

ISHARES GOLD TRUST
Form 10-Q
November 08, 2013
Table Of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended September 30, 2013

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

Commission file number: 001-32418

iShares® Gold Trust

(Exact name of registrant as specified in its charter)

New York 81-6124036
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

c/o iShares® Delaware Trust Sponsor LLC

400 Howard Street

San Francisco, California 94105

Attn: Product Management Team

iShares® Product Research & Development

(Address of principal executive offices)

(415) 670-2000

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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 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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes 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.

Large accelerated filer

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

Table Of Contents

Table of Contents

	<u>Page</u>
<u>PART I – FINANCIAL INFORMATION</u>	
Item 1. <u>Financial Statements (Unaudited)</u>	1
<u>Balance Sheets at September 30, 2013 and December 31, 2012</u>	1
<u>Income Statements for the three and nine months ended September 30, 2013 and 2012</u>	2
<u>Statements of Changes in Shareholders' Equity (Deficit) for the nine months ended September 30, 2013 and the year ended December 31, 2012</u>	3
<u>Statements of Cash Flows for the nine months ended September 30, 2013 and 2012</u>	4
<u>Notes to Financial Statements</u>	5
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	8
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	10
Item 4. <u>Controls and Procedures</u>	10
<u>PART II – OTHER INFORMATION</u>	
Item 1. <u>Legal Proceedings</u>	11
Item 1A. <u>Risk Factors</u>	11
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	11
Item 3. <u>Defaults Upon Senior Securities</u>	11
Item 4. <u>Mine Safety Disclosures</u>	11
Item 5. <u>Other Information</u>	11
Item 6. <u>Exhibits</u>	12
<u>SIGNATURES</u>	13

Table Of Contents**PART I – FINANCIAL INFORMATION****Item 1. Financial Statements****iShares® Gold Trust****Balance Sheets (Unaudited)**

At September 30, 2013 and December 31, 2012

<u>(Dollar amounts in \$000's)</u>	September 30, 2013	December 31, 2012
ASSETS		
Current assets		
Gold bullion inventory (fair value of \$7,576,618 and \$11,647,783, respectively)	\$7,706,868	\$9,315,055
Market value reserve (Note 2B)	(111,955)	—
Payable for capital Shares redeemed	(18,295)	—
TOTAL ASSETS	\$7,576,618	\$9,315,055
LIABILITIES, REDEEMABLE CAPITAL SHARES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Sponsor's fees payable	\$1,589	\$2,485
Total liabilities	1,589	2,485
Commitments and contingent liabilities (Note 5)	—	—
Redeemable capital Shares, no par value, unlimited amount authorized (at redemption value) – 588,250,000 issued and outstanding at September 30, 2013 and 719,550,000 issued and outstanding at December 31, 2012	7,575,029	11,645,298
Shareholders' equity (deficit)	—	(2,332,728)
TOTAL LIABILITIES, REDEEMABLE CAPITAL SHARES AND SHAREHOLDERS' EQUITY (DEFICIT)	\$7,576,618	\$9,315,055

See notes to financial statements.

Table Of Contents**iShares® Gold Trust****Income Statements (Unaudited)**

For the three and nine months ended September 30, 2013 and 2012

<u>(Dollar amounts in \$000's, except for per Share amounts)</u>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Revenue				
Proceeds from sales of gold to pay expenses	\$4,846	\$5,909	\$18,230	\$17,733
Cost of gold sold to pay expenses	(4,958)	(4,547)	(16,404)	(13,209)
Gain (loss) on sales of gold to pay expenses	(112)	1,362	1,826	4,524
Gain (loss) on gold distributed for the redemption of Shares	(10,448)	43,854	194,513	141,068
Total gain (loss) on sales and distributions of gold	(10,560)	45,216	196,339	145,592
Market value recovery (Note 2B)	782,673	—	782,673	—
Total revenue	772,113	45,216	979,012	145,592
Expenses				
Sponsor's fees	(4,790)	(6,251)	(17,334)	(18,024)
Market value reserve (Note 2B)	—	—	(894,628)	—
Total expenses	(4,790)	(6,251)	(911,962)	(18,024)
NET INCOME	\$767,323	\$38,965	\$67,050	\$127,568
Net income per Share	\$1.30	\$0.06	\$0.10	\$0.21
Weighted-average Shares outstanding	590,370,652	619,476,630	648,052,564	599,737,774

See notes to financial statements.

