

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2023

or

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: 001-34589

abrnd Palladium ETF Trust

(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction of incorporation or organization)

26-4733157
(I.R.S. Employer Identification No.)

c/o abrnd ETFs Sponsor LLC
1900 Market Street, Suite 200
Philadelphia, PA
(Address of principal executive offices)

19103
(Zip Code)

(844) 383-7289
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
abrnd Physical Palladium Shares ETF	PALL	NYSE Arca

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

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 has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input type="checkbox"/>	Accelerated Filer	<input checked="" type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Aggregate market value of the registrant's shares outstanding based upon the closing price of a share on June 30, 2023 as reported by the NYSE Arca, Inc. on that date: \$227,559,998.

As of February 26, 2024, abrnd Palladium ETF Trust had 2,425,000 abrnd Physical Palladium Shares ETF outstanding.

DOCUMENTS INCORPORATED BY REFERENCE: None

FORWARD LOOKING STATEMENTS

This Annual Report on Form 10-K contains various “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and within the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements usually include the words, “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “projects,” “understands” and other words suggesting uncertainty. We remind readers that forward-looking statements are merely predictions and therefore inherently subject to uncertainties and other factors and involve known and unknown risks that could cause the actual results, performance, levels of activity, or our achievements, or industry results, to be materially different from any future results, performance, levels of activity, or our achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Trust undertakes no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Additional significant uncertainties and other factors affecting forward-looking statements are presented in the Risk Factors section herein.

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PART I

Item 1. Business

The purpose of the abrdn Palladium ETF Trust (the “Trust”) is to own palladium transferred to the Trust in exchange for shares issued by the Trust (“Shares”). Each Share represents a fractional undivided beneficial interest in and ownership of the Trust. The assets of the Trust consist solely of palladium bullion. The Trust was formed on December 30, 2009 when an initial deposit of palladium was made in exchange for the issuance of two Baskets (a “Basket” consists of 50,000 Shares).

The sponsor of the Trust is abrdn ETFs Sponsor LLC (the “Sponsor”). The trustee of the Trust is The Bank of New York Mellon (the “Trustee”) and the custodian is JPMorgan Chase Bank N.A., London Branch (the “Custodian”).

The Trust’s Shares at redeemable value decreased from \$295,490,794 at December 31, 2022 to \$219,309,330 at December 31, 2023, the Trust’s fiscal year end. Outstanding Shares in the Trust increased from 1,800,000 Shares at December 31, 2022 to 2,100,000 Shares at December 31, 2023.

The Trust is not managed like a corporation or an active investment vehicle. The Trust has no directors, officers or employees. It does not engage in any activities designed to obtain a profit from or to improve the losses caused by changes in the price of palladium. The palladium held by the Trust will only be delivered to pay the remuneration due to the Sponsor (the “Sponsor’s Fee”), distributed to Authorized Participants (defined below) in connection with the redemption of Baskets or sold (1) on an as-needed basis to pay Trust expenses not assumed by the Sponsor, (2) in the event the Trust terminates and liquidates its assets, or (3) as otherwise required by law or regulation.

The Trust is not registered as an investment company under the Investment Company Act of 1940 and is not required to register under such act. The Trust does not and will not hold or trade in commodities futures contracts, “commodity interests” or any other instruments regulated by the Commodity Exchange Act (the “CEA”), as administered by the Commodity Futures Trading Commission (the “CFTC”) and the National Futures Association (“NFA”). The Trust is not a commodity pool for purposes of the CEA and the Shares are not “commodity interests,” and neither the Sponsor nor the Trustee is subject to regulation as a commodity pool operator or a commodity trading advisor in connection with the Shares. The Trust has no fixed termination date.

The Sponsor of the registrant maintains an Internet website at www.abrdn.com/us/etf through which the registrant’s annual reports on Form 10-K, quarterly reports on Form 10-Q, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, are made available free of charge as soon as reasonably practicable after they have been filed or furnished to the Securities and Exchange Commission (the “SEC”). Additional information regarding the Trust may also be found on the SEC’s EDGAR database at www.sec.gov.

Trust Objective

The investment objective of the Trust is for the Shares to reflect the performance of the price of physical palladium, less the Trust’s expenses. The Shares are intended to constitute a simple and cost-effective means of making an investment similar to an investment in physical palladium. An investment in physical palladium requires expensive and sometimes complicated arrangements in connection with the assay, transportation, warehousing and insurance of the metal. Traditionally, such expense and complications have resulted in investments in physical palladium being efficient only in amounts beyond the reach of many investors.

The Shares are intended to provide institutional and retail investors with a simple and cost-efficient means, with minimal credit risk, of gaining investment benefits similar to those of holding palladium bullion. The Shares offer an investment that:

- *Easily Accessible and Relatively Cost Effective.* Investors can access the palladium bullion market through a traditional brokerage account. The Sponsor believes that investors will be able to more effectively implement strategic and tactical asset allocation strategies that use palladium bullion by using the Shares instead of using the traditional means of purchasing, trading and holding palladium bullion and for many investors, transaction costs related to the Shares will be lower than those associated with the purchase, storage and insurance of physical palladium bullion.
- *Exchange Traded and Transparent.* The Shares trade on the NYSE Arca, providing investors with an efficient means to implement various investment strategies. The Shares are eligible for margin accounts and are backed by the assets of the Trust and the Trust does not hold or employ any derivative securities. Furthermore, the value of the Trust’s holdings are reported on the Trust’s website daily.

• *Minimal Credit Risk.* The Shares represent an interest in physical palladium owned by the Trust (other than an amount held in unallocated form which is not sufficient to make up a whole plate or ingot of which is held temporarily to effect a creation or redemption of Shares). Physical palladium of the Trust in the Custodian's possession is not subject to borrowing arrangements with third parties. Other than the palladium temporarily being held in an unallocated palladium account with the Custodian, the physical palladium of the Trust is not subject to counterparty or credit risks. See "Risk Factors—Palladium held in the Trust's unallocated palladium account and any Authorized Participant's unallocated palladium account is not segregated from the Custodian's assets..." This contrasts with most other financial products that gain exposure to palladium through the use of derivatives that are subject to counterparty and credit risks.

Investing in the Shares does not insulate the investor from certain risks, including price volatility. See "Risk Factors."

Overview of the Palladium Industry

This section provides a brief introduction to the palladium industry by looking at some of the key participants, detailing the primary sources of demand and supply.

In this annual report, the term "ounces" refers to troy ounces.

Platinum Group Metals

Platinum and palladium are the two best known metals of the six platinum group metals ("PGMs"). Platinum and palladium have the greatest economic importance and are found in the largest quantities. The other four—iridium, rhodium, ruthenium and osmium—are produced only as co-products of platinum and palladium. PGMs are known for their purity, high melting points and unique catalytic properties. In addition to their oxidation and reduction properties, they are also extremely resistant to corrosion. PGMs are utilized in a number of industrial processes, technologies and commercial applications. Their unique chemical and physical properties make PGMs an excellent raw material, catalyst and ingredient for manufacturing processes. Consumer and industrial products made with palladium and other PGMs include flat panel monitors, glass fiber, medical tools, computer hard drives, nylon and razors, among others. PGMs play a critical role in autocatalysis and pollution control in the automotive sector.

PGM mining is heavily concentrated in southern Africa (South Africa and Zimbabwe), with smaller percentages coming from the United States, Russia and other locations. South Africa is the world's leading platinum producer and one of the largest palladium producers. Russia is the second largest producer of platinum. All of South Africa's production is sourced from the Bushveld Igneous Complex, which hosts the world's largest resource of PGMs. Together, South Africa and Russia accounted for over 77% of palladium supply in 2022.

World Palladium Supply and Demand 2013-2022

The following table sets forth a summary of the world palladium supply and demand from 2013 to 2022 and is based on information reported by Johnson Matthey, PGM Market Report.

(thousands of ounces)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Supply										
South Africa	2,465	2,126	2,683	2,570	2,547	2,543	2,571	1,975	2,645	2,276
Russia	2,628	2,589	2,434	2,781	2,452	2,976	2,987	2,636	2,689	2,600
North America	824	891	874	917	956	1,035	1,042	990	908	813
Zimbabwe	322	327	320	396	386	393	379	410	392	409
Others	152	160	144	129	131	135	140	185	212	209
Total Supply	6,391	6,093	6,455	6,793	6,472	7,082	7,119	6,196	6,846	6,307
Secondary supply										
Automotive	1,837	2,077	1,952	1,986	2,357	2,624	2,916	2,689	2,887	2,634
Electronics/other	463	474	475	481	479	475	477	428	443	455
Jewelry	157	89	46	21	21	12	12	8	9	10
Total secondary supply	2,457	2,640	2,473	2,488	2,857	3,111	3,405	3,125	3,339	3,099
Total combined supply	8,848	8,733	8,928	9,281	9,329	10,193	10,524	9,321	10,185	9,406
Demand by Application										
Auto	7,046	7,487	7,657	8,019	8,423	8,837	9,675	8,573	8,499	8,449
Chemical	378	313	449	419	435	605	530	498	593	589
Dental & Biomedical	461	469	474	435	398	364	320	228	209	186
Electrical & Electronics	1,017	970	903	872	844	768	711	634	647	544
Investment	(8)	943	(659)	(646)	(386)	(574)	(87)	(190)	17	(109)
Jewelry	354	272	220	189	167	148	128	85	88	87
Pollution Control	49	54	56	71	78	86	88	76	102	108
Other	82	81	104	114	91	117	120	93	96	83
Total Demand	9,379	10,589	9,204	9,473	10,050	10,351	11,485	9,997	10,251	9,937
Movements in stocks	(531)	(1,856)	(276)	(192)	(721)	(158)	(961)	(676)	(66)	(531)

Source: Johnson Matthey PGM Market Reports (2013 – 2023)

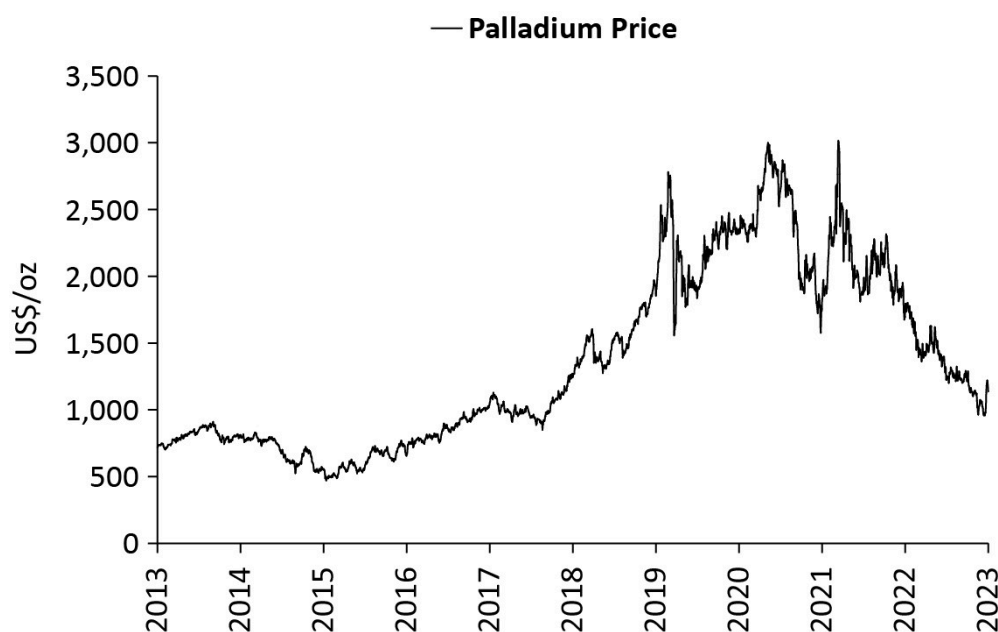
The following are some of the main characteristics of the palladium market illustrated by the table:

Russia has traditionally been the largest producer of palladium, providing on average 41% of supply over the past 10 years. South Africa has, on average, supplied approximately 37% of production over the past 10 years. In 2022, Russia provided 41.2% of mine supplies, while South Africa produced 36.1%. North America contributed approximately 13% of mine supply in 2022. Scrap supply, from recycling of autocatalyst and other sources, has accounted for an average of roughly 32% of total supply over the last 5 years, up from 28% in 2013.

Autocatalysts continue to be the largest component of palladium demand, averaging 84% of total demand from 2015 to 2022. Jewelry demand for palladium has tapered off considerably over the last 10 years, contributing only 0.9% of total demand in 2022, down from a high of 3.8% in 2013. Other industrial demand (chemical, dental and electrical) has fallen from 19.8% of total demand in 2013 to 13.3% of total demand in 2022. Since 2013, pollution control demand has increased from 0.5% to 1.1% of total demand. Pollution control demand captures the production demand for emissions control in non-automotive applications.

Historical Chart of the Price of Palladium

The price of palladium is volatile and fluctuations are expected to have a direct impact on the value of the Shares. However, movements in the price of palladium in the past are not a reliable indicator of future movements. The following chart illustrates the movements in the price of an ounce of palladium in U.S. Dollars from December 31, 2013 to December 31, 2023 and is based on information provided by Bloomberg:



Source: Bloomberg, abrdn. Chart data from 12/31/2013 to 12/31/2023. Palladium Price = PLDMLNPM Index.

Rising palladium prices tempered in 2011, but concerns over supply shortages due to labor problems at mines in South Africa and dwindling Russian stocks provided some price support into mid-2012. Palladium rose to a 13 year high of \$907 per ounce in September 2014, a 27% increase from the start of the year. The rally was driven by supply side concerns following the longest strike in South African mining history and escalating tensions between Russia and Ukraine. The strong rally in 2014 was completely unwound in 2015, when South African mine supply resumed back to pre-strike levels and pessimism about industrial demand in China overwhelmed the true tightness in the market. Palladium was then the top performer of the precious metals complex for 3 consecutive years from 2017 to 2019, where it rose nearly 182% from \$676 per troy ounce on December 31, 2016 to \$1,905 per troy ounce on December 31, 2019. The price of palladium reached an all-time high of \$2,781/oz on February 19, 2020, before closing out the year at a price of \$2,342/oz on December 31, 2020. Similar to other precious metals, palladium took a step back in 2021 as it returned -16% (as of December 31, 2021). A decline in autocatalyst demand due to the pandemic was a big reason for the negative performance seen during the year.

The price of palladium reached a record high of \$3,015 per ounce on March 7, 2022, as Russian's invasion of Ukraine infused uncertainty into global markets and created additional price pressure that pushed the price of palladium nearly 53% above its 2021 close. While each of the precious metals (gold, silver, platinum) saw prices fluctuate throughout the year, the price of palladium showed greater correlation with the price of Platinum during the first quarter. The price of palladium fell by roughly 25% between March 8th and March 31st, ending the first quarter at a price of \$2,259 per ounce. On June 14th, 2022 the price of palladium fell as low as \$1,810 per ounce, as aggressive interest rate policies from the U.S. Federal Reserve drove the U.S. Dollar higher. Contrary to the other three precious metals, the price of palladium increased as high as \$2,315 per ounce on October 4th, 2022, as supplies were further constrained by operational challenges in South African and North American mines, as well as a weaker automotive recycling market. Throughout the year, tailwinds from supply disruptions were countered by weaker automotive and investment demand, higher interest rates and the risk of a potential recession. As a result, while the other three precious metals rallied to end the year, the price of palladium reversed course during the fourth quarter to end the year at \$1,775 per ounce, down 10% from the end of 2021.

In 2023, palladium production in Russia and South Africa have continued to impact global supply. Russian production was relatively flat compared to 2020 and 2021, however sanctions imposed in 2022 constrained the production capacity of Russian metals producer Norinickel, the world's largest palladium producer. In contrast, South Africa continues to experience power supply disruptions along with rising electricity prices. Coupled with labor strikes, political instability, inflation and volatile prices, which have compressed profit margins and subsequently led to a decrease in expected supply from the world's second leading producer. However, despite the supply deficit, investors have sold short a large amount of palladium this year, in hopes that electric vehicles will curtail the demand for palladium in gasoline-powered automobiles. Additionally, while a positive outlook at the beginning of the year, fueled by China's loosening of COVID-19 related restrictions, drove the price as high as \$1,628 per ounce on April 21, 2023, the Chinese economic rebound disappointed investors. As a result of these two factors, the price of palladium continued on a downward trend throughout most of the year before reaching a low of \$957 per ounce on December 6, 2023. Fears of additional Russian sanctions sparked a year-end rally that saw the price climb as high as \$1,221 per ounce on December 20, 2023, but the precious metal ultimately ended the year at \$1,136 per ounce, 36% below its 2022 closing price.

Operation of the Palladium Bullion Market

The global trade in palladium consists of Over-the-Counter ("OTC") transactions in spot, forwards, and options and other derivatives, together with exchange-traded futures and options.

Global Over-The-Counter Market

The OTC market trades on a 24-hour per day continuous basis and accounts for most global palladium trading. Market makers, as well as others in the OTC market, trade with each other and with their clients on a principal-to-principal basis. All risks and issues of credit are between the parties directly involved in the transaction. Market makers include the market-making members of the London Platinum and Palladium Market ("LPPM"), the trade association that acts as the coordinator for activities conducted on behalf of its members and other participants in the LPPM. Five member participants of the LPPM are currently participating in the electronic LME PM fix process (as described below) administered by the London Metal Exchange ("LME"). The OTC market provides a relatively flexible market in terms of quotes, price, size, destinations for delivery and other factors. Bullion dealers customize transactions to meet clients' requirements. The OTC market has no formal structure and no open-outcry meeting place.

The main centers of the OTC market for palladium are London, New York, Hong Kong and Zurich. Mining companies, manufacturers of jewelry and industrial products, together with investors and speculators, tend to transact their business through one of these market centers. Centers such as Dubai and several cities in the Far East also transact substantial OTC market business, typically involving jewelry and small plates or ingots of palladium (1 kilogram or less) and will hedge their exposure by selling into one of these main OTC centers. Precious metals dealers have offices around the world and most of the world's major bullion dealers are either members or associate members of the London Bullion Market Association ("LBMA") and/or the LPPM. In the OTC market for palladium, the standard size of trades between market makers is 1,000 ounces.

Liquidity in the OTC market can vary from time to time during the course of the 24-hour trading day. Fluctuations in liquidity are reflected in adjustments to dealing spreads—the differential between a dealer’s “buy” and “sell” prices. The period of greatest liquidity in the palladium market generally occurs at the time of day when trading in the European time zones overlaps with trading in the United States, which is when OTC market trading in London, New York, Zurich and other centers coincides with futures and options trading on the Commodity Exchange, Inc. (“COMEX”), a designated contract market within the CME Group. This period lasts for approximately four hours each New York business day morning.

The Zurich and London Palladium Bullion Markets

Although the market for physical palladium is distributed globally, most palladium is stored and most OTC market trades are cleared through Zurich. As of September 1, 2009, London also serves as a center for the clearing of OTC trades in palladium. In addition to coordinating market activities, the LPPM acts as the principal point of contact between the market and its regulators. A primary function of the LPPM is its involvement in the promotion of refining standards by maintenance of the “London/Zurich Good Delivery Lists,” which are the lists of LPPM accredited refiners of palladium. The LPPM also coordinates market clearing and vaulting, promotes good trading practices and develops standard documentation.

Palladium is traded generally on a loco Zurich basis, meaning the precious metal is physically held in vaults in Zurich or is transferred into accounts established in Zurich. As of September 1, 2009, palladium began trading on a loco London basis as well, meaning that the precious metal is physically held in vaults in London or is transferred into accounts established in London. The basis for settlement and delivery of a loco Zurich spot trade is payment (generally in U.S. Dollars) two business days after the trade date against delivery. Delivery of the palladium can either be by physical delivery or through the clearing systems to an unallocated account.

The unit of trade in London and Zurich is the troy ounce, whose conversion between grams is: 1,000 grams equals 32.1507465 troy ounces, and one troy ounce equals 31.1034768 grams. A good delivery palladium plate or ingot on the LPPM approved list is acceptable for delivery in settlement of a transaction on the OTC market (a “Good Delivery Plate or Ingot”). A Good Delivery Plate or Ingot must contain between 32 and 192.904 troy ounces of palladium with a minimum fineness (or purity) of 999.5 parts per 1,000 (99.95%), be of good appearance, and be easy to handle and stack. The palladium content of a palladium plate or ingot is calculated by multiplying the gross weight by the fineness of the plate or ingot. A Good Delivery Plate or Ingot must also bear the stamp of one of the refiners who are on the LPPM approved list. Unless otherwise specified, the palladium spot price always refers to that of “Good Delivery Standards” set by the LPPM. Business is generally conducted over the phone and through electronic dealing systems.

Since December 1, 2014, the LME has been administering the operation of electronic palladium bullion price fixing system (“LMEbullion”) that replicate electronically the manual London palladium fix processes previously employed by the London Platinum and Palladium Fixing Company Ltd (“LPPFCL”) as well as providing electronic market clearing processes for palladium bullion transactions at the fixed prices established by the LME pricing mechanism. The LME’s electronic price fixing processes, like the previous London palladium fix processes, establishes and publishes fixed prices for troy ounces of palladium twice each London trading day during fixing sessions beginning at 9:45 a.m. London time (the LME AM Fix) and 2:00 p.m. London time (the LME PM Fix). In addition to utilizing the same London palladium fix standards and methods, the LME also supervises the palladium electronic price fixing processes through its market operations, compliance, internal audit and third-party complaint handling capabilities in order to support the integrity of the LME PM Fix. The LME, in administering LMEbullion, uses a pricing methodology that meets the administrative and regulatory needs of palladium market participants, including the International Organization of Securities Commission’s (IOSCO) Principles for Financial Benchmark, (the “IOSCO Principles”).

Daily during London trading hours the LME AM Fix and the LME PM Fix each provide reference palladium prices for that day’s trading. Many long-term contracts will be priced on the basis of either the LME AM Fix or the LME PM Fix, and market participants will usually refer to one or the other of these prices when looking for a basis for valuations. The Trust values its palladium on the basis of the LME PM Fix.

Formal participation in the LME PM Fix is limited to participating LPPM members. Five LPPM members are currently participating in establishing the LME PM Fix (Goldman Sachs International, HSBC Bank USA NA, ICBC Standard Bank plc, Johnson Matthey plc and BASF Metals Ltd.). Any other market participant wishing to participate in the trading on the LME PM Fix is required to do so through one of the participating LPPM members.

Orders are placed either with one of the participating LPPM member participants or with another precious metals dealer who will then be in contact with a participating LPPM member during the fixing. The fix begins with the chair reflecting the market price and other data, prevailing at the opening of the fix. This is relayed by the LPPM member participants to their dealing rooms which have direct communication with all interested parties. Any market member may enter the fixing process at any time, or adjust or withdraw his order. The palladium price is adjusted up or down until all the buy and sell orders are electronically matched, at which time the price is declared fixed. All fixing orders are transacted on the basis of this fixed price, which is instantly relayed to the market through various media.

The LBMA and the LME have asserted that the LME's electronic price fixing processes are similar to the non-electronic processes previously used to establish the applicable London palladium fix where the London palladium fix process adjusted the palladium price up or down until all the buy and sell orders entered by the participating LPPM members are matched, at which time the price was declared fixed. Nevertheless, the LME PM Fix has several advantages over the previous London palladium fix. The LME's electronic price fixing processes are intended to be transparent. The LME asserts that its electronic price fixing processes are fully auditable by third parties since an audit trail exists from the beginning of each fixing session. The LME also asserts that the market operation, compliance, internal audit and third-party complaint handling capabilities of the LME supports the integrity of the LME PM Fix.

Since December 1, 2014, the Sponsor determined that the London palladium fix, which has been revised based on the new LME method and is now known as the LME PM Fix, is an appropriate basis for valuing palladium bullion received upon purchase of the Trust's Shares, delivered upon redemption of the Trust's Shares and for determining the value of the Trust's palladium bullion each trading day. The Sponsor also has determined that the LME PM Fix will fairly represent the commercial value of palladium bullion held by the Trust and, the "Benchmark Price" (as defined in the Trust Agreement) of the Trust's palladium bullion as of any day is the LME PM Fix for such day.

As of December 1, 2014, the LPPFCL transferred ownership of the historic and future intellectual property of the twice daily "fix" for platinum and palladium bullion to a subsidiary company of the LBMA.

Futures Exchanges

The most significant palladium futures exchanges are the COMEX, a designated contract market within the CME Group, and the Tokyo Commodity Exchange ("TOCOM"). The COMEX is the largest exchange in the world for trading precious metals futures and options and launched palladium futures in 1968, followed with options in 2010. The TOCOM has been trading palladium since 1992. Trading on these exchanges is based on fixed delivery dates and transaction sizes for the futures and options contracts traded. Trading costs are negotiable. As a matter of practice, only a small percentage of the futures market turnover ever comes to physical delivery of the palladium represented by the contracts traded. Both exchanges permit trading on margin. Margin trading can add to the speculative risk involved given the potential for margin calls if the price moves against the contract holder. The COMEX trades palladium futures almost continuously (with one short break in the evening) through its CME Globex electronic trading system and clears through its central clearing system. On June 6, 2003, the TOCOM adopted a similar clearing system. In each case, the exchange acts as a counterparty for each member for clearing purposes.

Market Regulation

The global palladium markets are overseen and regulated by both governmental and self-regulatory organizations. In addition, certain trade associations have established rules and protocols for market practices and participants. In the United Kingdom, responsibility for the regulation of the financial market participants, including the major participating members of the LPPM falls under the authority of the Financial Conduct Authority ("FCA") as provided by the Financial Services and Markets Act 2000 ("FSM Act"). Under this act, all U.K.-based banks, together with other investment firms, are subject to a range of requirements, including fitness and properness, capital adequacy, liquidity, and systems and controls.

The FCA is responsible for regulating investment products, including derivatives, and those who deal in investment products. Regulation of spot, commercial forwards, and deposits of palladium not covered by the FSM Act is provided for by The London Code of Conduct for Non-Investment Products, which was established by market participants in conjunction with the Bank of England.

The TOCOM has authority to perform financial and operational surveillance on its members' trading activities, scrutinize positions held by members and large-scale customers, and monitor the price movements of futures markets by comparing them with cash and other derivative markets' prices. To act as a Futures Commission Merchant Broker on the TOCOM, a broker must obtain a license from Japan's Ministry of Economy, Trade and Industry ("METI"), the regulatory authority that oversees the operations of the TOCOM.

