

Accessibility of PGMs

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Agenda

- History of accessibility
- Efficiency of Precious Metals ETFs
- Step change in demand from ETFs
- ETFs as a balancing mechanism
- Raising awareness: World Platinum Investment Council

History of accessibility

???? OTC loco Zurich spot & forwards
 1956 Pt & Pd futures contract launched
 1990s Electronic futures launched
 2000s OTC loco LDN spot & forwards
 2007 UK ETFs launched
 2010 US ETFs launched
 2014 SA ETFs launched

Bullion Banks & Specialist PGM traders, fabricators & refiners

Specialist Commodity funds

Pension & Retail funds

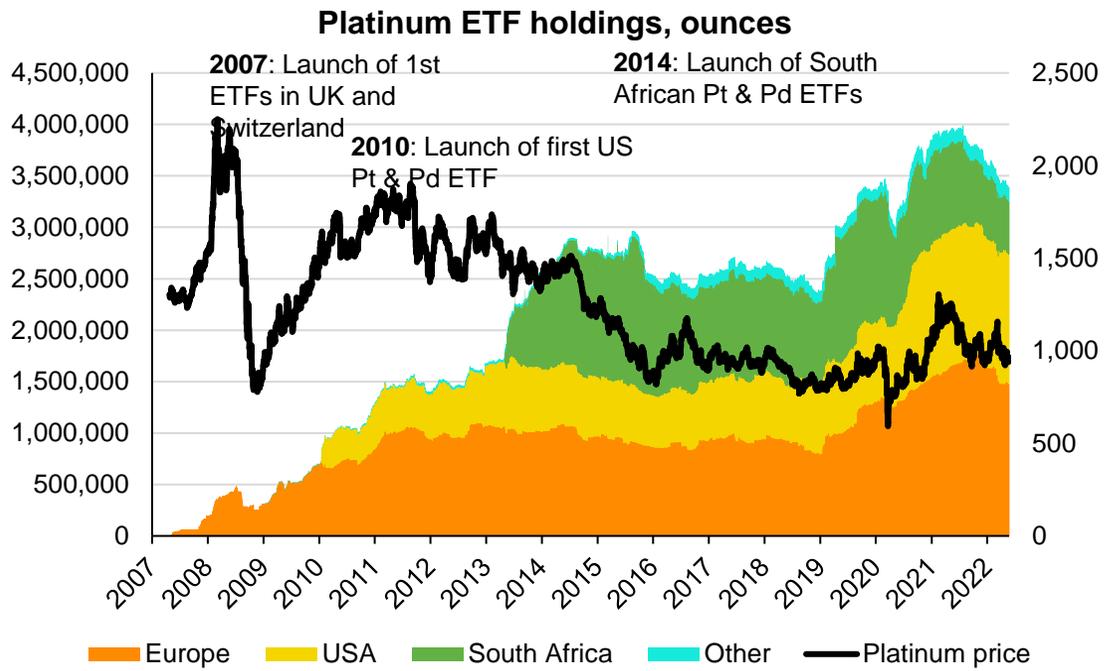
Increasing length of investment horizon



Efficiency of precious metals ETFs

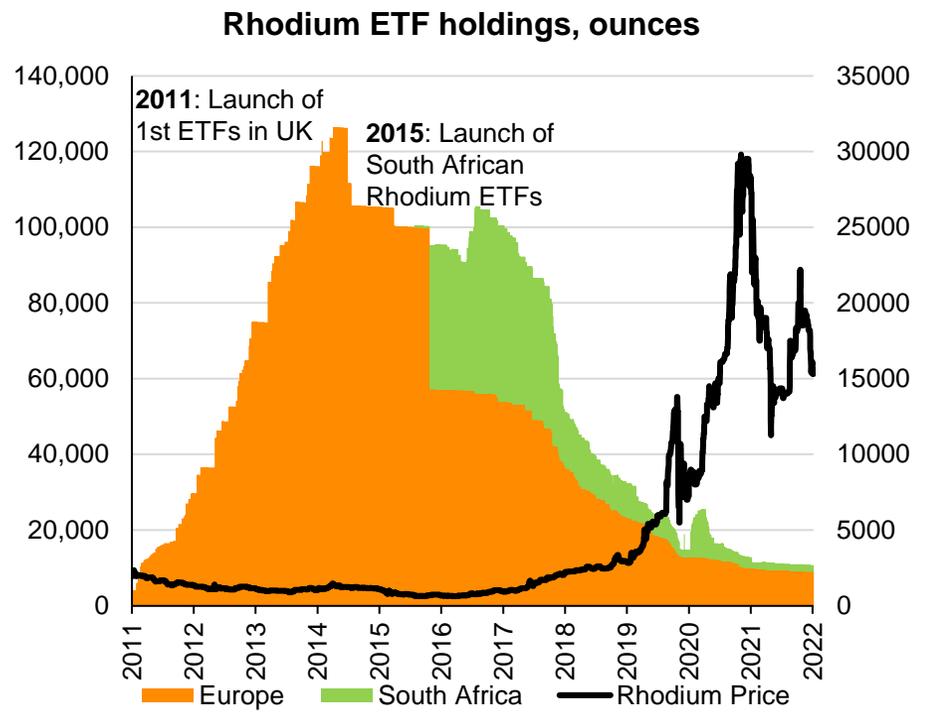
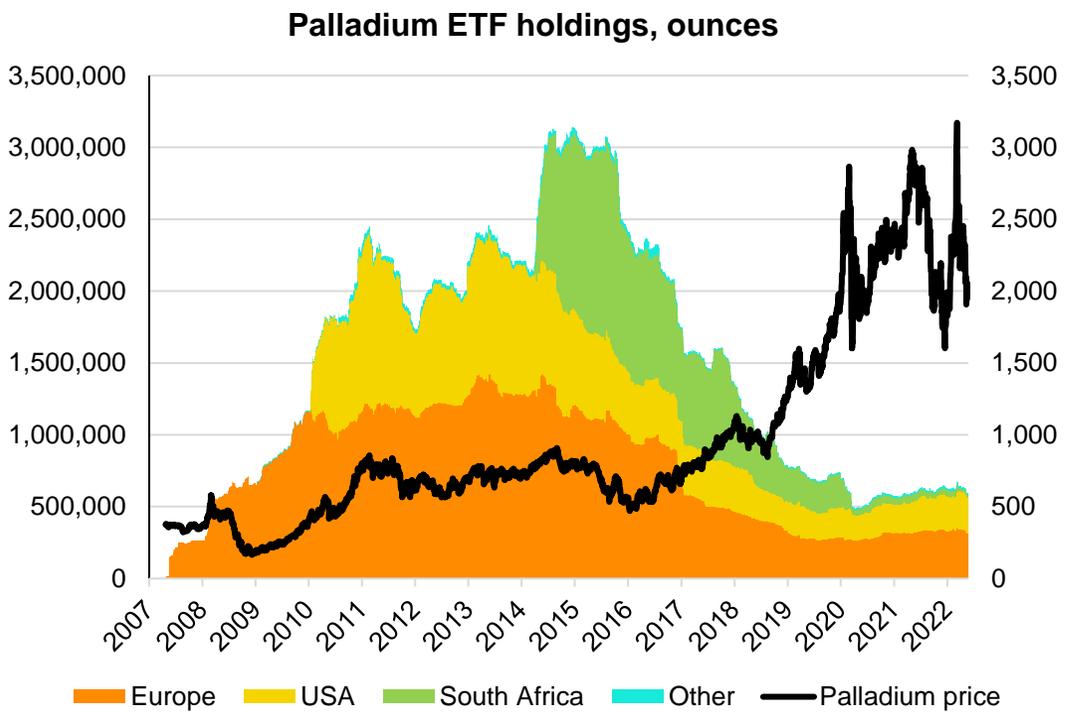
- Durable
- Low storage & insurance costs vs value of commodity
- As a result physically backed ETFs are possible where the price of the ETC closely tracks the underlying commodity
- In many bulk commodities storage costs are high and durability is a challenge meaning futures linked ETFs are required which results in slippage costs in rolling futures contracts and the risk of dislocation to the underlying

Step change in demand from ETFs



- Establishment of ETFs allowed significant growth in investor accessibility –prior to ETF availability only a small number of professional investors could access the spot of futures markets
- ETFs allow a full scope of funds access to commodities including pension and wealth funds
- South African uptake is particularly notable given that the 20% limit on offshore investment holdings meant the launch of domestic ETFs to effectively circumvent this saw significant uptake –in part related to a relatively high degree of understanding of PGMs in South Africa due its mining footprint

ETFs as a Balancing Mechanism: Palladium & Rhodium



