Interim report and unaudited financial statements

iShares Physical Metals plc

For the financial period ended 31 October 2018

Contents

General information

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

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Company Secretary
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Arranger and Adviser
BlackRock Advisors (UK) Limited
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Legal Adviser to the Company
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* 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 (as amended) (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.

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

Changes to the Company

On 30 April 2018, PricewaterhouseCoopers resigned as independent auditors of the Company and Ernst & Young were appointed.

Potential implications 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 and economic instability and volatility in the financial markets of the UK and more broadly across Europe.

It may also lead to weakening in consumer, corporate and financial confidence in such markets as the UK finalises the terms of its exit from the EU. The extent of the impact will depend in part on the nature of the arrangements that are put in place between the UK and the EU following the eventual Brexit deal and the extent to which the UK continues to apply laws that are based on EU legislation. The longer term process to implement the political, economic and legal framework that is agreed 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.

The UK's exit from the EU, the anticipation of the exit, or the terms of the exit could also create significant uncertainty in the UK (and potentially global) financial markets, which may materially and adversely affect the performance of the ETC Securities, the ETC Securities' Net Asset Value, the ETC Securities' earning and returns to Securityholders. It could also potentially make it more difficult to raise capital in the EU and/or increase the regulatory compliance burden which could restrict the ETC Securities' future activities and thereby negatively affect returns.

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.

Background (continued)

ETC Securities Details

The following Series of ETC Securities were in operation at 31 October 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 Bullion Market Association – Platinum Price
iShares Physical Palladium ETC	London Bullion Market Association – Palladium Price

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

Half yearly management report 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 period under review is shown below:

Series	Series* return for the financial period ended 31/10/2018 %	Benchmark return for the financial period ended 31/10/2018 %	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 period ended 31/10/2017 %	Benchmark return for the financial period ended 31/10/2017 %
iShares Physical Gold ETC	(7.60)	(7.48)	3.43	3.69	0.16	0.29
iShares Physical Silver ETC	(12.63)	(12.45)	(6.29)	(5.92)	(3.59)	(3.39)
iShares Physical Platinum ETC	(8.03)	(7.85)	(4.72)	(4.33)	(3.47)	(3.28)
iShares Physical Palladium ETC	12.13	12.36	16.40	16.87	18.33	18.57

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

ARRANGER AND ADVISER'S REVIEW

Managers' interim review covering the financial period from 1 May 2018 to 31 October 2018.

Market Review

iShares Physical Gold ETC

Gold prices lost ground over the Company's review period. Notwithstanding gold's traditional 'store of value' status and the prospect that rising oil prices could continue to underpin global inflation, the stronger US Dollar and the diminishing appeal of non-interest bearing assets in an environment of rising borrowing costs rates acted as headwinds to gold prices. Against this backdrop October's 2018, stock market selloff provided only limited support to gold.

Having opened the review period at $1,313.20/oz, spot gold prices held in a narrow range during May 2018, as support from Middle East related geopolitical tension largely balanced downward pressure from ongoing US Dollar strength. However, the latter held the upper hand in June 2018 as gold prices fell below $1,290.00/oz for the first time in 2018. Despite some weaker than expected US inflation data, growing conviction that the Federal Reserve (the "Fed") would increase interest rates boosted the US Dollar, pushing gold as low as $1,240.00/oz following a hawkish policymaker statement accompanying June 2018's 0.25% rise in US borrowing costs. After briefly recovering to above $1,260.00/oz in early July 2018 amid some safe haven buying as tougher rhetoric from President Trump raised fears over a serious escalation of global trade friction, gold prices soon resumed their downtrend as the US Dollar extended its gains. With concerns that wholesale pricing pressures would soon feed through to boost US inflation, thereby raising the likelihood that the Fed could sanction a further two rises in US interest rates in 2018, the US Dollar set new 2018 highs against its major international peers in late July 2018 and August 2018. Meanwhile, following the decision to impose tariffs on $50 billion of Chinese imports, news that the US administration was considering extending tariffs to another $200 billion of goods weighed on the price of metals used in industrial applications, thereby offsetting some of gold's traditional safe haven appeal. Against this unhelpful backdrop, even as South African unions opened the latest round of pay talks with employers, gold prices plunged to around $1,175.00/oz in mid-August 2018, a level that would mark the lowest point in the Company's review period.

