Annual report and audited financial statements

iSHARES PHYSICAL METALS PLC

For the financial year ended 30 April 2018

Contents

General information

Board of Directors
Michael Griffin (Chairman) (Irish)*
Kevin O'Brien (Irish)*
Barry O'Dwyer (Irish)**

Administrator
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Company Secretary
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Arranger and Adviser
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Trustee
State Street Custodial Services (Ireland) Limited
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United Kingdom

Registered Office
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Ireland

Legal Adviser to the Company
in respect of Irish Law:
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Legal Adviser to the Arranger and Adviser
in respect of English Law:
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Independent Auditors
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Chartered Accountants and Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

* Non-executive and independent
** Non-executive

Background

iShares Physical Metals public limited company (the “Company”) was incorporated in Ireland under registration number 494646 on 7 February 2011 with limited liability and is organised under the laws of Ireland as a Public Limited Company (“plc”) pursuant to the Companies Act, 2014 (the “Companies Act”). It has been established as a special purpose vehicle for the purpose of issuing asset backed securities. The Company will be taxable as a securitisation company pursuant to section 110 of the Taxes Consolidation Act 1997. Profits arising to the Company will be taxable at a rate of 25 per cent.

Principal Activities

The Company has established a secured precious metal linked securities programme (the “Programme”) under which secured precious metal linked debt securities (“ETC Securities”), backed by physical holdings of the relevant precious metal, may be issued from time to time. The series of ETC Securities (the “Series”) which may be issued under the Programme are iShares Physical Gold ETC, iShares Physical Silver ETC, iShares Physical Platinum ETC and iShares Physical Palladium ETC. Each Series provides exposure to a different metal indicated by the name of that Series.

The ETC Securities constitute secured, limited recourse obligations of the Company, issued in the form of debt securities and are issued in Series. The ETC Securities are backed by fully-allocated physical holdings of the relevant precious metal custodied in secured vaults. The ETC Securities are undated (have no final maturity date) and are non-interest bearing. The ETC Securities provide a simple and cost-effective means of gaining exposure very similar to that of a direct investment in the relevant precious metal. Each ETC Security of a Series has a metal entitlement (the “Metal Entitlement”) expressed as an amount in weight (in troy or fine troy ounces) of the relevant metal linked to such Series. This Metal Entitlement starts at a predetermined initial Metal Entitlement for the relevant Series and is reduced daily by the Total Expense Ratio (“TER”) (in metal) for the Series.

Only registered broker-dealers “Authorised Participants” may subscribe and request buy-backs of ETC Securities directly with the Company and except in certain limited circumstances, these subscriptions and buy-backs can only be carried out in specie. During the life of the ETC Securities, Securityholders can buy and sell ETC Securities on each exchange on which the ETC Securities are listed, through financial intermediaries. Securityholder means the person in whose name a Security of the relevant Series is registered in the Register.

The term “Arranger and Adviser” is used to represent BlackRock Advisors (UK) Limited.

Changes to the Company

As of 15 September 2017, the Company Secretary changed its name from Chartered Corporate Services to Sanne Corporate Administration Services Ireland Limited.

Potential implication of Brexit

In a referendum held on 23 June 2016, the electorate of the United Kingdom (“UK”) resolved to leave the European Union (“EU”). The result has led to political instability and economic uncertainty, volatility in the financial markets of the UK and more broadly across the EU.

The longer term process to implement the political, economic and legal framework between the UK and the EU is likely to lead to continuing uncertainty and periods of exacerbated volatility in both the UK and in wider European markets. In particular, the decision made in the British referendum may cause increased economic volatility in wider European and global markets.

The potential currency volatility resulting from this uncertainty may mean that the returns of the Company and its investments are adversely affected by market movements. This may also make it more difficult, or more expensive, for the Company to execute prudent currency hedging policies. This mid to long term uncertainty may have an adverse effect on the economy generally and on the ability of the Company and its investments to execute their respective strategies and to receive attractive returns, and may also result in increased costs to the Company.

ETC Securities Details

The following Series of ETC Securities were in operation at 30 April 2018. The Series are priced daily, based on the metal reference price source in the table below:

Series	Metal reference price source
iShares Physical Gold ETC	London Bullion Market Association – Gold Price
iShares Physical Silver ETC	London Bullion Market Association – Silver Price
iShares Physical Platinum ETC	London Platinum and Palladium Market – Platinum Price
iShares Physical Palladium ETC	London Platinum and Palladium Market – Palladium Price

Background (continued)

Stock Exchange Listings

The Company maintains a standard debt listing on the London Stock Exchange (“LSE”). Each Series first listed on the LSE on 11 April 2011.

Total Expense Ratio (“TER”)

Each Series pays an “all in one” operational fee to the Arranger and Adviser, which accrues at a rate per annum equal to the TER. The Arranger and Adviser uses this fee to pay the agreed fees of other service providers of the Company. The TER is the rate set out below for each Series and is applied to the Metal Entitlement on a daily basis to determine a daily deduction of an amount of Metal from the Metal Entitlement:

Series	TER %
iShares Physical Gold ETC	0.25
iShares Physical Silver ETC	0.40
iShares Physical Platinum ETC	0.40
iShares Physical Palladium ETC	0.40

Arranger and Adviser's Report

INVESTMENT OBJECTIVE

The objective of the Company is for the value of the ETC Securities to reflect, at any given time, the price of the relevant precious metal underlying such ETC Securities at that time, less fees and expenses.

SERIES PERFORMANCE*

The performance of the Series for the financial year under review is shown below:

Series	Series return for the financial year ended 30/04/2018 %	Benchmark return for the financial year ended 30/04/2018 %	Series return for the financial year ended 30/04/2017 %	Benchmark return for the financial year ended 30/04/2017 %
iShares Physical Gold ETC	3.43	3.69	(1.74)	(1.49)
iShares Physical Silver ETC	(6.29)	(5.92)	(2.88)	(2.49)
iShares Physical Platinum ETC	(4.72)	(4.33)	(11.53)	(11.17)
iShares Physical Palladium ETC	16.40	16.87	30.69	31.21

* Series performance returns are shown net of fees and expenses (TER).

ARRANGER AND ADVISER'S REVIEW

Annual review for the year from 1 May 2017 to 30 April 2018.

Market Review

iShares Physical Gold ETC

Gold prices ended the Company's review year with modest gains. Despite multiple rises in US borrowing costs diminishing the appeal of non-interest bearing assets and reduced North Korea related tensions lowering demand for 'safe havens', sustained US Dollar weakness and a return of US inflation concerns underpinned gold's attraction as a traditional hedge in early 2018.

Having begun the review year on a soft note as comments from the US Federal Reserve ("Fed") officials raised the prospect that interest rates could rise as soon as June 2017, gold prices rallied from their $1,214/oz May 2017 lows. The recovery was driven by a combination of improving demand from consumers across Asia and a weaker US Dollar amid concerns that, following his failure to repeal 'Obamacare', President Donald Trump lacked the political support to fully implement his pro growth agenda. Meanwhile, allegations that members of the Trump election campaign may have colluded with Russian interests further undermined the US currency. After rallying to around $1,300/oz, gold prices settled in a $1,200-$1,270/oz range in the weeks following the Fed's June 2017 decision to raise interest rates by 0.25% to 1.25%. However, with the US Dollar losing ground during the third quarter as the minutes from policymakers' Federal Open Market Committee ("FOMC") meeting cast some doubt on the immediate need for higher interest rates, gold prices rose in August 2017. Increasingly tough rhetoric exchanged by President Trump and North Korea's Kim Jong-un added to the safe haven appeal of gold, with the yellow metal touching $1,340/oz in early September 2017 after the rogue state test fired a missile over Japan and threatened the US territory of Guam. With gold's rally sustained by a reported surge in India's imports from South Korea following favourable tax changes, the gold price peaked at a one year high of $1,357/oz in late September 2017. However, comments from outgoing Fed Chair Janet Yellen to the effect that the Fed should be wary of rising interest rates too slowly briefly underpinned the US Dollar as economic activity picked up. Meanwhile, reports that higher gold prices were limiting demand from China put further pressure on gold prices. In the aftermath of the Fed's decision to raise interest rates by 0.25% to 1.50%, gold touched a low of $1,237/oz in mid-December 2017.

