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streetTRACKS GOLD TRUST  
Form 10-Q  
May 10, 2007

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 March 31, 2007

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: 001-32356

streetTRACKS® GOLD TRUST  
SPONSORED BY WORLD GOLD TRUST SERVICES, LLC

(Exact Name of Registrant as Specified in Its Charter)

New York  
(State or Other Jurisdiction of  
Incorporation or Organization)

81-6124035  
(I.R.S. Employer  
Identification No.)

c/o World Gold Trust Services, LLC  
444 Madison Avenue, 3rd Floor  
New York, New York 10022

(Address of Principal Executive Offices)

(212) 317-3800

(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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer                  Accelerated filer                  Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes                  No

As of April 30, 2007 the Registrant had 160,100,000 shares outstanding.

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## streetTRACKS® GOLD TRUST

## PART I - FINANCIAL INFORMATION:

## Item 1. Financial Statements (Unaudited)

## Unaudited Condensed Statements of Condition

at March 31, 2007 and September 30, 2006

(Amounts in 000's of US\$ except for share data)	Mar-31, 2007	Sep-30, 2006 <sup>(1)</sup>
<b>ASSETS</b>		
Investment in Gold <sup>(2)</sup>	\$ 8,204,459	\$ 6,200,226
Gold receivable	98,339	—
Total Assets	\$ 8,302,798	\$ 6,200,226
<b>LIABILITIES</b>		
Accounts payable to related parties	\$ 3,328	\$ 2,339
Accounts payable	78	107
Accrued expenses	72	247
Total Liabilities	3,478	2,693
Commitments and Contingencies	—	—
Redeemable Shares:		
Shares at redemption value to investors <sup>(3)</sup>	10,292,620	7,441,489
Shareholders' Deficit	(1,993,300)	(1,243,956)
Total Liabilities, Redeemable Shares & Shareholders' Deficit	\$ 8,302,798	\$ 6,200,226

(1) Derived from audited statement of condition as of September 30, 2006.

(2) The market value of Investments in Gold at March 31, 2007 is \$10,197,759 and at September 30, 2006, \$7,444,182.

(3) Authorized share capital is unlimited and shares par value is \$0.00. Shares issued and outstanding at March 31, 2007 are 157,000,000 and at September 30, 2006, 125,100,000.

See notes to the unaudited condensed financial statements

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## streetTRACKS® GOLD TRUST

## Unaudited Condensed Statements of Operations

For the three months ending March 31, 2007 and 2006 and the six months ending March 31, 2007 and 2006.

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	Three Months Ended Mar-31, 2007	Three Months Ended Mar-31, 2006	Six Months Ended Mar-31, 2007	Six Months Ended Mar-31, 2006
(Amounts in 000's of US\$, except for share and per share data)				
<b>REVENUES</b>				
Proceeds from sales of gold	\$ 9,101	\$ 5,058	\$ 17,146	\$ 8,275
Cost of gold sold to pay expenses	(7,473)	(4,239)	(14,145)	(7,209)
Gain on gold sold to pay expenses	1,628	819	3,001	1,066
Gain on gold distributed for the redemption of shares	87,590	8,064	91,347	8,064
Total Gain on gold	\$ 89,218	\$ 8,883	\$ 94,348	\$ 9,130
<b>EXPENSES</b>				
Custody fees	\$ 1,752	\$ 1,435	\$ 3,290	\$ 2,309
Trustee fees	476	287	891	461
Sponsor fees	3,544	1,801	6,442	2,932
Marketing agent fees	3,544	1,801	6,442	2,932
Other expenses	308	407	865	574
Total expenses	9,624	5,731	17,930	9,208
Net Gain/(Loss) from Operations	\$ 79,594	\$ 3,152	\$ 76,418	\$ (78)
Gain/(Loss) per share	\$ 0.52	\$ 0.03	\$ 0.53	\$ 0.00
Weighted average number of shares (000's)	151,647	105,748	143,305	88,369