Table Of Contents**iShares® Gold Trust****Statements of Changes in Shareholders' Equity (Deficit) (Unaudited)**

For the nine months ended September 30, 2013 and the year ended December 31, 2012

	Nine Months Ended	Year Ended
<u>(Dollar amounts in \$000's)</u>	September 30, 2013	December 31, 2012
Shareholders' equity (deficit) – beginning of period	\$ (2,332,728) \$ (1,846,637)
Net income	67,050	136,332
Adjustment of redeemable capital Shares to redemption value	2,265,678	(622,423)
Shareholders' equity (deficit) – end of period	\$ —	\$ (2,332,728)

See notes to financial statements.

Table Of Contents**iShares® Gold Trust****Statements of Cash Flows (Unaudited)**

For the nine months ended September 30, 2013 and 2012

	Nine Months Ended September 30,	
	2013	2012
(Dollar amounts in \$000's)		
CASH FLOWS FROM OPERATING ACTIVITIES:		
Proceeds from sales of gold	\$18,230	\$17,733
Expenses – Sponsor’s fees paid	(18,230)	(17,733)
Net cash provided by operating activities	—	—
Increase (decrease) in cash	—	—
Cash, beginning of period	—	—
Cash, end of period	\$—	\$—
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net income	\$67,050	\$127,568
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on gold distributed for the redemption of Shares	(194,513)	(141,068)
Cost of gold sold to pay expenses	16,404	13,209
Market value recovery (Note 2B)	(782,673)	—
Market value reserve (Note 2B)	894,628	—
Change in operating assets and liabilities:		
Sponsor’s fees payable	(896)	291
Net cash provided by operating activities	\$—	\$—
Supplemental disclosure of non-cash information:		
Carrying value of gold received for creation of Shares	\$847,967	\$2,302,662
Carrying value of gold distributed for redemption of Shares, at average cost	\$(2,458,045)	\$(492,112)

See notes to financial statements.

Table Of Contents

iShares® Gold Trust

Notes to Financial Statements (Unaudited)

September 30, 2013

1 - Organization

The iShares® Gold Trust (the “Trust”) was organized on January 21, 2005 as a New York trust. The trustee is The Bank of New York Mellon (the “Trustee”), which is responsible for the day to day administration of the Trust. The Trust’s sponsor is iShares® Delaware Trust Sponsor LLC, a Delaware limited liability company (the “Sponsor”). The Trust is governed by the Third Amended and Restated Depositary Trust Agreement (the “Trust Agreement”) executed by the Trustee and the Sponsor as of February 28, 2013. The Trust issues units of beneficial interest (or “Shares”) representing fractional undivided beneficial interests in its net assets.

The objective of the Trust is for the value of its Shares to reflect, at any given time, the price of gold owned by the Trust at that time, less the Trust’s expenses and liabilities. The Trust is designed to provide a vehicle for investors to own interests in gold bullion.

The accompanying unaudited financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information and with the instructions for Form 10-Q and the rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”). In the opinion of management, all material adjustments, consisting only of normal recurring adjustments considered necessary for a fair statement of the interim period financial statements have been made. Interim period results are not necessarily indicative of results for a full-year period. These financial statements and the notes thereto should be read in conjunction with the Trust’s financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2012, as filed with the SEC on February 28, 2013.

The Trust is not an investment company registered under the Investment Company Act of 1940, as amended.

2 - Summary of Significant Accounting Policies

A. *Basis of Accounting*

The following is a summary of significant accounting policies consistently followed by the Trust in the preparation of its financial statements in conformity with U.S. GAAP. The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and these differences could be material.