Despite ongoing signs of strength in the US economy as second quarter growth hit 4.20% on an annualised basis, compared to just 2.20% during the first quarter, the US Dollar eased in late August 2018 and September 2018, partly reflecting a sharp decline in US inflation. Compared to a peak of 2.90% in June 2018 and July 2018, US inflation fell to 2.60% in August 2018, and would subsequently fall to a 7 month low of 2.30% in September 2018. However, the US Dollar's softness came to an end in mid-September 2018, as, in the wake of the Fed raising interest rates to 2.25%, firm economic data added weight to forecasts that borrowing costs could rise again as soon as December 2018. Having held in a broad $1,180.00/oz to $1,210.00/oz range for much of September 2018, gold found some support even as the US Dollar rose in early October 2018 on

Half yearly management report
Arranger and Adviser's Report (continued)

ARRANGER AND ADVISER'S REVIEW (continued)

Market Review (continued)

iShares Physical Gold ETC (continued)

signs of improving gold demand from India, with the Ministry of Finance reporting a 20% year on year jump in July 2018 imports. Worries over the growing risk of US-China trade war mounted during the final weeks of the review period after the US implemented the threatened additional tariffs on $200 billion of Chinese imports, while uncertainty over European politics and some disappointing US corporate earnings news triggered steep falls in global stock markets. Against this backdrop some further safe haven buying lifted gold prices to $1,214.95/oz by the end of the review period.

iShares Physical Silver ETC

Silver prices ended the six month period markedly lower, reflecting a combination of US Dollar strength and concerns that rising global trade tensions were stoking the risk of a damaging trade war that could severely impact on demand for both industrial and precious metals. In an environment of US led rises in global interest rates, silver's performance echoed that of gold amid a broad decline in the appeal of non-interest bearing assets.

After opening the review period at $16.38/oz, silver prices inched slowly higher in early May 2018. Despite some ongoing strength in the US Dollar weighing on commodity prices generally, a combination of safe haven appeal for precious metals amid geopolitical tensions and technical factors lent support to the silver market. The World Silver Survey confirmed that 2017 had marked the fifth consecutive year of global supply deficit, with mine supply falling for the second consecutive year following an extended period of capital expenditure reductions. Meanwhile, Canada's Pan American Silver Corporation announced that production would be pared back at its Dolores mine in the Chihuahua region of northern Mexico for security reasons after armed criminal gangs repeatedly threatened workers. Even as US Dollar strength dragged gold prices lower in early June 2018 and Pan American Silver revealed that, after a brief shutdown, production had been restored thanks to improved security patrols in Chihuahua, silver rallied to a review period peak of around $17.15/oz, underpinned by optimism over industrial demand amid robust US economic data. However, renewed strength in the US Dollar as investors priced in a steeper path for interest rates dragged precious metal markets lower in late June 2018 and July 2018. During this period, silver underperformed gold as global trade tensions deepened, prompting renewed fears that a global trade war would severely impact on industrial demand for silver. Although the silver market stabilised around $15.40/oz in early August 2018, supported to some extent by optimism that a constructive meeting between President Trump and European Commission President Juncker could ease US-EU trade tensions, renewed US Dollar strength and technical factors weighed heavily on silver prices during late August 2018 and early September 2018. Industry commentary centred on the more muted outlook for demand from the Chinese photovoltaic sector as countries increasingly cut back their feed in tariff incentives and the industry adjusts towards a subsidy free future.

