

ETFs

AUD \$125.36

Spec.

**HIGH****S**

## Moving on

The auto industry is facing a significant change in the coming years, as the traditional petrol/diesel engine becomes less favoured as the power plant to drive vehicles. As the powerplant change gathers momentum there will be other casualties along the way. We have not been disappointed with the performance of the ETFS Physical PM Basket (Basket). We are however concerned about the outlook for platinum and palladium and are moving on. The following chart shows the recent share price for the ETFS Physical PM Basket.

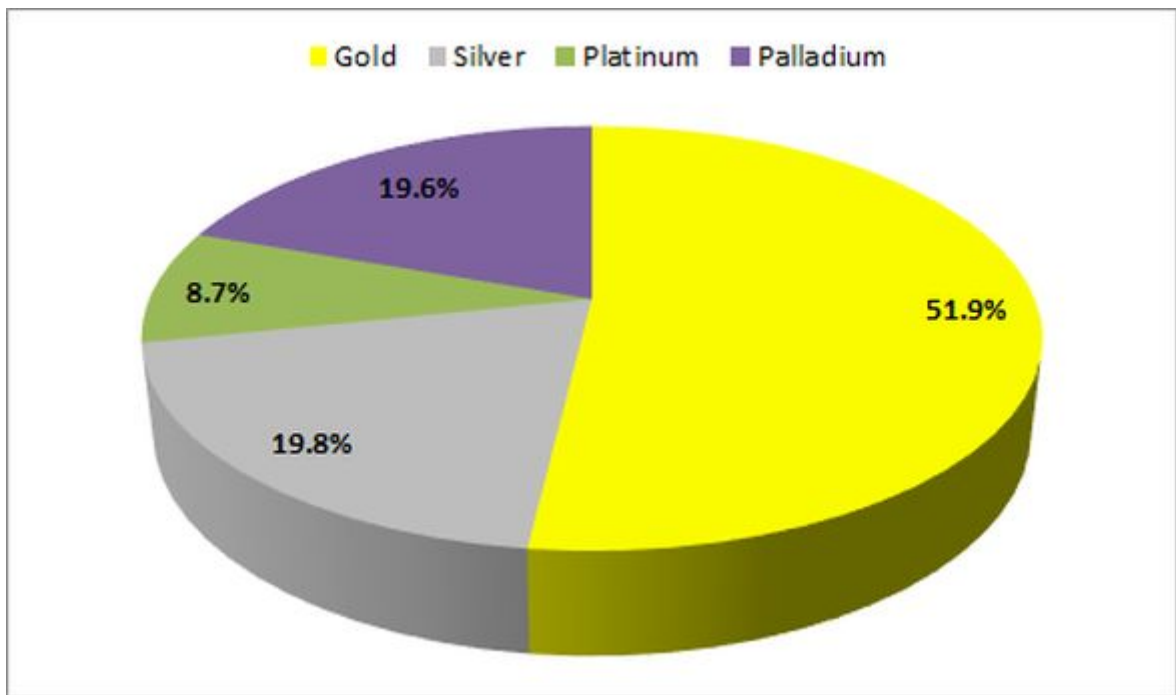


Source: ETF Securities

Over the past 12-months, the Basket price has rallied, until recently, on the back of a better, but volatile, gold price with the Basket well exposed to the gold sector. The silver price has primarily, over the same time, moved sideways. Both the platinum and palladium prices have moved lower and have curtailed the performance of the Basket.