Gold found a firmer footing from late December 2017, rising to $1,366/oz by late January 2018. Despite speculation that the Fed could hike borrowing costs as many as four times in 2018, the US Dollar sank to three year lows amid growing uncertainty over US trade policy, thereby boosting the gold price. This reflected fears that protectionist US measures, including the subsequent imposition of new tariffs on imports of steel and aluminium, as well as manufactured products such as solar panels and washing machines, could risk a full scale US-China trade war, with gold's safe haven allure attracting risk averse buyers.
Gold's anti-inflation hedge appeal further enticed investors as Organization of the Petroleum Exporting Countries ("OPEC's") deal with Russia to extend production cuts deep into 2018 helped to push up energy prices. However, gold retreated from the highs of late February 2018 and early March 2018 as bond yields rose, particularly as the 10 year US government bond yield

Arranger and Adviser's Report (continued)

Market Review (continued)

iShares Physical Gold ETC (continued)

hit 3.00%, with the higher returns available from ultra-low risk fixed interest assets crimping the appeal of non-interest bearing assets, such as precious metals. Gold prices hovered around the $1,320 – $1,350/oz range for the remainder of the Company's review year; although a recovery in the US Dollar in April 2018 weighed to some extent on gold prices, the effect was partly offset by safe haven buying amid ongoing geopolitical tensions. Despite a dramatic easing of tensions on the Korean peninsula as the North and South Korean leaders held face to face talks and reduced fears of a US-China trade war as the US appeared to adopt a more conciliatory approach, the growing risk of conflict between Iran and Israel underlined the safe haven appeal of gold. Against this backdrop, the gold price ended the Company's review year at $1,313.20/oz.

iShares Physical Silver ETC

Silver prices fell over the Company's review year, partly reflecting precious metals' diminishing safe haven appeal and the effects of higher US interest rates on assets generating no income. While a return of inflation concerns lent support to gold as a traditional store of value, silver's decline also reflected investors' late 2018 preference for metals with greater gearing to rising global industrial demand as President Trump sought to implement pro growth policies, albeit that uncertainty over US trade policy took hold in early 2018.

Having traded at $17.41/oz at the start of May 2017, silver prices briefly eased alongside gold, dipping to around $16.20/oz amid US Dollar strength as the Fed suggested that interest rates could rise in June 2017. Although some subsequent US Dollar softness and a report showing that Chile's silver production, largely a by-product of copper mining, slumped by 26% during the first quarter of 2017 compared to a year earlier, helped silver to peak at $17.60/oz in early June 2017, the market nevertheless suffered steady declines for the remainder of June 2017. This reflected a statement following the Fed's 0.25% interest rate hike that raised the prospect of at least one further rise in 2017. Nevertheless, subsequently US Dollar weakness pushed silver prices down to $15.25/oz in early July 2017. The silver market's price gyrations continued into late July 2017 as a weaker than expected jobs report weighed on the US Dollar, with silver prices rising steadily into late August 2017. With investors mindful of the silver supply deficit after the World Silver Survey reported that mine output fell in 2016, the first annual fall since 2002, the silver market firmed as a legal wrangle temporarily shut down Tahoe's Escobal mine in Guatemala, the world's second largest primary silver mine, heightening supply concerns. Some element of safe haven buying further underpinned silver as North Korea continued its nuclear testing programme, test firing a missile over Japan and threatening Guam in defiance of President Trump's 'fire and fury' rhetoric, propelling silver to a peak of $18.15/oz in early September 2017. Nevertheless, following a bout of US Dollar strength, partly inspired by a hawkish speech from Fed Chair Yellen suggesting that interest rates could rise again should the economy and inflation recover as expected, silver prices retreated to around $16.60/oz by early October 2017. The market subsequently consolidated for the remainder of October and November 2017 in a $16.60-$17.40/oz range.

Silver prices slid in early December 2017 after the US Senate passed the long awaited tax reform bill, with the resulting rise in the US Dollar and surge in investors' appetite for risk boosting the stock market while dampening the appeal of precious metals. Reports of reduced offtake from India's industrial units and coin makers put further pressure on silver, which fell to $15.70/oz in mid-December 2017. Nevertheless, a sharp rally in industrial metal prices, driven by optimism that tax reform would help to boost global economic activity, dragged silver prices higher into January 2018, resulting in a brief period outperformance relative to gold. After peaking at $17.60/oz in late January 2018, silver prices eased to $16.40/oz in early February 2018, weighed by news that India's silver imports had plunged to a 14 month low, with some industry stakeholders said to have held off making bullion purchases in the hope of a cut in basic customs duty. Subsequently, the grey metal largely remained in a relatively tight $16.30 to $16.80/oz range for the remainder of the Company's review year as investors grappled with a combination of some easing safe haven demand as tensions on the Korean peninsula dramatically eased, although this was partly offset by tension between Iran and Israel. Having briefly spiked to above $17.10/oz in early April 2018 as President Trump criticised the Trans-Pacific Partnership ahead of talks with Japanese Prime Minister Shinzo Abe, silver prices subsequently dipped as the US Dollar rallied and hopes rose that a full scale US-China trade war could be avoided after the US President Donald Trump appeared to soften his rhetoric over import tariffs. Silver prices ended the review year at $16.38/oz, significantly underperforming relative to gold over the period.

iShares Physical Platinum ETC

Platinum prices fell over the Company's review year, reflecting uncertainty over US trade policy and concerns over the global industrial demand outlook, particularly medium to long term demand outlook from the automobile sector. Concerns mounted over the health impact of diesel vehicle exhaust particulate emissions, with governments highlighting tight future restrictions, and in some cases bans, on the use of the worst polluting vehicles. Given the primary industrial application of platinum in catalytic converters for diesel vehicles, the shifting focus towards hybrid and pure electric vehicles also weighed on platinum prices, albeit that a number of other factors triggered dramatic price swings over the Company's review year.

Arranger and Adviser's Report (continued)

Market Review (continued)

iShares Physical Platinum ETC (continued)

Trading in a $900.00-$950.00/oz range in early May 2017, having begun the Company's review period at $946.00/oz, platinum prices pushed higher to around $962.00/oz as the US Dollar weakened on political uncertainty following allegations levelled at members of the Trump campaign over possible collusion with Russian interests during the November 2016 elections. However, the market subsequently retreated to just below $900.00/oz in early July 2017, as the US Dollar recovered after the Fed sounded a hawkish tone following June 2017's 0.25% interest rate hike. Comments from Anglo American Platinum management did little to help sentiment as the world's biggest platinum producer suggested that a slowdown in the Chinese jewellery market and falling sales of diesel vehicles in Europe would continue to weigh on platinum demand. Nevertheless, prices firmed in late July and August 2017, underpinned by US Dollar softness as some analysts suggested that President Trump's apparent failure to amend 'Obamacare' indicated that his political clout had faded, potentially threatening other elements of his growth friendly policy agenda. Bolstered by safe haven buying amid North Korea tensions, platinum prices spiked above $1,020.00/oz in early September 2017. However, the market pulled back to $913.00/oz by early October 2017, with the US Dollar rising on more hawkish Fed rhetoric and concerns over the demand outlook from the auto industry as weaker European car sales data reflected deteriorating consumer sentiment towards diesel cars amid growing concerns over the health impact of particulate emissions.

Having consolidated in a $910.00-$950.00/oz range until mid-November 2017, platinum fell alongside gold and silver as US politicians backed the tax reform bill, with the brief surge in the US currency pushing platinum to a low of $874.00/oz in mid-December 2017. However, the market soared around the turn of the calendar year, hitting a review year high of $1,023.00/oz in early January 2018 as the metals complex capitalised on increasing optimism that the growth friendly US tax cut and bullish global economic signs would help to bolster demand. While benefitting from broad confidence over synchronised global economic growth, platinum prices also reflected reports of speculative buying from hedge funds as China's imposition of stricter emissions standards looked set to spur demand for catalytic converters. Investors also noted that, with stockpiles in warehouses tracked by New York's NYMEX exchange falling to their lowest level since 2016, inventories were ill prepared to withstand any significant upturn in demand from diesel catalytic convertor producers as the effects of the 2015 VW emissions debacle faded. Nevertheless, the dramatic rally was promptly reversed at the end of February 2018 after a German court ruled that its cities have the authority to ban diesel cars, adding to concerns over the future of diesel cars in Europe's largest economy. The downtrend was sustained throughout March 2018, with platinum dipping to $910.00/oz in early April 2018. Although prices briefly recovered to $950.00/oz as a broker report citing the case for closing unprofitable mines in South Africa, where 70% of platinum is produced, highlighted the potential for production cuts, concerns over the deteriorating demand outlook from developed auto industry markets saw platinum end the review period at $905.00/oz.

iShares Physical Palladium ETC

Palladium prices rose strongly over the Company's review year, particularly during the second half of 2017 amid strong demand from the auto industry. As palladium is widely used in catalytic convertors for petrol cars (accounting for approximately 67% of palladium output), deepening concerns over the health impact of diesel particulate emissions underpinned petrol car sales, thereby boosting demand for palladium. Hence, palladium outperformed platinum by a significant margin over the review year.

Opening the review year at $824.00/oz, palladium initially drifted lower alongside the broader metals complex as speculation over the timing of the Fed's next rate hike pushed the US Dollar higher. However, having reached $760.00/oz in mid-May 2017, a level that would mark the lowest point for the review year, palladium prices began a powerful rally that would be sustained for the remainder of 2017. In addition to the tailwind from persistent US Dollar weakness, palladium prices benefitted from increasing optimism over the outlook for the US and Chinese economies amid expectations that improving trading conditions would bolster demand for cars, particularly petrol engined cars that dominate these major markets. The initial leg of palladium's rally paused briefly in June 2017, as the market consolidated in the $900.00-$850.00/oz range, capped by a limited recovery in the US Dollar following the Fed's 0.25% June 2017 rate hike and talk of further tightening later in 2017. Nevertheless, US Dollar weakness, speculative buying and industrial reports highlighting bullish demand fundamentals soon helped to propel palladium to 17 year highs. In particular, a report from Japanese industrial giant Mitsubishi highlighted robust year on year sales growth of mainly petrol engined cars in China, while Russia's Nornickel, the world's biggest palladium producer, forecast that global consumption was heading for an all-time high of nearly 11 million troy ounces in 2017, resulting in a deficit of more than a million troy ounces. Rising to $980.00/oz in early September 2017, the market consolidated in October and early November 2017 as, given the robust performance of the US economy, the growing consensus over a further Fed rate hike in around the turn of the calendar year underpinned the US Dollar. Nevertheless, palladium surged in December 2017, bolstered by analyst research highlighting strong demand from auto catalyst makers, particularly in China, albeit that the removal of tax incentives was forecast to take effect soon. Nevertheless, expectations of the demand/supply imbalance continued into January 2018, with palladium prices topping platinum for the first time since 2009.

