SPDR GOLD TRUST
Form 10-Q
May 09, 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 March 31, 2014

¨ 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 May 5, 2014 the Registrant had 261,200,000 Shares outstanding.

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PART I - FINANCIAL INFORMATION:

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

at March 31, 2014 and September 30, 2013

(Amounts in 000 s of US$ except for share data)	Mar-31, 2014	Sep-30, 2013[1]
ASSETS		
Investment in Gold[2]	$ 32,336,863	$ 35,812,777
Total Assets	$ 32,336,863	$ 35,812,777
LIABILITIES		
Gold payable	$ 161,796	$ 153,680
Accounts payable to related parties	11,059	12,133
Accounts payable	476	2,136
Accrued expenses	3,191	1,145
Total Liabilities	176,522	169,094
Redeemable Shares:		
Shares at redemption value to investors[3]	33,753,176	38,623,537
Shareholders Deficit	(1,592,835)	(2,979,854)
Total Liabilities, Redeemable Shares & Shareholders Deficit	$ 32,336,863	$ 35,812,777

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

(2) The market value of Investment in Gold at March 31, 2014 is $33,929,698 and at September 30, 2013 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 March 31, 2014 was 271,200,000 and at September 30, 2013 was 301,600,000.

See notes to the unaudited condensed financial statements

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Unaudited Condensed Statements of Operations

For the three and six months ended March 31, 2014 and 2013

(Amounts in 000 s of US$, except per share data)	Three Months Ended Mar-31, 2014	Three Months Ended Mar-31, 2013	Six Months Ended Mar-31, 2014	Six Months Ended Mar-31, 2013
REVENUES				
Proceeds from sales of gold to pay expenses	$ 30,862	$ 68,293	$ 68,851	$ 141,210
Cost of gold sold to pay expenses	(28,838)	(51,442)	(65,627)	(101,568)
Gain on gold sold to pay expenses	2,024	16,851	3,224	39,642
Gain on gold distributed for the redemption of Shares	90,573	1,996,071	226,480	2,586,556
Unrealized gain/ (loss) on investment in gold	603,341			
Total Gain on gold	695,938	2,012,922	229,704	2,626,198
EXPENSES				
Custody fees	5,575	10,950	11,555	23,092
Trustee fees	493	493	997	997
Sponsor fees	12,316	25,088	25,561	53,094
Marketing agent fees	12,316	25,088	25,561	53,094
Other expenses	2,142	5,282	4,488	11,305
Total expenses	32,842	66,901	68,162	141,582
Net Gain from Operations	$ 663,096	$ 1,946,021	$ 161,542	$ 2,484,616
Net Gain per Share	$ 2.48	$ 4.54	$ 0.58	$ 5.68
Weighted average number of Shares	267,259	429,089	276,253	437,264

See notes to the unaudited condensed financial statements

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Unaudited Condensed Statements of Cash Flows

For the three and six months ended March 31, 2014 and 2013

(Amounts in 000 s of US$)	Three Months Ended Mar-31, 2014	Three Months Ended Mar-31, 2013	Six Months Ended Mar-31, 2014	Six Months Ended Mar-31, 2013
INCREASE / DECREASE IN CASH FROM OPERATIONS:				
Cash proceeds received from sales of gold	$ 30,862	$ 68,293	$ 68,851	$ 141,210
Cash expenses paid	(30,862)	(68,293)	(68,851)	(141,210)
(Decrease) / Increase in cash resulting from operations				
Cash and cash equivalents at beginning of period				
Cash and cash equivalents at end of period	$	$	$	$
SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING ACTIVITIES:				
Value of gold received for creation of shares net of gold receivable	$ 2,398,426	$ 1,439,184	$ 3,225,587	$ 5,215,819
Value of gold distributed for redemption of shares net of gold payable	$ 1,714,774	$ 6,066,024	$ 6,489,826	$ 7,480,595

(Amount in 000 s of US$)	Three Months Ended Mar-31, 2014	Three Months Ended Mar-31, 2013	Six Months Ended Mar-31, 2014	Six Months Ended Mar-31, 2013
RECONCILIATION OF NET (LOSS)/GAIN FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Net (Loss)/Gain from Operations	$ 663,096	$ 1,946,021	$ 161,542	$ 2,484,616
Adjustments to reconcile net gain to net cash provided by operating activities				
(Increase) / Decrease in investment in gold	(1,270,321)	4,678,282	3,475,914	2,968,935
(Increase) / Decrease in gold receivable				
Increase / (Decrease) in gold payable	(69,956)		8,116	(602,591)
Increase / (Decrease) in liabilities	1,981	(1,391)	(688)	373
Increase / (Decrease) in redeemable Shares				
Creations	2,398,426	1,439,184	3,225,587	5,215,819
Redemptions	(1,723,226)	(8,062,096)	(6,870,471)	(10,067,152)
Net cash provided by operating activities	$	$	$	$

