SPDR GOLD TRUST
Form 10-Q
February 07, 2014
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended December 31, 2013

¨ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____

For the Quarterly Period Ended June 30, 2012

Commission file number: 001-32356

SPDR® GOLD TRUST

SPONSORED BY WORLD GOLD TRUST SERVICES, LLC

(Exact Name of Registrant as Specified in Its Charter)

New York	**81-6124035**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

c/o World Gold Trust Services, LLC

510 Madison Avenue, 9th Floor

New York, New York 10022

(Address of Principal Executive Offices)

(212) 317-3800

(Registrant s Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes x No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x	Accelerated filer ¨	Non-accelerated filer ¨	Smaller reporting company ¨
		(Do not check if a smaller reporting company)	

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ¨ No x

As of February 4, 2014 the Registrant had 265,700,000 Shares outstanding.

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PART I - FINANCIAL INFORMATION:

Item 1. Financial Statements (Unaudited)
Unaudited Condensed Statements of Financial Condition

at December 31, 2013 and September 30, 2013

(Amounts in 000 s of US$ except for share data)	Dec-31, 2013	Sep-30, 2013[1]
ASSETS		
Investment in Gold[2]	$ 31,066,542	$ 35,812,777
Total Assets	$ 31,066,542	$ 35,812,777
LIABILITIES		
Gold payable	$ 231,752	$ 153,680
Accounts payable to related parties	10,257	12,133
Accounts payable	1,064	2,136
Accrued expenses	1,424	1,145
Total Liabilities	244,497	169,094
Redeemable Shares:		
Shares at redemption value to investors[3]	30,822,045	38,623,537
Shareholders Deficit	0	(2,979,854)
Total Liabilities, Redeemable Shares & Shareholders Deficit	$ 31,066,542	$ 35,812,777

(1) Derived from audited statement of financial condition as of September 30, 2013.

(2) The cost of Investment in Gold at December 31, 2013 is $31,669,883 and at September 30, 2013, the market value of Investment in Gold was $38,792,631.

(3) Authorized share capital is unlimited and the par value of the Shares is $0.00. Shares issued and outstanding at December 31, 2013 was 266,000,000 and at September 30, 2013 was 301,600,000.

See notes to the unaudited condensed financial statements

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SPDR® GOLD TRUST

Unaudited Condensed Statements of Operations

For the three months ended December 31, 2013 and 2012

(Amounts in 000 s of US$, except per share data)	Three Months Ended Dec-31, 2013	Three Months Ended Dec-31, 2012
REVENUES		
Proceeds from sales of gold to pay expenses	$ 37,989	$ 72,917
Cost of gold sold to pay expenses	(36,789)	(50,126)
Gain on gold sold to pay expenses	1,200	22,791
Gain on gold distributed for the redemption of Shares	135,907	590,485
Unrealized loss on investment in gold	(603,341)	0
Total Loss on gold	(466,234)	613,276
EXPENSES		
Custody fees	5,980	12,142
Trustee fees	504	504
Sponsor fees	13,245	28,006
Marketing agent fees	13,245	28,006
Other expenses	2,346	6,023
Total expenses	35,320	74,681
Net Loss from Operations	(501,554)	$ 538,595
Net Loss per Share	$ (1.76)	$ 1.21
Weighted average number of Shares	285,051	445,261

See notes to the unaudited condensed financial statements

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SPDR® GOLD TRUST

Unaudited Condensed Statements of Cash Flows

For the three months ended December 31, 2013 and 2012

(Amounts in 000 s of US$)	Three Months Ended Dec-31, 2013	Three Months Ended Dec-31, 2012
INCREASE / DECREASE IN CASH FROM OPERATIONS:		
Cash proceeds received from sales of gold	$ 37,989	$ 72,917
Cash expenses paid	(37,989)	(72,917)
(Decrease) / Increase in cash resulting from operations	0	0
Cash and cash equivalents at beginning of period	0	0
Cash and cash equivalents at end of period	$ 0	$ 0
SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING ACTIVITIES:		
Value of gold received for creation of shares net of gold receivable	$ 827,161	$ 3,776,635
Value of gold distributed for redemption of shares net of gold payable	$ 4,775,052	$ 1,414,571

(Amount in 000 s of US$)	Three Months Ended Dec-31, 2013	Three Months Ended Dec-31, 2012
RECONCILIATION OF NET (LOSS)/GAIN FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net (Loss)/Gain from Operations	$ (501,554)	$ 538,595
Adjustments to reconcile net gain to net cash provided by operating activities		
(Increase) / Decrease in investment in gold	4,746,235	(1,709,347)
(Increase) / Decrease in gold receivable	0	0
Increase / (Decrease) in gold payable	78,072	(602,591)
Increase / (Decrease) in liabilities	(2,669)	1,764
Increase / (Decrease) in redeemable Shares		
Creations	827,161	3,776,635
Redemptions	(5,147,245)	(2,005,056)
Net cash provided by operating activities	$ 0	$ 0

