

# Xetra-Gold®

More than a security.



Xetra-Gold<sup>®</sup>, issued by Deutsche Börse Commodities GmbH, is a bearer note denominated in gold and quoted in euro.

## What is Xetra-Gold®?

Xetra-Gold® (ISIN DE000A0S9GB0) is a bearer note covered by physical gold and quoted in euro which is traded on the exchange and issued by Deutsche Börse Commodities GmbH. Each Xetra-Gold® bearer note grants the investor the right to delivery of one gram of gold from the issuer. The fact that Xetra-Gold® is a security makes it fungible and as easy to transfer as a share.

### Gold price performance: 30 June 1986 to 30 June 2020



Source: [www.boerse-frankfurt.de/etp/DE000A0S9GB0](http://www.boerse-frankfurt.de/etp/DE000A0S9GB0)

Past performance is not a reliable indicator of future performance.

- Xetra-Gold® is a cost-efficient option for investors to participate in the performance of the gold market. Its unique combination of features makes Xetra-Gold® an attractive investment product.
- Xetra-Gold® does not incur front-end load or management fees unlike other securities covered by physical gold. Investors bear neither transportation nor insurance costs which are incurred when purchasing physical gold.



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- Unlike other Exchange Traded Products/Commodities, the investor's right to receive delivery<sup>1)</sup> of gold is not reduced by management costs or other fees. For example, an annual management fee of 0.39 per cent would reduce your gold holdings by 7.5 per cent over 20 years, while 1,000 Xetra-Gold® securities will still equal a kilogram of gold in 20 years' time. Xetra-Gold® is only subject to custody fees payable by the owner of the bearer note. The custody fees are currently at approximately 0.3 per cent p.a. (plus value-added tax), which are reported separately (source: [www.justetf.com/de-en](http://www.justetf.com/de-en)).
  - Multiple market makers provide liquidity and ensure spreads that are lower than those for traditional gold-based financial products. The maximum spread is 1 per cent – since its launch in 2007, however, Xetra-Gold® has been traded with an average 0.1 per cent spread (source: [www.deutsche-boerse-cash-market.com/dbcm-en/instruments-statistics/statistics/etf-etp-statistics](http://www.deutsche-boerse-cash-market.com/dbcm-en/instruments-statistics/statistics/etf-etp-statistics)).
  - Xetra-Gold® is traded on Xetra®, one of Europe's most efficient trading platforms. This means liquid, continuous trading on the Regulated Market with high transparency, from 9 a.m. until 5.30 p.m. CET each trading day.
  - While gold is usually traded in US dollar per troy ounce, Xetra-Gold® trades in euro and reflects the price of gold almost 1:1. The conversion between grams and troy ounces is as follows: 1,000 grams = 32.1507465 troy ounces and 1 troy ounce = 31.1034768 grams. Due to the quotation in euro, investors located in the eurozone do not bear a currency risk. Please note that non-euro investors bear the risk associated with fluctuations in exchange rates. This can lead to an increase or decrease of the value of the investment.
- **Physically backed in Germany**  
The physical gold is held in custody for the issuer in the vaults of Clearstream Banking AG, a wholly-owned subsidiary of Deutsche Börse AG. In order to facilitate the delivery of physical gold, the issuer further holds rights to a certain amount of gold on an unallocated weight account with Umicore AG & Co. KG, Hanau.
  - **Repayment in gold**  
Investors can exercise their right to delivery of the securitised amount of gold against the issuer at any time. If the investor is not allowed to do so due to legal restrictions applicable to him, the investor can demand the issuer to redeem Xetra-Gold® in the form of a cash payment instead of the delivery of gold.
  - **Security codes**  
WKN: A0S9GB  
ISIN: DE000A0S9GB0  
Xetra® ticker symbol: 4GLD  
Bloomberg ticker symbol: 4GLD

<sup>1)</sup> A detailed overview on delivery costs is provided on page 6.

## Why Xetra-Gold®?

A well-diversified portfolio protects against unpleasant surprises. As an addition to other asset classes, commodities are a good way to improve risk diversification and protect a portfolio – especially in times of market turbulence and currency fluctuations. That holds true for gold, too. Even small positions in gold can help to steady a portfolio's performance (source: Mercer Study 2017: Gold as an asset class for institutional investors).

