



7 June 2019

The Directors  
ETFS Metal Securities Ltd  
Ordnance House,  
31 Pier Road,  
St Helier,  
Jersey, JE4 8PW

Dear Sirs,

**Audit of Palladium Bullion in respect of ETFS Physical Palladium Securities**

ETFS Metal Securities Ltd (the “Client”) has engaged Inspectorate International Limited (“Inspectorate”) to conduct two inspections per year of the palladium bullion held on behalf of ETFS Physical Palladium Securities at the vault of HSBC Bank plc, London (the “Custodian”).

It is with pleasure that we submit below our reports to the Client in accordance with the agreed procedures for the Audit Reference Date of 10 May 2019.

Name of Account	Law Debenture Trust Plc as Trustee for ETFS Physical Palladium Securities
Material	London Good Delivery Palladium Bars
Location	HSBC Bank plc, London
Results	As at the close of business on 10 May 2019, ETFS Physical Palladium Securities held title to 978 London Good Delivery Palladium Bars with a weight of 103,220.967 gross troy ounces.

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Description of Activity	<p>Over the course of the inspection, we performed procedures including but not limited to:</p> <ol style="list-style-type: none"><li>1. Compared the records of the Custodian to the records provided by the Administrator to verify that the palladium bars are held in the name of the applicable account;</li><li>2. Reconciled the total weight of palladium bullion as recorded by the Administrator to the records of the Custodian as at the Audit Reference Date;</li><li>3. Visually checked each bar for the bar number, brand and purity;</li><li>4. Weighed a random sample of palladium bars, equating to approximately 5 percent of the bar list. Bars were weighed in troy ounces to the nearest thousandth of an ounce. Details of each bar weighed were recorded;</li><li>5. Reconciled the physical movement of bars which occurred during the inspection period between 10 May 2019 and 6 June 2019.</li></ol>
Anomalies	<p>No anomalies were identified in respect of the palladium bars as at 10 May 2019.</p>

The audit was carried out to the best of our knowledge and this report reflects our findings as at the time and place of the audit only.

For and on behalf of  
INSPECTORATE INTERNATIONAL LIMITED