See notes to the unaudited condensed financial statements

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Unaudited Condensed Statement of Changes in Shareholders Deficit

For the three months ended December 31, 2013

(Amounts in 000 s of US$)	Three Months Ended Dec-31, 2013
Shareholders Deficit - Opening Balance	$ (2,979,854)
Net Loss for the period	(501,554)
Adjustment of Redeemable Shares to redemption value	3,481,408
Shareholders Deficit - Closing Balance	$ 0

See notes to the unaudited condensed financial statements

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SPDR® GOLD TRUST

Notes to the Unaudited Condensed Financial Statements

1. Organization

The SPDR® Gold Trust (the Trust) is an investment trust formed on November 12, 2004 (Date of Inception) under New York law pursuant to a trust indenture. The fiscal year end for the Trust is September 30th. The Trust holds gold and is expected from time to time to issue shares (Shares) (in minimum denominations of 100,000 Shares, also referred to as Baskets) in exchange for deposits of gold and to distribute gold in connection with redemption of Baskets. The investment objective of the Trust is for the Shares to reflect the performance of the price of gold bullion, less the Trust s expenses.

The condensed statements of financial condition at December 31, 2013 and September 30, 2013, the condensed statements of operations and of cash flows for the three months ended December 31, 2013 and 2012 and the condensed statement of changes in shareholders deficit for the three months ended December 31, 2013 have been prepared on behalf of the Trust without audit. In the opinion of management of the sponsor of the Trust, World Gold Trust Services, LLC (the Sponsor), all adjustments (which include normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows as of and for the three months ended December 31, 2013 and for all periods presented have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. These condensed financial statements should be read in conjunction with the financial statements and notes thereto included in the Trust s Annual Report on Form 10-K for the fiscal year ended September 30, 2013. The results of operations for the three months ended December 31, 2013 are not necessarily indicative of the operating results for the full year.

2. Significant accounting policies

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires those responsible for preparing financial statements to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Trust.

2.1. Valuation of Gold

Gold is held by HSBC Bank USA, N.A. (the Custodian), on behalf of the Trust, and is valued, for financial statement purposes, at the lower of cost or market. The cost of gold is determined according to the average cost method and the market value is based on the price of gold set by the London gold fix (London Fix) used to determine the Net Asset Value (NAV) of the Trust. Realized gains and losses on sales of gold, or gold distributed for the redemption of shares, are calculated on a trade date basis using average cost.

The table below summarizes the impact of unrealized gains or losses on the Trust s gold holdings as of December 31, 2013 and September 30, 2013:

(Amounts in 000 s of US$)	Dec-31, 2013	Sep-30, 2013
Investment in gold - average cost	$ 31,669,883	$ 35,812,777
Unrealized (loss)/gain on investment in gold	(603,341)	2,979,854
Investment in gold - market value	$ 31,066,542	$ 38,792,631

The Trust recognizes the diminution in value of the investment in gold which arises from market declines on an interim basis. Increases in the value of the investment in gold through market price recoveries in later interim periods of the same fiscal year are recognized in the later interim period. Increases in value recognized on an interim basis do not exceed the previously recognized diminution in value.

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SPDR® GOLD TRUST

Notes to the Unaudited Condensed Financial Statements

2. Significant accounting policies (continued)

2.2. Gold receivable

Gold receivable represents the quantity of gold covered by contractually binding orders for the creation of Shares where the gold has not yet been transferred to the Trust s account. Generally, ownership of the gold is transferred within three business days of the trade date.

(Amounts in 000 s of US$)	Dec-31, 2013	Sep-30, 2013
Gold receivable	$ 0	$ 0

2.3 Gold Payable

Gold payable represents the quantity of gold covered by contractually binding orders for the redemption of Shares where the gold has not yet been transferred out of the Trust s account. Generally, ownership of the gold is transferred within three business days of the trade date.

(Amounts in 000 s of US$)	Dec-31, 2013	Sep-30, 2013
Gold payable	$ 231,752	$ 153,680

2.4. Creations and Redemptions of Shares

The Trust creates and redeems Shares from time to time, but only in one or more Baskets (a Basket equals a block of 100,000 Shares). The Trust issues Shares in Baskets to certain authorized participants (Authorized Participants) on an ongoing basis. The creation and redemption of Baskets is only made in exchange for the delivery to the Trust or the distribution by the Trust of the amount of gold and any cash represented by the Baskets being created or redeemed, the amount of which will be based on the combined net asset value of the number of Shares included in the Baskets being created or redeemed determined on the day the order to create or redeem Baskets is properly received.