Silver's weakness extended into early September 2018, with the white metal underperforming even falling gold prices as the US Dollar strengthened further and retaliatory tariffs between the US and China heightened fears of a full scale trade war that would impact on demand from industries such as IT and vehicle production. However, having slumped to a low of around $14.00/oz in early September 2018, silver rallied in October 2018, ending the review period at $14.34/oz. Even as the US currency resumed its uptrend, silver prices moved higher, helped by buying from risk averse investors as stock markets slumped. This also reflected some degree of optimism that the US's deal with Mexico, and subsequently Canada, over revised North American Free Trade Agreement ("NAFTA") trade terms could serve as a model to defuse global trade tensions, thereby reducing the risk of an industrial demand slump.

iShares Physical Platinum ETC

Platinum prices lost ground over the review period, following the broader precious metals complex lower amid a recovery in the US Dollar against its major international counterparts and concerns over the industrial demand outlook as global trade tensions intensified. Given that the primary industrial application for platinum is the manufacture of catalytic converters for diesel vehicles, the uncertain demand outlook for diesel powered vehicles on the basis of environmental protection regulations acted as a headwind to platinum prices. The US government's threat to impose new tariffs on vehicles imported from the EU also weighed to some extent on the platinum market.

After opening the review period at $905.00/oz, platinum prices held in a relatively tight band during May 2018 and early June 2018. However, having found support from optimism that the more conciliatory tone of comments from some Chinese officials could ease trade related tensions, tougher rhetoric from the US side and renewed strength in the US Dollar weighed heavily on the platinum market from mid-June 2018. An industry survey using data from metal supplier Johnson Matthey did little to underpin sentiment, forecasting that the platinum market was on course for a 316,000 ounce surplus this year, while automotive demand was set to ease by 3.00% in 2018 compared to 2017. Despite a more supportive report from the Platinum Guild International suggesting that demand from jewellery makers in India, the US and Japan was rising, platinum prices

Half yearly management report Arranger and Adviser's Report (continued)

ARRANGER AND ADVISER'S REVIEW (continued)

Market Review (continued)

iShares Physical Platinum ETC (continued)

declined sharply into early July 2018 as the US Dollar rallied after Fed policymakers raised interest rates and reaffirmed expectations of further tightening to come during the second half of 2018. Having briefly consolidated above July's 2018 2½ year low of $811.00/oz, the market slid further in late July 2018 and August 2018, weighed by ongoing strength in the US Dollar and a report showing that China's auto sales had weakened in June 2018. With the Chinese authorities responding to the US's decision to impose import tariffs on a broad range of Chinese goods, news that Beijing was to impose an additional 25% charge on US vehicle imports did little to help industry sentiment.

Nevertheless, having slumped to new 9 year lows of around $760.00/oz in mid August 2018, reflecting ongoing US Dollar strength and an accumulation of discouraging signs from the diesel powered vehicle industry, platinum prices staged a modest recovery over the remainder of the Company's review period. This reflected a combination of production cutbacks from major suppliers, including Impala Platinum which announced around 2,500 job cuts across its South African operations, and robust car sales data in south east Asia, particularly Malaysia and Thailand. Underpinned to some extent by firm European car sales data, albeit that demand for petrol vehicles continued to outstrip diesel, platinum continued to claw back some of its previous losses, ending the Company's review period at $834.00/oz. Some element of optimism that the US and China could yet reach a trade accord, thereby averting any further escalation of the trade skirmish, also helped to support platinum prices in late October 2018.

iShares Physical Palladium ETC

Following initial declines as the firmer US Dollar acted as a headwind to precious metals and other commodity prices generally, the palladium market rallied strongly late in the review period, significantly outperforming other precious metals over the six months as a whole. Given that approximately 80% of palladium output is used in the manufacture of catalytic converters for petrol vehicles, better than expected car sales figure from Europe and South East Asia underpinned palladium's performance, particularly relative to platinum.