See notes to the unaudited condensed financial statements

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Unaudited Condensed Statements of Cash Flows

For the three months ending March 31, 2007 and 2006 and the six months ending March 31, 2007 and 2006

	Three Months Ended Mar-31, 2007	Three Months Ended Mar-31, 2006	Six Months Ended Mar-31 2007	Six Months Ended Mar-31 2006
(Amounts in 000's of US\$)				
<b>INCREASE / DECREASE IN CASH FROM OPERATIONS:</b>				
Cash proceeds received from sales of gold	\$ 9,101	\$ 5,058	\$ 17,146	\$ 8,275
Cash expenses paid	(9,101)	(5,058)	(17,146)	(8,275)
(Decrease) / Increase in cash resulting from operations	—	—	—	—
Cash and cash equivalents at beginning of period	—	—	—	—

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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	\$	1,149,602	\$	1,565,891	\$	2,533,705	\$	2,463,333
Value of gold distributed for redemption of shares - at average cost	\$	392,183	\$	47,315	\$	416,986	\$	47,315

	Three Months Ended Mar-31, 2007	Three Months Ended Mar-31, 2006	Six Months Ended Mar-31 2007	Six Months Ended Mar-31 2006
(Amount in 000's of US\$)				
Reconciliation of net Gain/(Loss) to net cash provided by operating activities				
Net Gain/(Loss) from Operations	\$ 79,594	\$ 3,152	\$ 76,418	\$ (78)
Adjustments to reconcile net income to net cash provided by operating activities				
Increase in gold assets	(676,822)	(1,769,700)	(2,004,233)	(2,408,809)
(Increase)/decrease in gold receivable	(73,122)	255,363	(98,339)	—
Increase in accounts payable	522	672	785	932
Increase/(decrease) in redeemable shares				
Creations	1,149,602	1,565,891	2,533,703	2,463,333
Redemptions	(479,774)	(55,378)	(508,334)	(55,378)
Net cash provided by operating activities	\$ —	\$ —	\$ —	\$ —

See notes to the unaudited condensed financial statements

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Unaudited Condensed Statements of Changes in Shareholders' Deficit

For the six months ended March 31, 2007 and for the year ended September 30, 2006

	Six Months Ended Mar-31, 2007	Year Ended Sep-30, 2006
(Amounts in 000's of US\$)		
Shareholders' Deficit - Opening Balance	\$ (1,243,956)	\$ (245,610)
Net Gain/(Loss) for the period	76,418	135,210
Adjustment of Redeemable Shares to redemption value	(825,762)	(1,133,556)
Shareholders' Deficit - Closing balance	\$ (1,993,300)	\$ (1,243,956)

See notes to the unaudited condensed financial statements

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Notes to the Unaudited Condensed Financial Statements

1. Organization

The streetTRACKS® 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 blocks 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 statements of condition at March 31, 2007 and September 30, 2006 and the statements of changes in shareholders’ deficit for the six months ended March 31, 2007 and the year ended September 30, 2006 and the statements of operations and of cash flows for the three and six months ending March 31, 2007 and 2006 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, 2007 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. It is suggested that these condensed financial statements 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, 2006. The results of operations for the three and six months ended March 31, 2007 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 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 London Fix used to determine the Net Asset Value 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.

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The table below summarizes the impact of unrealized gains or losses on the Trust's gold holdings as of March 31, 2007 and September 30, 2006:

(Amounts in 000's of US\$)	Mar-31, 2007	Sep-30, 2006
Investment in gold - average cost	\$ 8,302,798	\$ 6,200,226
Unrealized gain on investment in gold	1,993,300	1,243,956
Gold receivable	(98,339)	—
Investment in gold - market value	\$ 10,197,759	\$ 7,444,182

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 same 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 may not exceed the previously recognized diminution in value.

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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 days of trade date. As of March 31, 2007, there was \$98,339 gold receivable and as at September 30, 2006 there was nil gold receivable.