As the Shares of the Trust are redeemable in Baskets at the option of the Authorized Participants, the Trust has classified the Shares as Redeemable Shares on the Statement of Financial Condition. The Trust records the redemption value, which represents its maximum obligation, as Redeemable Shares with the difference from cost as an offsetting amount to Shareholders Equity. Changes in the Shares for the three months ended December 31, 2013 and for the year ended September 30, 2013, are as follows:

(All amounts are in 000 s)	Three Months Ended Dec-31, 2013	Year Ended Sep-30, 2013
Number of Redeemable Shares:		
Opening Balance	301,600	437,900
Creations	6,800	51,100
Redemptions	(42,400)	(187,400)

Closing Balance	266,000	301,600

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Notes to the Unaudited Condensed Financial Statements

2. Significant accounting policies (continued)

(Amounts in 000 s of US$ except per Share)	Three Months Ended Dec-31, 2013	Year Ended Sep-30, 2013
Redeemable Shares:		
Opening Balance	$ 38,623,537	$ 75,389,813
Creations	827,161	7,734,465
Redemptions	(5,147,245)	(26,693,165)
Adjustment to redemption value	(3,481,408)	(17,807,576)
Closing Balance	$ 30,822,045	38,623,537
Redemption Value per Redeemable Share at Period End	$ 115.87	$ 128.06

Net gain/(loss) per share represents basic net gain/(loss) per share because there are no dilutive equity instruments authorized or outstanding.

2.5. Revenue Recognition Policy

BNY Mellon Asset Servicing, a division of The Bank of New York Mellon (the Trustee), will, at the direction of the Sponsor or in its own discretion, sell the Trust s gold as necessary to pay the Trust s expenses. When selling gold to pay expenses, the Trustee will endeavor to sell the smallest amount of gold needed to pay expenses in order to minimize the Trust s holdings of assets other than gold. Unless otherwise directed by the Sponsor, when selling gold, the Trustee will endeavor to sell at the price established by the London Fix at 3:00 PM London time (London PM Fix). The Trustee will place orders with dealers (which may include the Custodian) through which the Trustee expects to receive the most favorable price and execution of orders. The Custodian may be the purchaser of such gold only if the sale transaction is made at the next London gold price fix (either AM or PM) following the sale order. A gain or loss is recognized based on the difference between the selling price and the average cost of the gold sold.

2.6. Income Taxes

The Trust is classified as a grantor trust for US federal income tax purposes. As a result, the Trust itself will not be subject to US federal income tax. Instead, the Trust s income and expenses will flow through to the Shareholders, and the Trustee will report the Trust s proceeds, income, deductions, gains, and losses to the Internal Revenue Service on that basis. The Sponsor of the Trust has evaluated whether or not there are uncertain tax positions that require financial statement recognition and has determined that no reserves for uncertain tax positions are required as of December 31, 2013 or September 30, 2013.

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Notes to the Unaudited Condensed Financial Statements

3. Investment in Gold

The following represents the changes in ounces of gold and the respective values for the three months ended December 31, 2013 and for the year ended September 30, 2013:

(Ounces of gold are in 000 s and value of gold is in 000 s of US$)	Three Months Ended Dec-31 2013	Year Ended Sep-30, 2013
Ounces of Gold:		
Opening Balance	29,244.4	42,803.6
Creations (*excluding gold receivable at December 31, 2013 - 0 and at September 30, 2013 - 0)*	656.0	4,944.8
Redemptions (*excluding gold payable at December 31, 2013 - 192.9 and at September 30, 2013 - 115.9*)	(4,013.9)	(18,348.0)
Sales of gold	(30.0)	(156.0)
Closing Balance	25,856.5	29,244.4
Investment in Gold (lower of cost or market):		
Opening Balance	$ 35,812,777	$ 50,726,261
Creations (*excluding gold receivable at December 31, 2013 - $0 and at September 30, 2013 - $0)*	827,161	7,734,465
Redemptions (*excluding gold payable at December 31, 2013 - $231,752 and at September 30, 2013 - $153,680*)	(4,933,266)	(22,459,232)
Sales of gold	(36,789)	(188,717)
Unrealized loss on Investment in Gold	(603,341)	0
Closing Balance	$ 31,066,542	$ 35,812,777

4. Related Parties - Sponsor, Trustee, Custodian and Marketing Agent Fees

Fees are paid to the Sponsor as compensation for services performed under the Trust Indenture and for services performed in connection with maintaining the Trust s website and marketing the Shares. The Sponsor s fee is payable monthly in arrears and is accrued daily at an annual rate equal to 0.15% of the adjusted net asset value (ANAV) of the Trust, subject to reduction as described below. The Sponsor will receive reimbursement from the Trust for all of its disbursements and expenses incurred in connection with the Trust.

