

# THE ROYAL MINT'S GROUNDBREAKING APPROACH TO GOLD INVESTING

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Gold has stood the test of time – no other form of money has existed for so long and weathered the tests of time. Across a range of scenarios, gold has maintained its value and served as a source of potential security for those that hold it.



The Royal Mint is an institution that has similarly stood the test of time. For over a thousand years, The Royal Mint has been a cornerstone of British heritage, striking coins that have not only facilitated commerce but also encapsulated the history of a nation. From origins in the reign of Alfred the Great to present-day innovations in precious metals investment, The Royal Mint stands as a testament to enduring quality and trust. The Royal Mint is Britain's oldest company and one of the World's oldest.

But throughout this long history of both gold and The Royal Mint, investors looking to gain exposure to the precious metal had been given very little choice other than physically purchasing gold and holding it themselves. This changed with the emergence of exchange-traded gold products in the early 2000s.

In 2020, The Royal Mint partnered with HANetf – Europe's first and only independent full-service white-label UCITS ETF and ETC platform. Together, they launched The Royal Mint's first ever exchange-traded commodity (ETC), The Royal Mint Responsibly Sourced Physical Gold ETC (ticker: RMAU). This marked the first time that a gold ETC had been launched with a European sovereign mint.

RMAU is listed in five currencies (pound sterling, US dollar, euro, Mexican peso, and Polish zloty) across six exchanges (London Stock Exchange, Deutsche Börse Xetra, Borsa Italiana, Bolsa Mexicana de Valores, Euronext Paris, and Warsaw Stock Exchange). Since launch, the ETC has accumulated \$1.03 billion in assets under management (AUM) – achieving almost 1% market share during its short lifespan. This is truly amazing given the multitude of ETCs available and recognises the uniqueness of its offerings.

RMAU tracks the spot price of physical gold and is fully allocated – this means the ETC is 100% physically backed by 400oz gold custodied by The Royal Mint at their purpose-built vault in Llantrisant, Wales – one of Europe’s most secure sites. Because of this, all the gold is held outside the London banking systems, providing a potentially attractive option for investors seeking real diversification in their gold custody arrangements, compared to most gold ETPs which custody at banks in or near London.

The ETC also offers physical redemption, whereby investors can redeem their shares for physical gold in the form of a wide range of gold bars and coins. The range of bars and coins offered is unparalleled, reflecting the broad range covered by The Royal Mint in its core business, including the Sovereign and Britannia ranges. This redemption mechanism underscores the physical backing of the ETC, allowing investors to get their hands on the gold they invest in. No Gold ETF globally offers the breadth of redemption options, most offer none and the few that do only usually offer large and costly 400 ounce bars.

The Royal Mint is committed to the highest standards of sustainability across their whole business, and RMAU is no different. 100% of the gold custodied is London Bullion Market Association (LBMA) post-2019 responsibly sourced good delivery bars, with a growing number of post-2022 bars. Thanks to The Royal Mint’s close control over its supply chain, all bars of Russian origin were immediately removed following the 2022

invasion of Ukraine. The first Gold product to do so globally. In addition to this, the ETC is shariah-compliant.

Uniquely, over half the gold backing the ETC is 100% recycled, with the aim of increasing the proportion over time. The 50%+ is on an ongoing benchmark. Gold mining can be a dirty business. It entails moving vast quantities of rock. A standard gold bar (400 troy ounces) requires digging up about 5,000 tonnes of earth – and each year, gold grades are decreasing, meaning more earth must be dug up to get the same amount of gold as before. This can have a profound impact on natural ecosystems and landscapes. Mining is also energy intensive – extracting and grinding gold ore requires almost 90,000 kilojoules (KJ) per gram of gold produced, which is the equivalent of about one day of electricity use for the average American home.

Recycled gold, by contrast, is estimated to be over 90% less carbon intensive than mined gold. This means that RMAU can potentially offer a more sustainable solution for investors. The bars are independently audited twice yearly, and the results are publicly available. This means sustainable investors interested in investing in gold have voted with their feet and invested in RMAU.

The Royal Mint as an organisation also incorporates strong ESG and sustainability initiatives across its operations. In recent years, it has committed to sustainable metal