There are various options to participate in the gold price performance, including direct investments in physical gold. However, due to the gold market's lack of efficiency and transparency, investing in physical gold involves a large spread and considerable overhead costs, such as fees for custody and logistics or delivery charges. Alternatively, investments can be made indirectly by purchasing financial products structured by reference to gold, such as gold funds, shares in

gold mining companies or structured products. These investments allow the purchase or sale of exposures to gold at relatively low overhead costs and with relatively high flexibility (source: Steinbeis-Hochschule, distribution and transaction cost analysis 2018). However, the financial products themselves are not always fully covered by physical gold.

Although Xetra-Gold® is also an indirect investment product, it combines the advantages of both forms of investment. It combines the simple, efficient and low-cost trading of a financial product with a securitised right to delivery of physical gold.



## Reliable and proven process chain

Xetra-Gold® is traded on Deutsche Börse AG's fully electronic Xetra® trading platform. Among others, Deutsche Bank AG acts as designated sponsor. A designated sponsor provides for liquid, continuous trading. It maintains firm bid and offer prices throughout exchange trading hours and assures a permanent quotation under normal trading conditions. The quotation is based on the current gold price in US dollar and the US dollar-euro exchange rate.

Deutsche Börse AG and its subsidiaries organise trading, clearing and settlement of the transactions. Clearstream Banking AG, Frankfurt, stores the gold in its vaults in line with high security standards.

If an investor exercises the right to delivery of the securitised amount of gold against the issuer (one bearer note is sufficient), the gold is delivered to the designated place of delivery by Umicore AG & Co. KG, which is responsible for all physical delivery processes. Additionally, the issuer has rights to a certain amount of gold on an unallocated weight account with Umicore AG & Co. KG, Hanau. The estimated costs of delivery are listed below. Prices for specific deliveries are available upon demand.

### Estimated delivery costs for Xetra-Gold® (as of August 2020)

Delivery quantity/ delivery volumes	Number of bullions	Germany	Austria	Luxembourg
1 kg	1x 1 kg	275 €	1,975 €	1,750 €
	10x 100 g	625 €	2,375 €	1,975 €
10 kg	10x 1 kg	875 €	2,750 €	2,250 €
100 kg	100x 1 kg	5,975 €	7,250 €	6,375 €
	8x 12.5 kg	2,975 €	3,375 €	—
500 kg	40x 12.5 kg	5,750 €	8,250 €	—
1,000 kg	80x 12.5 kg	9,250 €	12,750 €	—

Please note that non-euro investors bear the risk associated with fluctuations in exchange rates. This can lead to an increase or decrease of the value of the investment.

## Renowned partners, proven quality

Investors who opt for Xetra-Gold® can rely on a professional process chain. The Frankfurt-based issuer Deutsche Börse Commodities GmbH is a joint venture between Deutsche Börse AG and the banking partners Commerzbank AG, Deutsche Bank AG, DZ Bank AG, B. Metzler seel. Sohn & Co. KGaA, along with the Swiss Bank Vontobel AG.

Umicore AG & Co. KG, a group subsidiary of Umicore S.A., is the industrial partner for the production of the bullions. Umicore is a refiner approved by the London Bullion Market Association (LBMA). The gold bullions held in the vaults of Clearstream Banking AG meet the LBMA 'Good Delivery' standards for physical gold, with a set number of ounces, specified weight and dimensions and a required purity of at least 99.5 per cent.



## Opportunities

### Participating in the performance of the gold price

Xetra-Gold® is the investment product that tracks the price of gold on a virtually 1:1 basis and thereby allows investors to participate in the performance of the gold price (source: Mercer Study 2019).

### Portfolio diversification and stabilisation

Xetra-Gold® largely reflects the value of the commodity gold. The performance of gold is more or less uncorrelated to other securities. Adding Xetra-Gold® to a portfolio can help to diversify risk and stabilise performance.

#### ▪ Tradable in euro per gram

While gold has mainly been denominated in US dollar per troy ounce in the past, Xetra-Gold® is traded in euro per gram.

#### ▪ Liquid trading

Like other securities, Xetra-Gold® is traded on Xetra®.

#### ▪ Physically backed

The issuer uses the proceeds from the issue of Xetra-Gold® to purchase physical gold and a limited amount of gold in a weight account to cover the issuer's obligations under the bearer notes.

#### ▪ Redemption against gold

Investors may exercise their right to delivery of the securitised amount of gold against the issuer at any time. If this is not possible due to prevailing legal restrictions, investors can claim redemption of Xetra-Gold® in the form of a cash payment in euros instead of gold.