Fees are paid to the Trustee, as compensation for services performed under the Trust Indenture. The Trustee s fee is payable monthly in arrears and is accrued daily at an annual rate equal to 0.02% of the ANAV of the Trust, subject to a minimum fee of $500,000 and a maximum fee of $2 million per year. The Trustee s fee is subject to modification as determined by the Trustee and the Sponsor in good faith to account for significant changes in the Trust s administration or the Trustee s duties. The Trustee will charge the Trust for its expenses and disbursements incurred in connection with the Trust (including the expenses of the Custodian paid by the Trustee), exclusive of fees of agents for services to be performed by the Trustee, and for any extraordinary services performed by the Trustee for the Trust.

Affiliates of the Trustee may from time to time act as Authorized Participants or purchase or sell gold or Shares for their own account, as agent for their customers and for accounts over which they exercise investment discretion.

Fees are paid to the Custodian under the Allocated Bullion Account Agreement (as amended, the Allocated Bullion Account Agreement) as compensation for its custody services. Under the Allocated Bullion Account Agreement, the Custodian s fee is computed at an annual rate equal to 0.10% of the average daily aggregate value of the first 4.5 million ounces of gold held in the Trust s allocated gold account (Trust Allocated Account) and the Trust s unallocated gold account (Trust Unallocated Account) and 0.06% of the average daily aggregate value of all gold held in the Trust Allocated Account and the Trust Unallocated Account in excess of 4.5 million ounces.

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Notes to the Unaudited Condensed Financial Statements

4. Related Parties - Sponsor, Trustee, Custodian and Marketing Agent Fees (continued)

The Custodian and its affiliates may from time to time act as Authorized Participants or purchase or sell gold or Shares for their own account, as agent for their customers and for accounts over which they exercise investment discretion.

Fees are paid to the marketing agent for the Trust, State Street Global Markets, LLC (the Marketing Agent), by the Trustee from the assets of the Trust as compensation for services performed pursuant to the agreement, as amended, between the Sponsor and the Marketing Agent (the Marketing Agent Agreement). The Marketing Agent s fee is payable monthly in arrears and is accrued daily at an annual rate equal to 0.15% of the ANAV of the Trust, subject to reduction as described below.

The Marketing Agent and its affiliates may from time to time act as Authorized Participants or purchase or sell gold or Shares for their own account, as agent for their customers and for accounts over which they exercise investment discretion.

Under the Marketing Agent Agreement, as amended, if at the end of any month, the estimated ordinary expenses of the Trust exceed an amount equal to 0.40% per year of the daily ANAV of the Trust for such month, the Sponsor and the Marketing Agent will waive the amount of such excess from the fees payable to them from the assets of the Trust for such month in equal shares up to the amount of their fees. Investors should be aware that, based on current expenses, if the gross value of the Trust s assets is less than approximately $1.2 billion, the ordinary expenses of the Trust will be accrued at a rate greater than 0.40% per year of the daily ANAV of the Trust, even after the Sponsor and the Marketing Agent have completely waived their combined fees of 0.30% per year of the daily ANAV of the Trust. This amount is based on the estimated ordinary expenses of the Trust and may be higher if the Trust s actual ordinary expenses exceed those estimates. Additionally, if the Trust incurs unforeseen expenses that cause the total ordinary expenses of the Trust to exceed 0.70% per year of the daily ANAV of the Trust, the ordinary expenses will accrue at a rate greater than 0.40% per year of the daily ANAV of the Trust, even after the Sponsor and the Marketing Agent have completely waived their combined fees of 0.30% per year of the daily ANAV of the Trust.

For the three months ended December 31, 2013, the fees payable to the Sponsor and the Marketing Agent were each reduced by $0. For the three months ended December 31, 2012, the comparable reduction in fees was $0.

Amounts Payable to Related Parties

(Amounts in 000 s of US$)	Dec-31, 2013	Sep-30, 2013
Payable to Custodian	$ 1,863	$ 2,190
Payable to Trustee	170	165
Payable to Sponsor	4,112	4,889
Payable to Marketing Agent	4,112	4,889
Accounts Payable to related parties	$ 10,257	$ 12,133

5. Concentration of Risk

The Trust s sole business activity is the investment in gold. Several factors could affect the price of gold: (i) global gold supply and demand, which is influenced by such factors as forward selling by gold producers, purchases made by gold producers to unwind gold hedge positions, central bank purchases and sales, and production and cost levels in major gold-producing countries such as China, Australia, South Africa and the United States; (ii) investors expectations with respect to the rate of inflation; (iii) currency exchange rates; (iv) interest rates; (v) investment and trading activities of hedge funds and commodity funds; and (vi) global or regional political, economic or financial events and situations. In

addition, there is no assurance that gold will maintain its long-term value in terms of purchasing power in the future. In the event that the price of gold declines, the Sponsor expects the value of an investment in the Shares to decline proportionately. Each of these events could have a material affect on the Trust s financial position and results of operations.