Palladium prices crept higher early in the review period, climbing from $963.00/oz at the start of May 2018 to a peak of around $1,020.00/oz in early June 2018, even as the US Dollar firmed in expectations that firmer US economic growth could warrant a steeper than expected path for US interest rate rises. Optimism amid more encouraging signs from Washington and Beijing over trade matters helped palladium to perform firmly, outperforming platinum, early in the review period, reflecting hopes that damaging tariffs targeting car imports could yet be avoided. However, having risen to approximately $1,025.00/oz by early June 2018, palladium subsequently followed platinum and other precious metal markets lower, reflecting a combination of tougher US rhetoric over trade and renewed strength in the US Dollar as investors priced in at least one, and probably two, further 2018 rises in US interest rates following June's 2018 0.25% increase. Meanwhile, disappointing headlines from the auto industry weighed further on palladium prices throughout July 2018; Ford reported a slump in sales in the Chinese market, albeit partly reflecting a loss of market share as consumers favoured newer models from local brands. However, with the US and China imposing reciprocal import tariffs, comments from Chinese officials accusing the US of triggering the "largest scale trade war" raised fears of a further escalation of tensions, with a potential impact on palladium demand. Against the backdrop of ongoing strength in the US Dollar as the robust recovery in economic growth raised fresh concerns over the likely pace and extent of future rises in US borrowing costs, palladium prices briefly fell to a low of $850.00/oz in mid-August 2018.

However, more encouraging industry headlines lent support to platinum group metals during the final weeks of the review period. While investors increasingly pricing in production cutbacks across the South African industry in response to lower prices, particularly for platinum, palladium prices rallied sharply amid a round of stronger car sales updates from European markets. While consumers largely steered clear of diesel cars as emission rules continued to tighten in the aftermath of the 2015 VW 'Dieselgate' scandal, sales of petrol cars soared by 24.50% in July 2018 compared to a year earlier, compared to a 10.50% fall in diesel engine car registrations. With sales data from some Asian markets emphasising many consumers' preference for petrol vehicles, palladium's premium over platinum stretched to around $170.00/oz, the highest since 2001, partly

Half yearly management report
Arranger and Adviser's Report (continued)

ARRANGER AND ADVISER'S REVIEW (continued)

Market Review (continued)

iShares Physical Palladium ETC (continued)

reflecting concerns over the global palladium market's deficit compared to the surplus in the global platinum market. Palladium's rally gathered further impetus from mid-September 2018; in addition to broader support for commodities from some brief weakness in the US Dollar, palladium prices benefitted from reports of Chinese stockpiling as the risk of a trade war lingered. After setting all-time highs of $1,140.50/oz in late October 2018 even as the US Dollar resumed its rally and President Trump opened the door to talks with his Chinese counterpart, palladium prices settled at $1,082.00/oz at the end of the review period.

BlackRock Advisors (UK) Limited
November 2018

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the financial period ended 31 October 2018

	Notes	Financial period ended 31 October 2018 $	Financial year ended 30 April 2018 $	Financial period ended 31 October 2017 $
Other income	3,4	-	500	-
Net (losses)/gains on physical metals at fair value	4	(273,545,301)	78,574,795	(23,858,175)
Net gains/(losses) on ETC Securities at fair value	4	277,935,967	(70,558,049)	27,645,092
Net income		**4,390,666**	**8,017,246**	**3,786,917**
Operating expenses	4	(4,390,666)	(8,016,746)	(3,786,917)
Net profit for the financial period/year before tax		**-**	**500**	**-**
Taxation	6	-	(125)	-
Total comprehensive income for the financial period/year		**-**	**375**	**-**

There are no recognised gains or losses arising in the financial period/year other than those dealt with in the Statement of Comprehensive Income. In arriving at the results of the financial period/year, all amounts relate to continuing operations.