The CFTC regulates trading in commodity contracts, such as futures, options and swaps. In addition, under the CEA, the CFTC has jurisdiction to prosecute manipulation and fraud in any commodity (including precious metals) traded in interstate commerce as spot as well as deliverable forwards. The CFTC is the exclusive regulator of U.S. commodity exchanges and clearing houses.

Secondary Market Trading

While the Trust's investment objective is for the Shares to reflect the performance of the price of physical palladium, less the Trust's expenses, the Shares may trade in the secondary market on the NYSE Arca at prices that are lower or higher relative to their net asset value (the value of the Trust's assets less its liabilities ("NAV")) per Share. The amount of the discount or premium in the trading price relative to the NAV per Share may be influenced by non-concurrent trading hours between the NYSE Arca, COMEX and the London and Zurich palladium markets. While the Shares trade on the NYSE Arca until 4:00 PM New York time, liquidity in the global palladium market is reduced after the close of the COMEX at 1:30 PM New York time. As a result, during this time, trading spreads, and the resulting premium or discount, on the Shares may widen.

Valuation of Palladium and Computation of Net Asset Value

On each day that the NYSE Arca is open for regular trading, as promptly as practicable after 4:00 p.m., New York time, on such day (the "Evaluation Time"), the Trustee evaluates the palladium held by the Trust and determines both the adjusted net asset value ("ANAV") and the NAV of the Trust. For the purposes of making these calculations, a business day means any day other than a day when NYSE Arca is closed for regular trading.

At the Evaluation Time, the Trustee values the Trust's palladium on the basis of that day's LME PM Fix or, if no LME PM Fix is made on such day, or has not been announced by the Evaluation Time, the next most recent LME PM Fix determined prior to the Evaluation Time will be used, unless the Sponsor determines that such price is inappropriate as a basis for evaluation. In the event the Sponsor determines that the applicable LME PM Fix or such other publicly available price as the Sponsor may deem fairly represents the commercial value of the Trust's palladium is not an appropriate basis for evaluation of the Trust's palladium, it shall identify an alternative basis for such evaluation to be employed by the Trustee. Neither the Trustee nor the Sponsor shall be liable to any person for the determination that the LME PM Fix or such other publicly available price is not appropriate as a basis for evaluation of the Trust's palladium or for any determination as to the alternative basis for such evaluation provided that such determination is made in good faith. See *"Operation of the Palladium Market—The Zurich and London Palladium Bullion Markets"* for a description of the LME PM Fix.

Once the value of the palladium has been determined, the Trustee subtracts all estimated accrued but unpaid fees (other than the fees accruing for such day on which the valuation takes place which are computed by reference to the value of the Trust or its assets), expenses and other liabilities of the Trust from the total value of the palladium and any other assets of the Trust. The resulting figure is the ANAV of the Trust. The ANAV of the Trust is used to compute the Sponsor's Fee.

All fees accruing for the day on which the valuation takes place which are computed by reference to the value of the Trust or its assets are calculated using the ANAV calculated for such day. The Trustee subtracts from the ANAV the amount of accrued fees so computed for such day and the resulting figure is the NAV of the Trust. The Trustee also determines the NAV per Share by dividing the NAV of the Trust by the number of the Shares outstanding as of the close of trading on the NYSE Arca (which includes the net number of any Shares created or redeemed on such evaluation day).

Any estimate of the accrued but unpaid fees, expenses and liabilities of the Trust for purposes of computing the NAV of the Trust and ANAV made by the Trustee in good faith shall be conclusive upon all persons interested in the Trust and no revision or correction in any computation made under the Trust Agreement will be required by reason of any difference in amounts estimated from those actually paid.

The Sponsor and the Shareholders may rely on any evaluation furnished by the Trustee, and the Sponsor has no responsibility for the evaluation's accuracy. The determinations the Trustee makes will be made in good faith upon the basis of, and the Trustee will not be liable for any errors contained in, information reasonably available to it. The Trustee will not be liable to the Sponsor, DTC, Authorized Participants, the Shareholders or any other person for errors in judgment. However, the preceding liability exclusion will not protect the Trustee against any liability resulting from bad faith or gross negligence in the performance of its duties.

Trust Expenses

The Trust's only ordinary recurring expense is the Sponsor's Fee. In exchange for the Sponsor's Fee, the Sponsor has agreed to assume the following administrative and marketing expenses incurred by the Trust: the Trustee's monthly fee and out-of-pocket expenses, the Custodian's fee and reimbursement of the Custodian's expenses under the Custody Agreements, Exchange listing fees, SEC registration fees, printing and mailing costs, audit fees and up to \$100,000 per annum in legal expenses. The Sponsor also paid the costs of the Trust's organization and the initial sale of the Shares, including the applicable SEC registration fees.

The Sponsor's Fee accrues daily at an annualized rate equal to 0.60% of the ANAV of the Trust and is payable monthly in arrears. The Sponsor, from time to time, may temporarily waive all or a portion of the Sponsor's Fee at its discretion for a stated period of time. Presently, the Sponsor does not intend to waive any of its fee.

Furthermore, the Sponsor may, in its sole discretion, agree to rebate all or a portion of the Sponsor's Fee attributable to Shares held by institutional investors subject to minimum shareholding and lock up requirements as determined by the Sponsor to foster stability in the Trust's asset levels. Any such rebate will be subject to negotiation and written agreement between the Sponsor and the investor on a case by case basis. The Sponsor is under no obligation to provide any rebates of the Sponsor's Fee. Neither the Trust nor the Trustee will be a party to any Sponsor's Fee rebate arrangements negotiated by the Sponsor. Any Sponsor's Fee rebate shall be paid from the funds of the Sponsor and not from the assets of the Trust.

The Sponsor's Fee is paid by delivery of palladium to an account maintained by the Custodian for the Sponsor on an unallocated basis, monthly on the first business day of the month in respect of fees payable for the prior month. The delivery is of that number of ounces of palladium which equals the daily accrual of the Sponsor's Fee for such prior month calculated at the LME PM Fix.

The Trustee will, when directed by the Sponsor, and, in the absence of such direction, may, in its discretion, sell palladium in such quantity and at such times as may be necessary to permit payment in cash of Trust expenses not assumed by the Sponsor. The Trustee is authorized to sell palladium at such times and in the smallest amounts required to permit such payments as they become due, it being the intention to avoid or minimize the Trust's holdings of assets other than palladium. Accordingly, the amount of palladium to be sold will vary from time to time depending on the level of the Trust's expenses and the market price of palladium. The Custodian is authorized to purchase from the Trust, at the request of the Trustee, palladium needed to cover Trust expenses not assumed by the Sponsor at the price used by the Trustee to determine the value of the palladium held by the Trust on the date of the sale.

The Sponsor's Fee for the year ended December 31, 2023 was \$1,464,063 (December 31, 2022: \$2,226,662; December 31, 2021: \$2,447,225).

Cash held by the Trustee pending payment of the Trust's expenses will not bear any interest. Each delivery or sale of palladium by the Trust to pay the Sponsor's Fee or other Trust expenses will be a taxable event to Shareholders.

Creation and Redemption of Shares

The Trust creates and redeems Shares from time to time, but only in one or more Baskets. Prior to April 1, 2019, the number of Shares that constituted a Basket was 50,000 Shares. Effective April 1, 2019, the Basket size was decreased to 25,000 Shares. 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 physical palladium represented by the Baskets being created or redeemed, the amount of which is based on the combined NAV 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.

Authorized Participants are the only persons that may place orders to create and redeem Baskets. Authorized Participants must be (1) registered broker-dealers or other securities market participants, such as banks and other financial institutions, which are not required to register as broker-dealers to engage in securities transactions, and (2) participants in DTC. To become an Authorized Participant, a person must enter into an Authorized Participant Agreement with the Sponsor and the Trustee. The Authorized Participant Agreement provides the procedures for the creation and redemption of Baskets and for the delivery of the palladium and any cash required for such creations and redemptions. The Authorized Participant Agreement and the related procedures attached thereto may be amended by the Trustee and the Sponsor, without the consent of any Shareholder or Authorized Participant. Authorized Participants pay a transaction fee of \$500 to the Trustee for each order they place to create or redeem one or more Baskets. Authorized Participants who make deposits with the Trust in exchange for Baskets receive no fees, commissions or other form of compensation or inducement of any kind from either the Sponsor or the Trust for serving as an Authorized Participant, and no such person has any obligation or responsibility to the Sponsor or the Trust to effect any sale or resale of Shares.

Authorized Participants are cautioned that some of their activities will result in their being deemed participants in a distribution in a manner which would render them statutory underwriters and subject them to the prospectus-delivery and liability provisions of the Securities Act.

Prior to initiating any creation or redemption order, an Authorized Participant must have entered into an agreement with the Custodian or a palladium clearing bank to establish an Authorized Participant Unallocated Account in London or Zurich (“Authorized Participant Unallocated Bullion Account Agreement”). Palladium held in Authorized Participant Unallocated Accounts is typically not segregated from the Custodian’s or other palladium clearing bank’s assets, as a consequence of which an Authorized Participant will have no proprietary interest in any specific plates or ingots of palladium held by the Custodian or the clearing bank. Credits to its Authorized Participant Unallocated Account are therefore at risk of the Custodian’s or other palladium clearing bank’s insolvency. No fees will be charged by the Custodian for the use of the Authorized Participant Unallocated Account as long as the Authorized Participant Unallocated Account is used solely for palladium transfers to and from the Trust Unallocated Account and the Custodian (or one of its affiliates) receives compensation for maintaining the Trust Allocated Account. Authorized Participants should be aware that the Custodian’s liability threshold under the Authorized Participant Unallocated Bullion Account Agreement is generally gross negligence, not negligence, which is the Custodian’s liability threshold under the Trust’s Custody Agreements.

As the terms of the Authorized Participant Unallocated Bullion Account Agreement differ in certain respects from the terms of the Trust Unallocated Account Agreement, potential Authorized Participants should review the terms of the Authorized Participant Unallocated Bullion Account Agreement carefully. A copy of the Authorized Participant Agreement may be obtained by potential Authorized Participants from the Trustee.

Certain Authorized Participants are expected to have the facility to participate directly in the physical palladium market and the palladium futures markets. In some cases, an Authorized Participant may from time to time acquire palladium from or sell palladium to its affiliated palladium trading desk, which may profit in these instances. Each Authorized Participant must be registered as a broker-dealer under the Securities Exchange Act of 1934 (“Exchange Act”) and regulated by FINRA or be exempt from being or otherwise not be required to be so regulated or registered, and be qualified to act as a broker or dealer in the states or other jurisdictions where the nature of its business so requires. Certain Authorized Participants are regulated under federal and state banking laws and regulations. Each Authorized Participant has its own set of rules and procedures, internal controls and information barriers as it determines is appropriate in light of its own regulatory regime.

Authorized Participants may act for their own accounts or as agents for broker-dealers, custodians and other securities market participants that wish to create or redeem Baskets. An order for one or more Baskets may be placed by an Authorized Participant on behalf of multiple clients. As of the date of this report, Goldman Sachs & Co., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC, Merrill Lynch Professional Clearing Corp., Mizuho Securities USA LLC, Morgan Stanley & Co. Inc., Scotia Capital (USA) LLC, UBS Securities LLC and Virtu Americas, LLC have each signed an Authorized Participant Agreement with the Trust and, upon the effectiveness of such agreement, may create and redeem Baskets as described above. Persons interested in purchasing Baskets should contact the Sponsor or the Trustee to obtain the contact information for the Authorized Participants. Shareholders who are not Authorized Participants will only be able to redeem their Shares through an Authorized Participant.

All palladium is delivered to the Trust and distributed by the Trust in unallocated form through credits and debits between Authorized Participant Unallocated Accounts and the Trust Unallocated Account. Palladium transferred from an Authorized Participant Unallocated Account to the Trust in unallocated form will first be credited to the Trust Unallocated Account. Thereafter, the Custodian will allocate, or cause the allocation by the Zurich Sub-Custodian of, specific plates or ingots of palladium, in each case representing the amount of palladium credited to the Trust Unallocated Account (to the extent such amount is representable by palladium plates or ingots) to the Trust Allocated Account. The movement of palladium is reversed for the distribution of palladium to an Authorized Participant in connection with the redemption of Baskets.

All physical palladium represented by a credit to any Authorized Participant Unallocated Account and to the Trust Unallocated Account and all physical palladium held in the Trust Allocated Account with the Custodian or for the Custodian by the Zurich Sub-Custodian must be of at least a minimum fineness (or purity) of 999.5 parts per 1,000 (99.95%) and otherwise conform to the rules, regulations practices and customs of the LPPM, including the specifications for a Good Delivery Palladium Plate or Ingot.

Under the Authorized Participant Agreement, the Sponsor has agreed to indemnify the Authorized Participants against certain liabilities, including liabilities under the Securities Act.

Loco London and Loco Zurich Palladium Delivery Elections.

Authorized Participants can elect to deliver palladium loco London or loco Zurich in connection with the creation of a Basket. Authorized Participants can also elect to receive delivery of palladium loco London or loco Zurich in connection with the redemption of a Basket. A Basket creation order that elects a loco London or loco Zurich delivery of palladium will cause the Custodian to effect an allocation of such palladium to the Trust Allocated Account maintained by the Custodian in its London vault premises or by the Zurich Sub-Custodian in its Zurich vault premises. Likewise, a Basket redemption order that elects a loco London or loco Zurich delivery of palladium will cause the Custodian to effect a de-allocation of palladium necessary to satisfy such redemption requests from the Trust Allocated Account maintained by the Custodian to the Trust Unallocated Account.

In the event that there is not sufficient palladium in the Trust Allocated Account in London to satisfy loco London redemptions, the Custodian shall cause the Zurich Sub-Custodian to de-allocate sufficient palladium held by it for the Trust Allocated Account in Zurich and cause a transfer of palladium from the Trust Unallocated Account maintained by the Custodian in Zurich to the Authorized Participant Unallocated Account maintained in London. Likewise, in the event that there is not sufficient palladium in the Trust Allocated Account in Zurich to satisfy loco Zurich redemptions, the Custodian will initiate the reverse procedure to transfer palladium from London to Zurich. These transfers between London and Zurich unallocated accounts will generally occur pursuant to loco swap arrangements and will not expose the Authorized Participant or the Trust to any additional expense. The Custodian has assumed the responsibility and expenses for loco swap transfers and shall bear any risk of loss related to the palladium being transferred. If no loco swap counterparty is available, the Custodian shall arrange, at its own expense and risk, for the physical transportation of palladium between the Zurich Sub-Custodian's Zurich vault premises and the Custodian's London vault premises. If such a loco swap or physical transfer is necessary to effect a loco London or loco Zurich redemption, the settlement of loco London or loco Zurich redemption deliveries may be delayed more than two, but not more than five, business days. The Custodian, in its sole discretion, has the right to limit the location where Authorized Participants can elect to receive delivery of palladium to either loco London or loco Zurich.

The following description of the procedures for the creation and redemption of Baskets is only a summary and an investor should refer to the relevant provisions of the Trust Agreement and the form of Authorized Participant Agreement for more detail.

Creation Procedures

On any business day, an Authorized Participant may place an order with the Trustee to create one or more Baskets. Creation and redemption orders are accepted on "business days" the NYSE Arca is open for regular trading. Settlements of such orders requiring receipt or delivery, or confirmation of receipt or delivery, of palladium in the United Kingdom, Zurich or another jurisdiction will occur on "business days" when (1) banks in the United Kingdom, Zurich and such other jurisdiction and (2) the London and Zurich palladium markets are regularly open for business. If such banks or the London or Zurich palladium markets are not open for regular business for a full day, such a day will only be a "business day" for settlement purposes if the settlement procedures can be completed by the end of such day. Redemption settlements including palladium deliveries loco London may be delayed longer than two, but no more than five, business days following the redemption order date. Settlement of orders requiring receipt or delivery, or confirmation of receipt or delivery, of Shares will occur, after confirmation of the applicable palladium delivery, on "business days" when the NYSE Arca is open for regular trading. In the event of a level 3 market-wide circuit breaker resulting in a trading halt for the remainder of the trading day, the time of the market-wide trading halt is considered the close of regular trading and no creation orders for the current trade date will be accepted after that time (the "cutoff"). Orders placed after the cutoff will be deemed to be rejected and will not be processed. Orders should be placed in proper form on the following business day. Purchase orders must be placed no later than 3:59:59 p.m. on each business day the NYSE Arca is open for regular trading.

By placing a purchase order, an Authorized Participant agrees to deposit palladium with the Trust. Prior to the delivery of Baskets for a purchase order, the Authorized Participant must also have wired to the Trustee the non-refundable transaction fee due for the purchase order.

Determination of required deposits

The amount of the required palladium deposit is determined by dividing the number of ounces of palladium held by the Trust by the number of Baskets outstanding, as adjusted for the amount of palladium constituting estimated accrued but unpaid fees and expenses of the Trust.

Fractions of a fine ounce of palladium smaller than 0.001 of a fine ounce which are included in the palladium deposit amount are disregarded in the foregoing calculation. All questions as to the composition of a Creation Basket Deposit will be finally determined by the Trustee. The Trustee's determination of the Creation Basket Deposit shall be final and binding on all persons interested in the Trust.

Delivery of required deposits

An Authorized Participant who places a purchase order is responsible for crediting its Authorized Participant Unallocated Account with the required palladium deposit amount by the second business day in London or Zurich, as, applicable, following the purchase order date. Upon receipt of the palladium deposit amount, the Custodian, after receiving appropriate instructions from the Authorized Participant and the Trustee, will transfer on the second business day following the purchase order date the palladium deposit amount from the Authorized Participant Unallocated Account to the Trust Unallocated Account and the Trustee will direct DTC to credit the number of Baskets ordered to the Authorized Participant's DTC account. The expense and risk of delivery, ownership and safekeeping of palladium until such palladium has been received by the Trust shall be borne solely by the Authorized Participant. The Trustee may accept delivery of palladium by such other means as the Sponsor, from time to time, may determine with the Trustee to be acceptable for the Trust, provided that the same is disclosed in a prospectus relating to the Trust filed with the SEC pursuant to Rule 424 under the Securities Act. If palladium is to be delivered other than as described above, the Sponsor is authorized to establish such procedures and to appoint such custodians and establish such custody accounts in addition to those described in this report, as the Sponsor determines to be desirable.

Acting on standing instructions given by the Trustee, the Custodian will transfer the palladium deposit amount from the Trust Unallocated Account to the Trust Allocated Account by transferring palladium plates and ingots from its inventory or the inventory of the Zurich Sub-Custodian to the Trust Allocated Account. The Custodian uses commercially reasonable efforts to complete the transfer of palladium to the Trust Allocated Account prior to the time by which the Trustee is to credit the Basket to the Authorized Participant's DTC account; if, however, such transfers have not been completed by such time, the number of Baskets ordered will be delivered against receipt of the palladium deposit amount in the Trust Unallocated Account, and all Shareholders will be exposed to the risks of unallocated palladium to the extent of that palladium deposit amount until the Custodian completes the allocation process or a Zurich Sub-Custodian completes the allocation process for the Custodian. See "Risk Factors—Palladium held in the Trust's unallocated palladium account and any Authorized Participant's unallocated palladium account is not segregated from the Custodian's assets..."

Because palladium is only allocated in multiples of whole plates or ingots, the amount of palladium allocated from the Trust Unallocated Account to the Trust Allocated Account may be less than the total fine ounces of palladium credited to the Trust Unallocated Account. Any balance will be held in the Trust Unallocated Account. The Custodian uses commercially reasonable efforts to minimize the amount of palladium held in the Trust Unallocated Account; no more than 192.904 troy ounces of palladium (maximum weight to make one Good Delivery Palladium Plate or Ingot) is expected to be held in the Trust Unallocated Account at the close of each business day.

Rejection of purchase orders

The Trustee may reject a purchase order or a Creation Basket Deposit if such order or Creation Basket Deposit is not presented in proper form as described in the Authorized Participant Agreement or if the fulfillment of the order, in the opinion of counsel, might be unlawful. None of the Trustee, the Sponsor or the Custodian will be liable for the rejection of any purchase order or Creation Basket Deposit.

Redemption Procedures

The procedures by which an Authorized Participant can redeem one or more Baskets mirror the procedures for the creation of Baskets. On any business day, an Authorized Participant may place an order with the Trustee to redeem one or more Baskets. Redemption orders must be placed no later than 3:59:59 p.m. on each business day the NYSE Arca is open for regular trading. In the event of a level 3 market-wide circuit breaker resulting in a trading halt for the remainder of the trading day, the time of the market wide trading halt is considered the close of regular trading and no redemption orders for the current trade date will be accepted after that time (the "cutoff"). Orders placed after the cutoff will be deemed to be rejected and will not be processed. Orders should be placed in proper form on the following business day. A redemption order so received is effective on the date it is received in satisfactory form by the Trustee. The redemption procedures allow Authorized Participants to redeem Baskets and do not entitle an individual Shareholder to redeem any Shares in an amount less than a Basket, or to redeem Baskets other than through an Authorized Participant.

By placing a redemption order, an Authorized Participant agrees to deliver the Baskets to be redeemed through DTC's book entry system to the Trust not later than the second business day following the effective date of the redemption order. Prior to the delivery of the redemption distribution for a redemption order, the Authorized Participant must also have wired to the Trustee the non-refundable transaction fee due for the redemption order.

Determination of redemption distribution

The redemption distribution from the Trust consists of a credit to the redeeming Authorized Participant's Authorized Participant Unallocated Account representing the amount of the palladium held by the Trust evidenced by the Shares being redeemed. Fractions of a fine ounce of palladium included in the redemption distribution smaller than 0.001 of a fine ounce are disregarded.

Redemption distributions will be subject to the deduction of any applicable tax or other governmental charges which may be due.

Delivery of redemption distribution

The redemption distribution due from the Trust will be delivered to the Authorized Participant on the second business day following a loco Zurich redemption order date if, by 10:00 a.m. New York time on such second business day, the Trustee's DTC account has been credited with the Baskets to be redeemed. The redemption distribution due from the Trust will be delivered to the Authorized Participant on or before the fifth business day following a loco London redemption order date if, by 10:00 a.m. New York time on the second business day after the loco London redemption order date, the Trustee's DTC account has been credited with the Baskets to be redeemed. If a loco swap or physical transfer is necessary to effect a loco London or loco Zurich redemption, the redemption distribution due from the Trust will be delivered to the Authorized Participant on or before the fifth business day following such a loco London or loco Zurich redemption order date if, by 10:00 a.m. New York time on the second business day after the loco London or loco Zurich redemption order date, the Trustee's DTC account has been credited with the Baskets to be redeemed. In the event that, by 10:00 a.m. New York time on the second business day following the order date of a redemption order, the Trustee's DTC account has not been credited with the total number of Shares corresponding to the total number of Baskets to be redeemed pursuant to such redemption order, the Trustee shall send to the Authorized Participant and the Custodian via fax or electronic mail message notice of such fact and the Authorized Participant shall have two business days following receipt of such notice to correct such failure. If such failure is not cured within such two business day period, the Trustee (in consultation with the Sponsor) will cancel such redemption order and will send via fax or electronic mail message notice of such cancellation to the Authorized Participant and the Custodian, and the Authorized Participant will be solely responsible for all costs incurred by the Trust, the Trustee or the Custodian related to the cancelled order. The Trustee is also authorized to deliver the redemption distribution notwithstanding that the Baskets to be redeemed are not credited to the Trustee's DTC account by 10:00 a.m. New York time on the second business day following the redemption order date if the Authorized Participant has collateralized its obligation to deliver the Baskets through DTC's book entry system on such terms as the Sponsor and the Trustee may from time to time agree upon.

The Custodian transfers the redemption palladium amount from the Trust Allocated Account to the Trust Unallocated Account and, thereafter, to the redeeming Authorized Participant's Authorized Participant Unallocated Account. The Authorized Participant and the Trust are each at risk in respect of palladium credited to their respective unallocated accounts in the event of the Custodian's insolvency. See "Risk Factors—Palladium held in the Trust's unallocated palladium account and any Authorized Participant's unallocated palladium account is not segregated from the Custodian's assets..."

As with the allocation of palladium to the Trust Allocated Account which occurs upon a purchase order, if in transferring palladium from the Trust Allocated Account to the Trust Unallocated Account in connection with a redemption order there is an excess amount of palladium transferred to the Trust Unallocated Account, the excess over the palladium redemption amount will be held in the Trust Unallocated Account. The Custodian uses commercially reasonable efforts to minimize the amount of palladium held in the Trust Unallocated Account; no more than 192.904 ounces of palladium (maximum weight to make one Good Delivery Palladium Plate or Ingot) is expected to be held in the Trust Unallocated Account at the close of each business day.

Suspension or rejection of redemption orders

The Trustee may, in its discretion, and will when directed by the Sponsor, suspend the right of redemption, or postpone the redemption settlement date, (1) for any period during which the NYSE Arca is closed other than customary weekend or holiday closings, or trading on the NYSE Arca is suspended or restricted or (2) for any period during which an emergency exists as a result of which delivery, disposal or evaluation of palladium is not reasonably practicable. None of the Sponsor, the Trustee or the Custodian are liable to any person or in any way for any loss or damages that may result from any such suspension or postponement.

The Trustee will reject a redemption order if the order is not in proper form as described in the Authorized Participant Agreement or if the fulfillment of the order, in the opinion of its counsel, might be unlawful.

Creation and Redemption Transaction Fee

To compensate the Trustee for services in processing the creation and redemption of Baskets, an Authorized Participant is required to pay a transaction fee to the Trustee of \$500 per order to create or redeem Baskets. An order may include multiple Baskets. The transaction fee may be reduced, increased or otherwise changed by the Trustee with the consent of the Sponsor. From time to time, the Trustee, with the consent of the Sponsor, may waive all or a portion of the applicable transaction fee. The Trustee shall notify DTC of any agreement to change the transaction fee and will not implement any increase in the fee for the redemption of Baskets until 30 days after the date of the notice.

The Sponsor

The Trust's Sponsor is abrtn ETFs Sponsor LLC (known as Aberdeen Standard Investments ETFs Sponsor LLC prior to March 1, 2022 and ETF Securities USA LLC prior to October 1, 2018), a Delaware limited liability company formed on June 17, 2009.