Arranger and Adviser's Report (continued)

Market Review (continued)

iShares Physical Palladium ETC (continued)

The market soared to an all-time high of $1,138.00/oz in January 2018, buoyed by speculative buying as exuberant sentiment towards global equities reflected an optimistic view of the global growth outlook, even as some commentators suggested that the palladium market was running ahead of likely automotive sector demand. In the US, survey would subsequently show that car sales fell in 2017 compared to 2016, the first year on year fall since the 2008/09 Global Financial Crisis, while sales in Europe also disappointed. Against this less supportive demand backdrop, palladium slid to a low of $980.00/oz in early February 2018, with losses relative to platinum exacerbated by some speculative long positions selling out as stock market investors reacted to the uncomfortable prospect that faster than expected rises in US interest rates could crimp economic growth.

After a brief bounce to $1,070.00/oz in late February 2018 on the German court ruling that paved the way for cities to ban diesel cars, the market fell to around $900.00/oz in early April 2018 as global trade tensions weighed on the metals complex, reflecting fears that a US-China trade war could derail global economic growth, thereby hitting demand for new cars. However, after rallying to $1,030.00/oz in the aftermath of the US administration's surprise decision to impose tough new sanctions on Russia, seemingly targeting oligarchs with ties to Russian President Vladimir Putin, palladium prices drifted lower during the final weeks of the review year. Following suggestions that the US could relax sanctions on aluminium giant Rusal in the event that oligarch Oleg Deripaska relinquishes control, thereby easing concerns that similar sanctions could be imposed on Palladium giant Nornickel, palladium prices ended the review year at $963.00/oz, reflecting some easing in supply worries.

Outlook

Notwithstanding the volatile market conditions of early 2018, the world economy looks set to continue to benefit from a period of synchronised growth across the major regions. Although the US tax changes and President Trump's massive infrastructure spending plans look set to continue to boost growth, these measures could nevertheless act as a 'sugar rush' at a time when the world's largest economy is already at risk of overheating, with rising inflation already keeping the Fed firmly on the tightening track. In contrast to some of his international peers, new Fed Chair Jerome Powell has benefitted from a robust domestic economic backdrop that has enabled him to give clear guidance to investors over the likely path of interest rates.

Despite buoyant economic growth in 2017, policymakers in the Eurozone have yet to fully turn off the quantitative easing ("QE") taps, with recent weak inflation data pressing the case for ongoing stimulus, possibly even beyond September 2018. Politics look set to retain a significant influence over markets in 2018 and beyond, both in Europe, where anti EU parties continue to make progress, and in the US ahead of mid-term elections. From a global perspective, it remains to be seen if President Trump's recent brinksmanship over trade matters is merely a proven dealmaker's tactic aimed at securing more advantageous terms in international trade or, alternatively marks a new era of harmful US protectionism that could radically impact on the present benign global economic and market backdrop.

The US Dollar's weakness – falling by around 15% versus the euro over the review year – has been a major factor in the performance of commodities and flies in the face of conventional wisdom that, with US interest rates firmly on a rising trend, capital should generally flow into higher-yielding currencies. Some investors have suggested that the US Dollar's recent performance is a mirror image of investors' risk appetite, such that confident international investors have backed domestic – rather than US – risk assets. Should this analysis ring true in the future, and late January 2018's stock market peak sets the high water mark for investors' risk appetite this year, then some recovery in the greenback over the remainder of this year could act as a headwind to commodity markets.

Nevertheless, in the absence of geopolitical shocks that could threaten the global economic recovery, the prospect of ongoing synchronised global economic growth should provide a supportive backdrop for industrial demand. Meanwhile, precious metals, particularly gold, should continue to attract buyers seeking protection from inflation risks as the recent rise in energy costs apply upward pressure to global inflation, particularly in the US. This could help to counter signs that investor demand for gold that began 2018 on a soft note, with a World Gold Council report suggesting that waning investor interest in gold bars contributed to the weakest quarterly demand reading for 10 years.

While it remains to be seen whether cryptocurrencies such as Bitcoin, where wild speculative trading driven price gyrations may have undermined its appeal to many investors, can challenge precious metals' safe haven appeal over the long term, for the time being at least, gold in particular looks set to retain its traditional role as a 'store of value'. Meanwhile, although palladium looks well placed to retain the upper hand over platinum in auto catalyst production as the demand balance swings further in favour of petrol cars, strong demand from industrial users in sectors such as chemical production should help to underpin platinum prices.

BlackRock Advisors (UK) Limited
May 2018

Directors' Report

The Directors present their report and audited financial statements from 1 May 2017 to 30 April 2018.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' report and the annual report and audited financial statements in accordance with Irish law.

Irish law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

Under Irish law the Directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial year and of the profit or loss of the Company for the financial year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS and ensure that they contain the additional information required by the Companies Act and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the Company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy; and
- enable the Directors to ensure that the financial statements comply with the Companies Act and enable those financial statements to be audited.

In this regard State Street Bank and Trust Company have been appointed for the purpose of maintaining adequate accounting records. Accordingly, the accounting records are kept at the following address on behalf of State Street Bank and Trust Company:

State Street Fund Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors have entrusted the assets of the Company to the Custodian for safekeeping in accordance with the Memorandum and Articles of Association of the Company. In this regard the Directors have appointed JPMorgan Chase Bank N.A. as Custodian pursuant to the terms of a Custodian Agreement. The address at which this business is conducted is as follows:

JPMorgan Chase Bank N.A., London Branch
125 London Wall
London EC2Y 5AJ
United Kingdom

The financial statements are published on the www.iShares.com website. The Directors, together with the Arranger and Adviser are responsible for the maintenance and integrity of the corporate and financial information included on this website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Compliance Statement

In accordance with Section 225 of the Companies Act, 2014 the Directors are required to acknowledge that the Company is in compliance with its relevant obligations. The Directors further confirm that, based on the procedures implemented

Directors' Report (continued)

Directors' Compliance Statement (continued)

and review process established, they have used all reasonable endeavors to secure the Company's compliance with the following obligations and requirements:

1. A compliance policy has been prepared setting out the Company's procedures (that, in the Directors' opinion, are appropriate to the Company) for ensuring compliance by the Company with its relevant obligations;

2. An adequate structure is in place, that in the Directors' opinion, is designed to secure material compliance with the Company's relevant obligations; and

3. An annual review procedure has been put in place to review the Company's relevant obligation and ensure a structure is in place to comply with these obligations.

Audit Committee

The Directors believe that there is no requirement to form an audit committee as the Board is formed of three non-executive Directors and the Company complies with the provisions of the Corporate Governance Code.

Corporate Governance Statement

General Principles

The Company is subject to and complies with Irish statute comprising the Companies Act. As the Company has been admitted to listing on the official list of the UK Listing Authority and to trading on the regulated market of the LSE, the Company adheres to the Listing Rules of the LSE in so far as it relates to an overseas company trading in secured metal linked debt securities. As well as being mindful of the requirements of the Companies Act and the LSE, the Company complies with its own corporate governance requirements as set out in its Articles of Association (the "Articles").

Internal Control and Risk Management Systems in Relation to Financial Reporting

The Directors are responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives.

The Board has put in place a formal procedure to ensure that relevant accounting records for the Company are properly maintained and are readily available, and includes the procedure for the production of half yearly and annual audited financial statements for the Company. The annual audited financial statements are produced by the Administrator, reviewed by the Arranger and Adviser, then presented to the Board of Directors for consideration and approval and are filed with the Companies Registration Office, Central Bank of Ireland, the Irish Stock Exchange in accordance with the provisions of the Transparency Directive (2004/109/EC Regulations 2007) and the LSE. The financial statements are prepared in accordance with applicable Irish law and IFRS.

During the period of these accounts, the Board was responsible for the review and approval of the annual financial statements as set out in the Statement of Directors' responsibilities. It is a statutory requirement that the annual financial statements are audited by one or more persons empowered to audit accounts in accordance with the Companies Act and in this regard the Board engages the Independent Auditors. As part of its review procedures the Board receives presentations from relevant parties including consideration of International accounting standards and their impact on the annual financial statements, and presentations and reports on the audit process. The Independent Auditor's report is reproduced in full in the annual report of the Company.

Dealings with Shareholders

The convening and conduct of shareholders' meetings are governed by the Articles and the Companies Act. Although the Directors may convene an extraordinary general meeting of the Company at any time, the Directors are required to convene an annual general meeting of the Company in each calendar year and within fifteen months of the date of the previous annual general meeting, provided that each annual general meeting is held within nine months of the end of each accounting period of the Company. Shareholders representing not less than one-tenth of the paid up share capital of the Company may also request the Directors to convene a shareholders' meeting. At least twenty one clear days notice of every annual general meeting and any meeting convened for the passing of a special resolution must be given to shareholders and fourteen days notice must be given in the case of any other general meeting, unless the Auditors of the Company and all the shareholders of the Company entitled to attend and vote, agree to shorter notice thereof.

