spreads and lower trading costs using GLD options versus using IAU options.

Also, the trading costs related to options is subject to the same per-share realities as trading GLD shares. For the same-sized transaction, the total bid-ask spread costs trading GLD options will be about one-tenth as much as using IAU options.

Notional Options Open Interest

GLD \$38,751,525,030	IAU \$12,147,210
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Source: Bloomberg Finance, L.P., State Street Global Advisors, as of 12/29/2017.



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SPDR® GOLD TRUST has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the Trust and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the Trust or any Authorized Participant will arrange to send you the prospectus if you request it by calling toll free at 1-866-320-4053 or contacting State Street Global Advisors Funds Distributors, LLC, One Lincoln Street, Attn: SPDR® Gold Shares, 30th Floor, Boston, MA 02111.