The Sponsor's office is located at c/o abrtn ETFs Sponsor LLC, 1900 Market Street, Suite 200, Philadelphia, PA 19103. Prior to April 27, 2018, the Sponsor was wholly-owned by ETF Securities Limited, a Jersey, Channel Islands based company. Effective April 27, 2018, ETF Securities Limited sold its membership interest in the Sponsor to abrtn Inc. (known as Aberdeen Standard Investments Inc. prior to January 1, 2022), a Delaware corporation. As a result of the sale, abrtn Inc. became the sole member of the Sponsor. abrtn Inc. is a wholly-owned indirect subsidiary of abrtn plc, which together with its affiliates and subsidiaries, is collectively referred to as "abrtn." Under the Delaware Limited Liability Company Act and the governing documents of the Sponsor, the sole member of the Sponsor, abrtn Inc., is not responsible for the debts, obligations and liabilities of the Sponsor solely by reason of being the sole member of the Sponsor.

The Sponsor's Role

The Sponsor arranged for the creation of the Trust, and is responsible for the ongoing registration of the Shares for their public offering in the United States and the listing of the Shares on the NYSE Arca. The Sponsor has agreed to assume the following administrative and marketing expenses incurred by the Trust: the Trustee's monthly fee and out-of-pocket expenses, the Custodian's fee and the reimbursement of the Custodian's expenses under the Custody Agreements, Exchange listing fees, SEC registration fees, printing and mailing costs, audit fees and up to \$100,000 per annum in legal expenses. The Sponsor also paid the costs of the Trust's organization and the initial sale of the Shares, including the applicable SEC registration fees.

The Sponsor does not exercise day-to-day oversight over the Trustee or the Custodian. The Sponsor may remove the Trustee and appoint a successor Trustee (i) if the Trustee ceases to meet certain objective requirements (including the requirement that it have capital, surplus and undivided profits of at least \$150 million), (ii) if, having received written notice of a material breach of its obligations under the Trust Agreement, the Trustee has not cured the breach within 30 days, or (iii) if the Trustee refuses to consent to the implementation of an amendment to the Trust's initial Internal Control Over Financial Reporting. The Sponsor also has the right to replace the Trustee during the 90 days following any merger, consolidation or conversion in which the Trustee is not the surviving entity or, in its discretion, on the fifth anniversary of the creation of the Trust or on any subsequent third anniversary thereafter. The Sponsor also has the right to approve any new or additional custodian that the Trustee may wish to appoint and any new or additional sub-custodian, including the Zurich Sub-Custodian, that the Custodian may wish to appoint.

The Sponsor or one of its affiliates or agents (1) develops a marketing plan for the Trust on an ongoing basis, (2) prepares marketing materials regarding the Shares, including the content of the Trust's website and (3) executes the marketing plan for the Trust.

The Trustee

The Bank of New York Mellon, a banking corporation organized under the laws of the State of New York with trust powers ("BNYM"), serves as the Trustee. BNYM has a trust office at 240 Greenwich Street, New York, NY 10286. BNYM is subject to supervision by the New York State Financial Services Department and the Board of Governors of the Federal Reserve System. Information regarding creation and redemption Basket composition, NAV of the Trust, transaction fees and the names of the parties that have each executed an Authorized Participant Agreement may be obtained from BNYM. A copy of the Trust Agreement is available for inspection at BNYM's trust office identified above. Under the Trust Agreement, the Trustee is required to have capital, surplus and undivided profits of at least \$150 million.

The Trustee's Role

The Trustee is generally responsible for the day-to-day administration of the Trust, including keeping the Trust's operational records. The Trustee's principal responsibilities include (1) transferring the Trust's palladium as needed to pay the Sponsor's Fee in palladium (palladium transfers are expected to occur approximately monthly in the ordinary course), (2) valuing the Trust's palladium and calculating the NAV of the Trust and the NAV per Share, (3) receiving and processing orders from Authorized Participants to create and redeem Baskets and coordinating the processing of such orders with the Custodian and DTC, (4) selling the Trust's palladium as needed to pay any extraordinary Trust expenses that are not assumed by the Sponsor, (5) when appropriate, making distributions of cash or other property to Shareholders, and (6) receiving and reviewing reports from or on the Custodian's custody of and transactions in the Trust's palladium. The Trustee shall, with respect to directing the Custodian, act in accordance with the instructions of the Sponsor. If the Custodian resigns, the Trustee shall appoint an additional or replacement Custodian selected by the Sponsor.

The Trustee intends to regularly communicate with the Sponsor to monitor the overall performance of the Trust. The Trustee does not monitor the performance of the Custodian, the Zurich Sub-Custodian, or any other sub-custodian other than to review the reports provided by the Custodian pursuant to the Custody Agreements. The Trustee, along with the Sponsor, will liaise with the Trust's legal, accounting and other professional service providers as needed. The Trustee will assist and support the Sponsor with the preparation of all periodic reports required to be filed with the SEC on behalf of the Trust.

The Trustee's monthly fees and out-of-pocket expenses are paid by the Sponsor.

Affiliates of the Trustee may from time to time act as Authorized Participants or purchase or sell palladium or Shares for their own account, as agent for their customers and for accounts over which they exercise investment discretion. Affiliates of the Trustee are subject to the same transaction fee as other Authorized Participants.

The Custodian

JPMorgan Chase Bank, N.A. (“JPMorgan”) serves as the Custodian of the Trust’s palladium. JPMorgan is a national banking association organized under the laws of the United States of America. JPMorgan is subject to supervision by the Federal Reserve Bank of New York and the Federal Deposit Insurance Corporation. JPMorgan’s London office is regulated by the FCA and is located at 25 Bank Street, Canary Wharf, London, E14 5JP, United Kingdom. JPMorgan is a subsidiary of JPMorgan Chase & Co. While the United Kingdom operations of the Custodian are regulated by the FCA, the custodial services provided by the Custodian and any sub-custodian, including the Zurich Sub-Custodian under the Custody Agreements, are presently not a regulated activity subject to the supervision and rules of the FCA. The Zurich Sub-Custodian selected by the Custodian is UBS AG, which is located at 45 Bahnhofstrasse, 8001 Zurich, Switzerland.

The Custodian’s Role

The Custodian is responsible for the safekeeping of the Trust’s palladium deposited with it by Authorized Participants in connection with the creation of Baskets. The Custodian is also responsible for selecting the Zurich Sub-Custodian and its other direct sub-custodians, if any. The Custodian facilitates the transfer of palladium in and out of the Trust through the unallocated palladium accounts it will maintain for each Authorized Participant and the unallocated and allocated palladium accounts it maintains for the Trust. The Custodian holds at its London, England vault premises that portion of the Trust’s allocated palladium to be held in London. The Zurich Sub-Custodian holds at its Zurich, Switzerland vault premises that portion of the Trust’s allocated palladium to be held in Zurich on behalf of the Custodian. The Custodian is responsible for allocating specific plates or ingots of physical palladium to the Trust’s allocated palladium account. The Custodian provides the Trustee with regular reports detailing the palladium transfers in and out of the Trust’s unallocated and allocated palladium accounts and identifying the palladium plates or ingots held in the Trust’s allocated palladium account.

The Custodian’s fees and expenses under the Custody Agreements are paid by the Sponsor.

The Custodian and its affiliates may from time to time act as Authorized Participants or purchase or sell palladium or Shares for their own account, as agent for their customers and for accounts over which they exercise investment discretion. The Custodian and its affiliates are subject to the same transaction fee as other Authorized Participants.

Inspection of Palladium

Under the Custody Agreements, the Trustee, the Sponsor and the Trust’s auditors and inspectors may, only up to twice a year, visit the premises of the Custodian and the Zurich Sub-Custodian for the purpose of examining the Trust’s palladium and certain related records maintained by the Custodian. Under the Allocated Account Agreement, the Custodian agreed to procure similar inspection rights from the Zurich Sub-Custodian. Any such inspection rights with respect to the Zurich Sub-Custodian are expected to be granted in accordance with the normal course of dealing between the Custodian and the Zurich Sub-Custodian. Visits by auditors and inspectors to the Zurich Sub-Custodian’s facilities will be arranged through the Custodian. Other than with respect to the Zurich Sub-Custodian, the Trustee and the Sponsor have no right to visit the premises of any sub-custodian for the purposes of examining the Trust’s palladium or any records maintained by the sub-custodian, and no sub-custodian is obligated to cooperate in any review the Trustee or the Sponsor may wish to conduct of the facilities, procedures, records or creditworthiness of such sub-custodian.

The Sponsor has exercised its right to visit the Custodian and the Zurich Sub-Custodian, in order to examine the palladium and the records maintained by the Custodian. Inspections were conducted by Bureau Veritas Commodities UK Ltd, a leading commodity inspection and testing company retained by the Sponsor, as of July 7, 2023 and December 31, 2023.

There can be no guarantee that the Sponsor or the Trust's auditors and inspectors will be able to perform physical inspections of the Trust's palladium as planned. Local policies, regulations, or ordinances, as well as policies or restrictions adopted by the Custodian or a sub-custodian, may temporarily prevent, or otherwise impair the ability of, the Sponsor or the Trust's auditors and inspectors, from performing a physical inspection of the Trust's palladium on a desired date. In those situations, the Sponsor or the Trust's auditors and inspectors may seek to verify the palladium held by the Trust by alternate means, including through virtual inspections of the Trust's palladium and/or a review of pertinent records.

Description of the Shares

General

The Trustee is authorized under the Trust Agreement to create and issue an unlimited number of Shares. The Trustee creates Shares only in Baskets and only upon the order of an Authorized Participant. Effective April 1, 2019, the number of Shares that constitute a Basket for the purposes of creations and redemptions is 25,000 Shares. Prior to April 1, 2019, a Basket consisted of 50,000 Shares. The Shares represent units of fractional undivided beneficial interest in and ownership of the Trust and have no par value. Any creation and issuance of Shares above the amount registered on the Trust's then-current and effective registration statement with the SEC will require the registration of such additional Shares.

Description of Limited Rights

The Shares do not represent a traditional investment and Shareholders should not view them as similar to shares of a corporation operating a business enterprise with management and a board of directors. Shareholders do not have the statutory rights normally associated with the ownership of shares of a corporation, including, for example, the right to bring "oppression" or "derivative" actions. All Shares are of the same class with equal rights and privileges. Each Share is transferable, is fully paid and non-assessable and entitles the holder to vote on the limited matters upon which Shareholders may vote under the Trust Agreement. The Shares do not entitle their holders to any conversion or pre-emptive rights, or, except as provided below, any redemption rights or rights to distributions.

Distributions

If the Trust is terminated and liquidated, the Trustee will distribute to the Shareholders any amounts remaining after the satisfaction of all outstanding liabilities of the Trust and the establishment of such reserves for applicable taxes, other governmental charges and contingent or future liabilities as the Trustee shall determine. Shareholders of record on the record date fixed by the Trustee for a distribution will be entitled to receive their pro rata portion of any distribution.

Voting and Approvals

Under the Trust Agreement, Shareholders have no voting rights, except in limited circumstances. The Trustee may terminate the Trust upon the agreement of Shareholders owning at least 75% of the outstanding Shares. In addition, certain amendments to the Trust Agreement require advance notice to the Shareholders before the effectiveness of such amendments, but no Shareholder vote or approval is required for any amendment to the Trust Agreement.

Redemption of the Shares

The Shares may only be redeemed by or through an Authorized Participant and only in Baskets.

Book-Entry Form

Individual certificates will not be issued for the Shares. Instead, one or more global certificates is deposited by the Trustee with DTC and registered in the name of Cede & Co., as nominee for DTC. The global certificates evidence all of the Shares outstanding at any time. Under the Trust Agreement, Shareholders are limited to (1) participants in DTC such as banks, brokers, dealers and trust companies (DTC Participants), (2) those who maintain, either directly or indirectly, a custodial relationship with a DTC Participant (Indirect Participants), and (3) those banks, brokers, dealers, trust companies and others who hold interests in the Shares through DTC Participants or Indirect Participants. The Shares are only transferable through the book-entry system of DTC. Shareholders who are not DTC Participants may transfer their Shares through DTC by instructing the DTC Participant holding their Shares (or by instructing the Indirect Participant or other entity through which their Shares are held) to transfer the Shares. Transfers will be made in accordance with standard securities industry practice.

Custody of the Trust's Palladium

Custody of the physical palladium deposited with and held by the Trust is provided by the Custodian at its London, England vaults and by the Zurich Sub-Custodian selected by the Custodian in its Zurich, Switzerland vaults and by other sub-custodians on a temporary basis. The Custodian is a market maker, clearer and approved weigher under the rules of the LPPM.

The Custodian is the custodian of the physical palladium credited to the Trust Allocated Account in accordance with the Custody Agreements. The Custodian segregates the physical palladium credited to the Trust's Allocated Account from any other precious metal it holds or holds for others by entering appropriate entries in its books and records, and requires the Zurich Sub-Custodian to also segregate the physical palladium of the Trust that it holds from the other palladium held by it for other customers of the Custodian and the Zurich Sub-Custodian's other customers. The Custodian requires the Zurich Sub-Custodian to identify in its books and records the Trust as having the rights to the physical palladium credited to its Trust Allocated Account. Under the Custody Agreements, the Trustee, the Sponsor and the Trust's auditors and inspectors may inspect the vaults of the Custodian and the Zurich Sub-Custodian. See "Inspection of Platinum".

The Custodian, as instructed by the Trustee on behalf of the Trust, is authorized to accept, on behalf of the Trust, deposits of palladium in unallocated form. Acting on standing instructions specified in the Custody Agreements, the Custodian allocates, or requires the Zurich Sub-Custodian to allocate, palladium deposited in unallocated form with the Trust by selecting plates or ingots of palladium for deposit to the Trust Allocated Account. All physical palladium allocated to the Trust must conform to the rules, regulations, practices and customs of the LPPM, and the Custodian must replace any non-conforming palladium with conforming palladium as soon as practical upon a determination by the Custodian any palladium is non-conforming.

The process of withdrawing palladium from the Trust for a redemption of a Basket follows the same general procedure as for depositing palladium with the Trust for a creation of a Basket, only in reverse. Each transfer of palladium between the Trust Allocated Account and the Trust Unallocated Account connected with a creation or redemption of a Basket may result in a small amount of palladium being held in the Trust Unallocated Account after the completion of the transfer. In making deposits and withdrawals between the Trust Allocated Account and the Trust Unallocated Account, the Custodian will use commercially reasonable efforts to minimize the amount of palladium held in the Trust Unallocated Account as of the close of each business day. See "Creation and Redemption of Shares."

United States Federal Income Tax Consequences

The following discussion of the material US federal income tax consequences generally applies to the purchase, ownership and disposition of Shares by a US Shareholder (as defined below), and certain US federal income tax consequences that may apply to an investment in Shares by a Non-US Shareholder (as defined below). The discussion is based on the United States Internal Revenue Code of 1986 as amended (the "Code"). The discussion below is based on the Code, United States Treasury Regulations ("Treasury Regulations") promulgated under the Code and judicial and administrative interpretations of the Code, all as in effect on the date of this annual report and all of which are subject to change either prospectively or retroactively. The tax treatment of Shareholders may vary depending upon their own particular circumstances. Certain Shareholders (including broker-dealers, traders, banks and other financial institutions, insurance companies, real estate investment trusts, tax-exempt entities, Shareholders whose functional currency is not the U.S. Dollar or other investors with special circumstances) may be subject to special rules not discussed below. In addition, the following discussion applies only to investors who hold Shares as "capital assets" within the meaning of Code section 1221 and not as part of a straddle, hedging transaction or a conversion or constructive sale transaction. Moreover, the discussion below does not address the effect of any state, local or foreign tax law or any transfer tax on an owner of Shares. Purchasers of Shares are urged to consult their own tax advisors with respect to all federal, state, local and foreign tax law or any transfer tax considerations potentially applicable to their investment in Shares.

For purposes of this discussion, a “US Shareholder” is a Shareholder that is:

- An individual who is a citizen or resident of the United States;
- A corporation (or other entity treated as a corporation for US federal tax purposes) created or organized in or under the laws of the United States or any political subdivision thereof;
- An estate, the income of which is includible in gross income for US federal income tax purposes regardless of its source; or
- A trust, if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust.

Taxation of the Trust

The Trust is classified as a “grantor trust” for US federal income tax purposes. As a result, the Trust itself is not subject to US federal income tax. Instead, the Trust’s income and expenses “flow through” to the Shareholders, and the Trustee reports the Trust’s income, gains, losses and deductions to the Internal Revenue Service (“IRS”) on that basis.

A Shareholder that is not a US Shareholder as defined above (other than a partnership, or an entity treated as a partnership for US federal tax purposes) generally is considered a “Non-US Shareholder” for purposes of this discussion. For US federal income tax purposes, the treatment of any beneficial owner of an interest in a partnership, including any entity treated as a partnership for US federal income tax purposes, generally depends upon the status of the partner and upon the activities of the partnership. Partnerships and partners in partnerships should consult their tax advisors about the US federal income tax consequences of purchasing, owning and disposing of Shares.

Taxation of US Shareholders

Shareholders generally are treated, for US federal income tax purposes, as if they directly owned a pro rata share of the underlying assets held by the Trust. Shareholders are also treated as if they directly received their respective pro rata share of the Trust’s income, if any, and as if they directly incurred their respective pro rata share of the Trust’s expenses. In the case of a Shareholder that purchases Shares for cash, its initial tax basis in its pro rata share of the assets held in the Trust at the time it acquires its Shares is equal to its cost of acquiring the Shares. In the case of a Shareholder that acquires its Shares as part of a creation of a Basket, the delivery of palladium to the Trust in exchange for the Shares is not a taxable event to the Shareholder, and the Shareholder’s tax basis and holding period for the Shares are the same as its tax basis and holding period for the palladium delivered in exchange therefore (except to the extent of any cash contributed for such Shares). For purposes of this discussion, it is assumed that all of a Shareholder’s Shares are acquired on the same date and at the same price per Share. Shareholders that hold multiple lots of Shares, or that are contemplating acquiring multiple lots of Shares, should consult their tax advisors.

When the Trust sells or transfers palladium, for example to pay expenses, a Shareholder generally will recognize a gain or loss in an amount equal to the difference between (1) the Shareholder's pro rata share of the amount realized by the Trust upon the sale or transfer and (2) the Shareholder's tax basis for its pro rata share of the palladium that was sold or transferred. Such gain or loss will generally be long-term or short-term capital gain or loss, depending upon whether the Shareholder has a holding period in its Shares of longer than one year. A Shareholder's tax basis for its share of any palladium sold by the Trust generally will be determined by multiplying the Shareholder's total basis for its Shares immediately prior to the sale, by a fraction the numerator of which is the amount of palladium sold, and the denominator of which is the total amount of the palladium held by the Trust immediately prior to the sale. After any such sale, a Shareholder's tax basis for its pro rata share of the palladium remaining in the Trust will be equal to its tax basis for its Shares immediately prior to the sale, less the portion of such basis allocable to its share of the palladium that was sold.

Upon a Shareholder's sale of some or all of its Shares, the Shareholder will be treated as having sold a pro rata share of the palladium held in the Trust at the time of the sale. Accordingly, the Shareholder generally will recognize a gain or loss on the sale in an amount equal to the difference between (1) the amount realized pursuant to the sale of the Shares, and (2) the Shareholder's tax basis for the Shares sold, as determined in the manner described in the preceding paragraph.

A redemption of some or all of a Shareholder's Shares in exchange for the underlying palladium represented by the Shares redeemed generally will not be a taxable event to the Shareholder. The Shareholder's tax basis for the palladium received in the redemption generally will be the same as the Shareholder's tax basis for the Shares redeemed. The Shareholder's holding period with respect to the palladium received should include the period during which the Shareholder held the Shares redeemed. A subsequent sale of the palladium received by the Shareholder will be a taxable event.

An Authorized Participant and other investors may be able to re-invest, on a tax-deferred basis, in-kind redemption proceeds received from exchange-traded products that are substantially similar to the Trust in the Trust's Shares. Authorized Participants and other investors should consult their tax advisors as to whether and under what circumstances the reinvestment in the Shares of proceeds from substantially similar exchange-traded products can be accomplished on a tax-deferred basis.

Under current law, gains recognized by individuals, estates or trusts from the sale of "collectibles," including physical palladium, held for more than one year are taxed at a maximum federal income tax rate of 28%, rather than the 20% rate applicable to most other long-term capital gains. For these purposes, gains recognized by an individual upon the sale of Shares held for more than one year, or attributable to the Trust's sale of any physical palladium which the Shareholder is treated (through its ownership of Shares) as having held for more than one year, generally will be taxed at a maximum rate of 28%. The tax rates for capital gains recognized upon the sale of assets held by an individual US Shareholder for one year or less or by a corporate taxpayer are generally the same as those at which ordinary income is taxed.

In addition, high-income individuals and certain trusts and estates are subject to a 3.8% Medicare contribution tax that is imposed on net investment income and gain. Shareholders should consult their tax advisor regarding this tax.

Brokerage Fees and Trust Expenses

Any brokerage or other transaction fees incurred by a Shareholder in purchasing Shares is treated as part of the Shareholder's tax basis in the Shares. Similarly, any brokerage fee incurred by a Shareholder in selling Shares reduces the amount realized by the Shareholder with respect to the sale.

Shareholders will be required to recognize gain or loss upon a sale of palladium by the Trust (as discussed above), even though some or all of the proceeds of such sale are used by the Trustee to pay Trust expenses. Shareholders may deduct their respective pro rata share of each expense incurred by the Trust to the same extent as if they directly incurred the expense. Shareholders who are individuals, estates or trusts, however, may be required to treat some or all of the expenses of the Trust, to the extent that such expenses may be deducted, as miscellaneous itemized deductions. Miscellaneous itemized deductions, including expenses for the production of income, will not be deductible for either regular federal income tax or alternative minimum tax purposes for taxable years beginning after December 31, 2017 and before January 1, 2026 and thereafter generally are (i) deductible only to the extent that the aggregate of a Shareholder's miscellaneous itemized deductions exceeds 2% of such Shareholder's adjusted gross income for federal income tax purposes, (ii) not deductible for the purposes of the alternative minimum tax and (iii) are subject to the overall limitation on itemized deductions under the Code.

Investment by Regulated Investment Companies

Mutual funds and other investment vehicles which are “regulated investment companies” within the meaning of Code section 851 should consult with their tax advisors concerning (1) the likelihood that an investment in Shares, although they are a “security” within the meaning of the Investment Company Act of 1940, may be considered an investment in the underlying palladium for purposes of Code section 851(b), and (2) the extent to which an investment in Shares might nevertheless be consistent with preservation of their qualification under Code section 851. In administrative guidance, the IRS stated that it will no longer issue rulings under Code section 851(b) relating to the determination of whether or not an instrument or position is a “security”, but, instead, intends to defer to guidance from the SEC for such determination.

United States Information Reporting and Backup Withholding Tax for US and Non-US Shareholders

The Trustee or the appropriate broker will file certain information returns with the IRS, and provides certain tax-related information to Shareholders, in accordance with applicable Treasury Regulations. Each Shareholder will be provided with information regarding its allocable portion of the Trust’s annual income (if any) and expenses.

A US Shareholder may be subject to US backup withholding tax in certain circumstances unless it provides its taxpayer identification number and complies with certain certification procedures. Non-US Shareholders may have to comply with certification procedures to establish that they are not a US person in order to avoid the backup withholding tax.

The amount of any backup withholding tax will be allowed as a credit against a Shareholder’s US federal income tax liability and may entitle such a Shareholder to a refund, provided that the required information is furnished to the IRS.

Income Taxation of Non-US Shareholders

The Trust does not expect to generate taxable income except for gains (if any) upon the sale of palladium. A Non-US Shareholder generally is not subject to US federal income tax with respect to gains recognized upon the sale or other disposition of Shares, or upon the sale of palladium by the Trust, unless (1) the Non-US Shareholder is an individual and is present in the United States for 183 days or more during the taxable year of the sale or other disposition, and the gain is treated as being from United States sources; or (2) the gain is effectively connected with the conduct by the Non-US Shareholder of a trade or business in the United States.

Taxation in Jurisdictions other than the United States

Prospective purchasers of Shares that are based in or acting out of a jurisdiction other than the United States are advised to consult their own tax advisers as to the tax consequences, under the laws of such jurisdiction (or any other jurisdiction not being the United States to which they are subject), of their purchase, holding, sale and redemption of or any other dealing in Shares and, in particular, as to whether any value added tax, other consumption tax or transfer tax is payable in relation to such purchase, holding, sale, redemption or other dealing.

ERISA and Related Considerations

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and/or Code section 4975 impose certain requirements on certain employee benefit plans and certain other plans and arrangements, including individual retirement accounts and annuities, Keogh plans, and certain commingled investment vehicles or insurance company general or separate accounts in which such plans or arrangements are invested (collectively, “Plans”), and on persons who are fiduciaries with respect to the investment of “plan assets” of a Plan. Government plans and some church plans are not subject to the fiduciary responsibility provisions of ERISA or the provisions of section 4975 of the Code, but may be subject to substantially similar rules under other federal law, or under state or local law (“Other Law”).

In contemplating an investment of a portion of Plan assets in Shares, the Plan fiduciary responsible for making such investment should carefully consider, taking into account the facts and circumstances of the Plan and the “Risk Factors” discussed above and whether such investment is consistent with its fiduciary responsibilities under ERISA or Other Law, including, but not limited to: (1) whether the investment is permitted under the Plan’s governing documents, (2) whether the fiduciary has the authority to make the investment, (3) whether the investment is consistent with the Plan’s funding objectives, (4) the tax effects of the investment on the Plan, and (5) whether the investment is prudent considering the factors discussed in this report. In addition, ERISA and Code section 4975 prohibit a broad range of transactions involving assets of a plan and persons who are “parties in interest” under ERISA or “disqualified persons” under section 4975 of the Code. A violation of these rules may result in the imposition of significant excise taxes and other liabilities. Plans subject to Other Law may be subject to similar restrictions.

It is anticipated that the Shares will constitute “publicly offered securities” as defined in the Department of Labor “Plan Asset Regulations,” §2510.3-101 (b)(2) as modified by section 3(42) of ERISA. Accordingly, pursuant to the Plan Asset Regulations, only Shares purchased by a Plan, and not an interest in the underlying assets held in the Trust, should be treated as assets of the Plan, for purposes of applying the “fiduciary responsibility” rules of ERISA and the “prohibited transaction” rules of ERISA and the Code. Fiduciaries of plans subject to Other Law should consult legal counsel to determine whether there would be a similar result under the Other Law.

