



Annual report and audited financial statements

iShares Physical Metals plc

iSHARES PHYSICAL METALS PLC

CONTENTS

Overview

General information	1
Background	2
Arranger and Adviser's Report	5

Governance

Directors' Report	9
Independent Auditors report	15

Financial statements

Statement of comprehensive income	22
Statement of changes in equity	22
Statement of financial position	23
Statement of cash flows	24
Notes to the financial statements	25

Additional information

Disclaimers	39
-------------	----

iSHARES PHYSICAL METALS PLC

GENERAL INFORMATION

Board of Directors

Michael Griffin (Chairman) (Irish)*

Kevin O'Brien (Irish)*

Barry O'Dwyer (Irish)**

Administrator

State Street Bank and Trust Company

1 Lincoln Street

Boston MA 02111

USA

Registrar (until 11 June 2020)

Computershare Investor Services (Ireland) Limited

Heron House

Corrig Road

Sandyford Industrial Estate

Dublin 18

Ireland

Registrar (from 11 June 2020)

State Street Fund Services (Ireland) Limited

78 Sir John Rogerson's Quay

Dublin 2

Ireland

Company Secretary

Sanne Corporate Administration Services Ireland Limited

Fourth Floor

76 Baggot Street Lower

Dublin 2

Ireland

Arranger and Adviser

BlackRock Advisors (UK) Limited

12 Throgmorton Avenue

London EC2N 2DL

United Kingdom

Trustee

State Street Custodial Services (Ireland) Limited

78 Sir John Rogerson's Quay

Dublin 2

Ireland

Custodian

JPMorgan Chase Bank N.A., London Branch

125 London Wall

London EC2Y 5AJ

United Kingdom

Registered Office

iShares Physical Metals plc

200 Capital Dock

79 Sir Rogerson's Quay

Dublin 2

D02 RK57

Ireland

Legal Adviser to the Company

in respect of Irish Law:

William Fry

2 Grand Canal Square

Dublin 2

Ireland

Legal Adviser to the Arranger and Adviser

in respect of English Law:

Linklaters LLP

One Silk Street

London EC2Y 8HQ

United Kingdom

Independent Auditor

Ernst & Young

Harcourt Centre

Harcourt Street

Dublin 2

Ireland

Paying Agent (from 11 June 2020)

Citibank N.A., London Branch

Citigroup Centre

25 Canada Square

Canary Wharf

London E14 5LB

England

* Non-executive and independent

** Non-executive

ISHARES PHYSICAL METALS PLC

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 is taxable as a securitisation company pursuant to section 110 of the Taxes Consolidation Act 1997. Profits arising to the Company are 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 prevailing market price at which the ETC securities trade on the secondary market may deviate from the daily value of the ETC securities and may not accurately reflect the price of the precious metal underlying the ETC securities. 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 (the “TER”) (in metal) for the Series.

Only registered broker-dealers “Authorised Participants” may subscribe and request buy-backs of ETC Securities 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 who are not authorised can buy and sell the ETC Securities on each exchange on which the ETC Securities are listed at the then prevailing market price, through financial intermediaries. References to a “Securityholder” or a “holder” of Securities shall, where the context requires or permits, be construed to mean a person in whose name such Securities are for the time being registered in the register of Securityholders in respect of the Series (or if joint holders appear in the register, the first named thereof) and a holder of beneficial or indirect interests in Securities (including those arising from holding CDIs), except where the references relate to (a) any right to receive payments or Metal in respect of the Securities, the right to which shall be vested, as against the Issuer, solely in the registered holder of such Securities whose name is registered in the Register, and (b) any right to attend, vote at and/or convene meetings of Securityholders.

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

Changes to the Company

On 11 June 2020, a new Supplement to the Prospectus was issued by the Company to reflect:

- the change of the clearing and settlement model for the securities of iShares Physical Gold ETC, iShares Physical Silver ETC, iShares Physical Platinum ETC and iShares Physical Palladium ETC to the International Central Securities Depository (“ICSD”) structure;
- update of certain risk factors;
- non-exclusive jurisdiction of the Irish courts to settle disputes in respect of the Securities and the Trust Deed;
- passporting of the Base Prospectus into France and Italy;
- the appointment of Citibank N.A., London Branch as Paying Agent and State Street Fund Services (Ireland) Limited as registrar as replacement to Computershare Investor Services (Ireland) Limited;
- modifications to the form of Final Terms and the Terms and Conditions of the Issuer to reflect the change of clearing and settlement mode.

On 11 June 2020, Citibank N.A., London Branch was appointed as Paying Agent of the Company.

On 11 June 2020, State Street Fund Services (Ireland) Limited was appointed as Registrar of the Company.

iSHARES PHYSICAL METALS PLC

BACKGROUND (continued)

Changes to the Company (continued)

On 3 August 2020, the TER for iShares Physical Palladium ETC and iShares Physical Platinum ETC changed from 0.40% to 0.20% and for iShares Physical Gold ETC from 0.19% to 0.15%.

On 12 October 2020, the TER for iShares Physical Silver ETC changed from 0.40% to 0.20%.

On 14 October 2020, an updated prospectus was issued to reflect changes from the supplement issued on 11 June 2020.

On 23 November 2020 iShares Physical Gold ETC first listed on Bolsa Mexicana de Valores.

United Kingdom exit from the European Union

On 31 January 2020, the United Kingdom (the “UK”) formally withdrew and ceased being a member of the European Union (the “EU”). Following this, the UK entered into a transition period which lasted for the remainder of 2020, during which period the UK was subject to applicable EU laws and regulations. The transition period expired on 31 December 2020, and EU law no longer applies in the UK.

On 30 December 2020, the UK and the EU signed an EU-UK Trade and Cooperation Agreement (“UK/EU Trade Agreement”), which applies from 1 January 2021 and sets out the foundation of the economic and legal framework for trade between the UK and the EU. As the UK/EU Trade Agreement is a new legal framework, the implementation of the Agreement may result in uncertainty in its application and periods of volatility in both the UK and wider European markets throughout 2021 and beyond. The UK’s exit from the EU is expected to result in additional trade costs and disruptions in this trading relationship. While the UK/EU Trade Agreement provides for the free trade of goods, it provides only general commitments on market access in services together with a “most favoured nation” provision which is subject to many exceptions. Furthermore, there is the possibility that either party may impose tariffs on trade in the future in the event that regulatory standards between the EU and the UK diverge. The terms of the future relationship may cause continued uncertainty in the global financial markets, and adversely affect the performance of the Company.

Volatility resulting from this uncertainty may mean that the returns of the Company’s investments are adversely affected by market movements, potential decline in the value of Euro, and any downgrading of UK sovereign credit rating.