Directors' Report (continued)

Dealings with Shareholders (continued)

Two shareholders present, either in person or by proxy, constitutes a quorum at a general meeting. The share capital of the Company can be divided into different classes of shares, and the Companies Act and the Articles provide that the quorum for a general meeting convened to consider any alteration to the rights attached to any class of shares, is two or more shareholders present in person or by proxy, holding or representing by proxy at least one third of the issued shares of the relevant class.

Every shareholder present, in person or by proxy who, votes on a show of hands is entitled to one vote. On a poll, every shareholder present, in person or by proxy, is entitled to one vote in respect of each share held by him. At any general meeting, a resolution put to the vote of the meeting is decided on a show of hands unless, before or upon the declaration of the result of the show of hands, a poll is demanded by the chairman of the general meeting, or by at least two members or shareholders present, in person or by proxy, having the right to vote at such meeting, or any shareholder or shareholders present, in person or by proxy, representing at least one tenth of the shares in issue having the right to vote at such meeting.

Shareholders may resolve to sanction an ordinary resolution or special resolution at a shareholders' meeting. Alternatively, a resolution in writing signed by all of the shareholders for the time being who are entitled to attend and vote on such resolution at a general meeting of the Company, will be valid and effective for all purposes as if the resolution had been passed at a general meeting of the Company duly convened and held. An ordinary resolution of the Company (or of the shareholders of a particular class of shares) requires a simple majority of the votes cast by the shareholders voting, in person or by proxy, at the meeting at which the resolution is proposed. A special resolution of the Company (or of the shareholders of a particular class of shares) requires a majority of not less than 75% of shareholders present, in person or by proxy, and voting in general meeting in order to pass a special resolution including a resolution to amend the Articles.

Board Composition and Activities

In accordance with the Articles, unless otherwise determined by an ordinary resolution of the Company in a general meeting, the number of Directors may not be more than nine, nor less than three, provided always that a majority of the Directors shall be Independent Directors. In accordance with the Articles, it is not necessary for Directors to retire by rotation or otherwise seek re-election. BlackRock has the power at any time and from time to time to appoint or remove any person as BlackRock Director or Secretary. Directors may, subject to the Articles, appoint additional Independent Directors.

Where there are less than two Independent Directors holding office, Ordinary Shareholders and the Trustee may appoint Independent Directors. Ordinary Shareholders and the Trustee may remove Independent Directors by ordinary resolution in accordance with the Articles and the Companies Act. The Board currently comprises three non-executive Directors, two of whom are independent. Details of the current Directors are on the following pages, under the heading "Directors".

The Board is responsible for the Company's overall direction and strategy and to this end it reserves the decision making power on issues such as the determination of medium and long term goals, review managerial performance, supervision of delegates, organisational structure and capital needs and commitments to achieve the Company's strategic goals. To achieve these responsibilities, the Board meets five times a year to review the operations of the Company, address matters of strategic importance and to receive reports from the Administrator, Custodian and the Arranger and Adviser. However, a Director may, and the Company Secretary on the requisition of a Director will, at any time summon a meeting of the Directors.

Questions arising at any meeting of the Directors are determined by the Chairman. In the case of an equality of votes, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote. The quorum necessary for the transaction of business at a meeting of the Directors is two Independent Directors.

During the financial year ended 30 April 2018 Michael Griffin and Kevin O'Brien attended all five Board meetings. Barry O'Dwyer attended the four Board meetings held in June 2017, November 2017, December 2017 and April 2018.

Role of the Board of Directors

The Directors control the affairs of the Company and are responsible for the overall investment policy which will be determined by them and provided to the Arranger and Adviser. The Directors have delegated certain duties and responsibilities to the Arranger and Adviser with regards to the management of the Company.

Directors' Report (continued)

The Arranger and Adviser

The Company has appointed BlackRock Advisors (UK) Limited as its Arranger and Adviser pursuant to the Management Agreement. Under the terms of the Management Agreement, the Arranger and Adviser has responsibility for the management and administration of the Company's affairs and the distribution of the shares, subject to the overall supervision and control of the Directors.

Results

The results for the financial year are set out in the statement of comprehensive income on page 18.

Significant events since the financial year end

There have been no significant events since the financial year end date.

Directors

The Directors who served during the financial year are shown on page 1.

Michael Griffin (Chairman, Irish): Mr Griffin has over 35 years' experience in the financial sector. For the past 18 years, he has been a non-executive director of fund companies in Dublin and Luxembourg where he has worked with some of the leading sponsors in the sector. Most of his executive experience was with the wholesale arm of the Ulster Bank Group in Dublin where he served on the board and management committee of Ulster Investment Bank Limited for 12 years. In his role he managed the Treasury trading of the bank which included sovereign debt, money market and foreign exchange. He was Chairman of the Irish Bankers' Federation EMU Capital Markets Committee from 1996 to 1999. He is a fellow of the Institute of Bankers in Ireland.

Kevin O'Brien (Irish): Mr O'Brien graduated from University College Cork (The National University of Ireland) with an Honours degree in Commerce. He joined Coopers & Lybrand (now PricewaterhouseCoopers) where he qualified as a Chartered Accountant. He joined Lifetime Assurance (the bancassurance subsidiary of the Bank of Ireland Group) as a Senior Financial Accountant, before being appointed Operations Manager and subsequently Managing Director of the Bank of Ireland's general insurance business. He joined Bank of Ireland Asset Management in 2000, where he held a number of senior roles including Director – Wholesale Funds and Director – Business Strategy. In 2009 he completed a Certificate and a Diploma in Company Direction and was admitted by the Institute of Directors as a Chartered Director in 2013. He now works as an Independent Non-Executive Director within the investment funds and insurance sectors. Through his portfolio of directorships he has exposure to a fund services provider, the equity, fixed income, credit, precious metal and derivatives markets, together with life and non life (re) insurance.

Barry O'Dwyer (Irish): Mr O'Dwyer is a Managing Director at BlackRock. He is the Head of Fund Governance for BlackRock's European open-ended fund ranges and is the Chief Operating Officer for BlackRock's Irish business. He serves as a director on the boards of a number of BlackRock corporate, fund, and management companies domiciled in Ireland, Luxembourg, Switzerland and Germany and on the board of BlackRock's UK Life company. He was the chairman of the Irish Funds Industry Association 2014-2015, is a board director of Financial Services Ireland and is a member of An Taoiseach's Financial Services Industry Advisory Committee. He joined BlackRock Advisors (UK) Limited in 1999 as head of risk management and moved to his present role in 2006. Prior to joining BlackRock Advisors (UK) Limited, Mr O'Dwyer worked as risk manager at Gartmore Investment Management and at HypoVereinsbank and National Westminster Bank. Mr O'Dwyer graduated from Trinity College Dublin with a degree in Business Studies and Economics in 1991. He holds a Chartered Association of Certified Accountants qualification and an MBA from London City University Business School.

Directors' and Company Secretary's Interests and Transactions

The Directors and Company Secretary had no interest in the shares of the Company during the financial year ended 30 April 2018, other than those disclosed in the related party note on pages 30 and 31.

No Director had at any time during the financial year, a material interest in any contract of significance, during or at the end of the financial year in relation to the business of the Company.

Review of Business and Future Developments

A review of market activities and market outlook can be found in the Arranger and Adviser's report on pages 4 to 7.

Risk Management Objectives and Policies

Please refer to the Financial instruments and risks section of the notes to the financial statements on pages 23 to 27.

Directors' Report (continued)

Independent Auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The Directors have taken all the steps that should have been taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On 16 June 2014, the European parliament and council passed into law a new Audit Directive and Regulation ('Directive') which updated the EU regulatory framework on statutory audits. Member states had two years to implement legislation to transpose, adopt and publish the provisions to comply with the directive, and on 15 June 2016 a Statutory Instrument was signed in Ireland that gave effect to the Directive. Accordingly, such legislation will apply to the year-end commencing 1 May 2017, being the first financial year starting on or after 17 June 2016. The legislation covers mandatory audit firm rotation, additional restrictions on the provision of non-audit services, requirements relating to audit committee oversight of the performance of the audit, and new requirements regarding reporting by the Auditor.

The Board conducted a competitive tender process during 2017 for the position of auditor of the Company, resulting in a recommendation that EY be appointed as External Auditor for the financial year commencing 1 May 2018. A resolution proposing this appointment will be presented to shareholders at the 2018 AGM. The process undertaken to reach this decision involved written submissions and presentations by each of the invited firms. This transition process will continue to be a focus for the Board in 2018.

On behalf of the Board of Directors

Michael Griffin Director	Kevin O'Brien Director
28 June 2018	28 June 2018

Independent Auditors' Report to the members of iShares Physical Metals plc (the "Company")

Report on the audit of the financial statements

Opinion

In our opinion, iShares Physical Metals plc's financial statements:

- give a true and fair view of the company's assets, liabilities and financial position as at 30 April 2018 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Annual Report and audited Financial Statements, which comprise:

- the Statement of financial position as at 30 April 2018;
- the Statement of comprehensive income for the year then ended;
- the Statement of cash flows for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by IAASA's Ethical Standard were not provided to the company.