Investment by Certain Retirement Plans

Code section 408(m) provides that the acquisition of a “collectible” by an individual retirement account (“IRA”) or a participant-directed account maintained under any plan that is tax-qualified under Code section 401(a) (“Tax Qualified Account”) is treated as a taxable distribution from the account to the owner of the IRA, or to the participant for whom the Tax Qualified Account is maintained, of an amount equal to the cost to the account of acquiring the collectible. The term “collectible” is defined to include, with certain exceptions, “any metal or gem”. The IRS has issued several private letter rulings to the effect that a purchase by an IRA, or by a participant-directed account under a Code section 401(a) plan, of publicly-traded shares in a trust holding precious metals will not be treated as resulting in a taxable distribution to the IRA owner or Tax Qualified Account participant under Code section 408(m). However the private letter rulings provide that, if any of the Shares so purchased are distributed from the IRA or Tax Qualified Account to the IRA owner or Tax Qualified Account participant, or if any precious metal is received by such IRA or Tax Qualified Account upon the redemption of any of the Shares purchased by it, the Shares or precious metal so distributed will be subject to federal income tax in the year of distribution, to the extent provided under the applicable provisions of Code sections 408(d), 408(m) or 402. Accordingly, potential IRA or Tax Qualified Account investors are urged to consult with their own professional advisors concerning the treatment of an investment in Shares under Code section 408(m).

Item 1A. Risk Factors

Shareholders should consider carefully the risks described below before making an investment decision. Shareholders should also refer to the other information included in this report, including the Trust’s financial statements and the related notes.

RISKS RELATED TO PALLADIUM

The price of palladium may be affected by the sale of ETVs tracking the palladium markets.

To the extent existing exchange traded vehicles (“ETVs”) tracking the palladium markets represent a significant proportion of demand for physical palladium bullion, large redemptions of the securities of these ETVs could negatively affect physical palladium bullion prices and the price and NAV of the Shares.

Crises may motivate large-scale sales of palladium which could decrease the price of palladium and adversely affect an investment in the Shares.

The possibility of large-scale distress sales of palladium in times of crisis may have a short-term negative impact on the price of palladium and adversely affect an investment in the Shares. For example, the 2008 financial credit crisis resulted in significantly depressed prices of palladium largely due to forced sales and deleveraging from institutional investors such as hedge funds and pension funds as expectations of economic growth slumped. Crises in the future may impair palladium's price performance which would, in turn, adversely affect an investment in the Shares.

Several factors may have the effect of causing a decline in the prices of palladium and a corresponding decline in the price of Shares. Among them:

- A significant increase in palladium hedging activity by palladium producers. Should there be an increase in the level of hedge activity of palladium producing companies, it could cause a decline in world palladium prices, adversely affecting the price of the Shares.
- A significant change in the attitude of speculators, investors and central banks towards palladium. Should the speculative community take a negative view towards palladium or central banking authorities determine to sell national palladium reserves, either event could cause a decline in world palladium prices, negatively impacting the price of the Shares.
- A widening of interest rate differentials between the cost of money and the cost of palladium could negatively affect the price of palladium which, in turn, could negatively affect the price of the Shares.
- A combination of rising money interest rates and a continuation of the current low cost of borrowing palladium could improve the economics of selling palladium forward. This could result in an increase in hedging by palladium mining companies and short selling by speculative interests, which would negatively affect the price of palladium. Under such circumstances, the price of the Shares would be similarly affected.
- Autocatalysts, automobile components that use palladium, accounted for approximately 85% of the net global demand in palladium in 2022. While the automotive sector in China and the US is showing signs of recovery, the European market is currently experiencing declining demand and, in certain cases, solvency concerns. Reduced automotive industry sales in Europe may result in a decline in autocatalyst demand.
- A decline in the global automotive industry may impact the price of palladium and affect the price of the Shares.

Conversely, several factors may trigger a temporary increase in the price of palladium prior to your investment in the Shares. For example, sudden increased investor interest in palladium may cause an increase in world palladium prices, increasing the price of the Shares. If that is the case, you will be buying Shares at prices affected by the temporarily high prices of palladium, and you may incur losses when the causes for the temporary increase disappear.

A decline in the automobile industry or a shift from gasoline-powered to electric vehicles may have the effect of causing a decline in the price of palladium and a corresponding decline in the price of Shares.

Autocatalysts, automobile components for emissions control that use palladium, accounted for approximately 85% of the global demand in palladium in 2022. Increased automotive industry sales may result in an increase in autocatalyst demand. A contraction in the global automotive industry or more widespread acceptance of electric vehicles may decrease demand, thus impacting the price of palladium and the price of Shares.

The value of the Shares relates directly to the value of the palladium held by the Trust and fluctuations in the price of palladium could materially adversely affect an investment in the Shares.

The Shares are designed to mirror as closely as possible the performance of the price of palladium bullion, and the value of the Shares relates directly to the value of the palladium held by the Trust, less the Trust's liabilities (including estimated accrued but unpaid expenses). The price of palladium has fluctuated widely over the past several years. Several factors may affect the price of palladium, including:

- Global palladium supply, which is influenced by such factors as production and cost levels in major palladium-producing countries such as Russia and South Africa. Recycling, autocatalyst demand, industrial demand, jewelry demand and investment demand are also important drivers of palladium supply and demand. Sales of existing stockpiles of palladium have been a key source of supply in the past decade and could potentially soon be exhausted, placing a higher burden on new mine supply;
- Currency exchange rates;
- Interest rates;
- Investment and trading activities of hedge funds and commodity funds
- Global or regional political, economic or financial events and situations; and
- A significant change in investor interest, including in response to online campaigns or other activities specifically targeting investments in palladium.

In addition, investors should be aware that there is no assurance that palladium will maintain its long-term value in terms of purchasing power in the future. In the event that the price of palladium declines, the Sponsor expects the value of an investment in the Shares to decline proportionately.

RISKS RELATED TO THE SHARES

The sale of the Trust's palladium to pay expenses not assumed by the Sponsor, or unexpected liabilities affecting the Trust, at a time of low palladium prices could adversely affect the value of the Shares.

The Trustee sells palladium held by the Trust to pay Trust expenses not assumed by the Sponsor on an as-needed basis irrespective of then-current palladium prices. The Trust is not actively managed and no attempt will be made to buy or sell palladium to protect against or to take advantage of fluctuations in the price of palladium. Consequently, the Trust's palladium may be sold at a time when the palladium price is low, resulting in the sale of more palladium than would be required if the Trust sold when prices were higher. The sale of the Trust's palladium to pay expenses not assumed by the Sponsor, or unexpected liabilities affecting the Trust, at a time of low palladium prices could adversely affect the value of the Shares.

The value of the Shares will be adversely affected if the Trust is required to indemnify the Sponsor or the Trustee under the Trust Agreement.

Under the Trust Agreement, each of the Sponsor and the Trustee has a right to be indemnified from the Trust for any liability or expense it incurs without gross negligence, bad faith, willful misconduct, willful malfeasance or reckless disregard on its part. That means the Sponsor or the Trustee may require the assets of the Trust to be sold in order to cover losses or liability suffered by it. Any sale of that kind would reduce the NAV of the Trust and the value of the Shares.

The Shares may trade at a price which is at, above or below the NAV per Share and any discount or premium in the trading price relative to the NAV per Share may widen as a result of non-concurrent trading hours between the NYSE Arca and London, Zurich and COMEX.

The Shares may trade at, above or below the NAV per Share. The NAV per Share fluctuates with changes in the market value of the Trust's assets. The trading price of the Shares fluctuates in accordance with changes in the NAV per Share as well as market supply and demand. The amount of the discount or premium in the trading price relative to the NAV per Share may be influenced by non-concurrent trading hours between the NYSE Arca and the major palladium markets. While the Shares trade on the NYSE Arca until 4:00 p.m. New York time, liquidity in the market for palladium is reduced after the close of the major world palladium markets, including London, Zurich and the COMEX. As a result, during this time, trading spreads, and the resulting premium or discount on the Shares, may widen.

A possible “short squeeze” due to a sudden increase in demand of Shares that largely exceeds supply may lead to price volatility in the Shares.

Investors may purchase Shares to hedge existing palladium exposure or to speculate on the price of palladium. Speculation on the price of palladium may involve long and short exposures. To the extent aggregate short exposure exceeds the number of Shares available for purchase (for example, in the event that large redemption requests by Authorized Participants dramatically affect Share liquidity), investors with short exposure may have to pay a premium to repurchase Shares for delivery to Share lenders. Those repurchases may in turn, dramatically increase the price of the Shares until additional Shares are created through the creation process. This is often referred to as a “short squeeze.” A short squeeze could lead to volatile price movements in Shares that are not directly correlated to the price of palladium.

Purchasing activity in the palladium market associated with Basket creations or selling activity following Basket redemptions may affect the price of palladium and Share trading prices. These price changes may adversely affect an investment in the Shares.

Purchasing activity associated with acquiring the palladium required for deposit into the Trust in connection with the creation of Baskets may temporarily increase the market price of palladium, which will result in higher prices for the Shares. Temporary increases in the market price of palladium may also occur as a result of the purchasing activity of other market participants. Other market participants may attempt to benefit from an increase in the market price of palladium that may result from increased purchasing activity of palladium connected with the issuance of Baskets. Consequently, the market price of palladium may decline immediately after Baskets are created. If the price of palladium declines, the trading price of the Shares may also decline.

Selling activity associated with sales of palladium withdrawn from the Trust in connection with the redemption of Baskets may temporarily decrease the market price of palladium, which will result in lower prices for the Shares. Temporary decreases in the market price of palladium may also occur as a result of the selling activity of other market participants. If the price of palladium declines, the trading price of the Shares may also decline.

The Sponsor is unable to ascertain whether the palladium price movements since the commencement of the Trust’s initial public offering on January 8, 2010 were attributable to the Trust’s Basket creation and redemption process or independent metal market forces or both. Nevertheless, the Trust and the Sponsor cannot assure Shareholders that future Basket creations or redemptions will have no effect on the palladium metal prices and, consequently, Share trading prices.

Since there is no limit on the amount of palladium that the Trust may acquire, the Trust, as it grows, may have an impact on the supply and demand of palladium that ultimately may affect the price of the Shares in a manner unrelated to other factors affecting the global market for palladium.

The Trust Agreement places no limit on the amount of palladium the Trust may hold. Moreover, the Trust may issue an unlimited number of Shares, subject to registration requirements, and thereby acquire an unlimited amount of palladium. The global market for palladium is characterized by supply and demand constraints that are generally not present in the markets for other precious metals such as gold and silver. From 2018 to 2022, world palladium mine supply averaged 6.7 million ounces, while world gross demand averaged 10.4 million ounces. If the amount of palladium acquired by the Trust is large enough in relation to global palladium supply and demand, further in-kind creations and redemptions of Shares could have an impact on the supply and demand of palladium unrelated to other factors affecting the global market for palladium. Such an impact could affect the price for palladium that would directly affect the price at which Shares are traded on the Exchange or the price of future Baskets created or redeemed by the Trust. The Trust and the Sponsor cannot provide Shareholders any assurance that increased metal holdings by the Trust in the future will have no such long-term metal price impact thereby affecting Share trading prices.

The Shares and their value could decrease if unanticipated operational or trading problems arise.

There may be unanticipated problems or issues with respect to the mechanics of the Trust's operations and the trading of the Shares that could have a material adverse effect on an investment in the Shares. In addition, although the Trust is not actively "managed" by traditional methods, to the extent that unanticipated operational or trading problems or issues arise, the Sponsor's past experience and qualifications may not be suitable for solving these problems or issues.

Discrepancies, disruptions or unreliability of the LME PM Fix could impact the value of the Trust's palladium and the market price of the Shares.

The Trustee values the Trust's palladium pursuant to the LME PM Fix. In the event that the LME PM Fix proves to be an inaccurate benchmark, or the LME PM Fix varies materially from the prices determined by other mechanisms for valuing palladium, the value of the Trust's palladium and the market price of the Shares could be adversely impacted. Any future developments in the LME PM Fix, to the extent it has a material impact on the LME PM Fix, could adversely impact the value of the Trust's palladium and the market price of the Shares. It is possible that electronic failures or other unanticipated events may occur that could result in delays in the announcement of, or the inability of the benchmark to produce, the LME PM Fix on any given date. Furthermore, any actual or perceived disruptions that result in the perception that the LME PM Fix is vulnerable to actual or attempted manipulation could adversely affect the behavior of market participants, which may have an effect on the price of palladium. If the LME PM Fix is unreliable for any reason, the price of palladium and the market price for the Shares may decline or be subject to greater volatility.

If the process of creation and redemption of Baskets encounters any unanticipated difficulties, the possibility for arbitrage transactions intended to keep the price of the Shares closely linked to the price of palladium may not exist and, as a result, the price of the Shares may fall.

If the processes of creation and redemption of Shares (which depend on timely transfers of palladium to and by the Custodian) encounter any unanticipated difficulties, potential market participants who would otherwise be willing to purchase or redeem Baskets to take advantage of any arbitrage opportunity arising from discrepancies between the price of the Shares and the price of the underlying palladium may not take the risk that, as a result of those difficulties, they may not be able to realize the profit they expect. If this is the case, the liquidity of Shares may decline and the price of the Shares may fluctuate independently of the price of palladium and may fall. Additionally, redemptions could be suspended for any period during which (1) the NYSE Arca is closed (other than customary weekend or holiday closings) or trading on the NYSE Arca is suspended or restricted, or (2) an emergency exists as a result of which delivery, disposal or evaluation of the palladium is not reasonably practicable.

The liquidity of the Shares may be affected by the withdrawal from participation of one or more Authorized Participants.

In the event that one or more Authorized Participants having substantial interests in Shares or otherwise responsible for a significant portion of the Shares' daily trading volume on the Exchange withdraw from participation, the liquidity of the Shares will likely decrease which could adversely affect the market price of the Shares and result in Shareholders incurring a loss on their investment.

Shareholders do not have the protections associated with ownership of shares in an investment company registered under the Investment Company Act of 1940 or the protections afforded by the Commodity Exchange Act ("CEA").

The Trust is not registered as an investment company under the Investment Company Act of 1940 and is not required to register under such act. Consequently, Shareholders do not have the regulatory protections provided to investors in investment companies. The Trust does not and will not hold or trade in commodity futures contracts, "commodity interests" or any other instruments regulated by the CEA, as administered by the CFTC and the National Futures Association ("NFA"). Furthermore, the Trust is not a commodity pool for purposes of the CEA and the Shares are not "commodity interests", and neither the Sponsor nor the Trustee is subject to regulation by the CFTC as a commodity pool operator or a commodity trading advisor in connection with the Trust or the Shares. Consequently, Shareholders do not have the regulatory protections provided to investors in CEA-regulated instruments or commodity pools operated by registered commodity pool operators or advised by registered commodity trading advisors.

The Trust may be required to terminate and liquidate at a time that is disadvantageous to Shareholders.

If the Trust is required to terminate and liquidate, such termination and liquidation could occur at a time which is disadvantageous to Shareholders, such as when palladium prices are lower than the palladium prices at the time when Shareholders purchased their Shares. In such a case, when the Trust's palladium is sold as part of the Trust's liquidation, the resulting proceeds distributed to Shareholders will be less than if palladium prices were higher at the time of sale.

The lack of an active trading market for the Shares may result in losses on investment at the time of disposition of the Shares.

Although Shares are listed for trading on the NYSE Arca, it cannot be assumed that an active trading market for the Shares will develop or be maintained. If an investor needs to sell Shares at a time when no active market for Shares exists, such lack of an active market will most likely adversely affect the price the investor receives for the Shares (assuming the investor is able to sell them).

Shareholders do not have the rights enjoyed by investors in certain other vehicles.

As interests in an investment trust, the Shares have none of the statutory rights normally associated with the ownership of shares of a corporation (including, for example, the right to bring "oppression" or "derivative" actions). In addition, the Shares have limited voting and distribution rights (for example, Shareholders do not have the right to elect directors or approve amendments to the Trust Agreement and do not receive dividends).

An investment in the Shares may be adversely affected by competition from other methods of investing in palladium.

The Trust competes with other financial vehicles, including traditional debt and equity securities issued by companies in the palladium industry and other securities backed by or linked to palladium, direct investments in palladium and investment vehicles similar to the Trust. Market and financial conditions, and other conditions beyond the Sponsor's control, may make it more attractive to invest in other financial vehicles or to invest in palladium directly, which could limit the market for the Shares and reduce the liquidity of the Shares.

The amount of palladium represented by each Share will decrease over the life of the Trust due to the recurring deliveries of palladium necessary to pay the Sponsor's Fee in-kind and potential sales of palladium to pay in cash the Trust expenses not assumed by the Sponsor. Without increases in the price of palladium sufficient to compensate for that decrease, the price of the Shares will also decline proportionately over the life of the Trust.

The amount of palladium represented by each Share decreases each day by the Sponsor's Fee. In addition, although the Sponsor has agreed to assume all organizational and certain administrative and marketing expenses incurred by the Trust (the Trustee's monthly fee and out-of-pocket expenses, the Custodian's fee and reimbursement of the Custodian's expenses under the Custody Agreements, Exchange listing fees, SEC registration fees, printing and mailing costs, audit fees and up to \$100,000 per annum in legal expenses), in exceptional cases certain Trust expenses may need to be paid by the Trust. Because the Trust does not have any income, it must either make payments in-kind by deliveries of palladium (as is the case with the Sponsor's Fee) or it must sell palladium to obtain cash (as in the case of any exceptional expenses). The result of these sales of palladium and recurring deliveries of palladium to pay the Sponsor's Fee in-kind is a decrease in the amount of palladium represented by each Share. New deposits of palladium, received in exchange for new Shares issued by the Trust, will not reverse this trend.

A decrease in the amount of palladium represented by each Share results in a decrease in each Share's price even if the price of palladium bullion does not change. To retain the Share's original price, the price of palladium must increase. Without that increase, the lesser amount of palladium represented by the Share will have a correspondingly lower price. If this increase does not occur, or is not sufficient to counter the lesser amount of palladium represented by each Share, Shareholders will sustain losses on their investment in Shares.

An increase in Trust expenses not assumed by the Sponsor, or the existence of unexpected liabilities affecting the Trust, will require the Trustee to sell larger amounts of palladium, and will result in a more rapid decrease of the amount of palladium represented by each Share and a corresponding decrease in its value.

RISKS RELATED TO THE CUSTODY OF PALLADIUM

The Trust's palladium may be subject to loss, damage, theft or restriction on access.

There is a risk that part or all of the Trust's palladium could be lost, damaged or stolen. Access to the Trust's palladium could also be restricted by natural events (such as an earthquake) or human actions (such as a terrorist attack). Any of these events may adversely affect the operations of the Trust and, consequently, an investment in the Shares.

The Trust's lack of insurance protection and the Shareholders' limited rights of legal recourse against the Trust, the Trustee, the Sponsor, the Custodian, the Zurich Sub-Custodian and any other sub-custodian exposes the Trust and its Shareholders to the risk of loss of the Trust's palladium for which no person is liable.

The Trust does not insure its palladium. The Custodian maintains insurance with regard to its business on such terms and conditions as it considers appropriate in connection with its custodial obligations and is responsible for all costs, fees and expenses arising from the insurance policy or policies. The Trust is not a beneficiary of any such insurance and does not have the ability to dictate the existence, nature or amount of coverage. Therefore, Shareholders cannot be assured that the Custodian maintains adequate insurance or any insurance with respect to the palladium held by the Custodian on behalf of the Trust. In addition, the Custodian and the Trustee do not require the Zurich Sub-Custodian or any other direct or indirect sub-custodians to be insured or bonded with respect to their custodial activities or in respect of the palladium held by them on behalf of the Trust. Further, Shareholders' recourse against the Trust, the Trustee and the Sponsor under New York law, the Custodian, the Zurich Sub-Custodian and any other sub-custodian under English law, and any other sub-custodian under the law governing their custody operations is limited. Consequently, a loss may be suffered with respect to the Trust's palladium which is not covered by insurance and for which no person is liable in damages.

The Custodian's limited liability under the Custody Agreements and English law may impair the ability of the Trust to recover losses concerning its palladium and any recovery may be limited, even in the event of fraud, to the market value of the palladium at the time the fraud is discovered.

The liability of the Custodian is limited under the Custody Agreements. Under the Custody Agreements between the Trustee and the Custodian which establish the Trust's unallocated palladium account ("Unallocated Account") and the Trust's allocated palladium account ("Allocated Account"), the Custodian is only liable for losses that are the direct result of its own negligence, fraud or willful default in the performance of its duties. Any such liability is further limited to the market value of the palladium lost or damaged at the time such negligence, fraud or willful default is discovered by the Custodian provided the Custodian notifies the Trust and the Trustee promptly after the discovery of the loss or damage. Under each Authorized Participant Unallocated Bullion Account Agreement (between the Custodian and an Authorized Participant establishing an Authorized Participant Unallocated Account), the Custodian is not contractually or otherwise liable for any losses suffered by any Authorized Participant or Shareholder that are not the direct result of its own gross negligence, fraud or willful default in the performance of its duties under such agreement, and in no event will its liability exceed the market value of the balance in the Authorized Participant Unallocated Account at the time such gross negligence, fraud or willful default is discovered by the Custodian. For any Authorized Participant Unallocated Bullion Account Agreement between an Authorized Participant and another palladium clearing bank, the liability of the palladium clearing bank to the Authorized Participant may be greater or lesser than the Custodian's liability to the Authorized Participant described in the preceding sentence, depending on the terms of the agreement. In addition, the Custodian will not be liable for any delay in performance or any non-performance of any of its obligations under the Allocated Account Agreement, the Unallocated Account Agreement or the Authorized Participant Unallocated Bullion Account Agreement by reason of any cause beyond its reasonable control, including acts of God, war or terrorism. As a result, the recourse of the Trustee or a Shareholder, under English law, is limited. Furthermore, under English common law, the Custodian, the Zurich Sub-Custodian, or any other sub-custodian will not be liable for any delay in the performance or any non-performance of its custodial obligations by reason of any cause beyond its reasonable control.

The obligations of the Custodian, the Zurich Sub-Custodian and any other sub-custodians are governed by English law, which may frustrate the Trust in attempting to seek legal redress against the Custodian, the Zurich Sub-Custodian or any other sub-custodian concerning its palladium.

The obligations of the Custodian under the Custody Agreements are, and the Authorized Participant Unallocated Bullion Account Agreements may be, governed by English law. The Custodian has entered into arrangements with the Zurich Sub-Custodian and may enter into arrangements with any other sub-custodians for the temporary custody of the Trust's palladium, which arrangements may also be governed by English law. The Trust is a New York common law trust. Any United States, New York or other court situated in the United States may have difficulty interpreting English law (which, insofar as it relates to custody arrangements, is largely derived from court rulings rather than statute), LPPM rules or the customs and practices in the London custody market. It may be difficult or impossible for the Trust to sue the Zurich Sub-Custodian or any other sub-custodian in a United States, New York or other court situated in the United States. In addition, it may be difficult, time consuming and/or expensive for the Trust to enforce in a foreign court a judgment rendered by a United States, New York or other court situated in the United States.

Although the relationship between the Custodian and the Zurich Sub-Custodian concerning the Trust's allocated palladium is expressly governed by English law, a court hearing any legal dispute concerning their arrangement may disregard that choice of law and apply Swiss law, in which case the ability of the Trust to seek legal redress against the Zurich Sub-Custodian may be frustrated.

The obligations of the Zurich Sub-Custodian under its arrangement with the Custodian with respect to the Trust's allocated palladium is expressly governed by English law. Nevertheless, a court in the United States, England or Switzerland may determine that English law should not apply and, instead, apply Swiss law to that arrangement. Not only might it be difficult or impossible for a United States or English court to apply Swiss law to the Zurich Sub-Custodian's arrangement, but application of Swiss law may, among other things, alter the relative rights and obligations of the Custodian and the Zurich Sub-Custodian to the extent that a loss to the Trust's palladium may not have adequate or any legal redress. Further, the ability of the Trust to seek legal redress against the Zurich Sub-Custodian may be frustrated by application of Swiss law.

The Trust may not have adequate sources of recovery if its palladium is lost, damaged, stolen or destroyed.

If the Trust's palladium is lost, damaged, stolen or destroyed under circumstances rendering a party liable to the Trust, the responsible party may not have the financial resources sufficient to satisfy the Trust's claim. For example, as to a particular event of loss, the only source of recovery for the Trust might be limited to the Custodian, the Zurich Sub-Custodian or any other sub-custodian or, to the extent identifiable, other responsible third parties (e.g., a thief or terrorist), any of which may not have the financial resources (including liability insurance coverage) to satisfy a valid claim of the Trust.

Shareholders and Authorized Participants lack the right under the Custody Agreements to assert claims directly against the Custodian, the Zurich Sub-Custodian, and any other sub-custodian.

Neither the Shareholders nor any Authorized Participant have a right under the Custody Agreements to assert a claim of the Trust against the Custodian, the Zurich Sub-Custodian or any other sub-custodian. Claims under the Custody Agreements may only be asserted by the Trustee on behalf of the Trust.

The Custodian is reliant on the Zurich Sub-Custodian for the safekeeping of all or a substantial portion of the Trust's palladium. Furthermore, the Custodian has limited obligations to oversee or monitor the Zurich Sub-Custodian. As a result, failure by any Zurich Sub-Custodian to exercise due care in the safekeeping of the Trust's palladium could result in a loss to the Trust.

Palladium generally trades on a loco London or loco Zurich basis whereby the physical palladium is held in vaults located in London or Zurich or is transferred into accounts established in London or Zurich. The Custodian does not have a vault in Zurich and is reliant on the Zurich Sub-Custodian for the safekeeping of all or a substantial portion of the Trust's allocated palladium. Other than obligations to (1) use reasonable care in appointing the Zurich Sub-Custodian, (2) require any Zurich Sub-Custodian to segregate the palladium held by it for the Trust from any other palladium held by it for the Custodian and any other customers of the Custodian by making appropriate entries in its books and records and (3) ensure that the Zurich Sub-Custodian provides confirmation to the Trustee that it has undertaken to segregate the palladium held by it for the Trust, the Custodian is not liable for the acts or omissions of the Zurich Sub-Custodian. Other than as described above, the Custodian does not undertake to monitor the performance by the Zurich Sub-Custodian of its custody functions. The Trustee's obligation to monitor the performance of the Custodian is limited to receiving and reviewing the reports of the Custodian. The Trustee does not monitor the performance of the Zurich Sub-Custodian or any other sub-custodian. In addition, the ability of the Trustee and the Sponsor to monitor the performance of the Custodian may be limited because under the Custody Agreements, the Trustee and the Sponsor have only limited rights to visit the premises of the Custodian or the Zurich Sub-Custodian for the purpose of examining the Trust's palladium and certain related records maintained by the Custodian or Zurich Sub-Custodian.