B. *Gold Bullion*

JPMorgan Chase Bank N.A., London branch (the “Custodian”), is responsible for the safekeeping of gold bullion owned by the Trust.

For financial statement purposes, the gold bullion held by the Trust is valued at the lower of cost or market, using the average cost method. Should the market value of the gold bullion held be lower than its average cost during the interim periods, an adjustment (“market value reserve”) to cost may be recorded by the Trust to reflect market value. Should the market value of the gold bullion held increase subsequent to the market value reserve being recorded, a “market value recovery” may be recorded during an interim period in the same fiscal year that the market value reserve is recorded by the Trust. The market value recovery recorded at an interim period may not exceed the previously recognized market value reserve. At the end of the Trust’s fiscal year, management will make a determination as to whether the reserve is recovered or whether the cost basis of gold should be written down. Gain or loss on sales of gold bullion is calculated on a trade date basis. Fair value of the gold bullion is based on the price of gold fixed in the afternoon of each working day (London time) by the London Gold Market Fixing Ltd. (“London PM Fix”). If there is no announced London PM Fix on a business day, the Trustee is authorized to use the most recently announced price fixed by the London Gold Market Fixing Ltd. in the morning (London time) of the day the valuation takes place (such price, the “London AM Fix”).

Table Of Contents

The following table summarizes activity in gold bullion for the three months ended September 30, 2013 (all balances in 000's):

	Ounces	Average Cost	Fair Value	Realized Gain (Loss)
Beginning balance	5,756.2	\$6,861,395	\$6,861,395	\$—
Gold contributed	135.9	175,446	175,446	—
Gold distributed	(176.7)	(237,938)	(227,490)	(10,448)
Gold sold	(3.7)	(4,958)	(4,846)	(112)
Adjustment for realized loss	—	—	(10,560)	—
Adjustment for unrealized gain on gold bullion	—	—	782,673	—
Market value recovery	—	782,673	—	—
Ending balance	5,711.7	\$7,576,618	\$7,576,618	\$(10,560)

The following table summarizes activity in gold bullion for the nine months ended September 30, 2013 (all balances in 000's):

	Ounces	Average Cost	Fair Value	Realized Gain (Loss)
Beginning balance	6,999.9	\$9,315,055	\$11,647,783	\$—
Gold contributed	551.5	847,967	847,967	—
Gold distributed	(1,827.5)	(2,458,045)	(2,652,558)	194,513
Gold sold	(12.2)	(16,404)	(18,230)	1,826
Adjustment for realized gain	—	—	196,339	—
Adjustment for unrealized loss on gold bullion	—	—	(2,444,683)	—
Market value reserve	—	(894,628)	—	—
Market value recovery	—	782,673	—	—
Ending balance	5,711.7	\$7,576,618	\$7,576,618	\$196,339

C. Redeemable Capital Shares

Shares of the Trust are classified as “redeemable” for balance sheet purposes, since they are subject to redemption. Trust Shares are issued and redeemed continuously in aggregations of 50,000 Shares in exchange for gold bullion rather than cash. Individual investors cannot purchase or redeem Shares in direct transactions with the Trust. The Trust only transacts with registered broker-dealers that are eligible to settle securities transactions through the book-entry facilities of the Depository Trust Company and that have entered into a contractual arrangement with the Trust and the Sponsor governing, among other matters, the creation and redemption of Shares (such broker-dealers, the “Authorized

Participants”). Holders of Shares of the Trust may redeem their Shares at any time acting through an Authorized Participant and in the prescribed aggregations of 50,000 Shares; *provided*, that redemptions of Shares may be suspended during any period while regular trading on NYSE Arca, Inc. (“NYSE Arca”) is suspended or restricted, or in which an emergency exists as a result of which delivery, disposal or evaluation of gold is not reasonably practicable.

The per Share amount of gold exchanged for a purchase or redemption is calculated daily by the Trustee, using the London PM Fix to calculate the gold amount in respect of any liabilities for which covering gold sales have not yet been made, and represents the per Share amount of gold held by the Trust, after giving effect to its liabilities, sales to cover expenses and liabilities and any losses that may have occurred. If there is no announced London PM Fix on a business day, the Trustee is authorized to use the most recently announced London AM Fix.