See notes to the unaudited condensed financial statements

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Unaudited Condensed Statement of Changes in Shareholders Deficit

For the six months ended March 31, 2014

(Amounts in 000 s of US$)	Six Months Ended Mar-31, 2014
Shareholders Deficit - Opening Balance	$ (2,979,854)
Net Gain for the period	161,542
Adjustment of Redeemable Shares to redemption value	1,225,477
Shareholders Deficit - Closing Balance	$ (1,592,835)

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 March 31, 2014 and September 30, 2013, the condensed statements of operations and of cash flows for the three and six months ended March 31, 2014 and 2013 and the condensed statement of changes in shareholders deficit for the six months ended March 31, 2014 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 and six months ended March 31, 2014 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 six months ended March 31, 2014 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 March 31, 2014 and September 30, 2013:

(Amounts in 000 s of US$)	Mar-31, 2014	Sep-30, 2013
Investment in gold - average cost	$ 32,336,863	$ 35,812,777
Unrealized (loss)/gain on investment in gold	1,592,835	2,979,854
Investment in gold - market value	$ 33,929,698	$ 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$)	Mar-31, 2014	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$)	Mar-31, 2014	Sep-30, 2013
Gold payable	$ 161,796	$ 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 six months ended March 31, 2014 and for the year ended September 30, 2013, are as follows:

(All amounts are in 000 s)	Six Months Ended Mar-31, 2014	Year Ended Sep-30, 2013
Number of Redeemable Shares:		
Opening Balance	301,600	437,900
Creations	25,800	51,100
Redemptions	(56,200)	(187,400)

Closing Balance	271,200	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)	Six Months Ended Mar-31, 2014	Year Ended Sep-30, 2013
Redeemable Shares:		
Opening Balance	$ 38,623,537	$ 75,389,813
Creations	3,225,587	7,734,465
Redemptions	(6,870,471)	(26,693,165)
Adjustment to redemption value	(1,225,477)	(17,807,576)
Closing Balance	$ 33,753,176	38,623,537
Redemption Value per Redeemable Share at Period End	$ 124.46	$ 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 March 31, 2014 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 six months ended March 31, 2014 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$)	Six Months Ended Mar-31 2014	Year Ended Sep-30, 2013
Ounces of Gold:		
Opening Balance	29,244.4	42,803.6
Creations (*excluding gold receivable at March 31, 2014 - 0 and at September 30, 2013 - 0)*	2,487.4	4,944.8
Redemptions (*excluding gold payable at March 31, 2014 - 125.3 and at September 30, 2013 - 115.9*)	(5,411.8)	(18,348.0)
Sales of gold	(53.5)	(156.0)
Closing Balance	26,266.5	29,244.4
Investment in Gold (lower of cost or market):		
Opening Balance	$ 35,812,777	$ 50,726,261
Creations (*excluding gold receivable at March 31, 2014 - $0 and at September 30, 2013 - $0)*	3,225,587	7,734,465
Redemptions (*excluding gold payable at March 31, 2014 - $161,796 and at September 30, 2013 - $153,680*)	(6,635,874)	(22,459,232)
Sales of gold	(65,627)	(188,717)
Unrealized loss on Investment in Gold	0	0
Closing Balance	$ 32,336,863	$ 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 and six months ended March 31, 2014, the fees payable to the Sponsor and the Marketing Agent were each reduced by $0. For the three and six months ended March 31, 2013, the comparable reduction in fees was $0.

Amounts Payable to Related Parties

(Amounts in 000 s of US$)	Mar-31, 2014	Sep-30, 2013
Payable to Custodian	$ 2,007	$ 2,190
Payable to Trustee	170	165
Payable to Sponsor	4,441	4,889
Payable to Marketing Agent	4,441	4,889
Accounts Payable to related parties	$ 11,059	$ 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. Accounting Pronouncement

In June 2013, the Financial Accounting Standards Board issued Accounting Standards Update No. 2013-08, Financial Services Investment Companies: Amendments to the Scope, Measurement, and Disclosure Requirements (ASU 2013-08). ASU 2013-08 which amends the current criteria for an entity to qualify as an investment company, modifies the measurement criteria for certain interests in other investment companies, and includes new disclosure requirements. ASU 2013-08 is effective for interim and annual reporting periods beginning after December 15, 2013. Early application is prohibited. The Trust is currently evaluating the impact of adopting ASU 2013-08.