Outbreak of COVID-19

An outbreak of an infectious respiratory illness caused by a novel coronavirus known as COVID-19 has developed into a global pandemic. The impact of this significant event on the Series financial risk exposure is disclosed in Note 2.1.1.

The Directors have assessed the impact of market conditions arising from the COVID-19 outbreak on the Series ability to meet their objectives. Based on the latest available information, the Series continue to be managed in line with their objectives, with no disruption to the operations of the Company and the publication of net asset values.

ETC Securities details

The following Series of ETC Securities were in operation at 30 April 2021. 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

iSHARES PHYSICAL METALS PLC

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. iShares Physical Gold ETC first listed on Bolsa Mexicana de Valores on 23 November 2020.

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. These rates are the maximum fee rates as at 30 April 2021:

Series	TER %
iShares Physical Gold ETC*	0.15
iShares Physical Silver ETC**	0.20
iShares Physical Platinum ETC***	0.20
iShares Physical Palladium ETC****	0.20

* The TER of this Series was amended during the financial year. The TER % in the table above is the maximum fee rate at 30 April 2021 (30 April 2020: 0.19%). The annualised TER % for the year is 0.16%.

** The TER of this Series was amended during the financial year. The TER % in the table above is the maximum fee rate at 30 April 2021 (30 April 2020: 0.40%). The annualised TER % for the year is 0.28%.

*** The TER of this Series was amended during the financial year. The TER % in the table above is the maximum fee rate at 30 April 2021 (30 April 2020: 0.40%). The annualised TER % for the year is 0.24%.

**** The TER of this Series was amended during the financial year. The TER % in the table above is the maximum fee rate at 30 April 2021 (30 April 2020: 0.40%). The annualised TER % for the year is 0.23%.

Going concern

The financial statements of the Company have been prepared on a going concern basis. The Company is able to meet all of its liabilities from its assets. The performance, marketability and risks of the Series are reviewed on a regular basis throughout the financial year. Therefore the Board of Directors of the Company (“the Board”) believes that the Company will continue in operational existence for the foreseeable future and is financially sound. The Board is satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements of the Company.

iSHARES PHYSICAL METALS PLC

ARRANGER AND ADVISER'S REPORT

Objective

The objective of the Company is for the value of the ETC Securities to reflect, at any given time, the price of the Metal Entitlement 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 30/04/2021 %	Benchmark return for the financial year ended 30/04/2021 %	Series* return for the financial year ended 30/04/2020 %	Benchmark return for the financial year ended 30/04/2020 %
iShares Physical Gold ETC	3.65	3.81	32.48	32.79
iShares Physical Silver ETC	68.24	68.73	1.93	2.34
iShares Physical Platinum ETC	58.40	58.80	(14.07)	(13.72)
iShares Physical Palladium ETC	49.72	50.10	44.81	45.39

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

Arranger and Adviser's review

Annual review covering the period from 1 May 2020 to 30 April 2021.

Market review

iShares Physical Gold ETC

The price of gold appreciated nearly 4%, ending the Company's review year with a minor gain, but gold's performance belied significant price volatility. Gold rallied sharply early in the review year, following unprecedented stimulus to support economies damaged by the emergence of the coronavirus (known as COVID-19) pandemic. Prior to the review year, several global central banks and governments announced massive monetary and fiscal measures to support the global economy during the pandemic. This stimulus drove gold prices to an all-time high of \$2,067 in August 2020, as the government stimulus often debases the value of the currencies. Near-zero or negative interest rates in many countries also decreased the allure of interest-bearing stores of value like bonds, leading some investors to prefer gold as a store of value despite its higher volatility and lack of investment income.

Gold prices were bolstered as investors sought portfolio diversification amid record-low real yields (the yield on United States (the "US") government bonds after adjusting for inflation expectations) and sharp volatility. A summer 2020 resurgence of COVID-19 infection rates also raised concerns that the resumption of global economic activity would require either debt-financed lockdowns or additional stimulus. The US Dollar depreciated against many global currencies, driven by the expansive monetary and fiscal policy, ultra-low interest rates, and the rapid spread of COVID-19 in the US. Gold is priced in US Dollars, so the declining US Dollar drove gold prices higher.

Gold prices began to decline in August 2020 as central banks sold gold amid optimism about vaccine development and treatments. Unexpectedly robust third-quarter 2020 economic growth and rising real yields strengthened the US Dollar, which drove gold prices down nearly 15% from August 2020 highs to the end of the review year. Vaccine development and distribution drove optimism about economic improvement, making gold appear less alluring. Growth prospects also drove investor expectations that inflation would rise, leading to an increase in interest rates.

Demand for gold declined during the review year, with 2020 demand the lowest in 11 years. Jewellery demand improved from record-low levels early in the review year, but the ongoing economic effects of the pandemic, along with record-high prices in the first half of the review year, constrained the purchases of gold, particularly in China and India, which typically drive jewellery demand. Gold purchases by central banks also decreased overall for the calendar year 2020, as banks became net sellers of gold for the first time since 2010, capitalising on gold's record-high prices. Nevertheless, central bank purchases rose in the second half of the review year. Declining demand during 2020 was somewhat offset by rising

ISHARES PHYSICAL METALS PLC

ARRANGER AND ADVISER'S REPORT (continued)

Arranger and Adviser's review (continued)

Market review (continued)

iShares Physical Gold ETC (continued)

investment demand, due largely to record inflows to exchange traded funds ("ETF"). These trends reversed in the second half of the review year, however, as investor sentiment about gold's value in an environment of rising interest rates and inflation soured, leading to significant ETF outflows.

Overall, gold supply declined during the review year. Although production recovered as mining activity resumed, volumes remained below pre-pandemic levels. In contrast, gold recycling activity rose during 2020, which moderated the decline in supply. Easing restrictions, ongoing economic weakness, and gold's price gains drove substantial selling of scrap gold, before reversing course in early 2021.

iShares Physical Silver ETC

The price of silver rose sharply during the Company's review year, reaching nearly \$29 per ounce in September 2020, its highest level since March 2013, before declining modestly to end the review year with a gain of nearly 69%. The precious metals rally that began in late March 2020, following pandemic-related monetary stimulus by the US Federal Reserve (the "Fed") and other global central banks, continued during the review year. Silver prices declined in the fall of 2020 amid US Dollar appreciation and uncertainty about additional US fiscal stimulus, which raised concerns about industrial demand and weighed on commodities prices. Nevertheless, silver staged a sharp rally in February 2021, posting the largest one-day gains in more than a decade when retail investors, who drove up the stock prices of several companies widely shorted by hedge funds, engaged in speculative trading of the metal.