2.3 Creations and Redemptions of Shares

The Trust will create and redeem 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 will only be 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 at the option of the Authorized Participants only in Baskets, 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/(Deficit). Changes in the shares for the six months ended March 31, 2007 and for the

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year ending September 30, 2006, are as follows:

	Six Months Ended Mar-31, 2007	Year Ended Sep-30, 2006
(All amounts are in 000's)		
Number of Redeemable Shares:		
Opening Balance	125,100	66,900
Creations	39,900	68,400
Redemptions	(8,000)	(10,200)
Closing Balance	157,000	125,100

	Six Months Ended Mar-31, 2007	Year Ended Sep-30, 2006
(Amounts in 000's of US\$)		
Redeemable shares:		
Opening Balance	\$ 7,441,489	\$ 3,155,107
Creations	2,533,702	3,800,308
Redemptions	(508,333)	(647,482)
Adjustment to redemption value	825,762	1,133,556
Closing Balance	\$ 10,292,620	\$ 7,441,489

#### 2.4 Revenue Recognition Policy

The Bank of New York (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 amounts 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 PM Fix. The Trustee will place orders with dealers (which may include the Custodian) through which the

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Notes to the Unaudited Condensed Financial Statements

#### 2. Significant accounting policies (continued)

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.

## 2.5 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.

## 3 Investment in Gold

The following represents the changes in ounces of gold and the respective values for the six months ended March 31, 2007 and for the year ending September 30, 2006:

	Six months Ended Mar-31, 2007	Year Ended Sep-30, 2006
(Ounces of gold are in 000’s and value of gold is in 000’s of US\$)		
Ounces of Gold:		
Opening Balance	12,422.5	6,669.3
Creations (excluding gold receivable at March 31, 2007 - 148.6 ounces, and at September 30, 2006 - nil)	3,808.1	6,805.2
Redemptions	(792.9)	(1,013.6)
Sales of gold	(27.4)	(38.4)
Closing Balance	15,410.3	12,422.5
Investment in Gold (lower of cost or market):		
Opening Balance	\$ 6,200,226	\$ 2,910,613
Creations (excluding gold receivable at March 31, 2007 - \$98,339, and at September 30, 2006 - nil)	2,435,364	3,800,308
Redemptions	(416,986)	(492,482)
Sales of gold	(14,145)	(18,213)
Diminution in value of investment in gold	—	—
Closing Balance	\$ 8,204,459	\$ 6,200,226

## 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.

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Notes to the Unaudited Condensed Financial Statements

4 Related Parties - Sponsor, Trustee, Custodian and Marketing Agent Fees (continued)

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 compensation for its custody services. Under the Allocated Bullion Account Agreement, the Custodian is entitled to a fee that is accrued daily at an annual rate equal to 0.10% of the average daily aggregate value of the gold held in the Trust's allocated gold account (Trust Allocated Account) and the Trust's unallocated gold account (Trust Unallocated Account), payable monthly in arrears. Effective April 1, 2006, 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 Allocated Account and the 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. The Custodian does not receive a fee under the Unallocated Bullion Account Agreement.

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 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.

For seven years from the date of the Trust Indenture or until the earlier termination of the Marketing Agent Agreement, if at the end of any month during this period 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 fees payable to the Sponsor and the Marketing Agent from the assets of the Trust for such month will be reduced by the amount of such excess in equal shares up to the amount of their fees. Investors should be aware that if the gross value of the Trust's assets is less than approximately \$388 million, 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 reduced 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 described in “Business of the Trust—Trust Expenses” in the 10-K for the fiscal year ended September 30, 2006 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 reduced their combined fees of 0.30% per year of the daily ANAV of the Trust.

Upon the end of the seven year period or the earlier termination of the Marketing Agent Agreement, the fee reduction will expire and the estimated ordinary expenses of the Trust which are payable from the assets of the Trust each month may be more than they would have been during the period when the fee reduction is in effect, thus reducing the Net Asset Value (“NAV”) of the Trust more rapidly than if the fee reduction was in effect and adversely affecting the value of the Shares.