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

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the financial period ended 31 October 2018

	Share Capital $	Revenue Reserves $	Total Equity $
Balance as at 30 April 2017	**56,413**	**1,073**	**57,486**
Total comprehensive income for the financial period	-	-	-
Distribution*	-	(905)	(905)
Balance as at 31 October 2017	**56,413**	**168**	**56,581**
Total comprehensive income for the financial year	-	375	375
Distribution*	-	-	-
Balance as at 30 April 2018	**56,413**	**543**	**56,956**
Total comprehensive income for the financial period	-	-	-
Distribution*	-	-	-
Balance as at 31 October 2018	**56,413**	**543**	**56,956**

*Relates to a charity payment made to Wilmington Trust.

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

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 October 2018

	Notes	31 October 2018 $	30 April 2018 $	31 October 2017 $
CURRENT ASSETS				
Cash and cash equivalents		57,082	57,082	56,705
Physical metals at fair value	8	3,404,107,971	3,367,855,478	3,171,065,248
Total current assets		**3,404,165,053**	**3,367,912,560**	**3,171,121,953**
EQUITY				
Share Capital	7	(56,413)	(56,413)	(56,413)
Revenue reserves		(543)	(543)	(168)
Total Equity		**(56,956)**	**(56,956)**	**(56,581)**
CURRENT LIABILITIES				
Payables	10	(771,445)	(752,009)	(693,030)
Corporation tax payable	6	(125)	(125)	(125)
ETC Securities at fair value	9	(3,403,336,527)	(3,367,103,470)	(3,170,372,217)
Total current liabilities		**(3,404,108,097)**	**(3,367,855,604)**	**(3,171,065,372)**
Total equity and liabilities		**(3,404,165,053)**	**(3,367,912,560)**	**(3,171,121,953)**

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

STATEMENT OF CASH FLOWS (UNAUDITED)

For the financial period ended 31 October 2018

	Financial period ended 31 October 2018 $	Financial year ended 30 April 2018 $	Financial period ended 31 October 2017 $
Cash flows from operating activities			
Total comprehensive income for the financial period/year	-	375	-
Adjustments to reconcile net income to net cash used in operating activities:			
Increase in operating assets:			
Physical metals at fair value	(36,252,493)	(397,189,461)	(200,399,231)
Decrease in operating liabilities:			
ETC Securities at fair value	36,233,057	397,008,186	200,276,933
Payables	19,436	181,277	122,298
Net cash provided by operating activities	**-**	**377**	**-**
Cash flows financing activities:			
Issue of share capital	-	-	-
Distribution*	-	(905)	(905)
Net cash used in financing activities	**-**	**(905)**	**(905)**
Net decrease in cash and cash equivalents	-	(528)	(905)
Cash and cash equivalents, beginning of the financial period/year	57,082	57,610	57,610
Cash and cash equivalents, end of the financial period/year	**57,082**	**57,082**	**56,705**

*Relates to a charity payment made to Wilmington Trust.

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS OF THE COMPANY

For the financial period ended 31 October 2018

1. ACCOUNTING POLICIES

The principal accounting policies and estimation techniques are consistent with those applied to the previous annual financial statements.

Statement of compliance

The financial statements are prepared in accordance with IAS 34, Interim Financial Reporting, issued by the International Accounting Standards Board ("IASB").

These interim financial statements are unaudited. We note that the statutory auditor's report in the Company's annual audited financial statements for the financial year ended 30 April 2018 was unqualified.

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 the 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.

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 period. 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 Board consider the following risks to be the principal risks and uncertainties facing the Company for the forthcoming six months:

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS OF THE COMPANY (continued)

For the financial period ended 31 October 2018

2. FINANCIAL INSTRUMENTS AND RISKS (continued)

a) Market risk (continued)

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

(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.

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.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS OF THE COMPANY (continued)

For the financial period ended 31 October 2018

2. FINANCIAL INSTRUMENTS AND RISKS (continued)

b) Counterparty credit risk (continued)

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.

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 2018: A+, 31 October 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 2018: A, 31 October 2017: A) (Standard and Poor's rating).