Near-zero or negative interest rates in many countries decreased the allure of interest-bearing stores of value like bonds, leading some investors to prefer silver as a store of value despite its higher volatility and lack of income. In this environment, the value of the US Dollar relative to many other currencies weakened, which increased the value of US Dollar-priced assets like gold and silver. The declining US Dollar also made US Dollar-priced precious metals more attractive as stores of value. Expectations of a slower economic recovery amid rising COVID-19 cases further bolstered investor sentiment. In addition to silver's allure as a precious metal, more than half of all silver production is used for industrial applications, which means that silver prices are influenced by industrial demand. Silver's broad industrial applications in semiconductors and photovoltaic cells for solar panels supported price gains. Worldwide easing of pandemic-related restrictions on industrial activity led to rising industrial metals prices as the economic recovery gathered pace, bolstering industrial demand and silver prices. Government stimulus requiring higher investment in sustainable projects, many of which require silver, also drove positive investor sentiment. For example, installations of solar panels in China, the world's largest solar power market, rose significantly during 2020 despite lower demand early in the year. Industry experts also expect solid demand increases from growth in hybrid and electric vehicle sales and the expansion of 5G cellular technologies.

In addition to improving industrial demand, purchases of physical bars and coins along with record investment flows supported overall silver demand during the review year. In contrast, the pandemic's economic strains limited consumer demand for silver jewellery and silverware, particularly in India. Demand for silver used in automotive electronics also declined as carmakers scaled back production.

Silver supply declined during 2020, as pandemic-related mine closures, particularly in Peru and Mexico, exacerbated existing supply constraints and led to further price gains. Following lower production for four consecutive years, the supply of mined silver, which is typically a by-product of the extraction of other metals such as lead, copper, and gold, fell further during government-mandated shutdowns. Nevertheless, heightened recycling activity, driven by silver's price gains, somewhat offset the overall decline in supply, and mining production resumed following COVID-19-related closures and strikes.

iShares Physical Platinum ETC

The price of platinum increased by 58% during the Company's review year, reaching its highest level in more than six years in February 2021. Stronger industrial demand amid the post-pandemic economic recovery and tightening pollution regulations supported prices. Platinum, which is considered both a precious and industrial metal, also gained due to increases in investment demand and supply constraints. The precious metals price rally that began in early 2020, following massive monetary policy stimulus by global central banks in response to the economic impact of the pandemic, gained momentum throughout the first half of the review year as interest rate reductions and unlimited bond purchases continued to

ISHARES PHYSICAL METALS PLC

ARRANGER AND ADVISER'S REPORT (continued)

Arranger and Adviser's review (continued)

Market review (continued)

iShares Physical Platinum ETC (continued)

drive platinum prices higher. Because precious metals do not bear interest or pay dividends, their relative attractiveness as stores of value generally improves when interest rates are low, as other stores of value, like bonds, yield less. In this environment, the value of the US Dollar relative to many other currencies weakened, making precious metals like platinum, which are priced in US Dollars, worth more.

Platinum prices began a strong rally in November 2020 after successful COVID-19 vaccine development. The rollout of vaccination programs led to expectations that robust economic expansion would drive industrial demand, particularly from carmakers. Automobiles use platinum in diesel engine catalytic converters, which accounts for approximately 40% of the metal's total demand. Stricter pollution regulations requiring higher levels of platinum in exhaust systems also supported price gains during the end of the review year.

Demand for physical platinum, which has a variety of industrial uses, declined overall in 2020, but improved sharply during the second half of the year. Overall declines were primarily driven by reduced demand in the automobile industry as pandemic-related shutdowns halted vehicle manufacturing in many global markets, most notably during the second quarter of 2020. Industrial and jewellery demand also weakened amid factory closures and restrictions on store openings and in-person shopping. However, investment demand remained robust as ETF holdings remained near record highs set during the review year. In the second half of the review year, a recovery in vehicle manufacturing, particularly in North America and China, tightening emissions standards, and stronger jewellery sales drove a notable recovery in platinum demand.

Turning to supply, mining activity declined sharply, as temporary shutdowns during the onset of the pandemic and a smelting process outage in South Africa, the world's leading producer of platinum, slowed production. Following mine re-openings, difficulties in implementing safety protocols and the prospects of renewed closures amid a second wave of COVID-19 cases also heightened supply concerns. A November 2020 mine closure further limited supply, leading to a 26% contraction in overall platinum mined in South Africa for 2020. Meanwhile, recycling supply declined during 2020 due to logistics disruptions, although it improved at the end of 2020 amid higher auto-catalyst and jewellery recycling, most notably in China.

iShares Physical Palladium ETC

The price of palladium rose to new historical highs during the Company's review year, rising by nearly 50%. A significant increase in demand along with new and ongoing supply constraints supported palladium prices. The automobile industry, which accounts for approximately 80% of the world's demand for palladium, depends on palladium and platinum for the manufacturing of catalytic converters, which use precious metals to convert toxic substances from engine exhaust into carbon dioxide and water vapor.

Although, palladium demand initially weakened during the COVID-19 pandemic's early stages as global economic activity slowed, the metal's long-term demand drivers remained intact, supporting price gains throughout the majority of the review year. More stringent government regulations for emissions standards by some of the world's largest consumers of palladium, most notably in Europe and China, continued to drive demand for the metal. For example, new EU rules, which took effect in early 2020, mandate lower carbon dioxide emissions. This drove automobile production away from diesel vehicles, which use platinum to limit pollutants, towards petrol-powered and hybrid vehicles, which use palladium.

Consumer preferences also drove demand for palladium. An emissions falsification scandal that revealed diesel engines have higher-than-advertised emissions shifted consumer preferences towards petrol-powered cars, increasing demand for palladium. In addition, growing consumer purchases of hybrid vehicles, which use petrol drive trains, increased demand for palladium. In response, vehicle manufacturers began to scale back production of diesel vehicles, shifting to manufacturing more environmentally friendly cars.

Improving economic activity and a resumption of vehicle manufacturing in China following the lifting of COVID-19-related lockdowns also supported palladium demand. Sales of passenger cars in China, which are largely petrol-powered, began to rebound in the spring of 2020 and maintained gains throughout the review year. Other regions also posted higher vehicle sales amid the economic recovery. Palladium prices benefitted from analyst expectations that auto manufacturing, which was curtailed following a pandemic-exacerbated semiconductor shortage, is likely to ramp up significantly during the second half of 2021, leading to increased palladium demand.

iSHARES PHYSICAL METALS PLC

ARRANGER AND ADVISER'S REPORT (continued)

Arranger and Adviser's review (continued)

Market review (continued)

iShares Physical Palladium ETC (continued)

Despite strong demand, limited palladium production led to a supply deficit in each of the last nine years, which continued to drive prices higher. Because palladium is a by-product of platinum and nickel mining, its supply depends on production levels of those metals. However, price weakness in both platinum and nickel discouraged mining and refining activity, constraining the supply of palladium. Early in the pandemic, mine closures in South Africa, the world's second-largest producer of palladium, led to further declines in palladium supplies. Following later mine re-openings, difficulty in implementing safety protocols limited production capacity. At the same time, concerns mounted that rising COVID-19 infection rates could lead to renewed closures. Amid these production constraints, the total volume of mined palladium declined 7% during 2020. Late in the review year, disruptions due to flooding in palladium mines in Russia, the world's largest palladium producer, led to severe production curtailments amounting to an estimated 5% of total global supply for 2021, driving the price of palladium sharply higher.