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Notes to the Unaudited Condensed Financial Statements

6. Indemnification

The Sponsor and its shareholders, members, directors, officers, employees, affiliates and subsidiaries are indemnified from the Trust and held harmless against certain losses, liabilities or expenses incurred in the performance of its duties under the Trust Indenture without gross negligence, bad faith, willful misconduct, willful malfeasance or reckless disregard of the indemnified party s obligations and duties under the Trust Indenture. Such indemnity includes payment from the Trust of the costs and expenses incurred in defending against any claim or liability under the Trust Indenture. Under the Trust Indenture, the Sponsor may be able to seek indemnification from the Trust for payments it makes in connection with the Sponsor s activities under the Trust Indenture to the extent its conduct does not disqualify it from receiving such indemnification under the terms of the Trust Indenture. The Sponsor will also be indemnified from the Trust and held harmless against any loss, liability or expense arising under the Marketing Agent Agreement or any agreement entered into with an Authorized Participant which provides the procedures for the creation and redemption of Baskets and for the delivery of gold and any cash required for creations and redemptions insofar as such loss, liability or expense arises from any untrue statement or alleged untrue statement of a material fact contained in any written statement provided to the Sponsor by the Trustee. Any amounts payable to the Sponsor are secured by a lien on the Trust.

The Sponsor has agreed to indemnify certain parties against certain liabilities and to contribute to payments that such parties may be required to make in respect of those liabilities. The Trustee has agreed to reimburse such parties, solely from and to the extent of the Trust s assets, for indemnification and contribution amounts due from the Sponsor in respect of such liabilities to the extent the Sponsor has not paid such amounts when due. The Sponsor has agreed that, to the extent the Trustee pays any amount in respect of the reimbursement obligations described in the preceding sentence, the Trustee, for the benefit of the Trust, will be subrogated to and will succeed to the rights of the party so reimbursed against the Sponsor.

7. Subsequent Events

The Trust has evaluated events subsequent to the December 31, 2013 quarter end through to the date of filing of this Form 10-Q. During this period, no material disclosable subsequent events were identified.

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Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations

This information should be read in conjunction with the financial statements and notes included in Item 1 of Part I of this Quarterly Report. The discussion and analysis which follows may contain trend analysis and other forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 which reflect our current views with respect to future events and financial results. Words such as anticipate, expect, intend, plan, believe, seek, outlook and estimate as well as similar words and phrases signify forward-looking statements. SPDR® Gold Trust s forward-looking statements are not guarantees of future results and conditions and important factors, risks and uncertainties may cause our actual results to differ materially from those expressed in our forward-looking statements.

Trust Overview

SPDR® Gold Trust is an investment trust that was formed on November 12, 2004 (Date of Inception). The Trust issues baskets of Shares, or Baskets, in exchange for deposits of gold and distributes gold in connection with the redemption of Baskets. The investment objective of the Trust is for the Shares to reflect the performance of the price of gold bullion, less the expenses of the Trust s operations. The Shares are designed to provide investors with a cost effective and convenient way to invest in gold.

As of the date of this quarterly report, Barclays Capital Inc., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Goldman, Sachs & Co., Goldman Sachs Execution & Clearing, L.P., HSBC Securities (USA) Inc., J.P. Morgan Securities Inc., Merrill Lynch Professional Clearing Corp., Morgan Stanley & Co. Incorporated, Newedge USA LLC, RBC Capital Markets Corporation, Scotia Capital (USA) Inc., UBS Securities LLC, Virtu Financial Capital Markets, LLC (f/k/a EWT, LLC) and Virtu Financial BD LLC are the only Authorized Participants. An updated list of Authorized Participants can be obtained from the Trustee or the Sponsor.

Investing in the Shares does not insulate the investor from certain risks, including price volatility. The following chart illustrates the movement in the price of the Shares and NAV of the Shares against the corresponding gold price (per 1/10 of an oz. of gold) since the day the Shares first began trading on the NYSE:

Share price & NAV v. gold price from November 18, 2004 to December 31, 2013

The divergence of the price of the Shares and NAV of the Shares from the gold price over time reflects the cumulative effect of the Trust expenses that arise if an investment had been held since inception.

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Valuation of Gold, Definition of NAV and ANAV

As of the London PM Fix on each day that the NYSE Arca is open for regular trading or, if there is no London PM Fix on such day or the London PM Fix has not been announced by 12:00 PM New York time on such day, as of 12:00 PM New York time on such day (the Valuation Time), the Trustee values the gold held by the Trust and determines both the ANAV and the NAV of the Trust.