As a result of the above, any failure by any Zurich Sub-Custodian to exercise due care in the safekeeping of the Trust's palladium may not be detectable or controllable by the Custodian, the Sponsor or the Trustee and could result in a loss to the Trust.

The Custodian relies on its Zurich Sub-Custodian to hold the palladium allocated to the Trust Allocated Account and used to settle redemptions. As a result, settlement of palladium in connection with redemptions loco London may require more than two business days.

The Custodian is reliant on its Zurich Sub-Custodian to hold the palladium allocated to the Trust Allocated Account in order to effect redemption of Shares. As a result, in the case for redemption orders electing palladium deliveries to be received loco London, it may take longer than two business days for palladium to be credited to the Authorized Participant Unallocated Account, which may result in a delay of settlement of the redemption order that is settled loco London.

Because the Trustee does not, and the Custodian has limited obligations to, oversee or monitor the activities of sub-custodians who may hold the Trust's palladium, failure by the sub-custodians to exercise due care in the safekeeping of the Trust's palladium could result in a loss to the Trust.

Under the Allocated Account Agreement, the Custodian may appoint from time to time one or more sub-custodians to hold the Trust's palladium on a temporary basis pending delivery to the Custodian. The Custodian currently uses UBS AG for palladium but may also use LPPM market-making members that provide bullion vaulting and clearing services to third parties. The Custodian selects the Zurich Sub-Custodian, and the Zurich Sub-Custodian maintains custody of all of the Trust's allocated palladium to be held in Zurich for the Custodian. The Custodian is required under the Allocated Account Agreement to use reasonable care in appointing the Zurich Sub-Custodian and any other sub-custodians, making the Custodian liable only for negligence or bad faith in the selection of such sub-custodians, and has an obligation to use commercially reasonable efforts to obtain delivery of the Trust's palladium from any sub-custodians appointed by the Custodian. Otherwise, the Custodian is not liable for the acts or omissions of its sub-custodians. These sub-custodians may in turn appoint further sub-custodians, but the Custodian is not responsible for the appointment of these further sub-custodians. The Custodian does not undertake to monitor the performance by sub-custodians of their custody functions or their selection of further sub-custodians. The Trustee does not monitor the performance of the Custodian other than to review the reports provided by the Custodian pursuant to the Custody Agreements and does not undertake to monitor the performance of any sub-custodian. Furthermore, except for the Zurich Sub-Custodian, the Trustee may have no right to visit the premises of any sub-custodian for the purposes of examining the Trust's palladium or any records maintained by the sub-custodian, and no sub-custodian will be obligated to cooperate in any review the Trustee may wish to conduct of the facilities, procedures, records or creditworthiness of such sub-custodian. In addition, the ability of the Trustee to monitor the performance of the Custodian and the Zurich Sub-Custodian may be limited because under the Allocated Account Agreement and the Unallocated Account Agreement the Trustee has only limited rights to visit the premises of the Custodian and the Zurich Sub-Custodian for the purpose of examining the Trust's palladium and certain related records maintained by the Custodian and the Zurich Sub-Custodian.

The obligations of any sub-custodian of the Trust's palladium are not determined by contractual arrangements but by LPPM rules and London palladium market customs and practices, which may prevent the Trust's recovery of damages for losses on its palladium custodied with sub-custodians.

Except for the Custodian's arrangement with the Zurich Sub-Custodian, there are expected to be no written contractual arrangements between sub-custodians that hold the Trust's palladium and the Trustee or the Custodian because traditionally such arrangements are based on the LPPM's rules and on the customs and practices of the London bullion market. In the event of a legal dispute with respect to or arising from such arrangements, it may be difficult to define such customs and practices. The LPPM's rules may be subject to change outside the control of the Trust. Under English law, neither the Trustee nor the Custodian would have a supportable breach of contract claim against a sub-custodian for losses relating to the safekeeping of palladium. If the Trust's palladium is lost or damaged while in the custody of a sub-custodian, the Trust may not be able to recover damages from the Custodian or the sub-custodian. Whether a sub-custodian will be liable for the failure of sub-custodians appointed by it to exercise due care in the safekeeping of the Trust's palladium will depend on the facts and circumstances of the particular situation. Shareholders cannot be assured that the Trustee will be able to recover damages from sub-custodians whether appointed by the Custodian or by another sub-custodian for any losses relating to the safekeeping of palladium by such sub-custodians.

Palladium bullion allocated to the Trust in connection with the creation of a Basket may not meet the London/Zurich Good Delivery Standards and, if a Basket is issued against such palladium, the Trust may suffer a loss.

Neither the Trustee nor the Custodian independently confirms the fineness of the physical palladium allocated to the Trust in connection with the creation of a Basket. The palladium bullion allocated to the Trust by the Custodian may be different from the reported fineness or weight required by the LPPM's standards for palladium plates or ingots delivered in settlement of a palladium trade (London/Zurich Good Delivery Standards), the standards required by the Trust. If the Trustee nevertheless issues a Basket against such palladium, and if the Custodian fails to satisfy its obligation to credit the Trust the amount of any deficiency, the Trust may suffer a loss.

Palladium held in the Trust's unallocated palladium account and any Authorized Participant's unallocated palladium account is not segregated from the Custodian's assets. If the Custodian becomes insolvent, its assets may not be adequate to satisfy a claim by the Trust or any Authorized Participant. In addition, in the event of the Custodian's insolvency, there may be a delay and costs incurred in identifying the bullion held in the Trust's allocated palladium account.

Palladium which is part of a deposit for a purchase order or part of a redemption distribution is held for a time in the Trust Unallocated Account and, previously or subsequently in, the Authorized Participant Unallocated Account of the purchasing or redeeming Authorized Participant. During those times, the Trust and the Authorized Participant, as the case may be, have no proprietary rights to any specific plates or ingots of palladium held by the Custodian and are each an unsecured creditor of the Custodian with respect to the amount of palladium held in such unallocated accounts. In addition, if the Custodian fails to allocate the Trust's palladium in a timely manner, in the proper amounts or otherwise in accordance with the terms of the Unallocated Account Agreement, or if a sub-custodian fails to so segregate palladium held by it on behalf of the Trust, unallocated palladium will not be segregated from the Custodian's assets, and the Trust will be an unsecured creditor of the Custodian with respect to the amount so held in the event of the insolvency of the Custodian. In the event the Custodian becomes insolvent, the Custodian's assets might not be adequate to satisfy a claim by the Trust or the Authorized Participant for the amount of palladium held in their respective unallocated palladium accounts.

In the case of the insolvency of the Custodian, a liquidator may seek to freeze access to the palladium held in all of the accounts held by the Custodian, including the Trust Allocated Account. Although the Trust would be able to claim ownership of properly allocated palladium, the Trust could incur expenses in connection with asserting such claims, and the assertion of such a claim by the liquidator could delay creations and redemptions of Baskets.

In issuing Baskets, the Trustee relies on certain information received from the Custodian which is subject to confirmation after the Trustee has relied on the information. If such information turns out to be incorrect, Baskets may be issued in exchange for an amount of palladium which is more or less than the amount of palladium which is required to be deposited with the Trust.

The Custodian's definitive records are prepared after the close of its business day. However, when issuing Baskets, the Trustee relies on information reporting the amount of palladium credited to the Trust's accounts which it receives from the Custodian during the business day and which is subject to correction during the preparation of the Custodian's definitive records after the close of business. If the information relied upon by the Trustee is incorrect, the amount of palladium actually received by the Trust may be more or less than the amount required to be deposited for the issuance of Baskets.

GENERAL RISKS

The Trust relies on the information and technology systems of the Trustee, the Custodian, the Marketing Agent and, the Sponsor which could be adversely affected by information systems interruptions, cybersecurity attacks or other disruptions which could have a material adverse effect on the Trust's record keeping and operations.

The Custodian, the Trustee, the Marketing Agent and the Sponsor depend upon information technology infrastructure, including network, hardware and software systems to conduct their business as it relates to the Trust. A cybersecurity incident, or a failure to protect their computer systems, networks and information against cybersecurity threats, could result in a loss of information and adversely impact their ability to conduct their business, including their business on behalf of the Trust. Despite implementation of network and other cybersecurity measures, their security measures may not be adequate to protect against all cybersecurity threats.

War, a major terrorist attack and other geopolitical events, including but not limited to the war between Russia and Ukraine, outbreaks or public health emergencies (as declared by the World Health Organization), the continuation or expansion of war or other hostilities, or a prolonged government shutdown may cause volatility in the price of Bullion due to the importance of a country or region to the Bullion markets, market access restrictions imposed on some local Bullion producers and refiners, potential impacts to global transportation and shipping and other supply chain disruptions. These events are unpredictable and may lead to extended periods of price volatility.

The operations of the Trust, the exchanges, brokers and counterparties with which the Trust does business, and the markets in which the Trust does business, could be severely disrupted in the event of war, a major terrorist attack and other geopolitical events, including but not limited to, the war between Russia and Ukraine, outbreaks or public health emergencies (as declared by the World Health Organization), the continuation or expansion of war or other hostilities, or a prolonged government shutdown. Such events may cause volatility in the price of Bullion due to the importance of a country or region to the Bullion markets, market access restrictions imposed on some local Bullion producers and refiners, or potential impacts to global transportation, shipping, and other supply chain disruptions.

In late February 2022, Russia invaded Ukraine, significantly amplifying already existing geopolitical tensions among Russia and other countries in the region and in the West. The responses of countries and political bodies to Russia's actions, the larger overarching tensions, and Ukraine's military response and the potential for wider conflict may increase financial market volatility generally, have severe adverse effects on regional and global economic markets, and cause volatility in the price of palladium and the share price of the Trust. The conflict in Ukraine, along with global political fallout and implications including sanctions, shipping disruptions, collateral war damage, and a potential expansion of the conflict beyond Ukraine's borders, could disturb the Bullion markets. Russia is one of the world's largest producers of gold, palladium, platinum and silver. On March 7, 2022, the LBMA suspended its accreditation of six Russian refiners of gold and silver, and, on April 8, 2022, the LPPM suspended its accreditation of two Russian refiners of platinum and palladium. The LPPM stated that existing bars produced by the refiners before their suspension will still be accepted as good delivery.

The Trust may be negatively impacted by the effects of the spread of illnesses or other public health emergencies on the global economy and the markets and service providers relevant to the performance of the Trust.

The COVID-19 pandemic has adversely affected the economies of many nations and the entire global economy as well as individual issuers, assets and capital markets and could continue to, and other future public health emergencies could, have serious negative effects on social, economic and financial systems, including significant uncertainty and volatility in the financial markets. For instance, the suspension of operations of mines, refineries and vaults that extract, produce or store palladium, restrictions on travel that delay or prevent the transportation of palladium, and an increase in demand for palladium may disrupt supply chains for palladium, which could cause secondary market spreads to widen and compromise the Trust's ability to settle transactions on time. Any inability of the Trust to issue or redeem Shares or the Custodian or any sub-custodian to receive or deliver palladium as a result of an infectious disease outbreak or public health emergency will negatively affect the Trust's operations. Future infectious illness outbreaks or other public health emergencies could have similar or other unforeseen impacts and may exacerbate pre-existing political, social and economic risks in certain countries or globally, which could adversely affect the value of the Shares.

A significant resurgence of the COVID-19 pandemic or other future public health emergencies could increase the Trust's costs and affect liquidity in the market for palladium, as well as the correlation between the price of the Shares and the net asset value of the Trust, any of which could adversely affect the value of your Shares. In addition, the COVID-19 pandemic or other future public health emergencies could impair the information technology and other operational systems upon which the Trust's service providers, including the Sponsor, the Trustee and the Custodian, rely, and could otherwise disrupt the ability of employees of the Trust's service providers to perform essential tasks on behalf of the Trust. Governmental and quasi-governmental authorities and regulators throughout the world have at times responded to major economic disruptions with a variety of fiscal and monetary policy changes, including, but not limited to, direct capital infusions into companies and other issuers, new monetary tools and lower interest rates. An unexpected or sudden reversal of these policies, or the ineffectiveness of these policies, is likely to increase volatility in the market for palladium, which could adversely affect the price of the Shares.

Further, the COVID-19 pandemic or other future public health emergencies could interfere with or prevent the operation of the electronic pricing system administered by the LME to determine the LME PM Fix, which the Trustee uses to value the palladium held by the Trust and calculate the net asset value of the Trust. The COVID-19 pandemic or other future public health emergencies could also cause the closure of futures exchanges, which could eliminate the ability of Authorized Participants to hedge purchases of Baskets, increasing trading costs of Shares and resulting in a sustained premium or discount in the Shares. Each of these outcomes would negatively impact the Trust.

Potential conflicts of interest may arise among the Sponsor or its affiliates and the Trust.

Conflicts of interest may arise among the Sponsor and its affiliates, on the one hand, and the Trust and its Shareholders, on the other hand. As a result of these conflicts, the Sponsor may favor its own interests and the interests of its affiliates over the Trust and its Shareholders. As an example, the Sponsor, its affiliates and their officers and employees are not prohibited from engaging in other businesses or activities, including those that might be in direct competition with the Trust.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Cybersecurity

The Trust, through its service providers, has processes in place to assess, identify and manage material risks from cybersecurity threats. The Trust's business is dependent on the communications and information systems of the Trustee, the Sponsor, the Custodian and other third-party service providers. The Trustee is responsible for day-to-day administration of the Trust and has implemented a cybersecurity program that applies to the Trustee and its business, including the administration of the Trust.

Cybersecurity Program Overview

The Trustee has instituted a cybersecurity program designed to identify, assess and mitigate cyber risks applicable to the administration by the Trustee of the Trust. The cyber risk management program involves risk assessments, implementation of security measures and ongoing monitoring of systems and networks, including networks on which the Trust relies. The Trustee actively monitors the current threat landscape to seek to identify material risks arising from new and evolving cybersecurity threats, including material risks faced by the Trust.

The Trust relies on the Trustee, the Sponsor and the Custodian to engage external experts, including cybersecurity assessors, risk management and information technology professionals, attorneys, consultants and auditors to evaluate cybersecurity measures and risk management processes, including those applicable to the Trust.

Board Oversight of Cybersecurity Risks

The Trust has no board of trustees and is administered by the Trustee pursuant to the Trust Agreement. Accordingly, the Trust relies on the Trustee, the Sponsor and the Custodian for oversight of cybersecurity risks applicable to the Trust.

Management's Role in Cybersecurity Risk Management

The Trust has no officers or employees and is administered by the Trustee pursuant to the Trust Agreement. Accordingly, the Trust relies on the Trustee, the Sponsor and the Custodian for management of cybersecurity risks applicable to the Trust.

Assessment of Cybersecurity Risk

The potential impact of risks from cybersecurity threats to the Trust are assessed by the Trustee, the Sponsor, the Custodian and third-party service providers on an ongoing basis, and how such risks could materially affect the Trust's objective, operational results and financial condition are regularly evaluated. During the reporting period, the Trustee has not identified any risks from cybersecurity threats, including as a result of previous cybersecurity incidents, that the Trustee believes have materially affected, or are reasonably likely to materially affect, the Trust, including its objective, operational results and financial condition.

Item 2. Properties

Not applicable.

Item 3. Legal Proceedings

None

Item 4. Mine Safety Disclosure

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

The Trust's Shares have been listed on the NYSE Arca under the symbol PALL since its initial public offering on January 8, 2010.

The following tables set out the range of high and low closing prices for the Shares as reported for NYSE Arca transactions for each of the quarters during the years ended December 31, 2023 and 2022:

Fiscal Year Ended December 31, 2023: Quarter Ended

	High	Low
March 31, 2023	\$ 166.83	\$ 127.51
June 30, 2023	\$ 150.26	\$ 113.53
September 30, 2023	\$ 121.72	\$ 110.14
December 31, 2023	\$ 113.27	\$ 86.43

Fiscal Year Ended December 31, 2022: Quarter Ended

	High	Low
March 31, 2022	\$ 295.00	\$ 169.33
June 30, 2022	\$ 229.00	\$ 166.23
September 30, 2022	\$ 211.05	\$ 171.02
December 31, 2022	\$ 215.00	\$ 154.25

The number of outstanding Share of the Trust as of February 26, 2024 was 2,425,000.

Monthly Share Price

The following table sets forth, for each of the most recent six months, the high and low closing prices of the Shares, as reported for NYSE Arca transactions.

Month	High	Low
August 2023	\$ 119.57	\$ 111.78
September 2023	\$ 117.38	\$ 110.14
October 2023	\$ 111.49	\$ 101.76
November 2023	\$ 103.22	\$ 89.33
December 2023	\$ 113.27	\$ 86.43
January 2024	\$ 99.79	\$ 84.70

Issuer Purchase of Equity Securities

The Trust issues and redeems Shares only with Authorized Participants in exchange for palladium, only in aggregations of 25,000 Shares, referred to as a Basket. A list of current Authorized Participants is available from the Sponsor or the Trustee and is included in Item 7 of this report. Although the Trust does not purchase Shares directly from its Shareholders, in connection with the redemption of Baskets, the Trust redeemed as follows during the years ended December 31, 2023 and 2022:

Month	Total number of Shares redeemed	Average ounces of palladium per Share
January 2023	—	—
February 2023	100,000	0.092
March 2023	75,000	0.092
April 2023	50,000	0.092
May 2023	—	—
June 2023	—	—
July 2023	50,000	0.092
August 2023	—	—
September 2023	—	—
October 2023	—	—
November 2023	—	—
December 2023	—	—
Total	275,000	0.092

Month	Total number of Shares redeemed	Average ounces of palladium per Share
January 2022	125,000	0.093
February 2022	—	—
March 2022	100,000	0.093
April 2022	50,000	0.093
May 2022	100,000	0.093
June 2022	100,000	0.093
July 2022	50,000	0.093
August 2022	50,000	0.093
September 2022	50,000	0.093
October 2022	25,000	0.093
November 2022	50,000	0.093
December 2022	75,000	0.093
Total	775,000	0.093

Item 7. 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 to the financial statements included with this report. The discussion and analysis that follows may contain statements that relate to future events or future performance. In some cases, such forward-looking statements can be identified by terminology such as "may," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential" or the negative of these terms or other comparable terminology. We remind readers that forward-looking statements are merely predictions and therefore inherently subject to uncertainties and other factors and involve known and unknown risks that could cause the actual results, performance, levels of activity, or our achievements, or industry results, to be materially different from any future results, performance, levels of activity, or our achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Trust undertakes no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Introduction

The abrdn Standard Palladium ETF Trust (the "Trust") is a trust formed under the laws of the State of New York. The Trust does not have any officers, directors, or employees, and is administered by The Bank of New York Mellon (the "Trustee") acting as trustee pursuant to the Depositary Trust Agreement (the "Trust Agreement") between the Trustee and abrdn ETFs Sponsor LLC, the sponsor of the Trust (the "Sponsor"). The Trust issues shares ("Shares") representing fractional undivided beneficial interests in its net assets. The assets of the Trust consist of palladium bullion held by a custodian as an agent of the Trust and responsible only to the Trustee.

The Trust is a passive investment vehicle and the objective of the Trust is for the value of each Share to approximately reflect, at any given time, the price of the palladium bullion owned by the Trust, less the Trust's liabilities (anticipated to be principally for accrued operating expenses), divided by the number of outstanding Shares. The Trust does not engage in any activities designed to obtain a profit from, or ameliorate losses caused by, changes in the price of palladium.

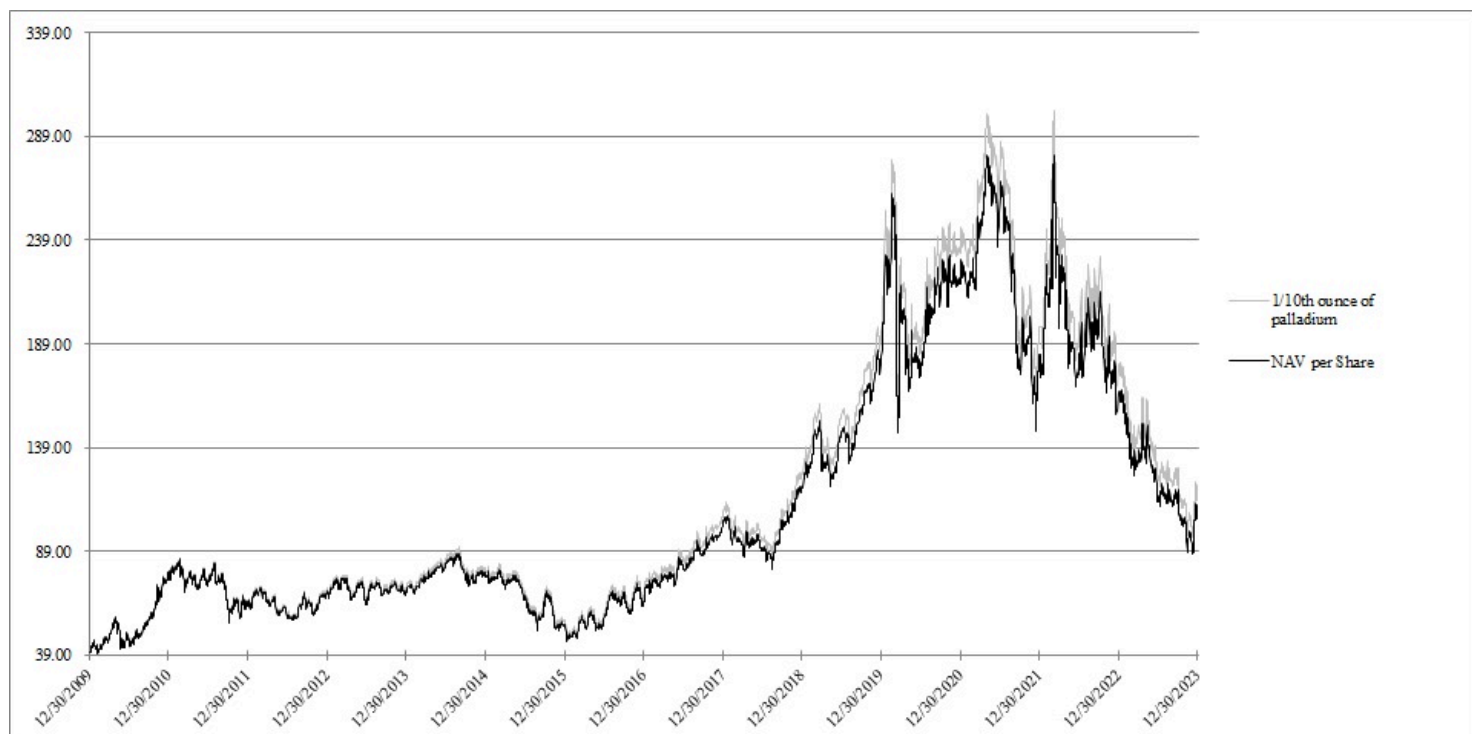
The Trust issues and redeems Shares only in exchange for palladium, only in aggregations of 25,000 Shares effective April 1, 2019 (prior to April 1, 2019, the number of Shares that constituted a Basket was 50,000 Shares) or integral multiples thereof (each, a "Basket"), and only in transactions with registered broker-dealers (or other securities market participants not required to register as broker-dealers, such as a bank or other financial institution) that (1) are participants in DTC and (2) have previously entered into an agreement with the Trust governing the terms and conditions of such issuance (such dealers, the "Authorized Participants").

As of the date of this annual report the Authorized Participants that have signed an Authorized Participant Agreement with the Trust are Goldman Sachs & Co., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC, Merrill Lynch Professional Clearing Corp., Mizuho Securities USA LLC, Morgan Stanley & Co. Inc, Scotia Capital (USA) Inc., UBS Securities LLC and Virtu Americas, LLC.

Shares of the Trust trade on the NYSE Arca under the symbol "PALL."

Investing in the Shares does not insulate the investor from certain risks, including price volatility. The following table illustrates the movement in the NAV of the Shares against the corresponding palladium price (per 1/10 of an oz. of palladium) since inception:

NAV per Share vs. Palladium Price from December 30, 2009 (the Date of Inception) to December 31, 2023



The divergence of the NAV per Share from the palladium price over time reflects the cumulative effect of the Trust expenses that arise if an investment had been held since inception.

Critical Accounting Policy

The financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements relies on estimates and assumptions that impact the Trust’s financial position and results of operations. These estimates and assumptions affect the Trust’s application of accounting policies. Below we describe the valuation of palladium bullion, a critical accounting policy that we believe is important to understanding the results of operations and financial position. In addition, please refer to Note 2 to the Financial Statements for further discussion of our accounting policies.

Valuation of Palladium

Palladium is held by JPMorgan Chase Bank, N.A. (the “Custodian”) on behalf of the Trust, at its London, England vaulting premises. Palladium may also be held by UBS AG, or any other firm selected by the Custodian to hold the Trust’s palladium in the Trust’s allocated account in the firm’s Zurich vault premises and whose appointment has been approved by the Sponsor, at its Zurich, Switzerland vaulting premises. Palladium is recorded at fair value. The cost of palladium is determined according to the average cost method and the fair value is based on the LME PM Fix (the afternoon session of LME’s twice daily electronic price fixing process). Realized gains and losses on transfers of palladium, or palladium distributed for the redemption of Shares, are calculated on a trade date basis as the difference between the fair value and cost of palladium transferred.

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<i>(Amounts in 000's of US\$)</i>			
Investment in palladium - cost	\$ 356,585	\$ 334,209	\$ 334,434
Unrealized gain/(loss) on investment in palladium	(137,164)	(38,571)	23,727
Investment in palladium- fair value	<u>\$ 219,421</u>	<u>\$ 295,638</u>	<u>\$ 358,161</u>

Inspection of Palladium

Under the Custody Agreements, the Trustee, the Sponsor and the Trust’s auditors and inspectors may, only up to twice a year, visit the premises of the Custodian and the Zurich Sub-Custodian for the purpose of examining the Trust’s palladium and certain related records maintained by the Custodian. Under the Allocated Account Agreement, the Custodian agreed to procure similar inspection rights from the Zurich Sub-Custodian. Any such inspection rights with respect to the Zurich Sub-Custodian are expected to be granted in accordance with the normal course of dealing between the Custodian and the Zurich Sub-Custodian. Visits by auditors and inspectors to the Zurich Sub-Custodian’s facilities will be arranged through the Custodian. Other than with respect to the Zurich Sub-Custodian, the Trustee and the Sponsor have no right to visit the premises of any sub-custodian for the purposes of examining the Trust’s palladium or any records maintained by the sub-custodian, and no sub-custodian is obligated to cooperate in any review the Trustee or the Sponsor may wish to conduct of the facilities, procedures, records or creditworthiness of such sub-custodian.