BlackRock Advisors (UK) Limited

May 2021

ISHARES PHYSICAL METALS PLC

DIRECTORS' REPORT

The Directors present their report and audited financial statements from 1 May 2020 to 30 April 2021.

Statement of Directors' responsibilities

The Directors are responsible for preparing the annual report which comprise the Directors' Report and audited financial statements in accordance with Irish law. In particular, in accordance with the Transparency Directive (2004/109/EC) Regulations 2007 (S.I.No.277 of 2007) (the "Transparency Directive"), the Directors are required to include in this report a fair review of the business, a description of the principal risks and uncertainties facing the Company and a responsibility statement relating to these and other matters. The Board considers that the information required to be included in their Management Report is provided in the Arranger and Adviser's Report and note 2 of the financial statements.

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 ("IFRS") as adopted by the European Union.

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

ISHARES PHYSICAL METALS PLC

DIRECTORS' REPORT (continued)

Statement of Directors' responsibilities (continued)

The financial statements are published on the iShares 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, 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 and review process established, they have used all reasonable endeavours 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 who already perform the duties of the audit committee.

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, the LSE and any other exchanges which the Company is listed with, 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 of the Company 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 Euronext Dublin in accordance with the provisions of the Transparency Directive (2004/109/EC Regulations 2007) and the LSE. The financial statements of the Company are prepared in accordance with applicable Irish law and IFRS.

iSHARES PHYSICAL METALS PLC

DIRECTORS' REPORT (continued)

Internal Control and Risk Management Systems in Relation to Financial Reporting (continued)

During the period of this Annual Report, 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 Auditor. 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 for 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.

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.

iSHARES PHYSICAL METALS PLC

DIRECTORS' REPORT (continued)

Board Composition and Activities (continued)

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 longer term goals, review of 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 four 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.

Topics 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 2021, Kevin O'Brien, Barry O'Dwyer and Michael Griffin attended all 5 Board meetings.

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.

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 22.

Significant events since the financial year end

The significant events which have occurred since the financial year end are set out in note 16 of the notes to the financial statements of the Company.

Directors

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

Michael Griffin (Chairman, Irish): Mr. Griffin has over 40 years' experience in the financial sector and has been a non-executive director for over 20 years of a wide range of fund companies and trusts listed in Dublin and Luxembourg. He was with the corporate banking arm of the Ulster Bank Group from 1973 to 1999 and was a director and member of the management committee of Ulster Investment Bank Limited from 1987 to 1996 with responsibility for Treasury trading. In 1995, Mr. Griffin was appointed Head of Trading (with responsibility for Money Markets, Foreign Exchange and Sovereign Bond Trading) and from 1996 to 1999, he was a director and Head of Trading of Ulster Bank Markets Limited. Mr. Griffin was Chairman of the Irish Bankers' Federation EMU Capital Markets Expert Group from 1997 to 1999. Mr. Griffin is a fellow of the Institute of Bankers in Ireland.

ISHARES PHYSICAL METALS PLC

DIRECTORS' REPORT (continued)

Directors (continued)

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 sector. Through his portfolio of directorships, he has exposure to a fund services provider, the equity, fixed income, credit, precious metal, derivative, private equity and hedge fund markets.

Barry O'Dwyer (Irish): Mr. O'Dwyer is a Managing Director of BlackRock. He is the Head of Funds Governance for BlackRock in EMEA and serves as a Director on a number of BlackRock corporate, fund, and management companies in Ireland, Luxembourg, Switzerland and Germany and on BlackRock's UK Life company. He was the Chairman of the Irish Funds Industry Association 2014-2015 and was a member of An Taoiseach's Financial Services Industry Advisory Committee 2015-2018. He is a board director of Financial Services Ireland and the Irish Association of Investment Managers. Mr. O'Dwyer 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 years ended 30 April 2021 and 30 April 2020, other than those disclosed in the related party note on pages 37 and 38.

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

Review of Business and Future Developments

The specific objectives and policies of each Series, as set out in the Arranger and Adviser's Report, are formulated by the Board at the time of the creation of the Series. Investors in a Series are expected to be informed investors who have taken professional advice, are able to bear capital risk, and should view investment in a Series as a medium to long term investment. A description of the Series and market review can be found in the Arranger and Adviser's Report.

Risk Management Objectives and Policies

The financial instruments and risks facing the Company are set out on pages 27 to 31. See page 3 for United Kingdom exit from the European Union and Outbreak of Coronavirus.

iSHARES PHYSICAL METALS PLC

DIRECTORS' REPORT (continued)

Independent Auditor

Relevant audit information

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.

Appointment of Auditor

The Directors appointed Ernst & Young as independent auditor from 17 August 2018 to audit the financial statements for the year ending 30 April 2019 and subsequent financial periods, in accordance with section 383(2) of the Companies Act 2014. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 3 years.

Responsibility Statement

Each of the Directors, whose names are listed on page 1 of this report confirm that, to the best of their knowledge and belief:

- the financial statements, prepared in accordance with IFRS, give a true and fair view of the assets, liabilities and financial position of the Company at 30 April 2021 and its statement of comprehensive income for the year then ended;
- the Arranger and Adviser's Report contained in the annual report includes a fair review of the development and performance of the business and the position of the Company. A description of the principal risks and uncertainties that the Company faces is provided in the Arranger and Adviser's Report and note 2 of the financial statements;
- the related party transactions are as disclosed in note 15 of these financial statements.

On behalf of the Board of Directors

Michael Griffin
Director

25 June 2021

Kevin O'Brien
Director

25 June 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ISHARES PHYSICAL METALS PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of iShares Physical Metals plc ('the Company') for the year ended 30 April 2021, which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity and notes to the financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2014.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 30 April 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and reviewing management's going concern assessment which covers a year from the date of signing this audit opinion.
- Confirming our understanding of management's going concern assessment process and also engaging with management early to ensure all key factors were considered in their assessment;



**Building a better
working world**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ISHARES PHYSICAL METALS PLC
(CONTINUED)**

- Reviewing and evaluating the reasonability of the key factors considered by management in making their assessment of going concern including consideration of post year-end performance of each metal in light of market volatility and present uncertainties. We held inquiries with management as to whether there are any subsequent events, including Company performance, that might give rise to conditions which could lead management to discontinue the operations of the Company.
- Reviewing the Company going concern disclosures included in the annual report in order to ensure that the disclosures were appropriate and in conformity with the reporting standards.