Notwithstanding these opportunities, please note the risks by investing in Xetra-Gold on the following page.

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For the current gold price  
and further information visit  
*[www.xetra-gold.com](http://www.xetra-gold.com)*



## Risks

### Market risk

Upon acquisition of Xetra-Gold®, an investor is, from an economic point of view, invested in gold and thus bears the market risk associated therewith. If the gold price falls, the investor can lose part or all of the capital invested. As there are other price-relevant factors besides the gold price (such as the credit quality of the issuer), the value of Xetra-Gold® may deviate from the value of one gram of gold.

### No beneficial ownership of gold

Xetra-Gold® investors only acquire the rights securitised in the notes. Investors do not acquire ownership/beneficial ownership or a lien to the gold held in custody in physical form on the issuer's behalf or to the issuer's rights on the unallocated weight account.

### Risk of loss

The gold held in custody in physical form by Clearstream Banking AG on the issuer's behalf is exposed to a risk of loss. In the event of loss of the gold, the ability of the issuer to fulfil its obligations with regard to the bearer notes would likely be adversely affected due to a lack of other available assets.

### Tradeability

There is no guarantee that a secondary market for Xetra-Gold® will always exist. This harbours the risk that investors may not, generally or temporarily, be able to sell Xetra-Gold® in the market.

### Early redemption by the issuer

In the event of early redemption, which the issuer is entitled to under certain circumstances, investors face the risk that the early redemption amount paid to the holders of the notes may be lower than the value of Xetra-Gold® prior to their termination by the issuer.

### Issuer risk

For investors, Xetra-Gold® is associated with an insolvency risk (credit risk or issuer risk) of Deutsche Börse Commodities GmbH. This is generally understood as the risk of over-indebtedness or insolvency, i.e. a possible temporary or final inability to meet delivery and/or redemption obligations in due time. As a bearer note, Xetra-Gold® is subject neither to statutory nor voluntary deposit protection.

### Currency/exchange rate risk

An investment in Xetra-Gold® may involve a currency/exchange rate risk for investors whose home currency is not the euro. If the home currency of the investor develops more favourably than the euro during the holding period of the Xetra-Gold® bearer note, investment value may increase. If the local currency of the investor during the holding period of Xetra-Gold® bearer note develops worse than the euro, yield may decrease.

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The risk factors listed above are not exhaustive and do not provide a comprehensive overview of all the risks associated with an investment in Xetra-Gold®. Before investing in Xetra-Gold®, investors should therefore carefully read the prospectus, available on our website: [www.xetra-gold.com/downloads](http://www.xetra-gold.com/downloads)



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**Facts on Xetra-Gold®**

Product type	Bearer note
Listing	Regulated market of the Frankfurt Stock Exchange
Trading platform	Xetra®
Issuer	Deutsche Börse Commodities GmbH
Ticker symbol	4GLD
Currency	Euro
WKN	AOS9GB
ISIN	DE000AOS9GBO
Minimum order size	1 gram (= 1 bearer note)
Term	Unlimited
Fees	Standard securities transaction fees for exchange trading plus the respective custody fees.
Custody fees	Between Clearstream Banking AG and the respective custodian, custody fees are charged per calendar month and amount to 0.025 per cent of the monthly holding of Xetra-Gold® until further notice.
Minimum investment amount	Price for 1 bearer note
Placement by	B. Metzler seel. Sohn & Co. KGaA Commerzbank AG Deutsche Bank AG DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main Bank Vontobel AG, Zurich
Fiscal agent	Deutsche Bank AG
Principal paying agent	Deutsche Bank AG
Redemption agent	Deutsche Bank AG
Custodian	Clearstream Banking AG
Delivery of gold	Creditors can exercise their right to delivery of gold at their custodian bank.
Minimum delivery	1 gram
Coupon	No interest payments or other returns on the bearer notes.
Prospekt	“Programme for the Issuance of up to 10,000,000,000 Xetra-Gold® Bearer Notes” Download from the website <a href="http://www.xetra-gold.com/downloads">www.xetra-gold.com/downloads</a> or mail order from <a href="mailto:xetra-gold@deutsche-boerse.com">xetra-gold@deutsche-boerse.com</a>
Website	<a href="http://www.xetra-gold.com">www.xetra-gold.com</a>

## Disclaimer

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