There were no past due or impaired assets as of 31 October 2018, 30 April 2018 or 31 October 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.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS OF THE COMPANY (continued)

For the financial period ended 31 October 2018

2. FINANCIAL INSTRUMENTS AND RISKS (continued)

c) Liquidity risk (continued)

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.

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 period. The Company did not hold any level 3 securities throughout the financial period or at 31 October 2018, 30 April 2018 or 31 October 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’.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS OF THE COMPANY (continued)

For the financial period ended 31 October 2018

2. FINANCIAL INSTRUMENTS AND RISKS (continued)

d) Valuation of financial instruments (continued)

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.

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 31 October 2018, 30 April 2018 or 31 October 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 31 October 2018, 30 April 2018 or 31 October 2017.

3. OTHER INCOME

	Financial period ended 31 October 2018 $	Financial year ended 30 April 2018 $	Financial period ended 31 October 2017 $
Other income	-	500	-
Total	-	500	-

4. GAINS AND LOSSES PER SERIES

Financial period ended 31 October 2018

	iShares Physical Gold ETC $	iShares Physical Silver ETC $	iShares Physical Platinum ETC $	iShares Physical Palladium ETC $	Company Total $
Other income	-	-	-	-	-
Net (losses)/gains on physical metal at fair value	(262,670,144)	(9,919,304)	(1,372,237)	416,384	(273,545,301)
Net gains/(losses) on ETC securities at fair value	266,867,181	10,066,264	1,409,311	(406,789)	277,935,967
Total gains	**4,197,037**	**146,960**	**37,074**	**9,595**	**4,390,666**
Operating expenses:					
Arranger and Adviser fees	(4,197,037)	(146,960)	(37,074)	(9,595)	(4,390,666)
Net profit for the financial period	**-**	**-**	**-**	**-**	**-**

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**

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS OF THE COMPANY (continued)

For the financial period ended 31 October 2018

4. GAINS AND LOSSES PER SERIES (continued)

Financial period ended 31 October 2017

	iShares Physical Gold ETC $	iShares Physical Silver ETC $	iShares Physical Platinum ETC $	iShares Physical Palladium ETC $	Company Total $
Other income	-	-	-	-	-
Net (losses)/gains on physical metal at fair value	(21,838,408)	(2,397,262)	(558,239)	935,734	(23,858,175)
Net gains/(losses) on ETC securities at fair value	25,447,142	2,534,618	587,421	(924,089)	27,645,092
Total gains	**3,608,734**	**137,356**	**29,182**	**11,645**	**3,786,917**
Operating expenses:					
Arranger and Adviser fees	(3,608,734)	(137,356)	(29,182)	(11,645)	(3,786,917)
Net profit for the financial period	**-**	**-**	**-**	**-**	**-**

5. ARRANGER AND ADVISER FEES

Fees earned by the Arranger and Adviser during the financial period and balances outstanding as at 31 October 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 uses this fee to pay the agreed fees of other service providers of the Company, inclusive of the Directors and Audit Fees. There were no fees other than the audit fees paid to Ernst & Young in Ireland as the auditor of the Company as no other services were provided.

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.

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.

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 Security holders.

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 period ended 31 October 2018 $	Financial year ended 30 April 2018 $	Financial period ended 31 October 2017 $
Net profit for the financial period/year before tax	-	500	-
Corporation tax rate 25%	-	(125)	-
Current tax charge	-	(125)	-

There was no corporation tax charged during the financial period ended 31 October 2018 or 31 October 2017 as there was no profit for these financial periods. Corporation tax payable of $125 relating to year end 30 April 2018 remains payable as at 31 October 2018.

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 the Share Trustee. The Share Trustee holds them on trust for charitable purposes to the value of €40,000 ($56,413).