The Sponsor has exercised its right to visit the Custodian and Zurich Sub-Custodian, in order to examine the palladium and the records maintained by them. Inspections were conducted by Bureau Veritas Commodities UK Ltd, a leading commodity inspection and testing company retained by the Sponsor, as of July 7, 2023 and December 31, 2023.

There can be no guarantee that the Sponsor or the Trust's auditors and inspectors will be able to perform physical inspections of the Trust's palladium as planned. Local policies, regulations, or ordinances, as well as policies or restrictions adopted by the Custodian or a sub-custodian, may temporarily prevent, or otherwise impair the ability of, the Sponsor or the Trust's auditors and inspectors, from performing a physical inspection of the Trust's palladium on a desired date. In those situations, the Sponsor or the Trust's auditors and inspectors may seek to verify the palladium held by the Trust by alternate means, including through virtual inspections of the Trust's palladium and/or a review of pertinent records.

Liquidity

The Trust is not aware of any trends, demands, conditions, events or uncertainties that are reasonably likely to result in material changes to its liquidity needs. In exchange for the Sponsor's Fee, the Sponsor has agreed to assume most of the expenses incurred by the Trust. As a result, the only expense of the Trust during the period covered by this report was the Sponsor's Fee. The Trust's only source of liquidity is its transfers and sales of palladium.

The Trustee will, at the direction of the Sponsor or in its own discretion, sell the Trust's palladium as necessary to pay the Trust's expenses not otherwise assumed by the Sponsor. The Trustee will not sell palladium to pay the Sponsor's Fee but will pay the Sponsor's Fee through in-kind transfers of palladium to the Sponsor. At December 31, 2023 and 2022, the Trust did not have any cash balances.

Review of Financial Results

Financial Highlights

	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
<i>(Amounts in 000's of US\$)</i>			
Total gain/(loss) on palladium	\$ (109,918)	\$ (58,254)	\$ (70,471)
Net change assets from operations	\$ (111,382)	\$ (60,481)	\$ (72,918)
Net cash provided by operating activities	\$ —	\$ —	\$ —

The net asset value ("NAV") of the Trust is obtained by subtracting the Trust's expenses and liabilities on any day from the value of the palladium owned by the Trust plus any palladium receivable on that day; the NAV per Share is obtained by dividing the NAV of the Trust on a given day by the number of Shares outstanding on that day.

The year ended December 31, 2023

The Trust's NAV decreased from \$295,490,794 at December 31, 2022 to \$219,309,330 at December 31, 2023, a 25.78% decrease for the year. The change in the Trust's NAV resulted from an increase in outstanding shares, which rose from 1,800,000 at December 31, 2022 to 2,100,000 at December 31, 2023, a result of 575,000 Shares (23 baskets) being created and 275,000 Shares (11 Baskets) being redeemed during the year and a decrease in the price per ounce of palladium, which fell 36.00% from \$1,775.00 at December 31, 2022 to \$1,136.00 at December 31, 2023.

The NAV per Share decreased 36.39% from \$164.16 at December 31, 2022 to \$104.43 at December 31, 2023. The Trust's NAV per Share fell slightly more than the price per ounce of palladium on a percentage basis due to the Sponsor's Fee, which was \$1,464,063 for the year, or 0.60% of the Trust's ANAV.

The NAV per Share of \$166.63 at January 10, 2023 was the highest during the year, compared with a low of \$88.01 at December 6, 2023.

The decrease in net assets from operations for the year ended December 31, 2023 was \$111,381,953, resulting from a realized loss of \$578,564 on the transfer of palladium to pay expenses, a realized loss of \$10,746,737 on palladium distributed for the redemption of Shares, a change in unrealized loss on investment in palladium of \$98,592,589 and the Sponsor's Fee of \$1,464,063. Other than the Sponsor's Fee, the Trust had no expenses during the year ended December 31, 2023.

The year ended December 31, 2022

The Trust's NAV decreased from \$357,971,468 at December 31, 2021 to \$295,490,794 at December 31, 2022, a 17.45% decrease for the year. The decrease in the Trust's NAV resulted primarily from a decrease in outstanding shares, which fell from 1,950,000 at December 31, 2021 to 1,800,000 at December 31, 2022, a result of 625,000 Shares (25 baskets) being created and 775,000 Shares (31 Baskets) being redeemed during the year. There was a decrease in the price per ounce of palladium, which fell 9.38% from \$1,973.00 at December 31, 2021 to \$1,775.00 at December 31, 2022.

The NAV per Share decreased 10.58% from \$183.58 at December 31, 2021 to \$164.16 at December 31, 2022. The Trust's NAV per Share fell slightly more than the price per ounce of palladium on a percentage basis due to the Sponsor's Fee, which was \$2,226,662 for the year, or 0.60% of the Trust's ANAV.

The NAV per Share of \$280.22 at March 7, 2022 was the highest during the year, compared with a low of \$154.94 at December 20, 2022.

The decrease in net assets from operations for the year ended December 31, 2022 was \$60,480,880, resulting from a realized gain of \$154,729 on the transfer of palladium to pay expenses and a realized gain of \$3,889,466 on palladium distributed for the redemption of Shares, offset by a change in unrealized loss on investment in palladium of \$62,298,413 and the Sponsor's Fee of \$2,226,662. Other than the Sponsor's Fee, the Trust had no expenses during the year ended December 31, 2022.

The year ended December 31, 2021

The Trust's NAV increased from \$356,238,300 at December 31, 2020 to \$357,971,468 at December 31, 2021, a 0.49% increase for the year. The increase in the Trust's NAV resulted primarily from an increase in outstanding shares, which rose from 1,625,000 at December 31, 2020 to 1,950,000 at December 31, 2021, a result of 900,000 Shares (36 baskets) being created and 575,000 Shares (23 Baskets) being redeemed during the year. There was a decrease in the price per ounce of palladium, which fell 15.76% from \$2,342.00 at December 31, 2020 to \$1,973.00 at December 31, 2021.

The NAV per Share decreased 16.26% from \$219.22 at December 31, 2020 to \$183.58 at December 31, 2021. The Trust's NAV per Share fell slightly more than the price per ounce of palladium on a percentage basis due to the Sponsor's Fee, which was \$2,447,225 for the year, or 0.60% of the Trust's ANAV.

The NAV per Share of \$280.24 at May 4, 2021 was the highest during the year, compared with a low of \$146.68 at December 15, 2021.

The decrease in net assets from operations for the year ended December 31, 2021 was \$72,918,240, resulting from a realized gain of \$742,787 on the transfer of palladium to pay expenses and a realized gain of \$37,316,892 on palladium distributed for the redemption of Shares, offset by a change in unrealized loss on investment in palladium of \$108,530,694 and the Sponsor's Fee of \$2,447,225. Other than the Sponsor's Fee, the Trust had no expenses during the year ended December 31, 2021.

Off-Balance Sheet Arrangements

The Trust is not a party to any off-balance sheet arrangements.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

The Trust Agreement 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 invests in no derivative financial instruments and has no foreign operations or long-term debt instruments.

Item 8. Financial Statements and Supplementary Data (Unaudited)

Quarterly Income Statements

Year Ended December 31, 2023

<i>(Amounts in 000's of US\$, except for Share and per Share data)</i>	March 31	Three months ended			Year ended
	March 31	June 30	September 30	December 31	December 31
EXPENSES					
Sponsor's Fee	\$ 419	\$ 382	\$ 356	\$ 307	\$ 1,464
Total expenses	419	382	356	307	1,464
Net investment loss	(419)	(382)	(356)	(307)	(1,464)
REALIZED AND UNREALIZED GAINS / (LOSSES)					
Realized gain / (loss) on palladium transferred to pay expenses	(73)	(125)	(171)	(210)	(579)
Realized gain / (loss) on palladium distributed for the redemption of Shares	(6,533)	(1,352)	(2,863)	2	(10,746)
Change in unrealized gain/ (loss) on investment in palladium	(41,035)	(41,069)	9,482	(25,971)	(98,593)
Total gain / (loss) on investment in palladium	(47,641)	(42,546)	6,448	(26,179)	(109,918)
Change in net assets from operations	\$ (48,060)	\$ (42,928)	\$ 6,092	\$ (26,486)	\$ (111,382)
Net increase / (decrease) in net assets per Share	\$ (24.83)	\$ (21.68)	\$ 3.10	\$ (13.00)	\$ (56.28)
Weighted average number of Shares	1,935,833	1,979,945	1,962,500	2,036,957	1,979,041

Year Ended December 31, 2022

<i>(Amounts in 000's of US\$, except for Share and per Share data)</i>	Three months ended				Year ended
	March 31	June 30	September 30	December 31	December 31
EXPENSES					
Sponsor's Fee	\$ 594	\$ 629	\$ 538	\$ 466	\$ 2,227
Total expenses	594	629	538	466	2,227
Net investment loss	(594)	(629)	(538)	(466)	(2,227)
REALIZED AND UNREALIZED GAINS / (LOSSES)					
Realized gain on palladium transferred to pay expenses	65	91	(6)	5	155
Realized gain / (loss) on palladium distributed for the redemption of Shares	4,305	439	575	(1,430)	3,889
Change in unrealized gain / (loss) on investment in Bullion	21,908	(70,791)	54,891	(68,306)	(62,298)
Change in unrealized gain / (loss) on unsettled creations or redemptions	1,061	(1,061)	—	—	—
Total gain / (loss) on investment in palladium	27,339	(71,322)	55,460	(69,731)	(58,254)
Change in net assets from operations	\$ 26,745	\$ (71,951)	\$ 54,922	\$ (70,197)	\$ (60,481)
<i>Net increase / (decrease) in net assets per Share</i>	\$ 13.67	\$ (35.53)	\$ 30.38	\$ (40.24)	\$ (32.12)
<i>Weighted average number of Shares</i>	1,956,667	2,025,275	1,807,609	1,744,565	1,882,740

Note: Quarterly balances may not add to totals due to independent rounding.

The financial statements required by Regulation S-X, together with the report of the Trust's independent registered public accounting firm appear on pages F-1 to F-13 of this filing.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

None.

Item 9A. Controls and Procedures

The Trust maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to the Chief Executive Officer and Chief Financial Officer of the Sponsor, and to the audit committee, as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of the Chief Executive Officer and the Chief Financial Officer of the Sponsor, the Sponsor conducted an evaluation of the Trust's disclosure controls and procedures, as defined under Exchange Act Rules 13a-15(e) and 15d-15(e). Based on this evaluation, the Chief Executive Officer and the Chief Financial Officer of the Sponsor concluded that, as of December 31, 2023, the Trust's disclosure controls and procedures were effective.

Internal controls over financial reporting have been maintained throughout the Trust's fiscal year ended December 31, 2023. There have been no changes that have materially affected, or are reasonably likely to materially affect, the Trust's or Sponsor's internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

The Sponsor's management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined under Exchange Act Rules 13a-15(f) and 15d-15(f). The Trust's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States. Internal control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Trust's assets;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that the Trust's receipts and expenditures are being made only in accordance with appropriate authorizations; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Trust's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become ineffective because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Chief Executive Officer and Chief Financial Officer of the Sponsor assessed the effectiveness of the Trust's internal control over financial reporting as of December 31, 2023. In making this assessment, they used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control—Integrated Framework (2013)*. Their assessment included an evaluation of the design of the Trust's internal control over financial reporting and testing of the operational effectiveness of its internal control over financial reporting. Based on their assessment and those criteria, the Chief Executive Officer and Chief Financial Officer of the Sponsor concluded that the Trust maintained effective internal control over financial reporting as of December 31, 2023.

KPMG LLP, the independent registered public accounting firm that audited and reported on the financial statements included in this Form 10-K, as stated in their report which is included herein, issued an attestation report on the effectiveness of the Trust's internal control over financial reporting as of December 31, 2023.

Report of Independent Registered Public Accounting Firm

To the Sponsor, Trustee and Shareholders
abrdrn Palladium ETF Trust:

Opinion on Internal Control Over Financial Reporting

We have audited abrdrn Palladium ETF Trust's (known as Aberdeen Standard Palladium ETF Trust prior to March 31, 2022) (the Trust) internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Trust maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the statements of assets and liabilities of the Trust, including the schedules of investments, as of December 31, 2023 and 2022, the related statements of operations and changes in net assets and the financial highlights for each of the years in the three-year period ended December 31, 2023, and the related notes (collectively, the financial statements), and our report dated February 28, 2024 expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Trust's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Trust's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

New York, New York
February 28, 2024

Item 9B. Other Information

No officers or directors of the Trust have adopted, modified or terminated trading plans under either a Rule 10b5-1 or non-Rule 10b51 trading arrangement for the year ended December 31, 2023.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The Trust has no directors or executive officers. The biographies of the President and Chief Executive Officer of the Sponsor and the Chief Financial Officer and Treasurer of the Sponsor are set out below:

Steven Dunn – President and Chief Executive Officer

Mr. Dunn, CIMA®, is the Head of Exchange Traded Funds at abrdn Inc.. Mr. Dunn guides the firm's strategic direction and distribution strategy for ETFs. Previously, he was a Director with Deutsche Asset and Wealth Management in charge of managing relationships with US ETF Strategists and overseeing the Eastern Division sales team. Prior to that, Mr. Dunn was a consultant at Brandywine Global Investment Management and has also held sales and distribution strategy positions at iShares, Blackrock and Vanguard. Mr. Dunn holds a B.A. degree in Public Administration from Shippensburg University of Pennsylvania and has completed his MBA at Pennsylvania State University. He holds the Series 7, 24, and 63 registrations as well as the Certified Investment Management Analyst® (CIMA®).

Brian Kordeck – Chief Financial Officer and Treasurer

Brian Kordeck age 44, joined abrdn Inc. (the parent company of the Sponsor) as a Senior Fund Administrator in 2013 and is currently a Senior Product Manager with the company. Prior to joining abrdn Inc., Mr. Kordeck held financial reporting manager roles at the Bank of New York Mellon and The Investment Fund for Foundations. Mr. Kordeck began his career as an auditor with PricewaterhouseCoopers LLP, focusing on the investment management industry. Mr. Kordeck holds a BS in Business Administration from La Salle University.

Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

In connection with her retirement, Andrea Melia resigned as Chief Financial Officer and Treasurer of the Sponsor, effective on February 28, 2023. Ms. Melia served as Principal Financial Officer of the Registrant.

Brian Kordeck was appointed as Chief Financial Officer and Treasurer of the Sponsor, effective on February 28, 2023. Mr. Kordeck serves as Principal Financial Officer of the Registrant.

As described under Item 1 above, abrdn Inc. is the parent of the Sponsor.

Item 11. Executive Compensation

The Trust has no directors or executive officers. The only ordinary expense paid by the Trust is the Sponsor's Fee.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Security Ownership of Certain Beneficial Owners

There are no persons known by the Trust to own directly or indirectly beneficially more than 5% of the outstanding Shares of the Trust.

Security Ownership of Management

Not applicable.

Change in Control

Neither the Sponsor nor the Trustee knows of any arrangements which may subsequently result in a change in control of the Trust.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The Trust has no directors or executive officers.

Item 14. Principal Accounting Fees and Services

Fees for services performed by KPMG LLP for the years ended December 31, 2023 and 2022

	December 31, 2023	December 31, 2022
Audit fees – KPMG	\$ 85,000	\$ 77,250
Audit related fees - KPMG	19,500	—
	<u>\$ 104,500</u>	<u>\$ 77,250</u>

Audit Fees are fees paid by the Sponsor to KPMG LLP for professional services for the audit of the Trust’s financial statements included in the Form 10-K and review of financial statements included in the Form 10-Qs, and for services that are normally provided by the accountants in connection with regulatory filings or engagements. Audit Related Fees are paid by the Sponsor to KPMG LLP for assurance and related services that are reasonably related to the performance of the audit or review of the Trust’s financial statements. These services include the accountant providing a consent letter related to the Trust’s registration statement filing.

Pre-Approval Policies and Procedures

As referenced in Item 10 above, the Trust has no board of directors, and as a result, has no pre-approval policies or procedures with respect to fees paid to KPMG LLP. Such determinations are made by the Sponsor.

PART IV

Item 15. Exhibits, Financial Statement Schedules

1. Financial Statements

See Index to Financial Statements on Page F-1 for a list of the financial statements being filed herein.

2. Financial Statement Schedules

Schedules have been omitted since they are either not required, not applicable, or the information has otherwise been included.

Exhibit No.	Description
4.1(a)	Depository Trust Agreement, incorporated by reference to Exhibit 4.1 filed with Registration Statement No. 333-158380 on December 31, 2009
4.1(b)	Amendment to the Depository Trust Agreement, incorporated by reference to Exhibit 4.1(b) filed with the Trust's Annual Report on Form 10-K for the year ended December 31, 2019 filed on February 28, 2020
4.1(c)	Second Amendment to the Depository Trust Agreement, incorporated by reference to Exhibit 4.1 filed with the Trust's Current Report on Form 8-K on March 14, 2022
4.2	Form of Authorized Participant Agreement , is filed herewith
4.3	Certificate of Beneficial Interest, incorporated by reference to Exhibit 4.3 filed with Registration Statement No. 333-158380 on December 31, 2009
10.1(a)	Allocated Account Agreement, incorporated by reference to Exhibit 10.1 filed with Registration Statement No. 333-158380 on December 31, 2009
10.1(b)	Amendment to the Allocated Account Agreement effective incorporated by reference to Exhibit 10.1 filed with the Trust's Current Report on Form 8-K on October 5, 2018
10.1(c)	Second capital A amendment to the Allocated Account Agreement, incorporated by reference to Exhibit 10.1(c) filed with Registration Statement No. 333-238125 on May 8, 2020
10.1(d)	Third Amendment to the Allocated Account Agreement, incorporated by reference to Exhibit 10.1 filed with the Trust's Current Report on Form 8-K on March 14, 2022
10.2(a)	Unallocated Account Agreement, incorporated by reference to Exhibit 10.2 filed with Registration Statement No. 333-158380 on December 31, 2009
10.2(b)	Amendment to the Unallocated Account Agreement, incorporated by reference to Exhibit 10.2 filed with the Trust's Current Report on Form 8-K on October 5, 2018
10.2(c)	Second capital A amendment to the Unallocated Account Agreement effective, incorporated by reference to Exhibit 10.2(c) filed with Registration Statement No. 333-238125 on May 8, 2020
10.2(d)	Third Amendment to the Unallocated Account Agreement, incorporated by reference to Exhibit 10.1 filed with the Trust's Current Report on Form 8-K on March 14, 2022
10.3	Depository Agreement, incorporated by reference to Exhibit 10.3 filed with Registration Statement No. 333-158380 on December 31, 2009
10.4(a)	Marketing Agent Agreement, incorporated by reference to Exhibit 10.4 filed with Registration Statement No. 333-158380 on December 31, 2009
10.4(b)	Novation of and Amendment No. 1 to the Marketing Agent Agreement effective as of October 1, 2018, incorporated by reference to Exhibit 10.4(b) filed with the Trust's Annual Report on Form 10-K on March 1, 2019
23.1	Consent of KPMG LLP, Independent Registered Public Accounting Firm
31.1	Chief Executive Officer's Certificate, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Chief Financial Officer's Certificate, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Chief Executive Officer's Certificate, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Chief Financial Officer's Certificate, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97.1	Policy for Recovery of Erroneously Awarded Compensation

101	The following financial statements from the Trust's Annual Report on Form 10-K for the year ended December 31, 2023, formatted in Inline XBRL: (i) Statements of Assets and Liabilities, (ii) Statements of Operations, (iii) Statements of Changes in Net Assets, and (iv) Notes to the Financial Statements.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Document
101.DEF	Inline XBRL Taxonomy Extension Definitions Document
101.LAB	Inline XBRL Taxonomy Extension Labels Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Document
104	The cover page from the Trust's Annual Report on Form 10-K for the year ended December 31, 2023, formatted in Inline XBRL (included as Exhibit 101).

Item 16. Form 10-K Summary

Not applicable.

ABRDN PALLADIUM ETF TRUST
FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Sponsor, Trustee and Shareholders
abrdrn Palladium ETF Trust:

Opinion on the Financial Statements

We have audited the accompanying statements of assets and liabilities of abrdrn Palladium ETF Trust (known as Aberdeen Standard Palladium ETF Trust prior to March 31, 2022) (the Trust), including the schedules of investments, as of December 31, 2023 and 2022, the related statements of operations and changes in net assets and the financial highlights for each of the years in the three-year period ended December 31, 2023, and the related notes (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust as of December 31, 2023 and 2022, and the results of its operations, changes in its net assets and financial highlights for each of the years in the three-year period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Trust's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 28, 2024 expressed an unqualified opinion on the effectiveness of the Trust's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Evaluation of the evidence pertaining to the existence of the palladium holdings

As presented on the December 31, 2023 schedule of investments and in Note 2.2, the fair value of the Trust's investment in palladium is \$219,421 thousand, representing 100.05% of the Trust's net assets, and 193,152.2 ounces of palladium holdings. The investment in palladium was held by a third-party custodian or sub-custodian (collectively, the custodian).

We identified the evaluation of the evidence pertaining to the existence of the palladium holdings as a critical audit matter. Given the nature and volume of the palladium holdings, subjective auditor judgment was required to evaluate the extent and nature of evidence obtained to assess the existence of palladium held by the custodian.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the critical audit matter. This included controls over (1) the comparison of the Trust's records of palladium held to the custodian's records, (2) the approval of palladium deposits and withdrawals by the trustee of the Trust and (3) the physical counts of the Trust's palladium holdings performed at the custodian's locations by a third party engaged by the Trust's sponsor. We obtained a schedule directly from the custodian of the Trust's palladium holdings held by the custodian as of December 31, 2023. We compared the total ounces on such schedule to the Trust's record of palladium holdings. We also attended and observed a part of the physical counts of the Trust's palladium holdings. We obtained and read the physical counts results reports of the third party and reconciled those reports to both the Trust's and custodian's records.

/s/ KPMG LLP

We have served as the Trust's auditor since 2015.

New York, New York
February 28, 2024

abrdn Palladium ETF Trust

Statements of Assets and Liabilities
At December 31, 2023 and 2022

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<i>(Amounts in 000's of US\$, except for Share and per Share data)</i>		
ASSETS		
Investment in palladium (cost: December 31, 2023: \$356,585; December 31, 2022: \$334,209)	\$ 219,421	\$ 295,638
Total assets	<u>219,421</u>	<u>295,638</u>
LIABILITIES		
Fees payable to Sponsor	112	147
Total liabilities	<u>112</u>	<u>147</u>
NET ASSETS⁽¹⁾	<u>\$ 219,309</u>	<u>\$ 295,491</u>

(1) Authorized share capital is unlimited with no par value per Share. Shares issued and outstanding at December 31, 2023 were 2,100,000 and at December 31, 2022 were 1,800,000. Net asset values per Share at December 31, 2023 and December 31, 2022 were \$104.43 and \$164.16, respectively.

See Notes to the Financial Statements

abrdn Palladium ETF Trust

Schedules of Investments
At December 31, 2023 and 2022

Description	oz	December 31, 2023		% of Net Assets
		Cost	Fair Value	
Investment in palladium (in 000's of US\$, except for oz and percentage data)				
Palladium	193,152.2	\$ 356,585	\$ 219,421	100.05%
Total investment in palladium	193,152.2	\$ 356,585	\$ 219,421	100.05%
Less liabilities			(112)	(0.05)%
Net Assets			\$ 219,309	100.00%

Description	oz	December 31, 2022		% of Net Assets
		Cost	Fair Value	
Investment in palladium (in 000's of US\$, except for oz and percentage data)				
Palladium	166,556.4	\$ 334,209	\$ 295,638	100.05%
Total investment in palladium	166,556.4	\$ 334,209	\$ 295,638	100.05%
Less liabilities			(147)	(0.05)%
Net Assets			\$ 295,491	100.00%

See Notes to the Financial Statements

abrdr Palladium ETF Trust

Statements of Operations

For the years ended December 31, 2023, 2022, and 2021

	<u>Year Ended December 31, 2023</u>	<u>Year Ended December 31, 2022</u>	<u>Year Ended December 31, 2021</u>
<i>(Amounts in 000's of US\$, except for Share and per Share data)</i>			
EXPENSES			
Sponsor's Fee	\$ 1,464	\$ 2,227	\$ 2,447
Total expenses	1,464	2,227	2,447
Net investment loss	<u>(1,464)</u>	<u>(2,227)</u>	<u>(2,447)</u>
REALIZED AND UNREALIZED GAINS / (LOSSES)			
Realized gain / (loss) on palladium transferred to pay expenses	(579)	155	743
Realized gain / (loss) on palladium distributed for the redemption of Shares	(10,746)	3,889	37,317
Change in unrealized (loss) on investment in palladium	(98,593)	(62,298)	(108,531)
Total (loss) on investment in palladium	<u>(109,918)</u>	<u>(58,254)</u>	<u>(70,471)</u>
Change in net assets from operations	<u>\$ (111,382)</u>	<u>\$ (60,481)</u>	<u>\$ (72,918)</u>
Net (decrease) in net assets per Share	\$ (56.28)	\$ (32.12)	\$ (39.95)
Weighted average number of Shares	1,979,041	1,882,740	1,825,342

See Notes to the Financial Statements

abrdrn Palladium ETF Trust

Statements of Changes in Net Assets
For the years ended December 31, 2023, 2022 and 2021

<i>(Amounts in 000's of US\$, except for Share data)</i>	Year Ended December 31, 2023	
	Shares	Amount
Opening balance at January 1, 2023	1,800,000	\$ 295,491
Net investment loss		(1,464)
Realized (loss) on investment in palladium		(11,325)
Change in unrealized (loss) on investment in palladium		(98,593)
Creations	575,000	73,610
Redemptions	(275,000)	(38,410)
Closing balance at December 31, 2023	<u>2,100,000</u>	<u>\$ 219,309</u>

<i>(Amounts in 000's of US\$, except for Share data)</i>	Year Ended December 31, 2022	
	Shares	Amount
Opening balance at January 1, 2022	1,950,000	\$ 357,971
Net investment loss		(2,227)
Realized gain on investment in palladium		4,044
Change in unrealized (loss) on investment in palladium		(62,298)
Creations	625,000	145,623
Redemptions	(775,000)	(147,622)
Closing balance at December 31, 2022	<u>1,800,000</u>	<u>\$ 295,491</u>

<i>(Amounts in 000's of US\$, except for Share data)</i>	Year Ended December 31, 2021	
	Shares	Amount
Opening balance at January 1, 2021	1,625,000	\$ 356,238
Net investment loss		(2,447)
Realized gain on investment in palladium		38,060
Change in unrealized (loss) on investment in palladium		(108,531)
Creations	900,000	205,730
Redemptions	(575,000)	(131,079)
Closing balance at December 31, 2021	<u>1,950,000</u>	<u>\$ 357,971</u>

See Notes to the Financial Statements

abrdr Palladium ETF Trust

Financial Highlights

For the years ended December 31, 2023, 2022 and 2021

	<u>Year Ended December 31, 2023</u>	<u>Year Ended December 31, 2022</u>	<u>Year Ended December 31, 2021</u>
Per Share Performance (for a Share outstanding throughout the entire period)			
Net asset value per Share at beginning of period	\$ 164.16	\$ 183.58	\$ 219.22
<i>Income from investment operations:</i>			
Net investment loss	(0.74)	(1.18)	(1.34)
Total realized and unrealized gains or losses on investment in palladium	(58.99)	(18.24)	(34.30)
Change in net assets from operations	(59.73)	(19.42)	(35.64)
Net asset value per Share at end of period	<u>\$ 104.43</u>	<u>\$ 164.16</u>	<u>\$ 183.58</u>
<i>Weighted average number of Shares</i>	1,979,041	1,882,740	1,825,342
Expense ratio	0.60%	0.60%	0.60%
Net investment loss ratio	(0.60)%	(0.60)%	(0.60)%
Total return, net asset value	(36.39)%	(10.58)%	(16.26)%

See Notes to the Financial Statements

abrdrn Palladium ETF Trust

Notes to the Financial Statements

1. Organization

The abrdrn Palladium ETF Trust (the “Trust”) is a common law trust formed on December 30, 2009 under New York law pursuant to a depositary trust agreement (the “Trust Agreement”) executed by abrdrn ETFs Sponsor LLC (the “Sponsor”) and The Bank of New York Mellon as Trustee (the “Trustee”). The Trust holds palladium and issues abrdrn Physical Palladium Shares ETF (“Shares”) in minimum blocks of 25,000 Shares (also referred to as “Baskets”) in exchange for deposits of palladium and distributes palladium in connection with the redemption of Baskets. Shares represent units of fractional undivided beneficial interest in and ownership of the Trust which are issued by the Trust. The Sponsor is a Delaware limited liability company and a wholly-owned subsidiary of abrdrn Inc., which is a wholly-owned indirect subsidiary of abrdrn plc. The Trust is governed by the Trust Agreement.

