



SAFE HAVEN

Investors seeking the reassurance of hard assets in the wake of the COVID-19 pandemic are turning to platinum exchange traded funds

Platinum exchanged traded funds (ETFs) saw significant inflows during the second quarter of 2020, with holdings growing by 122 koz. This compares to outflows of 213 koz during the prior quarter, most of which occurred in March when some investors sold platinum positions in order to raise cash amid a global equity collapse.

Platinum ETF holdings closed the second quarter at 3.3 mozt; 93 per cent of their previous all-time high on 2 March 2020 of 3.5 mozt. Holdings subsequently set new all-time highs in August and September 2020, reflecting a resurgent interest in this undervalued precious metal that has widespread industrial uses.

A number of factors have influenced investor interest in platinum ETFs. The platinum price has proved to be an attractive entry point for many investors - interestingly, since the platinum and gold price lows of 19 March 2020, at US\$599/oz and US\$1,472/oz respectively, platinum has significantly outperformed gold, rising 46 per cent versus gold's rise of 29 per cent.

Further, investors are seeking access to hard assets in the face of the economic uncertainty brought

about by the COVID-19 epidemic. At a time of very low interest rates, and in light of the stimulus programmes many authorities have undertaken to support national economies, platinum offers similar safe haven characteristics to gold, providing a hedge against the risk of inflation and currency devaluation.

Longer-term value

The growth in platinum ETF holdings has been especially strong in North America and Europe, reflecting a growing recognition of the platinum investment case and a belief that platinum also offers longer-term value.

Investors are seeing upside in platinum's demand prospects as substitution of platinum for palladium in autocatalysts gathers pace. In addition, platinum's green metal credentials, as the metal that can unlock the hydrogen economy, are beginning to register.

Following the strong performance of platinum ETFs last quarter and based on inflows since the end of June, net sales of global platinum ETFs experienced in the first quarter of the year have already been

offset by these inflows. However, the ETF demand forecast for 2020 prepared by Metals Focus for the WPIC anticipates current trends to fall off in the final

quarter of the year, resulting in net ETF demand of 160 koz for the full year.

ETP holdings (koz)

Region	Fund	Country	Inception	Ticker	Management fee (%)	Current Oz	Value (USD mn)	% of total
Asia	ETFS Metal Securities Australia Ltd - ETFS Physical Platinum	AU	30/01/2009	ETPMPT AU Equity	0.49	7,143	7	0%
	Japan Physical Platinum ETF	JP	02/07/2010	1541 JP Equity	0.59	118,320	113	3%
	Total Asia					125,463	119	3%
Europe	iShares Physical Platinum ETC	GB	11/04/2011	IPLT LN Equity	0.20	77,920	74	2%
	Invesco Physical Platinum ETC	GB	14/04/2011	SPPT LN Equity	0.39	17,244	16	0%
	WisdomTree Physical Platinum	GB	24/04/2007	PHPT LN Equity	0.49	599,454	571	16%
	Xtrackers Physical Platinum EUR Hedged ETC	DE	26/07/2010	XAD3 GR Equity	0.75	180,590	172	5%
	Xtrackers Physical Platinum ETC	GB	22/07/2010	XPLA LN Equity	0.45	35,064	33	1%
	Swisscanto ETF Precious Metal Physical Platinum	CH	06/01/2010	JBPLUX SW Equity	0.30	64,449	61	2%
	UBS ETF CH-Platinum	CH	10/09/2010	PTCHA SW Equity	0.35	57,528	55	2%
	ZKB Platinum ETF	CH	10/05/2007	ZPLA SW Equity	0.50	390,268	371	11%
	Total Europe					1,422,517	1,354	39%
North America	Aberdeen Standard Physical Precious Metals Basket Shares ETF	US	22/10/2010	GLTR US Equity	0.60	28,833	27	1%
	Aberdeen Standard Physical Platinum Shares ETF	US	08/01/2010	PPLT US Equity	0.60	1,175,325	1,119	32%
	Sprott Physical Platinum & Palladium Trust	US	19/12/2012	SPPP US Equity	0.50	26,165	25	1%
	GraniteShares Platinum Trust	US	22/01/2018	PLTM US Equity	0.50	16,288	16	0%
	Total North America					1,246,611	1,186	34%
South Africa	Invest Platinum ETF	ZA	07/04/2014	ETFPLT SJ Equity	0.30	215,192	205	6%
	New Gold Platinum ETF	ZA	26/04/2013	NGPLT SJ Equity	0.40	645,680	615	18%
	Total South Africa					860,872	819	24%
Source: Bloomberg, Respective ETP providers, WPIC research						3,655,462	3,479	
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N.B. ETPs include physically-backed ETFs

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