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS OF THE COMPANY (continued)

For the financial period ended 31 October 2018

8. PHYSICAL METALS AT FAIR VALUE

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

Financial period ended 31 October 2018

	Gold Troy Ounces*	Silver Troy Ounces	Platinum Troy Ounces	Palladium Troy Ounces
Balance at the beginning of financial period	2,485,409	4,940,745	19,658	5,500
Metal Contributed	1,043,407	1,502,174	7,312	728
Metal Distributed	(806,310)	(1,202,692)	(1,530)	(2,243)
Metal Sold	(3,368)	(9,524)	(42)	(10)
Balance at the end of financial period	**2,719,138**	**5,230,703**	**25,398**	**3,975**

Physical metals at fair value	Troy Ounces*	Price per Troy Ounce $	Fair Value $
Gold	2,719,138	1,214.95	3,303,617,158
Silver	5,230,703	14.34	75,008,287
Platinum	25,398	834.00	21,181,693
Palladium	3,975	1,082.00	4,300,833
Total			**3,404,107,971**

* 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.

Financial year ended 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**

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**

* 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.

Financial period ended 31 October 2017

	Gold Troy Ounces*	Silver Troy Ounces	Platinum Troy Ounces	Palladium Troy Ounces
Balance at the beginning of financial period	2,280,016	3,813,911	12,426	6,049
Metal Contributed	1,013,846	1,604,629	5,954	2,106
Metal Distributed	(866,872)	(1,280,309)	(1,796)	(669)
Metal Sold	(2,754)	(7,916)	(29)	(12)
Balance at the end of financial period	**2,424,236**	**4,130,315**	**16,555**	**7,474**

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS OF THE COMPANY (continued)

For the financial period ended 31 October 2018

8. PHYSICAL METALS AT FAIR VALUE (continued)

Physical metals at fair value	Troy Ounces*	Price per Troy Ounce $	Fair Value $
Gold	2,424,236	1,270.15	3,079,143,815
Silver	4,130,315	16.82	69,471,897
Platinum	16,555	915.00	15,147,626
Palladium	7,474	977.00	7,301,910
Total			**3,171,065,248**

* 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 the ETC Securities of each Series during the financial period/year:

31 October 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 period	126,459,321	5,080,884	1,347,690	188,527
ETC Securities issued	53,131,103	1,547,000	502,000	25,000
ETC Securities redeemed	(41,064,381)	(1,238,000)	(105,000)	(77,000)
Balance at the end of financial period	**138,526,043**	**5,389,884**	**1,744,690**	**136,527**

	No. of Securities	Price per Security* $	Fair Value* $
iShares Physical Gold ETC	138,526,043	23.8430	(3,302,881,252)
iShares Physical Silver ETC	5,389,884	13.9116	(74,981,957)
iShares Physical Platinum ETC	1,744,690	12.1363	(21,174,043)
iShares Physical Palladium ETC	136,527	31.4903	(4,299,275)
Total			**(3,403,336,527)**

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

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 UNAUDITED FINANCIAL STATEMENTS OF THE COMPANY (continued)

For the financial period ended 31 October 2018

9. ETC SECURITIES AT FAIR VALUE (continued)

31 October 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 period	115,720,696	3,906,414	848,511	206,535
ETC Securities issued	51,507,128	1,645,570	407,000	72,000
ETC Securities redeemed	(44,033,460)	(1,313,000)	(122,821)	(22,850)
Balance at the end of financial period	**123,194,364**	**4,238,984**	**1,132,690**	**255,685**

	No. of Securities	Price per Security* $	Fair Value* $
iShares Physical Gold ETC	123,194,364	24.9888	(3,078,482,953)
iShares Physical Silver ETC	4,238,984	16.3831	(69,447,502)
iShares Physical Platinum ETC	1,132,690	13.3685	(15,142,315)
iShares Physical Palladium ETC	255,685	28.5486	(7,299,447)
Total			**(3,170,372,217)**

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

10. PAYABLES

	31 October 2018 $	30 April 2018 $	31 October 2017 $
iShares Physical Gold ETC	(735,906)	(716,461)	(660,860)
iShares Physical Silver ETC	(26,330)	(27,474)	(24,394)
iShares Physical Platinum ETC	(7,651)	(6,213)	(5,312)
iShares Physical Palladium ETC	(1,558)	(1,861)	(2,464)
Total	**(771,445)**	**(752,009)**	**(693,030)**

11. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the financial period ended 31 October 2018 (30 April 2018: Nil, 31 October 2017: Nil).