Effective February 28, 2023, Andrea Melia resigned as Treasurer and Chief Financial Officer of the Sponsor. Ms. Melia had served as Principal Financial Officer of the Registrant. Effective February 28, 2023, Brian Kordeck was appointed Treasurer and Chief Financial Officer of the Sponsor. Mr. Kordeck serves as Principal Financial Officer of the Registrant.

The investment objective of the Trust is for the Shares to reflect the performance of the price of physical palladium, less the Trust’s expenses. The Trust is designed to provide an individual owner of beneficial interests in the Shares (a “Shareholder”) an opportunity to participate in the palladium market through an investment in securities.

2. Significant Accounting Policies

The preparation of financial statements in accordance with U.S. GAAP 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. Basis of Accounting

The Sponsor has determined that the Trust falls within the scope of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 946, *Financial Services—Investment Companies*, and has concluded that for reporting purposes, the Trust is classified as an Investment Company. The Trust is not registered as an investment company under the Investment Company Act of 1940 and is not required to register under such act.

2.2. Valuation of Palladium

The Trust follows the provisions of ASC 820, *Fair Value Measurement* (“ASC 820”). ASC 820 provides guidance for determining fair value and requires increased disclosure regarding the inputs to valuation techniques used to measure fair value. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Trust’s palladium is held by JPMorgan Chase Bank, N.A. (the “Custodian”), on behalf of the Trust, at its London, England vaulting premises. The Trust’s palladium may also be held by UBS AG, or any other firm selected by the Custodian to hold the Trust’s palladium in the Trust’s allocated account in the firm’s vault premises on a segregated basis and whose appointment has been approved by the Sponsor. At December 31, 2023, approximately 8.04% of the Trust’s palladium was held by one or more sub-custodians.

abrdn Palladium ETF Trust

Notes to the Financial Statements

The Trust's palladium is recorded at fair value. The cost of palladium is determined according to the average cost method and the fair value is based on the afternoon session of the twice daily fix of an ounce of palladium administered by the London Metal Exchange ("LME") (the "LME PM Fix"). Realized gains and losses on transfers of palladium, or palladium distributed for the redemption of Shares, are calculated on a trade date basis as the difference between the fair value and average cost of palladium transferred.

The LME is responsible for the administration of the electronic palladium price fixing system ("LMEbullion") that replicates electronically the manual London palladium fix processes previously employed by the London Platinum and Palladium Fixing Company Ltd ("LPPFCL"), as well as providing electronic market clearing processes for palladium bullion transactions at the fixed prices established by the LME pricing mechanism. LMEbullion, like the previous London palladium fix processes, establishes and publishes fixed prices for troy ounces of palladium twice each London trading day during fixing sessions beginning at 9:45 a.m. London time (the "LME AM Fix") and 2:00 p.m. London time (the "LME PM Fix").

Once the value of palladium has been determined, the net asset value (the "NAV") is computed by the Trustee by deducting all accrued fees, expenses and other liabilities of the Trust, including the remuneration due to the Sponsor (the "Sponsor's Fee"), from the fair value of the palladium and all other assets held by the Trust.

The Trust recognizes changes in fair value of the investment in palladium as changes in unrealized gains or losses on investment in palladium through the Statement of Operations.

The per Share amount of palladium exchanged for a purchase or redemption is calculated daily by the Trustee using the LME PM Fix to calculate the palladium amount in respect of any liabilities for which covering palladium sales have not yet been made, and represents the per Share amount of palladium held by the Trust, after giving effect to its liabilities, to cover expenses and liabilities and any losses that may have occurred.

Fair Value Hierarchy

ASC 820 establishes a hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The three levels of inputs are as follows:

- Level 1. Unadjusted quoted prices in active markets for identical assets or liabilities that the Trust has the ability to access.
- Level 2. Observable inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments and similar data.
- Level 3. Unobservable inputs for the asset or liability to the extent that relevant observable inputs are not available, representing the Trust's own assumptions about the assumptions that a market participant would use in valuing the asset or liability, and that would be based on the best information available.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

abrdn Palladium ETF Trust

Notes to the Financial Statements

The Trust's investment in palladium is classified as a level 1 asset, as its value is calculated using unadjusted quoted prices from primary market sources.

The categorization of the Trust's assets is as shown below:

<i>(Amounts in 000's of US\$)</i>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<i>Level 1</i>		
Investment in palladium	\$ 219,421	\$ 295,638

There were no transfers between levels during the years ended December 31, 2023 and 2022.

2.3. Palladium Receivable and Payable

Palladium receivable or payable represents the quantity of palladium covered by contractually binding orders for the creation or redemption of Shares respectively, where the palladium has not yet been transferred to or from the Trust's account. Generally, ownership of palladium is transferred within two business days of the trade date. At December 31, 2023, the Trust had no palladium receivable or payable for the creation or redemption of Shares. At December 31, 2022, the Trust had no palladium receivable or payable for the creation or redemption of Shares.

2.4. Creations and Redemptions of Shares

The Trust expects to create and redeem Shares from time to time, but only in one or more Baskets (a Basket equals a block of 25,000 Shares). The Trust issues Shares in Baskets to Authorized Participants on an ongoing basis. Individual investors cannot purchase or redeem Shares in direct transactions with the Trust. An Authorized Participant is a person who (1) is a registered broker-dealer or other securities market participant such as a bank or other financial institution which is not required to register as a broker-dealer to engage in securities transactions; (2) is a participant in The Depository Trust Company; (3) has entered into an Authorized Participant Agreement with the Trustee and the Sponsor; and (4) has established an Authorized Participant Unallocated Account with the Trust's Custodian or other palladium bullion clearing bank. An Authorized Participant Agreement is an agreement entered into by each Authorized Participant, the Sponsor and the Trustee which provides the procedures for the creation and redemption of Baskets and for the delivery of the palladium required for such creations and redemptions. An Authorized Participant Unallocated Account is an unallocated palladium account, either loco London or loco Zurich, established with the Custodian or a palladium bullion clearing bank by an Authorized Participant.

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 palladium represented by the Baskets being created or redeemed, the amount of which is based on the combined NAV 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.

abrdn Palladium ETF Trust

Notes to the Financial Statements

Authorized Participants may, on any business day, place an order with the Trustee to create or redeem one or more Baskets. The typical settlement period for Shares is two business days. In the event of a trade date at period end, where a settlement is pending, a respective account receivable and/or payable will be recorded. When palladium is exchanged in settlement of a redemption, it is considered a sale of palladium for financial statement purposes.

The amount of palladium represented by the Baskets created or redeemed can only be settled to the nearest 1/1000th of an ounce. As a result, the value attributed to the creation or redemption of Shares may differ from the value of palladium to be delivered or distributed by the Trust. In order to ensure that the correct amount of palladium is available at all times to back the Shares, the Sponsor accepts an adjustment to its Sponsor's Fee in the event of any shortfall or excess on each transaction. For each transaction, this amount is not more than 1/1000th of an ounce of palladium.

As the Shares of the Trust are subject to redemption at the option of Authorized Participants, the Trust has classified the outstanding Shares as Net Assets. Changes in the number of Shares outstanding are presented in the Statement of Changes in Net Assets.

2.5. Income Taxes

The Trust is classified as a "grantor trust" for U.S. federal income tax purposes. As a result, the Trust itself will not be subject to U.S. 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 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 December 31, 2023 or December 31, 2022.

2.6. Investment in Palladium

Changes in ounces of palladium and their respective values for the years ended December 31, 2023 and 2022 are set out below:

	<u>Year Ended December 31, 2023</u>	<u>Year Ended December 31, 2022</u>
<i>(Amounts in 000's of US\$, except for ounces data)</i>		
Ounces of palladium		
Opening balance	166,556.4	181,531.1
Creations	53,072.5	58,004.8
Redemptions	(25,394.5)	(71,914.8)
Transfers of palladium to pay expenses	(1,082.2)	(1,064.7)
Closing balance	<u>193,152.2</u>	<u>166,556.4</u>
Investment in palladium		
Opening balance	\$ 295,638	\$ 358,161
Creations	73,610	145,623
Redemptions	(38,410)	(147,622)
Realized (loss) / gain on palladium distributed for the redemption of Shares	(10,746)	3,889
Transfers of palladium to pay expenses	(1,499)	(2,270)
Realized gain on palladium transferred to pay expenses	(579)	155
Change in unrealized (loss) on investment in palladium	(98,593)	(62,298)
Closing balance	<u>\$ 219,421</u>	<u>\$ 295,638</u>

abrdrn Palladium ETF Trust

Notes to the Financial Statements

2.7. Expenses / Realized Gains / Losses

The primary expense of the Trust is the Sponsor's Fee, which is paid by the Trust through in-kind transfers of palladium to the Sponsor.

The Trust will transfer palladium to the Sponsor to pay the Sponsor's Fee that accrues daily at an annualized rate equal to 0.60% of the adjusted daily net asset value ("ANAV") of the Trust, paid monthly in arrears.

The Sponsor has agreed to assume administrative and marketing expenses incurred by the Trust, including the Trustee's monthly fee and out of pocket expenses, the Custodian's fee and the reimbursement of the Custodian's expenses, exchange listing fees, United States Securities and Exchange Commission (the "SEC") registration fees, printing and mailing costs, audit fees and up to \$100,000 per annum in legal expenses.

For the year's ended December 31, 2023, 2022 and 2021, the Sponsor's Fee was \$1,464,063, \$2,226,662 and \$2,447,225, respectively.

At December 31, 2023 and at December 31, 2022, the fees payable to the Sponsor were \$111,606 and \$146,803, respectively.

With respect to expenses not otherwise assumed by the Sponsor, the Trustee will, at the direction of the Sponsor or in its own discretion, sell the Trust's palladium as necessary to pay these expenses. When selling palladium to pay expenses, the Trustee will endeavor to sell the smallest amounts of palladium needed to pay these expenses in order to minimize the Trust's holdings of assets other than palladium. Other than the Sponsor's Fee, the Trust had no expenses during the years ended December 31, 2023 and 2022.

Unless otherwise directed by the Sponsor, when selling palladium the Trustee will endeavor to sell at the price established by the LME 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 palladium only if the sale transaction is made at the next LME PM Fix or such other publicly available price that the Sponsor deems fair, in each case as set following the sale order. A gain or loss is recognized based on the difference between the selling price and the average cost of the palladium sold. Neither the Trustee nor the Sponsor is liable for depreciation or loss incurred by reason of any sale.

Realized gains and losses result from the transfer of palladium for Share redemptions and / or to pay expenses and are recognized on a trade date basis as the difference between the fair value and average cost of palladium transferred.

2.8. Subsequent Events

In accordance with the provisions set forth in FASB ASC 855-10, *Subsequent Events*, the Trust's management has evaluated the possibility of subsequent events impacting the Trust's financial statements through the filing date. During this period, no material subsequent events requiring adjustment to or disclosure in the financial statements were identified.

abrdn Palladium ETF Trust

Notes to the Financial Statements

3. Related Parties

The Sponsor and the Trustee are considered to be related parties to the Trust. The Trustee and the Custodian and their affiliates may from time to time act as Authorized Participants and purchase or sell Shares for their own account, as agent for their customers and for accounts over which they exercise investment discretion. In addition, the Trustee and the Custodian and their affiliates may from time to time purchase or sell palladium directly, for their own account, as agent for their customers and for accounts over which they exercise investment discretion. The Trustee's and Custodian's fees are paid by the Sponsor and are not separate expenses of the Trust.

4. Concentration of Risk

The Trust's sole business activity is the investment in palladium, and substantially all the Trust's assets are holdings of palladium, which creates a concentration of risk associated with fluctuations in the price of palladium. Several factors could affect the price of palladium, including: (i) global palladium supply and demand, which is influenced by factors such as production and cost levels in major palladium-producing countries, recycling, autocatalyst demand, industrial demand, jewelry demand, investment demand, and sales of existing stockpiles of palladium, which have been a key source of supply and are likely to be exhausted soon, placing a higher burden on new mine supply; (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 palladium will maintain its long-term value in terms of purchasing power in the future. In the event that the price of palladium declines, the Sponsor expects the value of an investment in the Shares to decline proportionately. Each of these events could have a material effect on the Trust's financial position and results of operations.

5. Indemnification

Under the Trust's organizational documents, the Trustee (and its directors, employees and agents) and the Sponsor (and its members, managers, directors, officers, employees and affiliates) are indemnified by the Trust against any liability, cost or expense it incurs without gross negligence, bad faith, willful misconduct or willful malfeasance on its part and without reckless disregard on its part of its obligations and duties under the Trust's organizational documents. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred.

abrdn Palladium ETF Trust

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 thereunto duly authorized.

abrdn ETFs Sponsor LLC

Date: February 28, 2024

/s/ Steven Dunn*

Steven Dunn **

President and Chief Executive Officer
(Principal Executive Officer)

Date: February 28, 2024

/s/ Brian Kordeck*

Brian Kordeck **

Chief Financial Officer and Treasurer
(Principal Financial Officer and Principal Accounting Officer)

* The originally executed copy of this Certification will be maintained at the Sponsor's offices and will be made available for inspection upon request.

** The Registrant is a trust and the persons are signing in their capacities as officers of abrdn ETFs Sponsor LLC, the Sponsor of the Registrant.

AUTHORIZED PARTICIPANT AGREEMENT

AUTHORIZED PARTICIPANT AGREEMENT (this “Agreement”) dated as of [DATE] among (i) [AUTHORIZED PARTICIPANT], a [company] organized under the laws of [JURISDICTION OF AP] (the “**Authorized Participant**”), (ii) The Bank of New York Mellon, a New York Banking corporation acting in its capacity as trustee (in such capacity, the “**Trustee**”) of the Trust(s) listed on the attached Schedule A, which is a part of this Agreement (each a “**Trust**” and collectively, the “**Trusts**”), each Trust created under New York law pursuant to its respective Depositary Trust Agreement identified on the attached Schedule A (each a “**Trust Agreement**” and collectively, the “**Trust Agreements**”), and (iii) abrdn ETFs Sponsor LLC, in its capacity as sponsor of each Trust (in such capacity, the “**Sponsor**”).

RECITALS

A. Pursuant to the provisions of the applicable Trust Agreements, each Trust may from time to time issue or redeem equity securities representing an interest in the assets of such Trust (“**Shares**”), in each case only in aggregate amounts as set out in Schedule A (such aggregate amount, a “**Basket**”), and integral multiples thereof, and only in transactions with a party who, at the time of the transaction, shall have signed and in effect an Authorized Participant Agreement with such Trust.

B. [AUTHORIZED PARTICIPANT] has requested to become an “Authorized Participant” with respect to each Trust (as such term is defined in the applicable Trust Agreement), and the Sponsor and the Trustee have agreed to such request.

NOW, THEREFORE, in consideration of the foregoing premises, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties, hereto, intending to be legally bound, agree as follows:

Section 1. Procedures. The Authorized Participant will purchase or redeem Baskets of Shares of the relevant Trust in compliance with the relevant Trust Agreement as supplemented by the Creation and Redemption Procedures attached to this Agreement as Schedule 1 (such procedures, as the same may be amended or modified from time to time in compliance with the provisions hereof and thereof, the “**Procedures**”), using either (i) the form attached thereto as Annex I (a “**Purchase Order**”, in the case of an order to purchase one or more Baskets of Shares issued by a specified Trust and a “**Redemption Order**”, in case of an order to redeem one or more Baskets of Shares issued by a specified Trust) or (ii) through the Trustee’s electronic order entry system, as such may be made available and constituted from time to time, the use of which shall be subject to the terms and conditions attached thereto as Annex II. All Purchase Orders and Redemption Orders (collectively, “**Orders**”) shall be placed and executed in accordance with the relevant Trust Agreement as supplemented by the Procedures. Capitalized terms used in this Agreement and not otherwise defined herein have the meaning ascribed to them in the Procedures.

Section 2. Incorporation of Standard Terms. The Standard Terms attached hereto as Schedule 2 are hereby incorporated by reference into, and made a part of, this Agreement.

Section 3. Conflicts Rules. In case of any inconsistency between the provisions of this Agreement and an applicable Trust Agreement, the provisions of such Trust Agreement shall control. In case of inconsistency between the provisions incorporated by reference into this Agreement pursuant to Section 2 above and any other provision of this Agreement, the latter will control.

Section 4. Authorized Representatives. Pursuant to Section 2.01 of the Standard Terms, attached hereto as Schedule 3-A is a certificate listing the Authorized Representatives of the Authorized Participant.

Section 5. Additional Covenants. The Authorized Participant covenants and agrees:

(a) To use its best efforts to ensure that any Delivery of applicable Bullion to the Custodian, or any withdrawal of applicable Bullion from the appropriate Trust, in connection with a Purchase Order or Redemption Order placed by the Authorized Participant will take place only through one or more members of the London Bullion Market Association and/or the London Platinum and Palladium Market as appropriate under the terms of the applicable Trust Agreement.

(b) Promptly upon written demand therefore (accompanied by such reasonable evidence as the Authorized Participant may request), to reimburse the relevant Trust or the Custodian the amount of any taxes (including value added taxes) that may be imposed on the relevant Trust or the Custodian in connection with any Delivery of Bullion by or on behalf of the Authorized Participant to the Custodian (in the case of a Purchase Order placed by the Authorized Participant), or any Delivery of Bullion to or for the account of the Authorized Participant (in the case of a Redemption Order placed by the Authorized Participant).

Section 6. Notices. Except as otherwise specifically provided in the Procedures, all notices required or permitted to be given pursuant hereto shall be given in writing and delivered by personal delivery or by postage prepaid registered or certified United States first class mail, return receipt requested, or by email, addressed as follows:

(i) If to the Trustee:

The Bank of New York Mellon
240 Greenwich Street
8th Floor
New York, New York 10286
Attention: ETF Services
Telephone: (212) 815-2698
Email: etfcsm@bnymellon.com

(ii) If to the Sponsor:

abrdrn ETFs Sponsor LLC
c/o abrdrn
712 Fifth Avenue – 49th Floor, New York, NY 10019
Attn: Adam Rezak
Telephone: 844-383-7289
Email: adam.rezak@abrdrn.com

(iii) If to the Authorized Participant:

[AUTHORIZED PARTICIPANT]
Attn:
[AP'S ADDRESS] Telephone:
Email:

or such other address as any of the parties hereto shall have communicated in writing to the remaining parties in compliance with the provisions hereof.

Section 7. Effectiveness, Termination and Amendment. This Agreement shall become effective upon execution and delivery by each of the parties hereto. This Agreement may be terminated at any time by any party upon sixty days prior written notice to the other parties and may be terminated earlier by the Trustee or the Sponsor at any time on the event of a breach by the Authorized Participant of any provision of this Agreement (including the Standard Terms incorporated by Section 2 hereof) or the Procedures. This Agreement, along with any other agreement or instrument delivered pursuant to this Agreement, supersedes any prior agreement between or among the parties concerning the matters governed hereby. This Agreement may be amended by the Trustee and the Sponsor from time to time without the consent of the Authorized Participant or any Beneficial Owner by the following procedure: the Trustee or the Sponsor will mail a copy of the amendment to the Authorized Participant in compliance with the notice provisions of this Agreement; if the Authorized Participant does not object in writing to the amendment within fifteen (15) Business Days after receipt of the proposed amendment, the amendment will become part of this Agreement in accordance with its terms. Titles and section headings in this Agreement (and in the Standard Terms incorporated by Section 2 hereof and the Procedures) are included solely for convenient reference and are not a part of this Agreement.

Section 8. Governing Law. This Agreement and all the transactions hereunder shall be governed by and interpreted in accordance with the laws of the State of New York (regardless of the laws that might otherwise govern under applicable New York conflict law principles) as to all matters including matters of validity, construction, effect, performance and remedies. The parties irrevocably submit to the non-exclusive jurisdiction of any New York State or United States Federal court sitting in New York City over any suit, action or proceeding arising out of, or relating to, this Agreement.

Section 9. Assignment. No party to this Agreement shall assign any rights, or delegate the performance of any obligations, arising hereunder without the prior written consent of the other parties hereto, which shall not be unreasonably withheld; provided, that any entity into which a party hereto may be merged or converted, or with which it may be consolidated, or any entity resulting from any merger, consolidation or conversion to which a party hereunder shall be a party, shall be the successor of such party hereto. The party resulting from any such merger, conversion, consolidation or succession shall promptly notify the other parties hereto of the change. Any purported assignment or delegation in violation of these provisions shall be null and void. Notwithstanding the foregoing, any successor Trustee appointed in compliance with the applicable Trust Agreement shall automatically become a party hereto and shall assume all the obligations, and be entitled to all the rights and remedies of the Trustee hereunder with respect to the applicable Trust.

Section 10. No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any party.

Section 11. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signatures Follow on Next Page]

IN WITNESS WHEREOF, the parties hereto have executed this Authorized Participant Agreement as of the date set forth above.

THE BANK OF NEW YORK MELLON, in its capacity as Trustee of the Trusts listed on Schedule A hereto

By: _____
Name:
Title:
Date:

abrdn ETFs Sponsor LLC, in its capacity as Sponsor of the Trusts listed on Schedule A hereto

By: _____
Name:
Title:
Date:

[AUTHORIZED PARTICIPANT]

By: _____
Name:
Title:
Date:

SCHEDULE A – APPLICABLE TRUSTS

- abrtn Palladium ETF Trust (issuer of abrtn Physical Palladium Shares ETF), a trust created under New York Law pursuant to that certain Depositary Trust Agreement between the Trustee and the Sponsor, as may be amended from time to time
- abrtn Platinum ETF Trust (issuer of abrtn Physical Platinum Shares ETF), a trust created under New York Law pursuant to that certain Depositary Trust Agreement between the Trustee and the Sponsor, as may be amended from time to time
- abrtn Precious Metals Basket ETF Trust (issuer of abrtn Physical Precious Metals Basket Shares ETF), a trust created under New York Law pursuant to that certain Depositary Trust Agreement between the Trustee and the Sponsor, as may be amended from time to time
- abrtn Silver ETF Trust (issuer of abrtn Physical Silver Shares ETF), a trust created under New York Law pursuant to that certain Depositary Trust Agreement between the Trustee and the Sponsor, as may be amended from time to time
- abrtn Gold ETF Trust (issuer of abrtn Physical Gold Shares ETF), a trust created under New York Law pursuant to that certain Depositary Trust Agreement between the Trustee and the Sponsor, as may be amended from time to time

[Delivery Locations, Basket Sizes and Bullion Ounces per Share on Next Page]

DELIVERY LOCATIONS, BASKET SIZES AND BULLION OUNCES PER SHARE

Description of Delivery Locations and Basket Sizes:

	Delivery of Bullion	Shares per basket	Oz. per Share at inception
abrdn Silver ETF Trust	Loco-London	50,000	1.0
abrdn Gold ETF Trust	Loco-Zurich/London	100,000	0.1 0.01*
abrdn Platinum ETF Trust	Loco-Zurich/London	50,000	0.1
abrdn Palladium ETF Trust	Loco-Zurich/London	25,000	0.1
abrdn Precious Metals Basket ETF Trust	Loco-London (gold and silver) Loco-Zurich/London (platinum and palladium)	50,000	Silver - 1.100 Gold - 0.030 Platinum - 0.004 Palladium - 0.006

*The amount reflects the impact of the ten-for-one forward share split, which was effective on November 1, 2019, as if the forward share split was effective at inception.

SCHEDULE 1- CREATION AND REDEMPTION PROCEDURES

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FIFTH AMENDED AND RESTATED CREATION AND REDEMPTION PROCEDURES

Adopted by the Sponsor and Trustee (each as defined below) as of [DATE]

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01. **Definitions.** For purposes of these Procedures, and the Standard Terms incorporated by reference into the Authorized Participant Agreement to which these Procedures are attached, unless the context otherwise requires, the following terms will have the following meanings:

“**1933 Act**” means the U.S. Securities Act of 1933, as amended.