Conclusion

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.



**Building a better
working world**

**INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF ISHARES PHYSICAL METALS PLC
(CONTINUED)**

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our 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) that we identified, 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 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.

Risk	Our response to the risk	Key observations communicated to the Board of Directors
<p>Existence of physical metals at fair value</p> <p>We have considered the existence of physical metals at fair value of \$13,788,606,057 (2020: \$11,335,783,972) as a key audit matter as physical metals are a key component of the Company’s overall Statement of Financial Position.</p> <p>Refer to Accounting policy 1.2 and Note 9 of the Financial Statements.</p>	<p>We obtained a portfolio listing of physical metals from the administrator of the Company as at 30 April 2021.</p> <p>We obtained an independent confirmation from the Company’s Custodian of the existence and assay of these assets as at 30 April 2021, agreeing the amounts per the accounting records to the independent custody records and auditing reconciling items.</p> <p>We obtained and reviewed the stocktake report issued by the independent third party agreeing the amounts per the accounting records to the independent stocktake report and auditing reconciling items.</p>	<p>No issues have been noted from the performance of our procedures over this key audit matter.</p>



**Building a better
working world**

**INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF ISHARES PHYSICAL METALS PLC
(CONTINUED)**

Risk	Our response to the risk	Key observations communicated to the Board of Directors
<p>Valuation of physical metals at fair value and ETC securities at fair value</p> <p>We have considered the valuation of physical metals at fair value of \$13,788,606,057 (2020: \$11,335,783,972) and ETC securities at fair value of \$13,786,875,242 (2020: \$ 11,334,013,417) as a key audit matter as this is a key driver of the Company’s performance.</p> <p>Refer to Accounting policy 1.1 and 1.2, and Note 9 and Note 10 of the Financial Statements.</p>	<p>We have obtained a portfolio listing of physical metals at fair value and ETC securities at fair value from the Company as at 30 April 2021.</p> <p>We assessed the valuation of all physical metals at fair value, by comparing values to quoted prices obtained independently.</p> <p>We assessed the reasonableness of the valuation for all ETC securities at fair value , reviewing the reference to the exchange quoted value of the underlying secured physical metal holdings as adjusted for the Total Expense Ratio payable to the Arranger and Adviser.</p>	<p>No issues have been noted from the performance of our procedures over this key audit matter.</p>

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality to be 1% of the value of ETC Securities. We believe that total ETC Securities is an appropriate measurement basis since the users of the financial statements may focus on this than on earnings.

During the course of our audit, we reassessed initial materiality and made no changes to it.



**Building a better
working world**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ISHARES PHYSICAL METALS PLC (CONTINUED)

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 50% of our defined materiality. We have set performance materiality at this percentage due to our knowledge of the company and its industry, our past history with the entity, the effectiveness of its control environment and our assessment of the risks associated with the engagement.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Board of Directors that we would report to them all uncorrected audit differences in excess of 5% of our defined materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

An overview of the scope of our audit report

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.



**Building a better
working world**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ISHARES PHYSICAL METALS PLC
(CONTINUED)**

Other information (continued)

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our Opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are 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 and the Company statement of financial position is in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions, are not complied with by the Company.

We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on pages 9 and 10, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Building a better
working world

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ISHARES PHYSICAL METALS PLC
(CONTINUED)**

Auditor's 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 auditor's 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.

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

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads 'Lisa Kealy'.

Lisa Kealy
**for and on behalf of
Ernst & Young Chartered Accountants**

Dublin

Date: 29 June 2021

iSHARES PHYSICAL METALS PLC

STATEMENT OF COMPREHENSIVE INCOME For the financial year ended 30 April 2021

	Notes	Financial year ended 30 April 2021 \$	Financial year ended 30 April 2020 \$
Other income	4,5	500	500
Net gains on physical metals at fair value	5	669,872,454	1,949,016,651
Net losses on ETC Securities at fair value	5	(645,940,999)	(1,932,163,622)
Net operating income		23,931,955	16,853,529
Operating expenses	5	(23,931,455)	(16,853,029)
Net profit for the financial year before tax		500	500
Taxation	7	(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. The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY For the financial year ended 30 April 2021

	Share Capital \$	Revenue Reserves \$	Total Equity \$
Balance as at 30 April 2019	56,413	918	57,331
Total comprehensive income for the financial year	-	375	375
Balance as at 30 April 2020	56,413	1,293	57,706
Total comprehensive income for the financial year	-	375	375
Distribution*	-	(1,484)	(1,484)
Balance as at 30 April 2021	56,413	184	56,597

*Relates to a charity payment made to Wilmington Trust, the Share Trustee.

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

ISHARES PHYSICAL METALS PLC

STATEMENT OF FINANCIAL POSITION As at 30 April 2021

	Notes	30 April 2021 \$	30 April 2020 \$
CURRENT ASSETS			
Cash and cash equivalents		56,722	57,831
Physical metals at fair value	9	13,788,606,057	11,335,783,972
Total current assets		13,788,662,779	11,335,841,803
EQUITY			
Share Capital	8	(56,413)	(56,413)
Revenue reserves		(184)	(1,293)
Total equity		(56,597)	(57,706)
CURRENT LIABILITIES			
Payables	11	(1,730,815)	(1,770,555)
Corporation tax payable	7	(125)	(125)
ETC Securities at fair value	10	(13,786,875,242)	(11,334,013,417)
Total current liabilities		(13,788,606,182)	(11,335,784,097)
Total equity and liabilities		(13,788,662,779)	(11,335,841,803)

Approved on behalf of the Board of Directors

Michael Griffin
Director

25 June 2021

Kevin O'Brien
Director

25 June 2021

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

iSHARES PHYSICAL METALS PLC

STATEMENT OF CASH FLOWS

For the financial year ended 30 April 2021

	Financial year ended 30 April 2021 \$	Financial year ended 30 April 2020 \$
Cash flows from operating activities		
Total comprehensive income for the financial year	375	375
Adjustments to reconcile total comprehensive income to net cash from operating activities:		
Net gains on physical metals at fair value	(669,872,454)	(1,949,016,651)
Net losses on ETC securities at fair value	645,940,999	1,932,163,622
	(23,931,455)	(16,853,029)
(Decrease)/Increase in Payables	(39,740)	785,499
Cash generated from operating activities	(23,971,195)	(16,067,530)
Proceeds from disposal of Physical Metals	23,971,195	16,067,530
Net cash from operating activities	375	375
Cash flows from financing activities:		
Issue of share capital	-	-
Distribution*	(1,484)	-
Net cash used in financing activities	(1,484)	-
Net (decrease)/increase in cash and cash equivalents	(1,109)	375
Cash and cash equivalents, beginning of the financial year	57,831	57,456
Cash and cash equivalents, end of the financial year	56,722	57,831
Non-cash transactions during the year include:		
Physical Metals Additions	(9,505,531,067)	(8,682,710,097)
Physical Metals Disposals	7,698,610,242	3,549,436,255
ETC Securities issued	9,505,531,067	8,682,710,097
ETC Securities redeemed	(7,698,610,242)	(3,549,436,255)

The Company paid corporation tax of \$125 during the financial year.