12. EXCHANGE RATES

The rates of exchange ruling as at 31 October 2018 were:

	31 October 2018
EUR1 = USD	1.1330

The rates of exchange ruling as at 30 April 2018 were:

	30 April 2018
EUR1 = USD	1.2082

The rates of exchange ruling as at 31 October 2017 were:

	31 October 2017
EUR1 = USD	1.1649

13. EMPLOYEES OF THE COMPANY

The Company had no employees during the financial periods ended 31 October 2018 or 31 October 2017 or the financial year ended 30 April 2018. The Directors are all non-executive.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS OF THE COMPANY (continued)

For the financial period ended 31 October 2018

14. SIGNIFICANT RELATED PARTY TRANSACTIONS

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.

The following entities are disclosed as related parties to the Company as at 31 October 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 period ended 31 October 2018 (30 April 2018: Nil, 31 October 2017: Nil).

When arranging transactions in securities for the Company, affiliates of PNC may provide securities brokerage, foreign exchange, banking and other services, or may act as principal, on their usual terms and may benefit therefrom. Commissions have been paid to brokers and agents in accordance with the relevant market practice and the benefit of any bulk or other commission discounts or cash commissions rebates provided by brokers or agents have been passed on to the Company.

The services of PNC companies could have been used by the Arranger and Adviser where it is considered appropriate to do so provided that their commissions and other terms of business are generally comparable with those available from unassociated brokers and agents in the markets concerned, and this is consistent with the above policy of obtaining best net results.

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.

Barry O’Dwyer is a non-executive Director of the Company, an employee of the BlackRock Group and also serves on the Boards of a number of BlackRock Companies.

Significant Holdings

All of the issued shares of the Company 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.

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 period end date (30 April 2018: Nil, 31 October 2017: Nil).

No amounts have been written off in the financial period in respect of amounts due to or from related parties (30 April 2018: Nil, 31 October 2017: Nil).

No commitments secured or unsecured or guarantees have been entered into with related parties during the financial period (30 April 2018: Nil, 31 October 2017: Nil).

15. SIGNIFICANT EVENTS

On 30 April 2018, PricewaterhouseCoopers resigned as independent auditors of the Company and Ernst & Young were appointed.

There have been no other significant events to the financial period end which in the opinion of the Directors of the Company may have had a material impact on the financial statements for the financial period ended 31 October 2018.

16. SUBSEQUENT EVENTS

On 13 November 2018, an updated prospectus was issued for the Company.

There have been no other events subsequent to the financial period end which in the opinion of the Directors of the Company may have had a material impact on the financial statements for the financial period ended 31 October 2018.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS OF THE COMPANY (continued)

For the financial period ended 31 October 2018

17. APPROVAL DATE

The financial statements were approved by the Directors on 6 December 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 "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. It has been established as a special purpose vehicle for the purpose of issuing asset backed securities. The iShares Physical Metals plc 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

Investment in the products mentioned in this document may not be suitable for all investors and involve a significant degree of risk. Investors should read carefully and ensure they understand the Risk Factors in the Prospectus. Past performance is not a guide to future performance and should not be the sole factor of consideration when selecting a product. The price of the investments may go up or down and the investor may not get back the amount invested. Your income is not fixed and may fluctuate. The securities are priced in US Dollars and the value of the investment in other currencies will be affected by exchange rate movements. We remind you that the levels and bases of, and reliefs from, taxation can change.

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Precious metal prices are generally more volatile than most other asset classes, making investments riskier and more complex than other investments.

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