At the Valuation Time, the Trustee values the Trust s gold on the basis of that day s London PM Fix or, if no London PM Fix is made on such day or has not been announced by the Valuation Time, the next most recent London gold price fix (AM or PM) determined prior to the Valuation Time will be used, unless the Trustee, in consultation with the Sponsor, determines that such price is inappropriate as a basis for valuation. In the event the Trustee and the Sponsor determine that the London PM Fix or last prior London gold price fix (AM or PM) is not an appropriate basis for valuation of the Trust s gold, they will identify an alternative basis for such valuation to be employed by the Trustee. While we believe that the London PM Fix is an appropriate indicator of the value of gold, there are other indicators that are available that could be different than the London PM Fix. The use of such an alternative indicator could result in materially different fair value pricing of the gold in the Trust which could result in different lower of cost or market adjustments or redemption value adjustments of our outstanding redeemable Shares. There can be no assurance that a future change, if any, in the London PM Fix will not have a material effect on the Trust s operations.

Once the value of the gold has been determined, the Trustee subtracts all estimated accrued but unpaid fees (other than the fees to be computed by reference to the value of the ANAV of the Trust or custody fees computed by reference to the value of gold held in the Trust), expenses and other liabilities of the Trust from the total value of the gold and all other assets of the Trust (other than any amounts credited to the Trust s reserve account, if established). The resulting figure is the ANAV of the Trust. The ANAV of the Trust is used to compute the fees of the Trustee, the Sponsor, and the Marketing Agent.

To determine the Trust s NAV, the Trustee subtracts from the ANAV of the Trust the amount of estimated accrued but unpaid fees computed by reference to the value of the ANAV of the Trust and computed by reference to the value of the gold held in the Trust (i.e., the fees of the Trustee, the Sponsor, the Marketing Agent and the Custodian). The Trustee determines the NAV per Share by dividing the NAV of the Trust by the number of Shares outstanding as of the close of trading on the NYSE Arca.

Critical Accounting Policy

Valuation of Gold

Gold is held by the Custodian on behalf of the Trust and is valued, for financial statement purposes, at the lower of cost or market. The cost of gold is determined according to the average cost method and the market value is based on the London Fix used to determine the NAV of the Trust. Realized gains and losses on sales of gold, or gold distributed for the redemption of Shares, are calculated on a trade date basis using average cost.

Review of Financial Results

Financial Highlights

(All amounts in the following table and paragraphs except per share, are in 000 s of US$)	**Three Months Ended Dec-31, 2013**	**Three Months Ended Dec-31, 2012**
Total (Loss)/Gain on gold	$ (466,234)	$ 613,276
Net (Loss)/Gain from operations	$ (501,554)	$ 538,595
Net (Loss)/Gain per Share	$ (1.76)	$ 1.21
Net cash flows from operating activities	$ 0	$ 0

The Trust s total loss on gold for the three months ended December 31, 2013 of $466,234 is made up of a gain of $1,200 on the sale of gold to pay expenses plus a gain of $135,907 on gold distributed on the redemption of Shares less an unrealized loss on investment in gold of $603,341.

The Trust s total gain on gold for the three months ended December 31, 2012 of $613,276 is made up of a gain of $22,791 on the sale of gold to pay expenses plus a gain of $590,485 on gold distributed on the redemption of Shares.

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Selected Supplemental Data - For the three months ended December 31, 2013 and for the year ended September 30, 2013

(All amounts, except per ounce and per share, are in 000 s)	Three Months Ended Dec-31 2013	Year Ended Sep-30, 2013
Ounces of Gold:		
Opening Balance	29,244.4	42,803.6
Creations (excluding gold receivable at December 31, 2013 0 and at September 30, 2013 0)	656.0	4,944.8
Redemptions *(excluding gold payable at December 31, 2013 192.9 and at September 30, 2013 115.9)*	(4,013.9)	(18,348.0)
Sales of gold	(30.0)	(156.0)
Closing Balance	25,856.5	29,244.4
Gold price per ounce - London PM Fix	$ 1,201.50	$ 1,326.50
Market value of gold holdings	$ 31,066,542	$ 38,792,631
Number of Shares:		
Opening Balance	301,600	437,900
Creations	6,800	51,100
Redemptions	(42,400)	(187,400)
Closing Balance	266,000	301,600
Net Asset Value per share:		
Creations	$ 121.64	$ 151.36
Redemptions	$ 121.40	$ 142.44
Shares at redemption value to investors at Period End	$ 30,822,045	$ 38,623,537
Redemption Value per Redeemable Share at Period End	$ 115.87	$ 128.06
Change in Redemption Value through Period End	(20.2)%	(48.8)%
% Difference between Net Asset Value per share and market value of ounces represented by each share	(0.041)%	(0.040)%

Results of Operations

In the three months ended December 31, 2013, an additional 6,800,000 Shares (68 Baskets) were created in exchange for 656,064 ounces of gold, 42,400,000 Shares (424 Baskets) were redeemed in exchange for 4,090,949 ounces of gold, and 30,034 ounces of gold were sold to pay expenses.

