

Proactive Investors Australia

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Australian gold shines in global spotlight after launch of physical gold ETF in New York

Australia's gold industry is shining brighter on the world stage with the launch by The Perth Mint in New York this week of the first exchange-rated fund with sovereign-backed gold.

Trading of The Perth Mint Physical Gold ETF (NYSE Arca:AAAU) started on Wednesday in the US and is Australia's first gold ETF to be traded on the New York Stock Exchange.

This development will provide a direct path for Australian-mined gold to be sold into the world's largest financial market.

Collaboration from specialist parties

The Bank of New York Mellon has been appointed as the fund's trustee with the leading US-based investment advisory firm Exchange Traded Concepts as its administrative sponsor.

Each AAAU share represents ownership of 1/100th of an ounce of gold which is secured by physical gold stored by The Perth Mint, which is owned by the Government of Western Australia.

A key feature is that shareholders may redeem shares for physical gold at any time.

Select gold from The Perth Mint's range

This can be selected from The Perth Mint's extensive range of bullion bars and coins and can be delivered to the shareholder's door.

Share Information

Code: .

Listing: ASX

Sector: Media

Website:

Company Synopsis:

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AAAU will also pay its expenses in gold ounces, thus minimising potential tracking errors to the gold price.

The ETF will also promote the potential investment benefits of gold, one of Australia's most valuable and important export commodities.

Hedge against volatility

The Perth Mint's CEO Richard Hayes said that gold still had a role to play as a hedge against volatility.

"We live in an increasingly turbulent world," he said, "and that provides a place for safe haven and very secure assets, of which gold is one."

He said that while the initial focus was on North American investors, given the NYSE listing, "it will go in time with Aussie investors too".

Market for Australian gold

Hayes said the initiative was in line with the mint's aim to create markets for Australian gold.

"This is just another way of taking that same product, but selling it in a different way to perhaps a different demographic of investor."

Founded in 1899 in the wake of the Kalgoorlie and Coolgardie gold rushes, the mint now processes more than 90% of the gold mined in Australia.

"Australian gold has an international reputation for purity and ethical sourcing, with investors integrally participating in the success of a great Australian story," Hayes added.

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