When gold is exchanged in settlement of a redemption, it is considered a sale of gold for financial statement purposes.

Due to the expected continuing sales and redemption of capital stock and the three-day period for Share settlement, the Trust reflects capital Shares sold as a receivable, rather than as contra equity. Shares redeemed are reflected as a contra asset on the trade date. Outstanding Trust Shares are reflected at redemption value, which is the net asset value per Share at the period ended date. Adjustments to redemption value are reflected in shareholders’ equity.

Table Of Contents

Net asset value is computed by deducting all accrued fees, expenses and other liabilities of the Trust, including the Sponsor's fees, from the fair value of the gold bullion held by the Trust.

Activity in redeemable capital Shares was as follows (all balances in 000's):

	Three Months Ended		Nine Months Ended	
	September 30, 2013		September 30, 2013	
	Shares	Amount	Shares	Amount
Beginning balance	592,450	\$6,859,750	719,550	\$11,645,298
Shares issued	14,000	175,446	56,750	847,967
Shares redeemed	(18,200)	(227,490)	(188,050)	(2,652,558)
Redemption value adjustment	—	767,323	—	(2,265,678)
Ending balance	588,250	\$7,575,029	588,250	\$7,575,029

D. *Federal Income Taxes*

The Trust is treated as a "grantor trust" for federal income tax purposes and, therefore, no provision for federal income taxes is required. Any interest, expenses, gains and losses are "passed through" to the holders of Shares of the Trust.

The Sponsor has reviewed the tax positions as of September 30, 2013 and has determined that no provision for income tax is required in the Trust's financial statements.

E. *Recent Accounting Standard*

In June 2013, the Financial Accounting Standards Board issued Accounting Standards Update 2013-08, *Amendments to the Scope, Measurement, and Disclosure Requirements* ("ASU 2013-08"). ASU 2013-08 provides guidance to assess whether an entity is an investment company, and gives additional measurement and disclosure requirements for an investment company. ASU 2013-08 is effective for the Trust for fiscal years beginning after December 15, 2013, and interim periods within those fiscal years. Management is evaluating the impact of this guidance on the Trust's financial statements.

3 - Trust Expenses

The Trust pays to the Sponsor a Sponsor's fee that accrues daily at an annualized rate equal to 0.25% of the net asset value of the Trust, paid monthly in arrears. The Sponsor has agreed to assume the following administrative and marketing expenses incurred by the Trust: the Trustee's fee, the Custodian's fee, NYSE Arca listing fees, SEC registration fees, printing and mailing costs, audit fees and expenses, and up to \$100,000 per annum in legal fees and expenses.

4 - Related Parties

The Sponsor and the Trustee are considered to be related parties to the Trust. The Trustee's fee is paid by the Sponsor and is not a separate expense of the Trust.

5 - Indemnification

Under the Trust's organizational documents, the Sponsor is indemnified against liabilities or expenses it incurs without negligence, bad faith or willful misconduct on its part. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred.

6 - Concentration Risk

Substantially all of the Trust's assets are holdings of gold bullion, which creates a concentration risk associated with fluctuations in the price of gold. Accordingly, a decline in the price of gold will have an adverse effect on the value of the Shares of the Trust. Factors that may have the effect of causing a decline in the price of gold include large sales by the official sector (governments, central banks, and related institutions), an increase in the hedging activities of gold producers, and changes in the attitude towards gold of speculators, investors and other market participants.

Table Of Contents

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 to financial statements included in Item 1 of Part I of this Form 10-Q. The discussion and analysis that follows may contain statements that relate to future events or future performance. In some cases, such forward-looking statements can be identified by terminology such as “may,” “should,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or the negative of these terms or other comparable terminology. Neither the Sponsor, nor any other person assumes responsibility for the accuracy or completeness of any forward-looking statements. Neither the Trust nor the Sponsor is under a duty to update any of the forward-looking statements to conform such statements to actual results or to a change in the Sponsor’s expectations or predictions.