We have provided no non-audit services to the company in the period from 1 May 2017 to 30 April 2018.

Independent Auditors' Report to the members of iShares Physical Metals plc (the "Company") (continued)

Our audit approach

Context

Overview

Materiality

- 16,835,517 (2017: 14,850,476)
- Based on 0.5% of Total ETC securities at fair value.

Audit scope

- The Company engages BlackRock Advisors (UK) Limited (the "Arranger and Adviser") to manage certain duties and responsibilities with regards to the day-to-day management of the Company. We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties referred to below, the accounting processes and controls, and the industry in which the Company operates.

Key audit matters

- Existence of physical metals at fair value.
- Valuation of physical metals at fair value.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Existence of physical metals at fair value ***See accounting policy 1b) and Note 8*** The physical metals at fair value included in the Statement of financial position are held in the Company's name at 30 April 2018. This is considered a key audit matter as it represents the principal element of the financial statements.	We obtained independent confirmation from the Custodian of the investment portfolio held as at 30 April 2018, agreeing the amounts held to the accounting records.
Valuation of physical metals at fair value ***See accounting policy 1b) and Note 8*** The physical metals at fair value included in the Statement of financial position as at 30 April 2018 are valued at fair value in line with IFRS as adopted by the EU. This is considered a key audit matter as it represents the principal element of the financial statements.	We tested the valuation of the investment portfolio by independently agreeing the valuation of the physical metals to independently obtained prices from the London Bullion Market.

Independent Auditors' Report to the members of iShares Physical Metals plc (the "Company") (continued)

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

As at 30 April 2018, the Company issues Exchange Traded Commodity (ETC) Securities to provide investors with exposure to the performance of various physical metals.

The directors control the affairs of the Company and are responsible for the overall investment policy which is determined by them. The Company engages the Arranger and Adviser to manage certain duties and responsibilities with regards to the day to day management of the Company. The Arranger and Adviser has delegated certain responsibilities to State Street Bank and Trust Company (the 'Administrator'). The financial statements, which remain the responsibility of the directors, are prepared on their behalf by the Administrator. The Company has appointed JP Morgan Chase Bank, N.A. (the "Custodian") to act as Custodian of the physical metals. In establishing the overall approach to our audit we assessed the risk of material misstatement, taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the Company's interaction with the Administrator, and we assessed the control environment in place at the Administrator.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	16,835,517 (2017: 14,850,476).
How we determined it	0.5% of Total ETC securities at fair value.
Rationale for benchmark applied	We believe that the ETC securities fair value is the primary measure used by shareholders in assessing the performance of the entity, and is a generally accepted auditing benchmark.

We agreed with the Board that we would report to them misstatements identified during our audit above 1,683,552 (2017: 1,485,048) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Independent Auditors' Report to the members of iShares Physical Metals plc (the "Company") (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report and audited Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below.

Directors' Report

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 30 April 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
- Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Corporate governance statement

- In our opinion, based on the work undertaken in the course of the audit of the financial statements, the description of the main features of the internal control and risk management systems in relation to the financial reporting process included in the Corporate Governance Statement, is consistent with the financial statements and have been prepared in accordance with section 1373(2)(c).
- Based on our knowledge and understanding of the company and its environment obtained in the course of the audit of the financial statements, we have not identified material misstatements in the description of the main features of the internal control and risk management systems in relation to the financial reporting process included in the Corporate Governance Statement.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities set out on page 8, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditors' Report to the members of iShares Physical Metals plc (the "Company") (continued)

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at: https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2014 opinions on other matters

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.

Companies Act 2014 exception reporting

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Appointment

We were appointed by the directors on 18 March 2011 to audit the financial statements for the year ended 30 April 2012 and subsequent financial periods. The period of total uninterrupted engagement is 7 years, covering the years ended 30 April 2012 to 30 April 2018.

Mary Ruane
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin

28 June 2018

The financial statements are published at www.ishares.com. The Directors together with the Manager and Investment Manager are responsible for the maintenance and integrity of the website as far as it relates to iShares funds. The work carried out by the auditors does not involve consideration of the maintenance and integrity of the website and accordingly, the auditors accept no responsibility for any changes that have occurred to the financial statements presented on the website. Legislation in the Republic of Ireland governing the presentation and dissemination of the financial statements may differ from legislation in other jurisdictions.

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 April 2018

	Notes	Financial year ended 30 April 2018	Financial year ended 30 April 2017
		$	$
Other income	3,4	500	500
Net gains/(losses) on physical metals at fair value	4	78,574,795	(69,831,526)
Net (losses)/gains on ETC Securities at fair value	4	(70,558,049)	75,710,534
Net income		**8,017,246**	**5,879,508**
Operating expenses	4	(8,016,746)	(5,879,008)
Net profit for the financial year before tax		**500**	**500**
Taxation	6	(125)	(125)
Total comprehensive income for the financial year		**375**	**375**

There are no recognised gains or losses arising in the financial year other than those dealt with in the statement of comprehensive income. In arriving at the results of the financial year, all amounts relate to continuing operations.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 April 2018

	Share Capital	Revenue Reserves	Total Equity
	$	$	$
Balance as at 30 April 2016	**56,413**	**698**	**57,111**
Total comprehensive income for the financial year	–	375	375
Balance as at 30 April 2017	**56,413**	**1,073**	**57,486**
Total comprehensive income for the financial year	–	375	375
Distribution*	–	(905)	(905)
Balance as at 30 April 2018	**56,413**	**543**	**56,956**

* Relates to a charity payment made to Wilmington Trust.

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 April 2018

	Notes	30 April 2018	30 April 2017
		$	$
CURRENT ASSETS			
Cash and cash equivalents		57,082	57,610
Physical metals at fair value	8	3,367,855,478	2,970,666,017
Total current assets		**3,367,912,560**	**2,970,723,627**
EQUITY			
Share Capital	7	(56,413)	(56,413)
Revenue reserves		(543)	(1,073)
Total Equity		**(56,956)**	**(57,486)**
CURRENT LIABILITIES			
Payables	10	(752,009)	(570,732)
Corporation tax payable	6	(125)	(125)
ETC Securities at fair value	9	(3,367,103,470)	(2,970,095,284)
Total current liabilities		**(3,367,855,604)**	**(2,970,666,141)**
Total equity and liabilities		**(3,367,912,560)**	**(2,970,723,627)**

Approved on behalf of the Board of Directors

Michael Griffin
Director

28 June 2018

Kevin O'Brien
Director

28 June 2018

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the financial year ended 30 April 2018

	Financial year ended 30 April 2018	Financial year ended 30 April 2017
	$	$
Cash flows from operating activities		
Total comprehensive income for the financial year	375	375
Adjustments to reconcile net income to net cash used in operating activities:		
Increase in operating assets:		
Physical metals at fair value	(397,189,461)	(1,869,097,693)
Increase in operating liabilities:		
ETC Securities at fair value	397,008,186	1,868,730,517
Payables	181,277	198,898
Net cash provided by/(used in) operating activities	**377**	**(167,903)**
Cash flows financing activities:		
Issue of share capital	–	–
Distribution*	(905)	–
Net cash (used in)/provided by financing activities	**(905)**	**–**
Net decrease in cash and cash equivalents	(528)	(167,903)
Cash and cash equivalents, beginning of the financial year	57,610	225,513
Cash and cash equivalents, end of the financial year	**57,082**	**57,610**

* Relates to a charity payment made to Wilmington Trust.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2018

1. ACCOUNTING POLICIES

The Company's financial statements have been prepared in accordance with IFRS and IFRS Interpretations Committee ("IFRS IC") interpretations as adopted by the European Union and those parts of the Companies Act applicable to companies reporting under IFRS.

The financial statements have been prepared on a going concern basis and under the historical cost convention, as modified by the revaluation of physical metals and ETC Securities held at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the entity financial statements are disclosed in note d).

New standards, amendments and interpretations issued but not effective for the financial year (not early adopted).

IFRS 9, Financial instruments, effective for annual periods beginning on or after 1 January 2018, specifies how an entity should classify and measure financial assets and liabilities, including some hybrid contracts. The standard improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of IAS 39. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged. The standard applies a consistent approach to classifying financial assets and replaces the numerous categories of financial assets in IAS 39, each of which had its own classification criteria. The standard is not expected to have a significant impact on the Company's financial position or performance.

New standards, amendments and interpretations effective for the financial year

There were no new standards, amendments to standards and interpretations effective for annual periods beginning on 1 May 2017, which are considered to have a significant impact on the financial statements.

The significant accounting policies adopted by the Company are:

a) ETC Securities

i) Issue and redemption of ETC Securities

The Company issues Exchange Traded Commodity (ETC) Securities to provide investors with exposure to the performance of various physical metals. The ETC Securities, which are undated, are issued in the form of debt instruments that are backed by fully allocated physical holdings of the relevant metal. A security is issued or redeemed when a corresponding amount of physical metal has transferred into or from the allocated accounts maintained by the Company's Custodian or relevant Sub-Custodian.

ii) Classification and measurement of ETC Securities

The Company designates the ETC Securities issued as financial liabilities at fair value through profit or loss both on initial recognition and on an ongoing basis. The fair value of the ETC Securities is determined by reference to the exchange quoted price of the ETC Securities.

