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February 10, 2012

The Directors

ETF Securities USA LLC

Ordnance House,

31 Pier Road,

St Helier,

Jersey, JE4 8PW

Dear Sirs,

Count of Gold Bullion in respect of ETFS Precious Metals Basket Trust

ETF Securities USA LLC (the "Client") has engaged Inspectorate International Limited ("Inspectorate") to conduct two inspections per year of the gold bullion stock held on behalf of ETFS Precious Metals Basket Trust at the vault of J.P. Morgan Chase N.A, London (the "Custodian"), or at the vaults of its sub-custodian, UBS A.G., Zurich.

It is with pleasure that we submit below our reports to the Client in accordance with the agreed procedures for record date as of December 31, 2011.

Name of Account	Bank of New York Mellon as Trustee for ETFS Precious Metals Basket Trust
Material	London Good Delivery Gold Bars
Location	J.P. Morgan Chase N.A, London
Results	As at the close of business on December 31, 2011, ETFS Precious Metals Basket Trust held title to 164 London Good Delivery Gold Bars said to be of purity of 99.50% minimum, up to and including 99.99%. As per the weight list records of the Custodian the fine weight troy ounces are said to be: London Good Delivery Gold Bars : 65,548.128
Description of Activity	Over the course of the inspection, we performed procedures including but not limited to: <ul style="list-style-type: none">Reconciled the gold inventory records of the Administrator to the records of the Custodian.

- Agreed each individual gold bar in the gold count to the records of the Custodian as being held in the name of the above mentioned account.
- Visually checked all bar numbers and brand purities of each gold bar against the records of the Custodian.
- Check-weighed a random sample of gold bars selected by Inspectorate approximately equal to 2.5 percent of the bar list. These weights were reconciled to the paperwork supplied by the Custodian and the Administrator.
- Reconciled the physical movement of bars which occurred during the inspection period between December 31, 2011 and January 3, 2012.

Anomalies

No anomalies were identified in respect of the gold bars as at December 31, 2011.

Count of Palladium Bullion in respect of ETFS Precious Metals Basket Trust (continued)

Name of Account Bank of New York Mellon as Trustee for ETFS Precious Metals Basket Trust

Material London Good Delivery Palladium Bars

Location J.P. Morgan Chase N.A, London

Results As at the close of business on December 31, 2011, ETFS Precious Metals Basket Trust held title to 125 London Good Delivery Palladium Bars said to be of purity of 99.95% minimum, up to and including 99.99%. As per the weight list records of the Custodian the gross weight troy ounces are said to be:

London Good Delivery Palladium Bars : 12,463.187

Description of Activity Over the course of the inspection, we performed procedures including but not limited to:

- Reconciled the palladium inventory records of the Administrator to the records of the Custodian.
- Agreed each individual Palladium bar in the Palladium count to the records of the Custodian as being held in the name of the above mentioned account.
- Checked all bar numbers and brand purities of each Palladium bar against the records of the Custodian.
- Check-weighed a random sample of Palladium bars selected by Inspectorate equal to 2.5 percent of the bar list. These weights were reconciled to the paperwork supplied by the Custodian and the Administrator.
- Reconciled the physical movement of bars which occurred during the inspection period between December 31, 2011 and January 3, 2012.

Anomalies No anomalies were identified in respect of the palladium bars as at December 31, 2011.

Count of Platinum Bullion in respect of ETFS Precious Metals Basket Trust (continued)

Name of Account	Bank of New York Mellon as Trustee for ETFS Precious Metals Basket Trust
Material	London Good Delivery Platinum Bars
Location	J.P. Morgan Chase N.A, London
Results	<p>As at the close of business on December 31, 2011, ETFS Precious Metals Basket Trust held title to 63 London Good Delivery Platinum Bars said to be of purity of 99.95% minimum, up to and including 99.99%. As per the weight list records of the Custodian the gross weight troy ounces are said to be:</p> <p style="text-align: right;">London Good Delivery Platinum Bars : 8,334.848</p>
Description of Activity	<p>Over the course of the inspection, we performed procedures including but not limited to:</p> <ul style="list-style-type: none"> • Reconciled the platinum inventory records of the Administrator to the records of the Custodian. • Agreed each individual Platinum bar in the Platinum count to the records of the Custodian as being held in the name of the above mentioned account. • Checked all bar numbers and brand purities of each Platinum bar against the records of the Custodian. • Check-weighed a random sample of Platinum bars selected by Inspectorate equal to 2.5 percent of the bar list. These weights were reconciled to the paperwork supplied by the Custodian and the Administrator. • Reconciled the physical movement of bars which occurred during the inspection period between December 31, 2011 and January 3, 2012.
Anomalies	No anomalies were identified in respect of the platinum bars as at December 31, 2011.