Introduction

The iShares® Gold Trust (the “Trust”) is a grantor trust formed under the laws of the State of New York. The Trust does not have any officers, directors, or employees, and is administered by The Bank of New York Mellon (the “Trustee”) acting as trustee pursuant to the Third Amended and Restated Depositary Trust Agreement (the “Trust Agreement”) between the Trustee and iShares® Delaware Trust Sponsor LLC, the sponsor of the Trust (the “Sponsor”). The Trust issues units of beneficial interest (or “Shares”) representing fractional undivided beneficial interests in its net assets. The assets of the Trust consist primarily of gold bullion held by a custodian as an agent of the Trust responsible only to the Trustee.

The Trust is a passive investment vehicle and the objective of the Trust is for the value of each Share to approximately reflect, at any given time, the price of gold owned by the Trust less the Trust’s expenses and liabilities divided by the number of outstanding Shares. The Trust does not engage in any activities designed to obtain a profit from, or ameliorate losses caused by, changes in the price of gold.

The Trust issues and redeems Shares only in exchange for gold, only in aggregations of 50,000 Shares or integral multiples thereof (each, a “Basket”), and only in transactions with registered broker-dealers that have previously entered into an agreement with the Trust governing the terms and conditions of such issuance (such broker-dealers, the “Authorized Participants”). A list of current Authorized Participants is available from the Sponsor or the Trustee.

Shares of the Trust trade on NYSE Arca, Inc. under the symbol “IAU.”

Valuation of Gold; Computation of Net Asset Value

On each business day, as soon as practicable after 4:00 p.m. (New York time), the Trustee evaluates the gold held by the Trust and determines the net asset value of the Trust and the net asset value per Share. The Trustee values the gold held by the Trust using the price fixed by the London Gold Market Fixing Ltd. in the afternoon (London time) of the day the valuation takes place (such price, the "London PM Fix"). If there is no announced London PM Fix on a business day, the Trustee is authorized to use the most recently announced price fixed by the London Gold Market Fixing Ltd. in the morning (London time) of the day the valuation takes place (such price, the "London AM Fix"). Having valued the gold held by the Trust, the Trustee then subtracts all accrued fees, expenses and other liabilities of the Trust from the value of the gold and other assets of the Trust. The result is the net asset value of the Trust. The Trustee computes the net asset value per Share by dividing the net asset value of the Trust by the number of Shares outstanding on the date the computation is made.

Liquidity

The Trust is not aware of any trends, demands, conditions or events that are reasonably likely to result in material changes to its liquidity needs. In exchange for a fee, the Sponsor has agreed to assume most of the expenses incurred by the Trust. As a result, the only ordinary expense of the Trust during the period covered by this report was the Sponsor's fee. The Trust's only source of liquidity is its sales of gold.

Table Of Contents

Critical Accounting Policies

The financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements relies on estimates and assumptions that impact the Trust's financial position and results of operations. These estimates and assumptions affect the Trust's application of accounting policies. Below we describe the valuation of gold bullion, a critical accounting policy that we believe is important to understanding our results of operations and financial position. In addition, please refer to Note 2 to the financial statements for further discussion of the Trust's accounting policies.

Valuation of Gold Bullion

Gold bullion held by the Trust is recorded at the lower of cost or market. For purposes of this calculation, market values are based on the London PM Fix. Should the market value of the gold bullion held be lower than its average cost during the interim periods, an adjustment ("market value reserve") to cost may be recorded by the Trust to reflect market value. Should the market value of the gold bullion held increase subsequent to the market value reserve being recorded, a "market value recovery" may be recorded during an interim period in the same fiscal year that the market value reserve is recorded by the Trust. The market value recovery recorded at an interim period may not exceed the previously recognized market value reserve. At the end of the Trust's fiscal year, management will make a determination as to whether the reserve is recovered or whether the cost basis of gold should be written down. As indicated above, the London PM Fix is also used to value gold bullion held for purposes of calculating the net asset value of the Trust, which in turn is used for the calculation of the redemption value of outstanding Trust Shares. If there is no announced London PM Fix on a business day, the Trustee is authorized to use the most recently announced London AM Fix.