The exchange quoted price of the ETC Securities is determined by reference to the underlying physical metals. Changes in the fair value of the ETC Securities are recognised in the statement of comprehensive income. The ETC Securities have been designated as at fair value through profit or loss in order to eliminate an accounting mismatch, that would otherwise arise with the physical metals, enabling both the ETC Securities and the physical metals to be measured at fair value with gains or losses on both being recognised in the statement of comprehensive income.

b) Physical metal

The Company holds physical metal at least equal to the amount due to holders of ETC Securities solely for the purposes of meeting its obligations under the ETC Securities. The physical metal is measured at fair value and changes in fair value are recognised in the statement of comprehensive income.

Any costs to sell physical metal that arise in the course of settling the Company's obligations under the ETC Securities are borne by the holders of the ETC Securities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2018 (continued)

1. ACCOUNTING POLICIES (continued)

b) Physical metal (continued)

The physical metal is recognised when the metal is received into the vault of the Custodian or relevant Sub-Custodian. The physical metal is derecognised when the risks and rewards of ownership have all been substantially transferred.

c) Determining the fair value of physical metal

The fair value of physical metal as at the reporting date is determined by reference to prices published by LBMA, for Gold and Silver and the London Platinum and Palladium Market ("LPPM"), in respect of Platinum and Palladium.

d) Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The estimates and associated judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results.

e) Fees and expenses

The TER is the rate per annum as disclosed on page 3 and is applied to the Metal Entitlement on a daily basis. Each day, the Metal Entitlement attached to each ETC Security is reduced at a rate equal to the portion of the TER in metal applicable to such day. The TER is accounted for on an accruals basis and is payable monthly in arrears.

f) Foreign currency

i) Functional and presentation currency

Foreign currency items included in the Company's financial statements are measured using the functional currency which is the United States Dollar. The presentation currency is the same as the functional currency.

ii) Transactions and balances

The Euro denominated cash balance held in relation to the equity share capital of the Company is translated into the functional currency at the exchange rate in effect at the date of the transaction.

The Company did not partake in any other foreign currency transactions during the financial year ended 30 April 2018 (30 April 2017: Nil).

g) Payables

Payables are recognised initially at fair value. The carrying amount of payables approximates to their fair value and would be classified within level 2 of the fair value hierarchy if measured at fair value.

h) Cash and cash equivalents

Cash and cash equivalents may include deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less.

The carrying amount of cash and cash equivalents approximates to their fair value and would be classified within level 1 of the fair value hierarchy if measured at fair value.

i) Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. It is the opinion of the Directors that each Series can be treated as a segment as the return on each Series is linked to a different metal.

The split of physical metals at fair value and ETC Securities at fair value by Series and the unit price per Series are shown in notes 8 and 9 to the financial statements. Performance figures of each Series are included in the Arranger and Adviser's report. There were no transactions between reportable segments during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2018 (continued)

1. ACCOUNTING POLICIES (continued)

j) Statement of cash flows

The indirect method has been applied in the preparation of the statement of cash flows. The cash amount shown on the statement of cash flows is the net amount of cash and cash equivalents reported in the statement of financial position.

k) Taxation

Tax on profit on ordinary activities is recognised in the statement of comprehensive income.

Current tax is calculated on taxable income for the financial year using tax rates applicable to the Company's activities at the financial year end date.

l) Other income

Other income is accounted for on an accruals basis.

2. FINANCIAL INSTRUMENTS AND RISKS

The Company's activities expose it to the various types of risk which are associated with the physical metals, ETC Securities and the markets in which it operates. The following information is not intended to be a comprehensive summary of all risks and investors should refer to the prospectus for a more detailed discussion of the risks inherent in investing in the Company.

The Directors (the "Board") review half yearly investment performance reports and receive half yearly presentations from the Arranger and Adviser covering the Company's performance and risk profile during the financial year. The Board has appointed the Arranger and Adviser to act on behalf of the Company under the terms and conditions of the ETC Securities and the Company's transaction documents.

The risk exposure of the Company is set out as follows:

a) Market risk

Market risk arises mainly from uncertainty about future values of physical metals influenced by price movements. It represents the potential loss the Company may suffer through holding market positions in the face of market movements.

Physical metals are generally more volatile than most other asset classes, making investments in physical metals riskier and more complex than other investments. The performance of a physical metal is dependent upon various factors, including (without limitation) supply and demand, liquidity, natural disasters, direct investment costs, location, changes in tax rates, financial markets and changes in laws, regulations and the activities of governmental or regulatory bodies.

i) Market risk arising from other price risk

Other price risk is the risk that the fair value or future cash flows of physical metals or ETC Securities will fluctuate because of changes in market prices whether those changes are caused by factors specific to the metals, the individual ETC Securities or its issuer, or factors affecting similar assets or ETC Securities traded in the market.

The Company is exposed to other price risk arising from its holding of physical metals. The movements in the prices of these holdings result in movements in the performance of the Company. The Securityholders are exposed to the market price risk of their Metal Entitlement.

The market price of each Series of ETC Securities will be affected by a number of factors, including, but not limited to:

(i) the value and volatility of the physical metal referenced by the relevant Series of ETC Securities;
(ii) the value and volatility of metals in general;
(iii) market perception, interest rates, yields and foreign exchange rates;
(iv) the creditworthiness of, among others, the Custodian, any applicable Sub-Custodian, the Administrator, the Registrar, the Authorised Participants and each Metal Counterparty (JPMorgan Chase Bank N.A.); and
(v) liquidity in the ETC Securities on the secondary market.

The Company does not consider other price risk to be a significant risk to the Company as any fluctuation in the value of the physical metal will ultimately be borne by the Securityholders. Therefore, assuming all other variables remain constant any increase/(decrease) in the market price of the physical metals would have an equal increase/(decrease) on the value of the ETC Securities issued.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2018 (continued)

2. FINANCIAL INSTRUMENTS AND RISKS (continued)

a) Market risk (continued)

i) Market risk arising from other price risk (continued)

The Series of ETC Securities offer investors instant, easily-accessible and flexible exposure to the movement in spot prices of the relevant physical metal. Each Series' performance is correlated to its benchmark. The correlation of the Series' performance against the benchmark is a metric monitored by key management personnel.

ii) Market risk arising from foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of assets will fluctuate because of changes in foreign exchange rates.

The Company does not have significant exposure to foreign currency risk as subscriptions and buy-backs are predominantly carried out by transfers of physical metal. The Company maintains an amount of foreign currency in relation to the equity share capital of the Company, held in a Euro denominated account, however the associated risk is insignificant.

iii) Market risk arising from interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of its assets will fluctuate because of changes in market interest rates.

There is some interest rate risk associated with cash held at bank. However, it is not considered significant. The Company has no other interest rate risk.

b) Counterparty credit risk

Counterparty credit risk is the risk that the counterparty to a transaction will fail to fulfil an obligation or commitment that it has entered into with the Company.

The Company is exposed to counterparty credit risk from the parties with which it trades and will bear the risk of settlement default from transactions involving its holdings of physical metals, its transactions with Metal Counterparties in order to meet its monthly TER and any potential buy-back requests.

The Company's Custodian is JPMorgan Chase Bank N.A., London Branch (the "Custodian"). The Company's ability to meet its obligations with respect to the ETC Securities is dependent upon the performance of the Custodian of its obligations under the relevant Custody Agreement. Secured Property (metal held in allocated accounts in the Custodial network) in respect of each Series is held by the Custodian and/or with a Sub-Custodian who has entered into a Sub-Custodian Agreement with the Custodian. Consequently, the Securityholders are relying on the creditworthiness of the Custodian and/or any relevant Sub-Custodian. The physical metals are segregated from the assets of the Custodian and Sub-Custodian into allocated accounts, with ownership rights remaining with the Company.

Securityholders will be at risk if the Custodian or any relevant Sub-Custodian does not, in practice, maintain such a segregation. In order to mitigate the risk of the Custodian and/or any Sub-Custodian not segregating and/or allocating underlying metal, the Custody Agreement provides that the Custodian will maintain a list setting out the vault location and serial identification numbers of all bars, plates or ingots of underlying metal held by the Custodian and any Sub-Custodian for the benefit of the Company in the allocated account(s) and will update this list on at least a daily basis.

Furthermore the Company's risk exposure to the Custodian and Sub-Custodian is reduced as it issues ETC Securities only after the metal representing the subscription settlement amount has been deposited to the allocated accounts. While the Company has put in place this arrangement to minimise the holding of metal in unallocated accounts, there may be short periods of time during which underlying metal may pass through unallocated accounts. Bankruptcy or insolvency of the Custodian or Sub-Custodian may cause the Company's rights with respect to its physical metals to be delayed or limited.

To mitigate the Company's exposure to the Custodian and Sub-Custodian, the Arranger and Adviser employs specific procedures to ensure that the Custodian is a reputable institution and that the counterparty credit risk is acceptable to the Company. The Company only transacts with Custodians that are regulated entities subject to prudential supervision, or with high credit-ratings assigned by international credit-rating agencies.