*Relates to a charity payment made to Wilmington Trust, the Share Trustee.

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

ISHARES PHYSICAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS OF THE COMPANY

1. Accounting policies

The Company's financial statements have been prepared in accordance with IFRS 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 where assumptions and estimates are significant to the Company financial statements are disclosed in note 1.4.

New standards, amendments and interpretations effective for the financial year

There are no new standards, amendments or interpretations issued and effective for the financial year beginning 1 May 2020 that have a significant impact on the Company's financial position, performance or disclosures in its financial statements.

New standards and amendments to standards that are relevant to the Company but are not yet effective and have not been early adopted by the Company

There are no new standards and amendments to standards, that are relevant to the Company but are not yet effective and have not yet been early adopted by the Company which are considered to be applicable to the financial statements of the Company.

Significant accounting policies

The significant accounting policies adopted by the Company are:

1.1 ETC Securities

1.1.1 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.

1.1.2 Classification 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 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.

1.1.3 Measurement of ETC Securities

The exchange quoted value 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. ETC Securities are valued using valuation techniques, as detailed in the fair value hierarchy note to the financial statements.

1.2 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, as detailed in note 1.3 to the financial statements, and changes in fair value are recognised in the statement of comprehensive income.

iSHARES PHYSICAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

1. Accounting policies (continued)

1.2 Physical metal (continued)

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.

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.

1.3 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 London Bullion Market Association ("LBMA"), for Gold and Silver and the London Platinum and Palladium Market ("LPPM"), in respect of Platinum and Palladium.

1.4 Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates as detailed in notes 3.1 and 3.2 to the financial statements. 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.

1.5 Fees and expenses

The TER is the rate per annum 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.

1.6 Foreign currency

1.6.1 Functional and presentation currency

The functional currency and presentation currency of the Company is the United States Dollar.

1.6.2 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 2021 (30 April 2020: Nil).

1.7 Payables

Payables are initially recognised at cost and continue to be measured at cost. As per fees and expenses the payables are based on the TER.

1.8 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.

ISHARES PHYSICAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

1. Accounting policies (continued)

1.9 Segmental reporting

An operating segment is a component of a Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are reviewed regularly by the Company's Directors to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. 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 5, 9 and 10 to the financial statements. Performance figures of each Series are included in the Arranger and Adviser's report and in note 5 to the financial statements. There were no transactions between reportable segments during the financial year.

1.10 Statement of cash flows

The indirect method has been applied in the preparation of the statement of cash flows.

1.11 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.

1.12 Other income and distribution

Other income is accounted for on an accruals basis. Annually in March there will be \$500 cash withheld on the settlement of March's TER. This will be reflected as \$125 income on each metal totalling \$500. A \$500 net profit is recorded on an annual basis in the audited financial statements, which is retained from the TER total expense ratio payment to the Arranger and Adviser. Profits arising are charged at a corporation tax rate of 25%. The residual \$375 tax adjusted profit for the year is to be distributed to Wilmington Trust SP Services (Dublin) Limited for charitable purposes.

The Company had no other sources of income during the period under review.

1.13 Change in presentation – statement of cash flows

In order to ensure compliance with IAS 7 Cash and Cash Equivalents, certain 2020 comparative amounts in the Statement of Cash Flows have been reclassified as supplemental non-cash flow disclosures as they relate to non-cash transactions, specifically in-specie trades. This correction in presentation has resulted in an increase in cash flows from operating activities and a decrease in cash flows from financing activities of \$6.7 billion for the year ended 30 April 2020, and a corresponding disclosure of these amounts in the supplemental information. There has been no change to the cash and cash equivalents balance at the end of the financial year as a result of this reclassification.

2. Financial instruments and risks

The Company's activities expose it to the various types of risk which are associated with the relevant precious metal, 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 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:

ISHARES PHYSICAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

2. Financial instruments and risks (continued)

2.1 Market price of the ETC Securities and physical metals

Market risk arises mainly from uncertainty about future values of the relevant precious metal which is influenced by price movements. It represents the potential loss that each Series may suffer through holding market positions in the face of market movements. The market price at which the ETC Securities trade on any stock exchange on which the Securities are listed may not reflect accurately the price of the Metal underlying the ETC Securities.

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.

2.1.1 Market risk arising from market price of the ETC Securities and physical metals

Other price risk is the risk that the fair value 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. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, or other events could have a significant impact on the Company and market prices of its investments.

An outbreak of an infectious respiratory illness caused by a novel coronavirus known as COVID-19 has developed into a global pandemic. This coronavirus has resulted in travel restrictions, closed international borders, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, prolonged quarantines, cancellations, supply chain disruptions, and lower consumer demand, as well as general concern and uncertainty. The impact of COVID-19 has adversely affected the economies of many nations across the entire global economy, individual issuers and capital markets, and could continue to extents that cannot necessarily be foreseen. In addition, the impact of infectious illnesses in emerging market countries may be greater due to generally less established healthcare systems. Public health crises caused by the COVID-19 outbreak may exacerbate other pre-existing political, social and economic risks in certain countries or globally. The duration of the COVID-19 outbreak and its effects cannot be determined with certainty.

Securityholders are exposed to market risk arising from market price of the ETC Securities and physical metals arising from its holding of physical metals. The movements in the prices of these holdings result in movements in the performance of the ETC Securities. The value of ETC Securities will be affected by movements in the market price of the metal to which a particular Series is linked.

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 market 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 of the relevant Series. 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 in the relevant Series. A hypothetical 1% increase in the market price of the physical metals would have an increase of \$137,886,061 (30 April 2020: \$113,357,840) on the value of the ETC Securities issued. A hypothetical 1% decrease in the market price of the physical metals would have an equal but opposite impact on the value of the ETC Securities issued in the relevant Series.

ISHARES PHYSICAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

2. Financial instruments and risks (continued)

2.1 Market price of the ETC Securities and physical metals (continued)

2.1.1 Market risk arising from market price of the ETC Securities and physical metals (continued)

The Series 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.

2.1.2 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.