8. Subsequent Events

The Sponsor filed a Preliminary Consent Solicitation Statement with the U.S. Securities and Exchange Commission with respect to a proposal to amend and restate the Trust Indenture of the Trust.

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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 March 31, 2014

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 Mar-31, 2014	Three Months Ended Mar-31, 2013	Six Months Ended Mar-31, 2014	Six Months Ended Mar-31, 2013
Total (Loss)/Gain on gold	$ 695,938	$ 2,012,922	$ 229,704	$ 2,626,198
Net (Loss)/Gain from operations	$ 663,096	$ 1,946,021	$ 161,542	$ 2,484,616
Net (Loss)/Gain per Share	$ 2.48	$ 4.54	$ 0.58	$ 5.68
Net cash flows from operating activities	$ 0	$ 0	$ 0	$ 0

The Trust s total gain on gold for the three months ended March 31, 2014 of $695,938 is made up of a gain of $2,024 on the sale of gold to pay expenses plus a gain of $90,573 on gold distributed on the redemption of Shares and an unrealized gain on investment in gold of $603,341.

The Trust s total gain on gold for the three months ended March 31, 2013 of $2,012,922 is made up of a gain of $16,851 on the sale of gold to pay expenses plus a gain of $1,966,071 on gold distributed on the redemption of Shares.

The Trust s total gain on gold for the six months ended March 31, 2014 of $229,704 is made up of a gain of $3,224 on the sale of gold to pay expenses plus a gain of $226,480 on gold distributed on the redemption of Shares.

The Trust s total gain on gold for the six months ended March 31, 2013 of $2,626,198 was made up of a gain of $39,642 on the sale of gold to pay expenses plus a gain of $2,586,556 on gold distributed on the redemption of Shares.

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Selected Supplemental Data - For the six months ended March 31, 2014 and for the year ended September 30, 2013

(All amounts, except per ounce and per share, are in 000 s)	Six Months Ended Mar-31 2014	Year Ended Sep-30, 2013
Ounces of Gold:		
Opening Balance	29,244.4	42,803.6
Creations (excluding gold receivable at March 31, 2014 0 and at September 30, 2013 0)	2,487.4	4,944.8
Redemptions *(excluding gold payable at March 31, 2014 125.3 and at September 30, 2013 115.9)*	(5,411.8)	(18,348.0)
Sales of gold	(53.5)	(156.0)
Closing Balance	26,266.5	29,244.4
Gold price per ounce - London PM Fix	$ 1,291.75	$ 1,326.50
Market value of gold holdings	$ 33,929,698	$ 38,792,631
Number of Shares:		
Opening Balance	301,600	437,900
Creations	25,800	51,100
Redemptions	(56,200)	(187,400)
Closing Balance	271,200	301,600
Net Asset Value per share:		
Creations	$ 125.02	$ 151.36
Redemptions	$ 122.25	$ 142.44
Shares at redemption value to investors at Period End	$ 33,753,176	$ 38,623,537
Redemption Value per Redeemable Share at Period End	$ 124.46	$ 128.06
Change in Redemption Value through Period End	(12.6)%	(48.8)%
% Difference between Net Asset Value per share and market value of ounces represented by each share	(0.044)%	(0.040)%

Results of Operations

In the six months ended March 31, 2014, an additional 25,800,000 Shares (258 Baskets) were created in exchange for 2,487,401 ounces of gold, 56,200,000 Shares (562 Baskets) were redeemed in exchange for 5,421,153 ounces of gold, and 53,540 ounces of gold were sold to pay expenses.

As at March 31, 2014, the Custodian held 26,266,465 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 $33,929,697,613 (cost $32,336,862,975) based on the London PM fix on March 31, 2014. Subcustodians held nil ounces of gold in their vaults on behalf of the Trust and 125,253 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 March 31, 2014, Inspectorate International Limited concluded the annual random sample 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 March 31, 2014 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 April 1, 2009 to March 31, 2014, and is based on the London PM Fix.