The physical metals are held by the Custodian or relevant Sub-Custodian in its vault premises. The Custodian and Sub-Custodian have no obligation to maintain insurance specific to the Company or specific only to the physical metal held for the Company against theft, damage or loss, however insurance is maintained in connection with the Custodian's business including in support of its obligations to the Company under the Custodian Agreement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2018 (continued)

2. FINANCIAL INSTRUMENTS AND RISKS (continued)

b) Counterparty credit risk (continued)

There is a risk that the physical metal could be lost, stolen or damaged and the Company would not be able to satisfy its obligations in respect of the ETC Securities. In such an event the Company may, with the consent of the Trustee and the Arranger and Adviser, adjust the Metal Entitlement of each Security of the relevant Series to the extent necessary to reflect such damage or loss.

The long term credit rating of the Custodian is A+ (30 April 2017: A+) (Standard and Poor's rating).

Counterparty credit risk is monitored and managed by BlackRock Risk and Quantitative Analysis ("RQA") Counterparty & Concentration Risk Team. The team is headed by BlackRock's Chief Counterparty Credit Officer who reports to the Global Head of RQA. Credit authority resides with the Chief Counterparty Credit Officer and selected team members to whom specific credit authority has been delegated.

As such, counterparty approvals may be granted by the Chief Counterparty Credit Officer, or by identified RQA Credit Risk Officers who have been formally delegated authority by the Chief Counterparty Credit Officer as deemed appropriate.

The BlackRock RQA Counterparty & Concentration Risk Team completes a formal review of each new counterparty, monitors and reviews all approved counterparties on an ongoing basis and maintains an active oversight of counterparty exposures.

The Company has appointed State Street Bank and Trust Company to provide services relating to the establishment and operation of a cash account in respect of each Series of ETC Securities and the Company cash account which holds the share capital and any potential profit of the Company. The Company will be exposed to the counterparty credit risk of State Street Bank and Trust Company in respect of the cash held by same. In the event of the insolvency or bankruptcy of State Street Bank and Trust Company, the Company will be treated as a general creditor.

The long term credit rating of the parent company of State Street Bank and Trust Company, State Street Corporation is A (30 April 2017: A) (Standard and Poor's rating).

There were no past due or impaired assets as of 30 April 2018 or 30 April 2017.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with its ETC Securities.

The Company does not have a significant exposure to liquidity risk due to the buy-back of ETC Securities being settled in transfers of physical metal except in certain limited circumstances.

The Authorised Participant of a Series may request that the Company buy-back ETC Securities of a Series. ETC Securities bought back from Authorised Participants will be subject to a buy-back fee and will be settled by physical delivery of an amount of the relevant metal equal to the product of the Metal Entitlement as at the relevant buy-back trade date and the aggregate number of ETC Securities to be repurchased.

In limited circumstances (such as when there are no Authorised Participants in respect of a Series), the Company may, in its sole discretion, by issuing a Non-Authorised Participant Buy-Back Notice, allow Securityholders who are not Authorised Participants to request that the Company buy-back ETC Securities in respect of the relevant Series.

ETC Securities bought back from each Non-Authorised Participant Securityholder will be subject to a buy-back fee and will be for a cash amount in US Dollars equal to the sale proceeds of the Metal Entitlement as at the relevant buy-back trade date. The Company will be exposed to the liquidity risk of meeting these buy-backs and will need to sell the metal at prevailing market prices to meet liquidity demands.

Not all markets in physical metals are liquid and able to quickly and adequately react to changes in supply and demand. The fact that there are only a few market participants in the physical metals markets means that speculative investments can have negative consequences and may distort prices and market liquidity.

The Company may not be able to sell the full Metal Entitlement for the ETC Securities in one day and may need to sell such metal over a series of days. For these reasons, buy-back proceeds (in cash) for cash buy-backs are likely to take longer to be paid out than buy-back proceeds (in metal) for physical metal buy-backs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2018 (continued)

2. FINANCIAL INSTRUMENTS AND RISKS (continued)

c) Liquidity risk (continued)

The Company's liquidity risk is managed by the Arranger and Adviser in accordance with established policies and procedures in place.

d) Valuation of financial instruments

The Company is required to classify fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements.

The fair value hierarchy has the following levels:

Level 1 – Quoted market price in an active market for an identical instrument.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 – Valuation techniques used to price securities based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Valuation techniques used for non-standardised financial instruments include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

Level 3 – Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant impact on the instrument's valuation.

This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments and instruments for which there is no active market.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Arranger and Adviser. The Arranger and Adviser considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

ETC Securities issued by the Company in relation to each Series are classified within level 2 due to the use of observable inputs and the value of the ETC Securities being adjusted by the TER on a daily basis.

There were no transfers between levels for ETC Securities during the financial year. The Company did not hold any level 3 securities throughout the financial year or at 30 April 2018 or 30 April 2017.

Transfers between levels are deemed to have occurred when the pricing source for a particular security has changed which triggers a change in level as defined under IFRS 13 'Fair Value Measurement'.

For each class of assets and liabilities not measured at fair value in the Statement of Financial Position but for which fair value is disclosed, IFRS 13 requires the Company to disclose the level within the fair value hierarchy which the fair value measurement would be categorised and a description of the valuation technique and inputs used in the technique.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2018 (continued)

2. FINANCIAL INSTRUMENTS AND RISKS (continued)

d) Valuation of financial instruments (continued)

Assets and liabilities not carried at fair value are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

Cash and cash equivalents include cash in hand and demand deposits and they are categorised as Level 1 at 30 April 2018 and 30 April 2017.

Payables represent the contractual amounts and obligations due by the Company for settlement of trades and expenses. All payables balances are categorised as Level 2 at 30 April 2018 and 30 April 2017.

3. OTHER INCOME

	Financial year ended 30 April 2018 $	Financial year ended 30 April 2017 $
Other income	500	500
Total	500	500

4. GAINS AND LOSSES PER SERIES

Financial year ended 30 April 2018

	iShares Physical Gold ETC $	iShares Physical Silver ETC $	iShares Physical Platinum ETC $	iShares Physical Palladium ETC $	Company Total $
Other income	125	125	125	125	500
Net gains/(losses) on physical metal at fair value	83,198,770	(4,804,551)	(678,606)	859,182	78,574,795
Net (losses)/gains on ETC securities at fair value	(75,557,592)	5,090,850	743,942	(835,249)	(70,558,049)
Total gains	**7,641,303**	**286,424**	**65,461**	**24,058**	**8,017,246**
Operating expenses:					
Arranger and Adviser fees	(7,641,178)	(286,299)	(65,336)	(23,933)	(8,016,746)
Net profit for the financial year	**125**	**125**	**125**	**125**	**500**

Financial year ended 30 April 2017

	iShares Physical Gold ETC $	iShares Physical Silver ETC $	iShares Physical Platinum ETC $	iShares Physical Palladium ETC $	Company Total $
Other income	125	125	125	125	500
Net (losses)/gains on physical metal at fair value	(70,847,455)	1,133,169	(1,225,132)	1,107,892	(69,831,526)
Net gains/(losses) on ETC securities at fair value	76,406,178	(869,791)	1,265,217	(1,091,070)	75,710,534
Net income	**5,558,848**	**263,503**	**40,210**	**16,947**	**5,879,508**
Operating expenses:					
Arranger and Adviser fees	(5,558,723)	(263,378)	(40,085)	(16,822)	(5,879,008)
Net profit for the financial year	**125**	**125**	**125**	**125**	**500**

5. ARRANGER AND ADVISER FEES

Fees earned by the Arranger and Adviser during the financial year and balances outstanding as at 30 April 2018 are disclosed in note 4 and note 10 respectively.

Each Series pays an "all in one" operational fee to the Arranger and Adviser, which accrues at a rate per annum equal to the TER. The Arranger and Adviser use this fee to pay the agreed fees of other service providers of the Company.

The TER is the rate set out on page 3 for each Series and is applied to the Metal Entitlement on a daily basis to determine a daily deduction of an amount of Metal from the Metal Entitlement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2018 (continued)

5. ARRANGER AND ADVISER FEES (continued)

Fees and expenses payable on a monthly basis by the Company to the Arranger and Adviser will be paid out of the relevant Series of ETC Securities by way of the sale of metal. The amount of metal to be sold is a predetermined amount based on the Metal Entitlements of the ETC Securities of each Series.

For the financial year ended 30 April 2018, Director's fees of €38,000 (30 April 2017: €30,000) are included in the Arranger and Adviser fees.

Audit fees (including expenses) relating to the audit of the financial statements of €25,438 (30 April 2017: €26,750) are payable out of the TER. There were no fees other than the audit fees paid to PricewaterhouseCoopers in Ireland as the auditor of the Company as no other services were provided.

The TER may be varied by the Company at the request of the Arranger and Adviser and in the case of an increase, 30 calendar days notice will be given to Securityholders.

Save as disclosed above, no commissions, discounts, brokerages or other special terms have been granted or are payable by the Company in connection with the issue of ETC Securities or sale of any metal of the Company.

6. TAXATION

The Company will be taxable as a securitisation company pursuant to Section 110 of the Taxes Consolidation Act 1997. Profits arising to the Company are charged at a corporation tax rate of 25 per cent. All expenses that are not capital in nature and are for the purposes of the Company's activities will be deductible from income in order to determine taxable profits.