There are other indicators of the value of gold bullion that are available that could be different than that chosen by the Trust. The London PM Fix is used by the Trust because it is commonly used by the U.S. gold market as an indicator of the value of gold, and is permitted to be used under the Trust Agreement. The use of an indicator of the value of gold bullion other than the London PM Fix could result in materially different fair value pricing of the gold in the Trust, and as such, could result in different lower of cost or market adjustments or in different redemption value adjustments of the outstanding redeemable capital Shares.

Results of Operations

The Quarter Ended September 30, 2013

The Trust's net asset value grew from \$6,859,750,291 at June 30, 2013 to \$7,575,028,876 at September 30, 2013, a 10.43% increase. The increase in the Trust's net asset value resulted primarily from an increase in the London PM Fix price, which rose 11.28% from \$1,192.00 at June 30, 2013 to \$1,326.50 at September 30, 2013. The increase in the Trust's net asset was partially offset by a decrease in outstanding Shares, which fell from 592,450,000 Shares at June 30, 2013 to 588,250,000 Shares at September 30, 2013, a consequence of 14,000,000 Shares (280 Baskets) being created and 18,200,000 Shares (364 Baskets) being redeemed during the quarter.

The 11.23% rise in the Trust's net asset value per Share from \$11.58 at June 30, 2013 to \$12.88 at September 30, 2013 is directly related to the 11.28% increase in the London PM Fix price.

The Trust's net asset value per Share increased slightly less than the price of gold on a percentage basis due to the Sponsor's fees, which were \$4,790,265 for the quarter, or 0.06% of the Trust's average weighted assets of \$7,610,515,675 during the quarter. The net asset value per Share of \$13.78 on August 28, 2013 was the highest during the quarter, compared with a low during the quarter of \$11.78 on July 5, 2013. The net asset value of the Trust is obtained by subtracting the Trust's expenses and liabilities on any day from the value of the gold owned by the Trust on that day; the net asset value per Share is obtained by dividing the net asset value of the Trust on a given day by the number of Shares outstanding on that day.

Net income for the quarter ended September 30, 2013 was \$767,322,874, resulting from a net loss of \$112,051 on the sales of gold to pay expenses, a net loss of \$10,447,940 on gold distributed for the redemption of Shares and Sponsor's fees of \$4,790,265, offset by the market value recovery of \$782,673,130. Other than the Sponsor's fees, the Trust had no expenses during the quarter.

Table Of Contents

The Nine Months Ended September 30, 2013

The Trust's net asset value fell from \$11,645,298,468 at December 31, 2012 to \$7,575,028,876 at September 30, 2013, a 34.95% decrease. The decrease in the Trust's net asset value resulted primarily from a decline in the London PM Fix price, which fell 20.28% from \$1,664.00 at December 31, 2012 to \$1,326.50 at September 30, 2013. The Trust's net asset value was also affected by a decrease in outstanding Shares, which fell from 719,550,000 Shares at December 31, 2012 to 588,250,000 Shares at September 30, 2013, a consequence of 56,750,000 Shares (1,135 Baskets) being created and 188,050,000 Shares (3,761 Baskets) being redeemed during the period.

The 20.40% decline in the Trust's net asset value per Share from \$16.18 at December 31, 2012 to \$12.88 at September 30, 2013 is directly related to the 20.28% decrease in the London PM Fix price.

The Trust's net asset value per Share decreased slightly more than the price of gold on a percentage basis due to the Sponsor's fees, which were \$17,334,118 for the period, or 0.19% of the Trust's average weighted assets of \$9,255,276,007 during the period. The net asset value per Share of \$16.47 on January 2, 2013 was the highest during the period, compared with a low during the period of \$11.58 on June 28, 2013. The net asset value of the Trust is obtained by subtracting the Trust's expenses and liabilities on any day from the value of the gold owned by the Trust on that day; the net asset value per Share is obtained by dividing the net asset value of the Trust on a given day by the number of Shares outstanding on that day.