Daily gold price - April 1, 2009 to March 31, 2014

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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 March 31, 2014, based on the London PM Fix, were:

Period	Average	High	Date	Low	Date	End of period	Last business day[1]
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]
Three months to March 31, 2014	$ 1,293.06	$ 1,385.00	Mar 14, 2014	$ 1,221.00	Jan 08, 2014	$ 1,291.75	Mar 31, 2014
Twelve months ended March 31, 2012	$ 1,648.22	$ 1,895.00	Sep 05, 2011	$ 1,418.00	Apr 01, 2011	$ 1,662.50	Mar 30, 2012
Twelve months ended March 31, 2013	$ 1,654.18	$ 1,791.75	Oct 04, 2012	$ 1,540.00	May 30, 2012	$ 1,598.25	Mar 28, 2013
Twelve months ended March 31, 2014	$ 1,326.41	$ 1,583.50	Apr 02, 2013	$ 1,192.00	Jun 28, 2013	$ 1,291.75	Mar 31, 2014
November 12, 2004 to March 31, 2014	$ 1,049.19	$ 1,895.00	Sep 05, 2011	$ 411.10	Feb 08, 2005	$ 1,291.75	Mar 31, 2014

(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. There have been no material changes in our risk factors from those disclosed in our 2013 Annual Report on Form 10-K, except for the following:

Because the value of the gold held by the Trust is determined using the London PM Fix, potential discrepancies in the calculation of the London PM Fix could impact the value of the gold held by the Trust and could have an adverse effect on the value of an investment in the Shares.

The London Gold Fix is determined twice each business day (10:30 a.m. and 3:00 p.m. London time) by the member banks of The London Gold Market Fixing Ltd. using a bidding process that sets or fixes the price of gold by matching buy and sell orders submitted to the member banks for the applicable fixing time. The net asset value of the Trust is determined each day the Trust s principal market, the NYSE Arca, is open for regular trading, using the 3:00 p.m. London Gold Fix, which is commonly referred to as the London PM Fix. If the London PM Fix has not been announced by 12:00 PM New York time on a particular evaluation day, the next most recent London gold price fix (AM or PM) is used in the determination of the net asset value of the Trust. The Trust, the Sponsor, and the Trustee do not participate in establishing the London PM Fix. Other trusts backed by physical gold also use the London Gold Fix to determine their asset value.

The London PM Fix is currently the most widely used benchmark for daily gold prices and has historically been viewed as a full and fair representation of all market interest at the time the London PM Fix is determined. As of April, 2014, increased attention has been directed to the use of various financial benchmarks and indices as price setting mechanisms for market transactions, including the London Gold Fix. For example, the press has reported that regulators in both Germany and the United Kingdom are currently reviewing the London Gold Fix as part of a wider review of how global benchmark rates are set. Separately, several lawsuits have been filed against the member banks which establish the London Gold Fix for alleged manipulative conduct in connection with their role in determining the London Gold Fix.

Concerns about the integrity or reliability of the London PM Fix, even if eventually shown to be without merit, could adversely affect investor interest in gold and therefore adversely affect the price of gold and the value of an investment in the Shares. In addition, because the net asset value of the Trust is determined using the London PM Fix, discrepancies in the calculation of the London PM Fix could have an adverse impact on the value of an investment in the Shares. Furthermore, any concern about the reliability of the pricing mechanism could disrupt trading in gold and products using the London PM Fix, such as the Shares. Each of these factors could lead to less liquidity or greater price volatility or otherwise could have an adverse impact on the trading price of the Shares.

The Sponsor and the Trustee are monitoring the matters described above. The Sponsor and the Trustee continue to believe the London PM Fix is appropriate as a basis for the evaluation of gold held by the Trust. The Trust will continue to use the London PM Fix to value the gold held by the Trust unless the Trustee, in consultation with the Sponsor, determines such price is inappropriate as a basis for evaluation of the Trust s gold. In such event, the Trustee and Sponsor will, in good faith, identify an alternative basis for the evaluation of the gold held by the Trust and take such action as they deem warranted.

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 March 31, 2014, 9,328 Baskets (932,800,000 Shares) have been created and 6,616 Baskets (661,600,000 Shares) have been redeemed.

Period	Total Number of Shares Redeemed	Average Ounces of Gold Per Share
01/01/14 to 01/31/14	5,000,000	0.09643
02/01/14 to 02/28/14	3,500,000	0.09639
03/01/14 to 03/31/14	5,300,000	0.09636
Total	13,800,000	0.09639

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
Chief Executive Officer

/s/ John Adrian Pound
John Adrian Pound
Chief Financial Officer and Treasurer

Date: May 9, 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 March 31, 2014.
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 March 31, 2014.
32.1	Certification of Chief 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 March 31, 2014.
32.2	Certification of Chief 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 March 31, 2014.
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.