As at December 31, 2013, the Custodian held 25,856,464 ounces of gold on behalf of the Trust in its vault, 100% of which is allocated gold in the form of London Good Delivery gold bars with a market value of $31,066,541,554 (cost $31,669,882,554) based on the London PM fix on December 31, 2013. Subcustodians held nil ounces of gold in their vaults on behalf of the Trust and 192,885 ounces of gold were payable by the Trust in connection with the creation and redemption of Baskets.

As at September 30, 2013, the amount of gold owned by the Trust was 29,128.497 ounces, with a market value of $38,638,951,541 (cost $35,659,096,983), including gold payable of 115,854 ounces with a market value of $153,680,251, based on the London PM fix on September 30, 2013 (in accordance with the Trust Indenture).

As at September 30, 2013, the Custodian held 29,244,351 ounces of gold in its vault 100% of which is allocated gold in the form of London Good Delivery gold bars excluding gold payable, with a market value of $38,792,631,793 (cost $35,812,777,235). Subcustodians held nil ounces of gold in their vaults on behalf of the Trust and 115,854 ounces of gold were payable by the Trust in connection with the creation and redemption of Baskets.

As at September 30, 2013, Inspectorate International Limited concluded the annual full count of the Trust s gold bullion held by the Custodian. The results can be found on www.spdrgoldshares.com.

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Cash Resources and Liquidity

At December 31, 2013 the Trust did not have any cash balances. When selling gold to pay expenses, the Trustee endeavors to sell the exact amount of gold needed to pay expenses in order to minimize the Trust s holdings of assets other than gold. As a consequence, we expect that the Trust will not record any cash flow from its operations and that its cash balance will be zero at the end of each reporting period.

Analysis of Movements in the Price of Gold

As movements in the price of gold are expected to directly affect the price of the Trust s Shares, investors should understand what the recent movements in the price of gold have been. Investors, however, should also be aware that past movements in the gold price are not indicators of future movements. This section identifies recent trends in the movements of the gold price.

The following chart provides historical background on the price of gold. The chart illustrates movements in the price of gold in US dollars per ounce over the period from January 1, 2009 to December 31, 2013, and is based on the London PM Fix.

Daily gold price - January 1, 2009 to December 31, 2013

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The average, high, low and end-of-period gold prices for the three and twelve month periods over the prior three years and for the period from the Date of Inception through December 31, 2013, based on the London PM Fix, were:

Period	Average	High	Date	Low	Date	End of period	Last business day[1]
Three months to March 31, 2011	$ 1,386.27	$ 1,447.00	Mar 24, 2011	$ 1,319.00	Jan 28, 2011	$ 1,439.00	Mar 31, 2011
Three months to June 30, 2011	$ 1,506.13	$ 1,552.50	Jun 22, 2011	$ 1,418.00	Apr 01, 2011	$ 1,505.50	Jun 30, 2011
Three months to September 30, 2011	$ 1,702.12	$ 1,895.00	Sep 05, 2011	$ 1,483.00	Jul 01, 2011	$ 1,620.00	Sep 30, 2011
Three months to December 31, 2011	$ 1,684.93[3]	$ 1,795.00	Nov 08, 2011	$ 1,531.00	Dec 29, 2011	$ 1,574.50	Dec 30, 2011[2]
Three months to March 31, 2012	$ 1,690.57	$ 1,781.00	Feb 28, 2012	$ 1,598.00	Jan 03, 2012	$ 1,662.50	Mar 30, 2012
Three months to June 30, 2012	$ 1,609.49	$ 1,677.50	Apr 02, 2012	$ 1,540.00	May 30, 2012	$ 1,598.50	Jun 29, 2012
Three months to September 30, 2012	$ 1,652.00	$ 1,784.50	Sep 21, 2012	$ 1,556.25	Jul 12, 2012	$ 1,776.00	Sep 28, 2012
Three months to December 31, 2012	$ 1,719.96[3]	$ 1,791.75	Oct 04, 2012	$ 1,650.50	Dec 20, 2012	$ 1,664.00	Dec 31, 2012[2]
Three months to March 31, 2013	$ 1,631.77	$ 1,693.75	Jan 02, 2013	$ 1,574.00	Mar 06, 2013	$ 1,598.25	Mar 28, 2013
Three months to June 30, 2013	$ 1,414.80	$ 1,583.50	Apr 02, 2013	$ 1,192.00	Jun 28, 2013	$ 1,192.00	Jun 28, 2013
Three months to September 30, 2013	$ 1,326.28	$ 1,419.50	Aug 28, 2013	$ 1,212.75	Jul 05, 2013	$ 1,326.50	Sep 30, 2013
Three months to December 31, 2013	$ 1,273.75[3]	$ 1,361.00	Oct 28, 2013	$ 1,195.25	Dec 20, 2013	$ 1,201.50	Dec 31, 2013[2]
Twelve months ended December 31, 2011	$ 1,571.68[3]	$ 1,895.00	Sep 05, 2011	$ 1,319.00	Jan 28, 2011	$ 1,574.50	Dec 30, 2011[2]
Twelve months ended December 31, 2012	$ 1,668.93[3]	$ 1,791.75	Oct 04, 2012	$ 1,540.00	May 30, 2012	$ 1,664.00	Dec 31, 2012[2]
Twelve months ended December 31, 2013	$ 1,409.55[3]	$ 1,693.75	Jan 02, 2013	$ 1,192.00	Jun 28, 2013	$ 1,201.50	Dec 31, 2013[2]
November 12, 2004 to December 31, 2013	$ 1,042.53[3]	$ 1,895.00	Sep 05, 2011	$ 411.10	Feb 08, 2005	$ 1,201.50	Dec 31, 2013[2]