2.1.3 Market risk arising from interest rate risk

Interest rate risk is the risk that the fair value of the ETC Securities will fluctuate because of changes in market interest rates.

Changes in exchange rates and interest rates may have a positive or negative impact on the price, demand, production costs, direct investment costs of precious metals and the returns from investments in precious metals are therefore influenced by and may be correlated to these factors. The Company has deemed the effect of these valuation fluctuations insignificant. As a result, the Company is not subject to significant interest rate risk.

2.2 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 (such metal counterparties which, from time to time, are party to a Metal Sale Agreement with the Issuer providing for the purchase of Metal from the Issuer in respect of a Series of Securities, and any successor or replacement thereto) 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 (means the custody agreement dated on or about 22 March 2011 entered into by the Issuer, the Custodian and the Adviser and any other parties thereto as amended, supplemented, novated or replaced from time to time). 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 (means an agreement between the Custodian and a Sub-Custodian pursuant to which the Sub-Custodian is appointed to act as sub-custodian in connection with the duties and obligations of the Custodian under the Custody Agreement as amended, supplemented, novated or replaced from time to time) 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.

The Custodian has engaged the services of Malca Amit UK Limited as a Sub-Custodian in relation to silver.

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.

ISHARES PHYSICAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

2. Financial instruments and risks (continued)

2.2 Counterparty credit risk (continued)

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 an 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.

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 2020: 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 will hold 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 2020: A) (Standard and Poor's rating).

There were no past due or impaired assets as of 30 April 2021 or 30 April 2020.

2.3 Liquidity risk

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

ISHARES PHYSICAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

2. Financial instruments and risks (continued)

2.3 Liquidity risk (continued)

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 additions and disposals of physical metals are primarily non-cash transactions of the Company as they are carried out in-specie, excluding the disposal of physical metals in relation to the payment of the TER for each Series.

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 may 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 may 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.

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

3. Fair value hierarchy

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 Company-specific inputs.

ISHARES PHYSICAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Fair value hierarchy (continued)

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 also 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.

3.1 Fair value of physical metals

Physical metals are deemed to be classified as level 1, as they are valued using a listed price. The fair value of physical metal as at the reporting date is determined by reference to prices published by London Bullion Market Association ("LBMA"), for Gold and Silver and the London Platinum and Palladium Market ("LPPM"), in respect of Platinum and Palladium.

3.2 Fair value of ETC securities and valuation techniques used

ETC Securities issued by the Company in relation to each Series are classified within level 2. The fair value of the ETC Securities issued is determined by reference to the exchange quoted value of the underlying secured physical metal holdings and adjusted for the TER payable to the Arranger and Adviser. This valuation technique represents the price of the ETC Securities at which Authorised Participants subscribe and request buy-backs of ETC Securities directly with the Company. There are no significant unobservable inputs to this valuation technique.

3.3 Transfers between level 2 and level 3 and changes in valuation techniques

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 2021 or 30 April 2020. There were also no changes made to any of the valuation techniques applied as at 30 April 2020.

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'.

4. Other income

	Financial year ended 30 April 2021 \$	Financial year ended 30 April 2020 \$
Other income	500	500
Total	500	500

ISHARES PHYSICAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

5. Gains and losses per Series

Financial year ended 30 April 2021

	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 on physical metal at fair value	418,416,843	195,283,338	46,212,018	9,960,255	669,872,454
Net losses on ETC securities at fair value	(396,260,345)	(193,841,759)	(45,966,668)	(9,872,227)	(645,940,999)
Total gains	22,156,623	1,441,704	245,475	88,153	23,931,955
Operating expenses:					
TER	(22,156,498)	(1,441,579)	(245,350)	(88,028)	(23,931,455)
Net profit for the financial year before tax	125	125	125	125	500

Financial year ended 30 April 2020

	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	1,961,444,456	(61,891)	(15,886,537)	3,520,623	1,949,016,651
Net (losses)/gains on ETC securities at fair value	(1,945,249,832)	516,251	16,046,988	(3,477,029)	(1,932,163,622)
Total gains	16,194,749	454,485	160,576	43,719	16,853,529
Operating expenses:					
TER	(16,194,624)	(454,360)	(160,451)	(43,594)	(16,853,029)
Net profit for the financial year before tax	125	125	125	125	500

6. Total Expense Ratio

Fees earned by the Arranger and Adviser during the financial year and balances outstanding as at 30 April 2021 are disclosed in note 5 and note 11 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.

The TER 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.

For the financial year ended 30 April 2021, Director's fees of €38,000 (30 April 2020: €38,000) are included in the TER. All Directors fees relate to qualifying services.

ISHARES PHYSICAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

6. Total Expense Ratio (continued)

Audit fees (including expenses) relating to the audit of the financial statements of €15,000 (30 April 2020: €15,000) are payable out of the TER. Tax compliance service fees of €2,012 (30 April 2020: €2,012) were also payable to the auditor out of the TER. There were no fees other than the tax advisory fees and audit fees paid to Ernst & Young 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 of such series in accordance with Condition 18 (Terms and Conditions of the Securities section of the prospectus).

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.

7. Taxation

The Company will be taxable as a securitisation company pursuant to Section 110 of the Taxes Consolidation Act 1997 (the "TCA"). 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.

The Company is a qualifying company within the meaning of Section 110 of the TCA. As such, the profits are chargeable to corporation tax under Case III of Schedule D at a rate of 25%.

	Financial year ended 30 April 2021 \$	Financial year ended 30 April 2020 \$
Net profit for the financial year before tax	500	500
Corporation tax rate 25%	(125)	(125)
Taxation charge	(125)	(125)

8. 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) (30 April 2020: €40,000 (\$56,413)).

9. Physical metals at fair value

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

30 April 2021

	Gold Troy Ounces*	Silver Troy Ounces	Platinum Troy Ounces	Palladium Troy Ounces
Balance at the beginning of financial year	6,525,206	9,872,639	72,517	9,050
Metal Contributed**	4,628,952	39,468,563	92,511	32,520
Metal Distributed***	(3,831,176)	(23,628,879)	(20,742)	(32,692)
Metal Sold****	(12,148)	(57,545)	(239)	(40)
Balance at the end of financial year	7,310,834	25,654,778	144,047	8,838

* 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.

** Subscriptions in-specie

*** Redemptions in-specie

**** Metal sold in relation to settlement of TER

iSHARES PHYSICAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

9. Physical metals at fair value (continued)

Physical metals at fair value	Troy Ounces*	Price per Troy Ounce \$	Fair Value \$
Gold	7,310,834	1,767.65	12,922,994,965
Silver	25,654,778	25.88	663,817,376
Platinum	144,047	1,218.00	175,449,695
Palladium	8,838	2,981.00	26,344,021
Total			13,788,606,057

* 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.