**We have direct gold and silver exposure that are not diluted by platinum and palladium.**

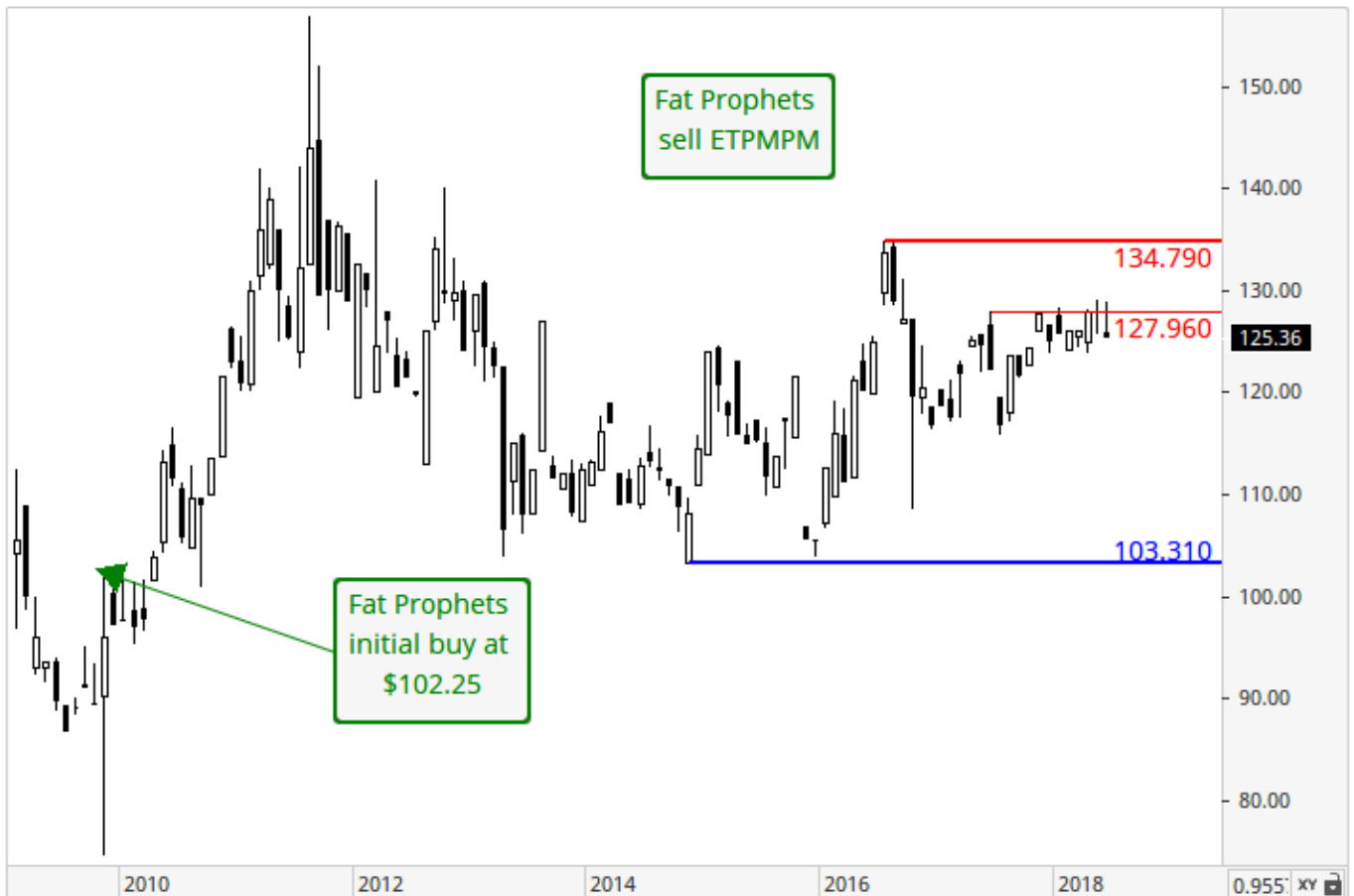
The weighting of the Basket is in precious metals in Gold, platinum and palladium. The following chart shows the Baskets current weighting:



Source: ETF Securities

With both platinum and palladium used primarily in the capture of exhaust emission from vehicles, the rise of the electric vehicle will, in the years ahead, curb the demand for both metals.

ETFS Physical PM Basket - ETPMPM (ASX) - 1 Month CandleStick Chart - AUD



**With the above in mind, we recommend Members sell the ETFS Physical PM Basket. Coverage of the ETFS Physical PM Basket will cease immediately.**

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## Snapshot ETFS

### ETFS Physical PM Basket

This is the first time that silver, platinum, palladium or a precious metals basket have been made available to Australian investors through ordinary brokerage accounts. All of the physical precious metal ETCs are 100% backed by allocated metal – uniquely identifiable bars which carry no bank or other types of credit risk. As a result, physical ETCs save investors from many of the difficulties associated with purchasing precious metals such as access to physical bars and then having to store and insure those bars.

### Market Capitalisation: \$126.7m

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