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## Notes to the Unaudited Condensed Financial Statements

## 4 Related Parties - Sponsor, Trustee, Custodian and Marketing Agent Fees (continued)

For the six months ended March 31, 2007 the fees payable to the Sponsor and the Marketing Agent from the assets of the Trust were reduced by \$281,705. For the year ended September 30, 2006, the comparable reduction in fees was \$762,125.

## Amounts Payable to Related parties and other accounts payable

(Amounts in 000’s of US\$)	Mar-31, 2007	Sep-30, 2006
Payable to Custodian	\$ (624)	\$ (466)
Payable to Trustee	(170)	(123)
Payable to Sponsor	(1,267)	(875)
Payable to Marketing Agent	(1,267)	(875)
Accounts Payable to related parties	\$ (3,328)	\$ (2,339)

## 5 Concentration of Risk

In accordance with Statement of Position No. 94-6, Disclosure of Certain Significant Risks and Uncertainties, 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 South Africa, the United States and Australia; (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.

## 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 Distribution Agreement with the Purchaser, 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

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## Notes to the Unaudited Condensed Financial Statements

### 6 Indemnification (continued)

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 Recent Accounting Pronouncements

In June 2006, the FASB issued FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes. The interpretation clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements in accordance with Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes. Specifically,

the pronouncement prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The interpretation also provides guidance on the related derecognition, classification, interest and penalties, accounting for interim periods, disclosure and transition of uncertain tax positions. The interpretation is effective for fiscal years beginning after December 15, 2006. Accordingly, the interpretation will be effective for the Trust's fiscal year ending September 30, 2008 and will be adopted as of October 1, 2007. The Sponsor is currently evaluating the effect of the interpretation, but does not believe that it will have a significant effect on the financial position or results of operations 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. streetTRACKS® 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

streetTRACKS® 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.

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 against the corresponding gold price (per 1/10 of an oz. of gold):

### Valuation of Gold, Definition of Net Asset Value ("NAV") and Adjusted Net Asset Value ("ANAV")

As of the London PM Fix on each day that the NYSE 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

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time on such day, as of 12:00 PM New York time on such day (the "Evaluation Time"), the Bank of New York, the

Trustee, evaluates the gold held by the Trust and determines both the ANAV and the NAV of the Trust.

At the Evaluation 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 Evaluation Time, the next most recent London gold price fix (AM or PM) determined prior to the Evaluation Time will be used, unless the Trustee, in consultation with the Sponsor, determines that such price is inappropriate as a basis for evaluation. In the event the Trustee and the Sponsor determine that the London PM Fix or last prior London "fix" is not an appropriate basis for evaluation of the Trust's gold, they will identify an alternative basis for such evaluation to be employed by the Trustee.

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.

Gold acquired, or disposed of, by the Trust is recorded at average cost. The table below summarizes the impact of unrealized gains or losses on the Trust's gold holdings at March 31, 2007 and September 30, 2006:

(Amounts in 000's of US\$)	Mar-31, 2007	Sep-30, 2006
Investment in gold - average cost	\$ 8,302,798	\$ 6,200,226
Unrealized gain on investment in gold	1,993,300	1,243,956
Gold receivable	(98,339)	—
Investment in gold - market value	\$ 10,197,759	\$ 7,444,182

#### 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 Net Asset Value 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.

## Financial Highlights

	Three Months Ended Mar-31, 2007	Three Months Ended Mar-31, 2006	Six Months Ended Mar-31, 2007	Six Months Ended Mar-31, 2006
(All amounts in the following table and four paragraphs, except per share, are in 000's of US\$)				
Total Gain on gold	\$ 89,218	\$ 8,883	\$ 94,348	\$ 9,130
Net Gain/(Loss)	\$ 79,594	\$ 3,152	\$ 76,418	\$ (78)