- Investors purchased metal during weaker demand periods and supplied at higher prices during stronger demand periods, resulting in greater supply/demand balance across both periods.

With high accessibility, raising awareness becomes the challenge

Hybrid
ASIA PACIFIC
PRECIOUS METALS
 CONFERENCE
 6-7 June 2022
 InterContinental Singapore



- Anglo American is a founding member of the World Platinum Investment Council (WPIC) launched in 2014 as part of a commitment to market development & Increasing applications and uses of PGMs
- WPIC increases global awareness of Platinum as an investment asset and also works with partners to increase the number of platinum investment products available
- **Partnerships include;**
 - New ETF issuer in New York (GraniteShares), who listed another low cost physically backed platinum ETF
 - The Royal Mint had not minted a platinum bullion coin in their 1,100 history. After WPIC partnership they now mint several platinum coins (including the Queen's Beast series and the Britannia) and have sold over 50,000 platinum coins, mainly in America
 - In honour of her majesty the Queen's Platinum Jubilee, marking 70 years on the throne, WPIC is presenting the All England Tennis Club with two specially commissioned commemorative platinum coins to be used for the Ladies' and Gentlemen's singles finals coin tosses at this year's Wimbledon tennis Championships
- **WPIC in China:**
 - Launched in shanghai in 2018 with a mandate to increase awareness of Platinum in China
 - 2022 launch of platinum panda coins for the first time since 2005
 - Increasing number of people saving for retirement in China for which Platinum is a natural investment fit given high brand awareness from the long standing Jewellery industry as well the hydrogen economy where platinum has an important strategic role in electrolyzers to produce green hydrogen

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