Count of Silver Bullion in respect of ETFS Precious Metals Basket Trust (continued)

Name of Account	Bank of New York Mellon as Trustee for ETFS Precious Metals Basket Trust
Material	London Good Delivery Silver Bars
Location	J.P. Morgan Chase N.A, London
Results	<p>As at the close of business on December 31, 2011, ETFS Precious Metals Basket Trust held title to 2,465 London Good Delivery Silver Bars said to be of purity of 99.90% minimum, up to and including 99.99%. As per the weight list records of the Custodian the gross weight troy ounces are said to be:</p> <p style="text-align: right;">London Good Delivery Silver Bars : 2,403,668.700</p>
Description of Activity	<p>Over the course of the inspection, we performed procedures including but not limited to:</p> <ul style="list-style-type: none"> • Reconciled the silver inventory records of the Administrator to the records of the Custodian. • Agreed each individual batch of silver bars to the records of the Custodian as being held in the name of the above mentioned account. • Checked the bar number and brand purity of one bar per pallet against the records of the Custodian. • Reconciled the physical movement of bars which occurred during the inspection period between December 31, 2011 and January 17, 2012.
Anomalies	No anomalies were identified in respect of the silver bars as at December 31, 2011.

Count of Palladium Bullion in respect of ETFS Precious Metals Basket Trust (continued)

Name of Account Bank of New York Mellon as Trustee for ETFS Precious Metals Basket Trust

Material London Good Delivery Palladium Bars

Location UBS, Zurich

Results As at the close of business on December 31, 2011, ETFS Precious Metals Basket Trust held title to 5 London Good Delivery Palladium Bars said to be of purity of 99.95% minimum, up to and including 99.99%. As per the weight list records of the Custodian the gross weight troy ounces are said to be:

London Good Delivery Palladium Bars : 513.984

Description of Activity Over the course of the inspection, we performed procedures including but not limited to:

- Reconciled the palladium inventory records of the Administrator to the records of the Custodian.
- Agreed each individual Palladium bar in the Palladium count to the records of the Custodian as being held in the name of the above mentioned account.
- Checked all bar numbers and brand purities of each Palladium bar against the records of the Custodian.
- Check-weighed a random sample of Palladium bars selected by Inspectorate equal to 20 percent (one bar) of the bar list. These weights were reconciled to the paperwork supplied by the Custodian and the Administrator.
- Reconciled the physical movement of bars which occurred during the inspection period between December 31, 2011 and January 24, 2012.

Anomalies No anomalies were identified in respect of the palladium bars as at December 31, 2011.

Count of Platinum Bullion in respect of ETFS Precious Metals Basket Trust (continued)

Name of Account	Bank of New York Mellon as Trustee for ETFS Precious Metals Basket Trust
Material	London Good Delivery Platinum Bars
Location	UBS, Zurich
Results	<p>As at the close of business on December 31, 2011, ETFS Precious Metals Basket Trust held title to 2 London Good Delivery Platinum Bars said to be of purity of 99.95% minimum, up to and including 99.99%. As per the weight list records of the Custodian the gross weight troy ounces are said to be:</p> <p style="text-align: right;">London Good Delivery Platinum Bars : 339.946</p>
Description of Activity	<p>Over the course of the inspection, we performed procedures including but not limited to:</p> <ul style="list-style-type: none"> • Reconciled the platinum inventory records of the Administrator to the records of the Custodian. • Agreed each individual Platinum bar in the Platinum count to the records of the Custodian as being held in the name of the above mentioned account. • Checked all bar numbers and brand purities of each Platinum bar against the records of the Custodian. • Check-weighed a random sample of Platinum bars selected by Inspectorate equal to 50 percent (one bar) of the bar list. These weights were reconciled to the paperwork supplied by the Custodian and the Administrator. • Reconciled the physical movement of bars which occurred during the inspection period between December 31, 2011 and January 24, 2012.
Anomalies	No anomalies were identified in respect of the platinum bars as at December 31, 2011.

The audit was carried out to the best of our knowledge and this report reflects our findings as at time and place for audit only.

For and on behalf of

INSPECTORATE INTERNATIONAL LIMITED

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