Net income for the nine months ended September 30, 2013 was \$67,049,557, resulting from a net gain of \$1,825,541 on the sales of gold to pay expenses, a net gain of \$194,513,020 on gold distributed for the redemption of Shares and the market value recovery of \$782,673,130, offset by Sponsor's fees of \$17,334,118 and the market value reserve of \$894,628,016. Other than the Sponsor's fees and market value reserve, the Trust had no expenses during the period.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures

The duly authorized officers of the Sponsor performing functions equivalent to those a principal executive officer and principal financial officer of the Trust would perform if the Trust had any officers, and with the participation of the Trustee, have evaluated the effectiveness of the Trust's disclosure controls and procedures, and have concluded that the disclosure controls and procedures of the Trust have been effective as of the end of the period covered by this report to provide reasonable assurance that information required to be disclosed in the reports that the Trust files or submits under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported, within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to the duly authorized officers of the Sponsor performing functions equivalent to those a principal executive officer and principal financial officer of the Trust would perform if the Trust had any officers, as appropriate to allow timely decisions regarding required disclosure.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures.

There were no changes in the Trust's internal control over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Trust's internal control over financial reporting.

Table Of Contents

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

There have been no material changes to the Risk Factors last reported under Part I, Item 1A of the registrant's Annual Report on Form 10-K for the year ended December 31, 2012, filed with the Securities and Exchange Commission on February 28, 2013.

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

a) None.

b) Not applicable.

c) 18,200,000 Shares (364 Baskets) were redeemed during the quarter ended September 30, 2013.

<u>Period</u>	Total Number of Shares Redeemed	Average Ounces of Gold Per Share
07/01/13 to 07/31/13	9,500,000	0.0097

08/01/13		
to	4,000,000	0.0097
08/31/13		
09/01/13		
to	4,700,000	0.0097
09/30/13		
Total	18,200,000	0.0097

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Table Of Contents

Item 6. Exhibits

Exhibit No.	Description
4.1	Third Amended and Restated Depositary Trust Agreement is incorporated by reference to Exhibit 4.1 filed with Annual Report on Form 10-K on February 28, 2013
4.2	Standard Terms for Authorized Participant Agreements is incorporated by reference to Exhibit 4.2 filed with Amendment No. 1 to Annual Report on Form 10-K filed by the registrant on November 12, 2008
10.1	First Amended and Restated Custodian Agreement between The Bank of New York Mellon and JPMorgan Chase Bank N.A., London branch, is incorporated by reference to Exhibit 10.1 filed with Current Report on Form 8-K on September 2, 2010
10.2	Sub-license Agreement is incorporated by reference to Exhibit 10.2 filed with Amendment No. 1 to Annual Report on Form 10-K filed by the registrant on November 12, 2008
10.3	First Amendment to First Amended and Restated Custodian Agreement between The Bank of New York Mellon and JPMorgan Chase Bank N.A., London branch, is incorporated by reference to Exhibit 10.1 filed with Current Report on Form 8-K on February 14, 2012
10.4	Assignment, Delegation and Assumption Agreement between BlackRock Asset Management International Inc. and iShares® Delaware Trust Sponsor LLC is incorporated by reference to Exhibit 10.4 filed with Post-Effective Amendment No. 1 to Registration Statement No. 333-184325 on November 16, 2012
31.1	Certification by Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification by Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification by Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification by Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document

Table Of Contents

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.

iShares® Delaware Trust Sponsor LLC

Sponsor of the iShares® Gold Trust (registrant)

/s/ Patrick J. Dunne

Patrick J. Dunne

President and Chief Executive Officer

(Principal executive officer)

Date: November 8, 2013

/s/ Jack Gee

Jack Gee

Chief Financial Officer

(Principal financial and accounting officer)

Date: November 8, 2013

* The registrant is a trust and the persons are signing in their capacities as officers of iShares® Delaware Trust Sponsor LLC, the Sponsor of the registrant.