	Financial year ended 30 April 2018	Financial year ended 30 April 2017
	$	$
Net profit for the financial year before tax	500	500
Corporation tax rate 25%	(125)	(125)
Current tax charge	**(125)**	**(125)**

7. SHARE CAPITAL

The authorised share capital of the Company is €100,000 divided into 100,000 ordinary shares of €1 each, of which €40,000 divided into 40,000 ordinary shares of €1 each have been issued. All of the issued shares are fully paid up and are held by or to the order of Wilmington Trust SP Services (Dublin) Limited (the "Share Trustee"). The Share Trustee holds them on trust for charitable purposes to the value of €40,000 ($56,413).

8. PHYSICAL METALS AT FAIR VALUE

The following tables summarise the activity in metal bullion during the financial year:

30 April 2018

	Gold Troy Ounces*	Silver Troy Ounces	Platinum Troy Ounces	Palladium Troy Ounces
Balance at the beginning of financial year	2,280,016	3,813,911	12,426	6,049
Metal Contributed	1,451,537	3,869,713	12,159	4,267
Metal Distributed	(1,240,350)	(2,726,255)	(4,861)	(4,791)
Metal Sold	(5,794)	(16,624)	(66)	(25)
Balance at the end of financial year	**2,485,409**	**4,940,745**	**19,658**	**5,500**

* All metal amounts are measured in troy ounces except for gold which is measured in fine troy ounces. Metal amounts are rounded to whole numbers. Valuations disclosed are based on the unrounded metal amounts.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2018 (continued)

8. PHYSICAL METALS AT FAIR VALUE (continued)

Physical metals at fair value	Troy Ounces*	Price per Troy Ounce $	Fair Value $
Gold	2,485,409	1,313.20	3,263,839,234
Silver	4,940,745	16.38	80,929,400
Platinum	19,658	905.00	17,790,461
Palladium	5,500	963.00	5,296,383
Total			**3,367,855,478**

30 April 2017

	Gold Troy Ounces*	Silver Troy Ounces	Platinum Troy Ounces	Palladium Troy Ounces
Balance at the beginning of financial year	828,672	1,246,995	9,403	6,221
Metal Contributed	1,997,177	3,813,795	3,062	732
Metal Distributed	(541,686)	(1,233,199)	-	(880)
Metal Sold	(4,147)	(13,680)	(39)	(24)
Balance at the end of financial year	**2,280,016**	**3,813,911**	**12,426**	**6,049**

Physical metals at fair value	Troy Ounces*	Price per Troy Ounce $	Fair Value $
Gold	2,280,016	1,266.45	2,887,526,039
Silver	3,813,911	17.41	66,400,184
Platinum	12,426	946.00	11,755,180
Palladium	6,049	824.00	4,984,614
Total			**2,970,666,017**

* All metal amounts are measured in troy ounces except for gold which is measured in fine troy ounces. Metal amounts are rounded to whole numbers. Valuations disclosed are based on the unrounded metal amounts.

9. ETC SECURITIES AT FAIR VALUE

The following table summarises activity in units of the series during the financial year:

30 April 2018

	iShares Physical Gold No. of Securities	iShares Physical Silver No. of Securities	iShares Physical Platinum No. of Securities	iShares Physical Palladium No. of Securities
Balance at the beginning of financial year	115,720,696	3,906,414	848,511	206,535
ETC Securities issued	73,766,577	3,973,470	832,000	146,000
ETC Securities redeemed	(63,027,952)	(2,799,000)	(332,821)	(164,008)
Balance at the end of financial year	**126,459,321**	**5,080,884**	**1,347,690**	**188,527**

	No. of Securities	Price per Security* $	Fair Value* $
iShares Physical Gold ETC	126,459,321	25.8037	(3,263,122,773)
iShares Physical Silver ETC	5,080,884	15.9228	(80,901,926)
iShares Physical Platinum ETC	1,347,690	13.1961	(17,784,248)
iShares Physical Palladium ETC	188,527	28.0836	(5,294,523)
Total			**(3,367,103,470)**

* Price per security is rounded to 4 decimal places. Valuations disclosed are based on the unrounded price per security.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2018 (continued)

9. ETC SECURITIES AT FAIR VALUE (continued)

30 April 2017

	iShares Physical Gold No. of Securities	iShares Physical Silver No. of Securities	iShares Physical Platinum No. of Securities	iShares Physical Palladium No. of Securities
Balance at the beginning of financial year	41,954,374	1,272,189	639,511	211,535
ETC Securities issued	101,238,840	3,896,000	209,000	25,000
ETC Securities redeemed	(27,472,518)	(1,261,775)	-	(30,000)
Balance at the end of financial year	**115,720,696**	**3,906,414**	**848,511**	**206,535**

	No. of Securities	Price per Security* $	Fair Value* $
iShares Physical Gold ETC	115,720,696	24.9478	(2,886,981,298)
iShares Physical Silver ETC	3,906,414	16.9924	(66,379,338)
iShares Physical Platinum ETC	848,511	13.8496	(11,751,566)
iShares Physical Palladium ETC	206,535	24.1271	(4,983,082)
Total			**(2,970,095,284)**

* Price per security is rounded to 4 decimal places. Valuations disclosed are based on the unrounded price per security.

10. PAYABLES

Arranger and Adviser Fees	30 April 2018 $	30 April 2017 $
iShares Physical Gold ETC	(716,461)	(544,741)
iShares Physical Silver ETC	(27,474)	(20,845)
iShares Physical Platinum ETC	(6,213)	(3,614)
iShares Physical Palladium ETC	(1,861)	(1,532)
Total	**(752,009)**	**(570,732)**

11. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the financial year ended 30 April 2018 (30 April 2017: Nil).

12. EXCHANGE RATES

The rates of exchange ruling as at April 2018 were:

	30 April 2018
EUR1 = USD	1.2082

The rates of exchange ruling as at April 2017 were:

	30 April 2017
EUR1 = USD	1.0889

13. EMPLOYEES OF THE COMPANY

The Company had no employees during the financial year ended 30 April 2018 or 30 April 2017. The Directors are all non-executive.

14. RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or is able to exercise significant influence over the other party, in making financial or operational decisions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2018 (continued)

14. RELATED PARTIES (continued)

The following entities are disclosed as related parties to the Company as at 30 April 2018:

Board of Directors of the Company

Arranger and Adviser: BlackRock Advisors (UK) Limited

The ultimate holding Company of the Arranger and Adviser is BlackRock Inc. ("BlackRock"), a company incorporated in Delaware USA.

PNC Financial Services Group Inc. ("PNC"), is a substantial shareholder in BlackRock. PNC did not provide any services to the Company in the financial year ended 30 April 2018 (30 April 2017: Nil).

Fees payable to the Arranger and Adviser are paid out of the TER charged to the Company. This fee forms part of the TER included in operating expenses in the statement of comprehensive income.

The non-executive Directors of the Company as at 31 March 2018 are presented in the table below:

Director	Employee of the BlackRock Group	Director of BlackRock affiliates and/or other funds managed by BlackRock
Barry O'Dwyer	Yes	Yes
Michael Griffin	No	No
Kevin O'Brien	No	No

Significant Holdings

All of the issued shares of the Company are fully paid up and are held by or to the order of Share Trustee. The Share Trustee holds them on trust for charitable purposes.

All related party transactions were carried out at arm's length in the ordinary course of business. The terms and returns received by the related parties in making the investments above were no more favourable than those received by other investors investing into the same share class.

No provisions have been recognised by the Company against amounts due from related parties at the financial year end date (30 April 2017: Nil).

No amounts have been written off in the financial year in respect of amounts due to or from related parties (30 April 2017: Nil).

No commitments secured or unsecured or guarantees have been entered into with related parties during the financial year (30 April 2017: Nil).

15. SIGNIFICANT EVENTS

As of 15 September 2017, the Company Secretary changed its name from Chartered Corporate Services to Sanne Corporate Administration Services Ireland Limited.

On 27 November 2017, an updated prospectus was issued for the Company which includes changes in tax regulations, pass porting the Company's prospectus into Belgium, Denmark and Norway, updated wording to refer to the key information document ("KID") and some updates to the Director's biographies.

16. SUBSEQUENT EVENTS

There have been no events subsequent to the financial year end which in the opinion of the Directors of the Company may have had a material impact on the financial statements for the financial year ended 30 April 2018.

17. APPROVAL DATE

The financial statements were approved by the Directors on 28 June 2018.

Disclaimers

Regulatory Information

BlackRock Advisors (UK) Limited, which is authorised and regulated by the Financial Conduct Authority ('FCA'), registered office at 12 Throgmorton Avenue, London, EC2N 2DL, England, Tel +44 (0)20 7743 3000. For your protection, calls are usually recorded. iShares Physical Metals Public Limited Company (the "Issuer") was incorporated in Ireland under registration number 494646 on 7 February 2011 with limited liability and is organised under the laws of Ireland as a Public Limited Company ("plc") pursuant to the Companies Act, 2014. It has been established as a special purpose vehicle for the purpose of issuing asset-backed debt securities. Each iShares Exchange Traded Commodity (ETC) is a series of debt securities. The base prospectus of the Issuer for the iShares ETCs ("Base Prospectus") has been drawn up in accordance with the Prospectus Directive 2003/71/EC and approved by the Central Bank of Ireland, as competent authority under the Prospectus Directive.

Risk Warnings

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