30 April 2020

	Gold Troy Ounces*	Silver Troy Ounces	Platinum Troy Ounces	Palladium Troy Ounces
Balance at the beginning of financial year	3,231,596	6,120,763	31,129	4,606
Metal Contributed**	5,568,873	10,381,169	79,570	6,473
Metal Distributed***	(2,264,825)	(6,602,565)	(38,004)	(2,007)
Metal Sold****	(10,438)	(26,728)	(178)	(22)
Balance at the end of financial year	6,525,206	9,872,639	72,517	9,050

* 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.

** Subscriptions in-specie

*** Redemptions in-specie

**** Metal sold in relation to settlement of TER

Physical metals at fair value	Troy Ounces*	Price per Troy Ounce \$	Fair Value \$
Gold	6,525,206	1,702.75	11,110,793,680
Silver	9,872,639	15.34	151,396,913
Platinum	72,517	767.00	55,620,413
Palladium	9,050	1,986.00	17,972,966
Total			11,335,783,972

* 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.

ISHARES PHYSICAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

10. ETC securities at fair value

The following table summarises activity in the ETC Securities of each Series during the financial year:

30 April 2021

	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	333,642,994	10,234,779	5,012,073	312,722
ETC Securities issued*	236,878,487	40,985,822	6,405,300	1,125,500
ETC Securities redeemed*	(196,097,814)	(24,543,748)	(1,435,400)	(1,132,026)
Balance at the end of financial year	374,423,667	26,676,853	9,981,973	306,196

*ETC Securities trades are carried out in specie

	No. of Securities	Price per Security* \$	Fair Value* \$
iShares Physical Gold ETC	374,423,667	34.5101	(12,921,404,007)
iShares Physical Silver ETC	26,676,853	24.8796	(663,709,268)
iShares Physical Platinum ETC	9,981,973	17.5739	(175,422,178)
iShares Physical Palladium ETC	306,196	86.0226	(26,339,789)
Total			(13,786,875,242)

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

30 April 2020

	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	164,836,821	6,319,580	2,142,708	158,527
ETC Securities issued*	284,513,781	10,752,812	5,494,027	223,495
ETC Securities redeemed*	(115,707,608)	(6,837,613)	(2,624,662)	(69,300)
Balance at the end of financial year	333,642,994	10,234,779	5,012,073	312,722

*ETC Securities trades are carried out in specie

	No. of Securities	Price per Security* \$	Fair Value* \$
iShares Physical Gold ETC	333,642,994	33.2963	(11,109,089,428)
iShares Physical Silver ETC	10,234,779	14.7878	(151,350,349)
iShares Physical Platinum ETC	5,012,073	11.0945	(55,606,451)
iShares Physical Palladium ETC	312,722	57.4542	(17,967,189)
Total			(11,334,013,417)

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

ISHARES PHYSICAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

11. Payables

	30 April 2021	30 April 2020
	\$	\$
Arranger and Adviser Fees		
iShares Physical Gold ETC	(1,590,958)	(1,704,252)
iShares Physical Silver ETC	(108,107)	(46,564)
iShares Physical Platinum ETC	(27,517)	(13,962)
iShares Physical Palladium ETC	(4,233)	(5,777)
Total	(1,730,815)	(1,770,555)

12. Commitments and contingent liabilities

There were no significant commitments or contingent liabilities at the financial year ended 30 April 2021 (30 April 2020: Nil).

13. Exchange rates

The rates of exchange as at 30 April 2021 and 30 April 2020 were:

	30 April 2021	30 April 2020
EUR1 = USD	1.2038	1.0953

14. Employees of the Company

The Company had no employees during the financial year ended 30 April 2021 or 30 April 2020. The Directors are all non-executive.

15. 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.

The following entities are disclosed as related parties to the Company during the financial year ended 30 April 2021:

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. a company incorporated in Delaware USA. During the year, PNC Financial Services Group Inc. ("PNC") was a substantial shareholder in BlackRock, Inc. PNC did not provide any services to the Company in the financial years ended 30 April 2021 and 30 April 2020. On 11 May 2020, PNC announced its intent to sell its investment in BlackRock, Inc. through a registered offering and related buyback by BlackRock, Inc. As at financial year end, PNC is no longer an affiliate of the Company.

Barry O'Dwyer is a non-executive Director of the Company, an employee of the BlackRock group and also serves on the boards of Directors of a number of BlackRock Companies.

Fees earned by the Arranger and Adviser during the financial year and balances outstanding as at 30 April 2021 are disclosed in note 5 and note 11 respectively. For the financial year ended 30 April 2021, Director's fees of €38,000 (30 April 2020: €38,000) are included in the TER. All Directors fees relate to qualifying services.

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 ETC investments were no more favourable than those received by other investors investing into the same share class.

iSHARES PHYSICAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

15. Related parties (continued)

No provisions have been recognised by the Company against amounts due from related parties at the financial year end date (30 April 2020: Nil).

No amounts have been written off in the financial year in respect of amounts due to or from related parties (30 April 2020: Nil).

No commitments secured or unsecured or guarantees have been entered into with related parties during the financial year (30 April 2020: Nil).

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 2021.

17. Approval date

The financial statements were approved by the Board on 25 June 2021.

iSHARES PHYSICAL METALS PLC

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. It has been established as a special purpose vehicle for the purpose of issuing asset backed securities. The Prospectus has been drawn up in accordance with the Prospectus Regulation (EU) 2017/1129/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.

The ETC Securities are limited recourse obligations which are payable solely out of the underlying secured property. If the secured property is insufficient any outstanding claims will remain unpaid.

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

In respect of the products mentioned this document is intended for information purposes only and does not constitute investment advice or an offer to sell or a solicitation of an offer to buy the securities described within. This document may not be distributed without authorisation from BlackRock Advisors (UK) Limited.

© 2021 BlackRock, Inc. All Rights reserved. BLACKROCK, BLACKROCK SOLUTIONS, iSHARES, BUILD ON BLACKROCK, SO WHAT DO I DO WITH MY MONEY and the stylized i logo are registered and unregistered trademarks of BlackRock, Inc. or its subsidiaries in the United States and elsewhere. All other trademarks are those of their respective owners.

Want to know more?

iShares.com | +44 (0)800 917 1770

© 2021 BlackRock, Inc. All Rights reserved. BLACKROCK, BLACKROCK SOLUTIONS, iSHARES, BUILD ON BLACKROCK and SO WHAT DO I DO WITH MY MONEY are trademarks of BlackRock, Inc. or its subsidiaries in the United States and elsewhere. All other trademarks are those of their respective owners.

iShares[®]
by BlackRock

Go paperless. . . 
It's Easy, Economical and Green!
Go to www.icsdelivery.com