(1) The end of period gold price is the London PM Fix on the last business day of the period. This is in accordance with the Trust Indenture and the basis used for calculating the Net Asset Value of the Trust.

(2) There was no London PM Fix on the last business day of December 2011, 2012 and 2013. The London AM Fix on such business days was $1,574.50, $1,664.00 and $1,201.50, respectively. The Net Asset Value of the Trust on December 31, 2012 and 2013 and December 30, 2011 was calculated using the London AM Fix, in accordance with the Trust Indenture.

(3) There was no London PM Fix for both December 24th and December 31st for the periods ended 2012 and 2013, as well as December 23rd and 30th for the period ended 2011. For comparative purposes, the average was calculated using the London AM Fix for those business days. Accordingly, the Net Asset Value of the Trust for December 24th and December 31st for the periods ended 2012 and 2013, as well as December 23rd and 30th for the period ended 2011, was calculated using the London AM Fix.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Trust Indenture does not authorize the Trustee to borrow for payment of the Trust s ordinary expenses. The Trust does not engage in transactions in foreign currencies which could expose the Trust or holders of Shares to any foreign currency related market risk. The Trust does not invest in any derivative financial instruments or long-term debt instruments.

Item 4. Controls and Procedures

Disclosure controls and procedures. Under the supervision and with the participation of the Sponsor, World Gold Trust Services, LLC, including its chief executive officer and chief financial officer, we carried out an evaluation of the effectiveness of the design and operation of the Trust s disclosure controls and procedures. Based upon that evaluation, our chief executive officer and chief financial officer concluded that the disclosure controls and procedures were effective as of the end of the period covered by this quarterly report.

Internal control over financial reporting. There has been no change in the internal control of the Trust over financial reporting that occurred during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the internal control over financial reporting.

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PART II - OTHER INFORMATION:

Item 1. Legal Proceedings
Not applicable.

Item 1A. Risk Factors
You should carefully consider the factors discussed in Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended September 30, 2013, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing the Trust. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

a) None.

b) Not applicable.

c) As of the date of the formation of the Trust on November 12, 2004, the NAV of the Trust, which represents the value of the gold deposited in the Trust, was $13,081,500, and the NAV per Share was $43.60. Since formation and through December 31, 2013, 9,138 Baskets (913,800,000 Shares) have been created and 6,478 Baskets (647,800,000 Shares) have been redeemed.

Period	Total Number of Shares Redeemed	Average Ounces of Gold Per Share
10/01/13 to 10/31/13	13,400,000	.09652
11/01/13 to 11/30/13	10,600,000	.09649
12/01/13 to 12/31/13	18,400,000	.09645
Total	42,400,000	.09648

Item 3. Defaults Upon Senior Securities
None.

Item 4. Mine Safety Disclosures.
None.

Item 5. Other Information
None.

Item 6. Exhibits

The exhibits listed on the accompanying Exhibit Index, and such Exhibit Index, are filed or incorporated by reference as a part of this report.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned in the capacities* indicated thereunto duly authorized.

WORLD GOLD TRUST SERVICES, LLC
Sponsor of the SPDR® Gold Trust
(Registrant)

/s/ Kevin Feldman
Kevin Feldman
Managing Director
(principal executive officer)

/s/ Robin Lee
Robin Lee
Chief Financial Officer and Treasurer
(principal financial officer and

principal accounting officer)

Date: February 7, 2014

* The Registrant is a trust and the persons are signing in their capacities as officers of World Gold Trust Services, LLC, the Sponsor of the Registrant.

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EXHIBIT INDEX

Pursuant to Item 601 of Regulation S-K

Exhibit No.	Description of Exhibit
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended, with respect to the Trust s Quarterly Report on Form 10-Q for the quarter ended December 31, 2013.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended, with respect to the Trust s Quarterly Report on Form 10-Q for the quarter ended December 31, 2013.
32.1	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, with respect to the Trust s Quarterly Report on Form 10-Q for the quarter ended December 31, 2013.
32.2	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, with respect to the Trust s Quarterly Report on Form 10-Q for the quarter ended December 31, 2013.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document

* Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for the purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.