“**Affiliate**” shall have the meaning given to it by Rule 501(b) under the 1933 Act.

“**AP Indemnified Party**” shall have the meaning ascribed to such term in Section 6.01.a of the Standard Terms.

“**Authorized Participant**” shall have the meaning ascribed to the term in the introductory paragraph of the Authorized Participant Agreement.

“**Authorized Participant Agreement**” shall mean each Authorized Participant Agreement among the Authorized Participant, the Trustee and the Sponsor into which these Creation and Redemption Procedures are attached as Schedule 1 and the Standard Terms and Conditions attached as Schedule 2 shall have been incorporated by reference.

“**Authorized Participant Client**” means any party on whose behalf the Authorized Participant acts in connection with an Order (whether a customer or otherwise).

“**Authorized Representative**” shall mean, with respect to an Authorized Participant, each individual who, pursuant to the provisions of the Authorized Participant Agreement between such Authorized Participant, the Sponsor, and the Trustee, has the power and authority to act on behalf of the Authorized Participant in connection with the placement of Purchase Orders or Redemption Orders and is in possession of the personal identification number (PIN) assigned by the Trustee for use in any communications regarding Purchase or Redemption Orders on behalf of such Authorized Participant.

“**Basket**” shall have the meaning ascribed to the term in Section 1.1 of the relevant Trust Agreement.

“**Basket Amount**” shall mean the specific basket amount term defined in Section 1.1 of the relevant Trust Agreement (e.g., the “Basket Silver Amount” in the case of the abrdn Silver ETF Trust; the “Basket Gold Amount” in the case of the abrdn Gold ETF Trust; the “Basket Platinum Amount” in the case of the abrdn Platinum ETF Trust; the “Basket Palladium Amount” in the case of the abrdn Palladium ETF Trust; and the “Basket Bullion Amount” in the case of the abrdn Precious Metals Basket ETF Trust).

“**Benchmark Price**” shall have the meaning ascribed to the term in Section 1.1 of the relevant Trust Agreement.

“**Beneficial Owner**” shall have the meaning given to it by Rule 16a-1(a)(2) of the Securities Exchange Act of 1934.

“**Bullion**” shall mean Silver, Gold, Platinum and/or Palladium as appropriate.

“**Business Day**” shall mean, if and as applicable, (i) each day the exchange on which the relevant Shares trade is open for regular trading, and/or (ii) a London Business Day, and/or (iii) a Zurich Business Day.

“**Creation**” means the process that begins when an Authorized Participant first indicates to the Trustee its intention to purchase one or more Baskets of a specified Trust pursuant to these Procedures and concludes with the issuance by the Trustee and Delivery to such Authorized Participant of the corresponding number of that Trust’s Shares.

“**Creation and Redemption Line**” shall mean a telephone number designated as such by the Trustee and specified in Annex I of the Procedures or otherwise communicated to each Authorized Participant in compliance with the notice provisions of the respective Authorized Participant Agreement.

“**Custodial Allocated Account**” shall mean the allocated bullion account established by the Trustee with the Custodian pursuant to the relevant Custodian Agreement.

“**Custodial Unallocated Account**” shall mean the unallocated bullion account established by the Trustee with the Custodian pursuant to the relevant Custodian Agreement.

“**Custodian**” shall mean, with respect to the abrdn Gold ETF Trust, the abrdn Platinum ETF Trust, the abrdn Palladium ETF Trust, the abrdn Precious Metals Basket ETF Trust and the abrdn Silver ETF Trust, JPMorgan Chase Bank, N.A., in its capacity as custodian under the Custodian Agreements and any successor thereto or additional or other custodian appointed in compliance with the provisions of the relevant Trust Agreements and relevant Custodian Agreement(s).

“**Custodian Agreement**” or “**Custodian Agreements**” shall mean the applicable Custodian Agreement by and between the Trustee and the Custodian with respect to the applicable Trust.

“**Delivery**” shall mean a delivery of Bullion or Shares, as applicable, in each case effected according to the definition of “**Deliver**” in Section 1.1 of the relevant Trust Agreement.

“**Depositor**” shall mean any Authorized Participant that deposits Bullion into the relevant Trust, either for its own account or on behalf of another Person that is the owner or beneficial owner of that Bullion.

“**Deposit Property**” means property which, in compliance with the provisions of the relevant Trust Agreement, must be transferred by the Authorized Participant to the relevant Trust in exchange for that Trust’s Shares.

“**DTC**” shall mean The Depository Trust Company, its nominees and their respective successors.

“**FINRA**” means the Financial Industry Regulatory Authority.

“**Gold**” shall have the meaning ascribed to the term in Section 1.1 of the Trust Agreements of the abrdn Gold ETF Trust and the abrdn Precious Metals Basket ETF Trust, as applicable, relating to gold.

“**Initial Creation**” shall mean the initial creation of Shares pursuant to the provisions of Section 2.01 hereof.

“**LBMA**” shall mean the London Bullion Market Association.

“**London Business Day**” shall mean a day (other than a Saturday, Sunday or a public holiday in England) on which commercial banks generally and the over-the-counter markets in silver, with respect to abrdn Silver ETF Trust and the abrdn Precious Metals Basket ETF Trust, and gold, with respect to the abrdn Gold ETF Trust and the abrdn Precious Metals Basket ETF Trust, each as coordinated by the LBMA, and in platinum, with respect to the abrdn Platinum ETF Trust and the abrdn Precious Metals Basket ETF Trust, and palladium, with respect to the abrdn Palladium ETF Trust and the abrdn Precious Metals Basket ETF Trust, each as coordinated by the LPPM, are open for the transaction of business in London.

“**LPPM**” shall mean the London Platinum and Palladium Market.

“**Order**” shall have the meaning ascribed to it in Section 1 of the Authorized Participant Agreement.

“**Order Cutoff Time**” shall have the meaning ascribed to the term in Section 1.1 of the relevant Trust Agreement.

“**Order Date**” shall have, (i) with respect to a Purchase Order, the meaning ascribed to the term in Section 2.3(a) of the relevant Trust Agreement; and (ii) with respect to a Redemption Order, the meaning ascribed to the term in Section 2.6(a) of the relevant Trust Agreement.

“**Ounce**” shall have the meaning ascribed to the term in Section 1.1 of the relevant Trust Agreement.

“Palladium” shall have the meaning ascribed to the term in Section 1.1 of the Trust Agreements of the abrdn Palladium ETF Trust and the abrdn Precious Metals Basket ETF Trust, as applicable, relating to palladium.

“Person” shall mean any natural person or any limited liability company, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Platinum” shall have the meaning ascribed to the term in Section 1.1 of the Trust Agreements of the abrdn Platinum ETF Trust and the abrdn Precious Metals Basket ETF Trust, as applicable, relating to platinum.

“Procedures” shall have the meaning ascribed to it in Section 1 of the Authorized Participant Agreement.

“Prospectus” or **“Prospectuses”** means the current prospectus of the relevant Trust included in its effective registration statement, as supplemented or amended from time to time.

“Purchase Order” shall have the meaning ascribed to it in Section 1 of the Authorized Participant Agreement.

“Redemption Order” shall have the meaning ascribed to it in Section 1 of the Authorized Participant Agreement.

“Shares” means Shares issued by the relevant Trust pursuant to the provisions of the relevant Trust Agreement.

“Silver” shall have the meaning ascribed to the term in Section 1.1 of the Trust Agreements of the abrdn Silver ETF Trust and the abrdn Precious Metals Basket ETF Trust, as applicable, relating to silver.

“Sponsor” shall mean abrdn Investments ETFs Sponsor LLC, a Delaware limited liability company.

“Sponsor Indemnified Party” shall have the meaning ascribed to such term in Section 6.01.b of the Standard Terms.

“Trustee” shall mean The Bank of New York Mellon, a New York banking corporation, in its capacity as Trustee under each Trust Agreement, and any successor thereto in compliance with the provisions thereof.

“Trust” or **“Trusts”** shall have the meanings ascribed to them in the introductory paragraph of the Authorized Participant Agreement.

“**Trust Agreement**” or “**Trust Agreements**” shall have the meanings ascribed to them in the introductory paragraph of the Authorized Participant Agreement.

“**Unallocated Basis**” shall have the meaning ascribed to the term in Section 1.1 of the relevant Trust Agreement.

“**VAT**” shall mean (a) any tax imposed pursuant to or in compliance with the Sixth Directive of the Council of the European Economic Communities (77/388/EEC) including, in relation to the United Kingdom, value added tax imposed by the Value Added Tax Act 1994 and legislation and regulations supplemental thereto; and (b) any other tax of a similar nature, whether imposed in a member state of the European Union or elsewhere, in substitution for, or levied in addition to, such tax referred to in “(a)”.

“**Zurich Business Day**” shall mean a day (other than a Saturday, Sunday or a public holiday in Switzerland) on which commercial banks generally and the over-the-counter markets in gold, with respect to the abrdn Gold ETF Trust, platinum, with respect to the abrdn Platinum ETF Trust, the abrdn Precious Metals Basket ETF Trust, and palladium, with respect to the abrdn Palladium ETF Trust and the abrdn Precious Metals Basket ETF Trust, are open for the transaction of business in Zurich.

Section 1.02. Interpretation. In these Procedures:

Unless otherwise indicated, all references to Sections, clauses, paragraphs, schedules or exhibits, are to Sections, clauses, paragraphs, schedules or exhibits in or to these Procedures.

To the extent that term(s) defined in Section 1.01 apply to a Trust that has not commenced operations as of any relevant date and such Trust is listed or to be listed on Schedule A of the Authorized Participant Agreement, such term(s) shall not be operative and any provisions relating to such a Trust and its Shares contained in the Authorized Participant Agreement shall have no effect until such Trust commences operations and its Trust Agreement and applicable Custodian Agreement have been executed and delivered whereupon such terms and provisions shall become automatically operative and effective without any further action by the parties to the Authorized Participant Agreement.

The words “hereof”, “herein”, “hereunder” and words of similar import shall refer to these Procedures as a whole, and not to any individual provision in which such words may appear.

A reference to any statute, law, decree, rule, regulation or other applicable norm shall be construed as a reference to such statute, law, decree, rule, regulation or other applicable norm as re-enacted, re-designated or amended from time to time.

A reference to any agreement, instrument or document shall be construed as a reference to such agreement, instrument or document as the same may have been amended from time to time in compliance with the provisions thereof.

ARTICLE II CREATION

PROCEDURES

Section 2.01. Initial Creation of Shares. The initial creation of Shares of a Trust will take place in compliance with such procedures as the Trustee, the Sponsor and the initial Depositor may agree.

Section 2.02. Subsequent Creation of Shares. After the Initial Creation, the issuance and Delivery of Shares of a specified Trust shall take place only in integral numbers of Baskets in compliance with the following rules:

a. Authorized Participants wishing to acquire from the Trustee one or more Baskets shall place a Purchase Order with the Trustee no later than 3:59:59 p.m. (New York time) on any Business Day. Purchase Orders received by the Trustee on or after the Order Cutoff Time on a Business Day shall be considered received at the opening of business on the next Business Day and shall have as their Order Date such next Business Day.

b. For purposes of Section 2.02a. above, a Purchase Order shall be deemed "received" by the Trustee only when either of the following has occurred no later than 3:59:59 p.m. (New York time):

(i) Telephone/fax Order – An Authorized Representative shall have placed a telephone call to the Trustee's Creation and Redemption Line and has received an Order Number from the Trustee for insertion in the Purchase Order, or

(ii) Web-based Order – An Authorized Representative shall have accessed the Trustee's online services (www.etservices.bankofny.com)

in either case informing the Trustee that the Authorized Participant wishes to place a Purchase Order for a specified number of Baskets and, in the case of a telephone order, within 15 minutes following such telephone call the Trustee shall have received a properly completed, irrevocable Purchase Order in the form set out in Annex I to these Procedures executed by an Authorized Representative of such Authorized Participant, via facsimile at the number specified in such Annex I.

c. The Trustee shall provide a written summary to the Sponsor and the Custodian of all accepted Purchase Orders for such Order Date no later than 5:30 p.m. (New York time).

d. As soon as reasonably practicable following receipt of a properly completed Purchase Order but not later than 5:30 p.m. (New York time) on the Order Date for such Purchase Order, the Trustee shall send to the Authorized Participant (with copy to the Custodian), via facsimile or electronic mail message, a copy of the corresponding Purchase Order endorsed "Accepted" by the Trustee and indicating the Basket Amount that the Authorized Participant shall Deliver to the Custodian in respect of each Basket. Prior to the transmission of the Trustee's acceptance as specified above, a Purchase Order will only represent the Authorized Participant's unilateral offer to deposit Bullion in exchange for Baskets of Shares and will have no binding effect upon the Trust or any other party. Following the transmission of the Trustee's acceptance as specified above, a Purchase Order will be a binding agreement among the Trust and the Authorized Participant for the creation and purchase of Baskets of Shares and the deposit of Bullion pursuant to the terms of the Purchase Order and these Procedures. If a Purchase Order is rejected, the Trustee shall send to the Authorized Participant (with copy to the Custodian), via facsimile or electronic mail message, as soon as reasonably practicable, but not later than 5:30 p.m. (New York time) on the Order Date for such Purchase Order, a copy of the corresponding Purchase Order endorsed "Declined" by the Trustee and indicating the reason. The preceding sentence notwithstanding, Purchase Orders not accepted by 5:30 p.m. (New York time) on the Order Date shall be deemed cancelled. A Purchase Order which is not properly completed will be deemed invalid and rejected by the Trustee; the Authorized Participant may submit a corrected Purchase Order within the time period specified in Section 1.09 of the Standard Terms.

e. Each Purchase Order shall settle on the second Business Day following the Order Date. The Basket Amount corresponding to each Basket must be deposited in the Custodial Unallocated Account in unallocated Bullion (i) loco London with respect to Silver for the abrtn Silver ETF Trust and the abrtn Precious Metals Basket ETF Trust, (ii) loco London with respect to Gold for the abrtn Precious Metals Basket ETF Trust, (iii) loco Zurich or loco London with respect to Gold for the abrtn Gold ETF Trust, and (iv) loco Zurich or loco London with respect to Platinum and Palladium for the abrtn Platinum ETF Trust, the abrtn Palladium ETF Trust and the abrtn Precious Metals Basket ETF Trust, no later than 10:00 a.m. (London time) on the second Business Day following the Order Date.

f. The Custodian shall advise the Trustee in writing of the deposits made to the Custodial Allocated Account in connection with each Purchase Order.

g. On the second Business Day following the Order Date corresponding to a Purchase Order, or on such earlier date and time as the Trustee in its absolute discretion may agree with the Authorized Participant, the Trustee shall issue the aggregate number of Shares corresponding to the Baskets ordered by the Authorized Participant and Deliver them, by credit to the account at DTC which the Authorized Participant shall have identified for such purpose in its Purchase Order, provided that, by 11:00 a.m. (New York time) on the date such issuance and Delivery is to take place:

(i) the Custodian shall have reported in writing to the Trustee that the corresponding required amount of Bullion has been deposited in the Trustee's Custodial Unallocated Account in compliance with the provisions of Section 2.02e. above and

(ii) the Authorized Participant shall have paid or agreed to pay the Trustee a per order transaction fee in the amount of US\$500, if applicable.

h. In all other cases, the Trustee shall issue the aggregate number of Shares corresponding to the Baskets ordered by the Authorized Participant and Deliver them by credit to the account at DTC which the Authorized Participant shall have identified for such purpose in its Purchase Order on the Business Day following the date on which all of the conditions set forth in clauses (i) and (ii) of Section 2.02g. above shall have been met. In the event that, by 11:00 a.m. (New York time) on the second Business Day following the Order Date of a Purchase Order, the Trustee's Custodial Unallocated Account shall not have been credited with the required amount of Bullion in compliance with the provisions of section 2.02e. above, the Trustee shall send to the Authorized Participant and the Custodian via fax or electronic mail message notice of such fact and the Authorized Participant shall have two (2) Business Days following receipt of such notice to correct such failure. If such failure is not cured within such two (2) Business Day period, the Trustee shall, unless the Sponsor shall otherwise direct, cancel such Purchase Order and will send via fax or electronic mail message notice of such cancellation to the Authorized Participant and the Custodian, and the Authorized Participant will be solely responsible for all costs incurred by the Trust, the Trustee or the Custodian related to the cancelled Order.

i. The foregoing provisions notwithstanding, neither the Trustee nor the Custodian shall be liable for any failure or delay in making Delivery of Shares in respect of a Purchase Order arising from nuclear fission or fusion, radioactivity, war, terrorist event, invasion, insurrection, civil commotion, riot, strike, act of government, public authority, public service or utility problems, power outages resulting in telephone, telecopy and computer failures, act of God such as fires, floods, extreme weather conditions, market conditions or activities causing trading halts, systems failures involving computer or other information systems affecting a Trust, the Trustee, the Custodian or sub-custodian, metal clearing bank delays and similar extraordinary events beyond the Trustee's control. In the event of any such delay, the time to complete Delivery in respect of a Purchase Order will be extended for a period equal to that during which the inability to perform continues.

j. Except as provided in Sections 2.02d., 2.02f. and 2.02h., none of the Trustee, the Sponsor, the Custodian, nor any sub-custodian are under any duty, to give notification of any defects or irregularities in any Purchase Order or the delivery of the Basket Amount, and shall not incur any liability for the failure to give any such notification.

k. Purchase Orders may be rejected under the circumstances specified in the applicable Prospectus.

ARTICLE III REDEMPTION

PROCEDURES

Section 3.01. Redemption of Shares. Redemption of Shares of a specified Trust shall take place only in integral numbers of Baskets in compliance with the following rules:

a. Authorized Participants wishing to redeem one or more Baskets shall place a Redemption Order with the Trustee no later than 3:59:59 p.m. (New York time) on any Business Day. Redemption Orders received by the Trustee on or after the Order Cutoff Time on any Business Day shall be considered received at the opening of business on the next Business Day and shall have as their Order Date such next Business Day.

b. For purposes of Section 3.01a. above, a Redemption Order shall be deemed "received" by the Trustee only when either of the following has occurred no later than 3:59:59 p.m. (New York time):

(i) Telephone/fax Order – An Authorized Representative shall have placed a telephone call to the Trustee's Creation and Redemption Line and has received an Order Number from the Trustee for insertion in the Redemption Order, or

(ii) Web-based Order – An Authorized Representative shall have accessed the Trustee’s online services (www.etservices.bankofny.com)

in either case informing the Trustee that the Authorized Participant wishes to place a Redemption Order for a specified number of Baskets and, in the case of a telephone order, within 15 minutes following such telephone call the Trustee shall have received a duly completed, irrevocable Redemption Order in the form set out in Annex I to these Procedures executed by an Authorized Representative of such Authorized Participant, via facsimile at the number specified in such Annex I.

c. Upon receipt of a properly completed Redemption Order, the Trustee shall send to the Authorized Participant (with copy to the Custodian), via facsimile or electronic mail message, as soon as reasonably practicable, but not later than 5:30 p.m. (New York time) on the Order Date for such Redemption Order a copy of the corresponding Redemption Order endorsed “Accepted” by the Trustee and indicating the Basket Amount that the Custodian shall Deliver to the Authorized Participant in respect of each Basket being redeemed

d. The Trustee shall, by 11:00 a.m. (New York time) on the second Business Day following the Order Date of a Redemption Order, confirm in writing to the Custodian whether each of the following has occurred by 10:00 a.m. (New York time) on the second Business Day following the Order Date of a Redemption Order:

(i) the Authorized Participant has Delivered to the Trustee’s account at DTC the total number of Shares to be redeemed by such Authorized Participant pursuant to such Redemption Order; and

(ii) the Authorized Participant has paid or agreed to pay the Trustee a per order transaction fee of US\$500, if applicable.

Provided that the Custodian has received written confirmation from the Trustee that the conditions set forth in clauses (i) and (ii) of Section 3.01d. above have been satisfied, the Custodian shall:

(1) on the same Business Day, Deliver:

- unallocated Silver loco London;
- unallocated Gold loco London;
- unallocated Gold loco Zurich (for the abrdn Gold ETF Trust only);
- unallocated Platinum loco Zurich;
- unallocated Platinum loco London;
- unallocated Palladium loco Zurich; and/or
- unallocated Palladium loco London

(as applicable to the specific Redemption Order)

in the amounts specified in the communication sent in compliance with Section 3.01c. above, to the account indicated by the redeeming Authorized Participant in its Redemption Order (which shall be an appropriate bullion account with an LBMA member or LPPM member, as applicable for the type of Bullion involved). Having made such Delivery, the Custodian shall send written confirmation thereof to the Trustee who shall then cancel the Shares so redeemed.

e. In all other cases, Delivery must be completed by the Custodian as soon as, in the reasonable judgment of the Custodian, it is practicable following receipt of written confirmation from the Trustee that the conditions set forth in clauses (i) and (ii) of Section 3.01d. above have been satisfied.

f. The foregoing provisions notwithstanding, neither the Trustee nor the Custodian shall be liable for any failure or delay in making Delivery of Bullion in respect of a Redemption Order arising from nuclear fission or fusion, radioactivity, war, terrorist event, invasion, insurrection, civil commotion, riot, strike, act of government, public authority, public service or utility problems, power outages resulting in telephone, telecopy and computer failures, act of God such as fires, floods, extreme weather conditions, market conditions or activities causing trading halts, systems failures involving computer or other information systems affecting a Trust, the Trustee, the Custodian or sub-custodian, metal clearing bank delays and similar extraordinary events beyond the Trustee's control. In the event of any such delay, the time to complete Delivery in respect of a Redemption Order will be extended for a period equal to that during which the inability to perform continues.

g. In the event that, by 10:00 a.m. (New York time) on the second Business Day following the Order Date of a Redemption Order, Trustee's account at DTC shall not have been credited with the total number of Shares corresponding to the total number of Baskets to be redeemed pursuant to such Redemption Order, the Trustee shall send to the Authorized Participant and the Custodian via fax or electronic mail message notice of such fact and the Authorized Participant shall have two (2) Business Days following receipt of such notice to correct such failure. If such failure is not cured within such two (2) Business Day period, the Trustee (in consultation with the Sponsor) will cancel such Redemption Order and will send via fax or electronic mail message notice of such cancellation to the Authorized Participant and the Custodian, and the Authorized Participant will be solely responsible for all costs incurred by the Trust, the Trustee or the Custodian related to the cancelled Order. The Trustee is authorized to Deliver the Basket Amount for a Redemption Order notwithstanding that the Basket(s) to be redeemed are not credited to the Trustee's DTC account by 10:00 a.m. (New York time) on the second Business Day following the Order Date of a Redemption Order if the Authorized Participant has collateralized its obligation to deliver the Baskets through DTC's book entry system on such terms as the Sponsor and the Trustee may from time to time agree upon.

h. The redemption of Shares may be suspended or rejected under the circumstances specified in the applicable Prospectus.

[Signatures Follow on Next Page]

IN WITNESS WHEREOF, the Sponsor and the Trustee have executed these Fifth Amended and Restated Creation and Redemption Procedures as of the date set forth above.

THE BANK OF NEW YORK MELLON, in its capacity as Trustee

By: _____
Name: Phyllis A. Cietek
Title: Vice President

abrdn ETFs Sponsor LLC, in its capacity as Sponsor

By: _____
Name: Lucia Sitar
Title: Vice President

[Fifth Amended and Restated Creation and Redemption Procedures Signature Page]

ANNEX I TO CREATION AND REDEMPTION PROCEDURES

**THE BANK OF NEW YORK MELLON, TRUSTEE
CREATION/REDEMPTION ORDER FORM
UNALLOCATED ORDERS ONLY**

CONTACT INFORMATION FOR ORDER EXECUTION:

Telephone order number: (718) 315-7500
Fax order number: (732) 667-9478

Authorized Participant must complete all items in Part 1. The Trustee in its discretion may reject any order not submitted in proper form.

I. TO BE COMPLETED BY AUTHORIZED PARTICIPANT:

Name of Trust:

- abrdn Silver ETF Trust abrdn Gold ETF Trust
 abrdn Platinum ETF Trust abrdn Palladium ETF Trust
 abrdn Precious Metals Basket ETF Trust

Date: _____ Time: _____
Broker Name: _____ Authorized Participant Firm Name: _____
DTC Participant Number: _____ Fax Number: _____
Telephone Number: _____ Symbol: _____

Type of order (Check Creation or Redemption please)

Creation: Redemption:

of Baskets: _____ Number of Baskets written out: _____

Order # _____

Please indicate Bullion clearing agent:

JP Morgan Other (please specify clearing agent): _____

Account number for Bullion delivery: _____

(With respect to Silver only): loco London

(With respect to Gold involving the abrdn
Precious Metals Basket ETF Trust only): loco London

(With respect to Gold involving the abrdn
Gold ETF Trust only): loco London loco Zurich

(With respect to Platinum only): loco London loco Zurich

(With respect to Palladium only): loco London loco Zurich

This Purchase or Redemption Order is subject to the terms and conditions of the Trust Agreement of the Shares of the Trust as currently in effect and the Authorized Participant Agreement between the Authorized Participant, the Trustee and the Sponsor named therein. All representations and warranties of the Authorized Participant set forth in such Trust Agreement (including, if this is a Purchase Order, the representations in Section 3.2 of the Trust Agreement) and in the Authorized Participant Agreement are incorporated herein by reference and are true and accurate as of the date hereof.

The undersigned does hereby certify as of the date set forth below that he/she is an Authorized Representative under the Authorized Participant Agreement and that he/she is authorized to deliver this Purchase or Redemption Order to the Trustee on behalf of the Authorized Participant. The Authorized Participant acknowledges and agrees that (1) once accepted by the Trustee, this Purchase or Redemption Order will become a legally binding contract for the delivery by the Authorized Participant of the Basket Amount per Basket for a Purchase Order, or the number of Baskets for a Redemption Order, indicated above, and that the final Basket Amount will be announced at the conclusion of the trading day and, (2) any taxes (including Value Added Taxes) incurred in connection with this transaction will be the responsibility of, and will be reimbursed upon demand from the Custodian or the Trust by, the Authorized Participant if required pursuant to the Authorized Participant Agreement.

Authorized Representative's Signature

Date

II. TO BE COMPLETED BY TRUSTEE:

This certifies that the above order has been:

_____ Accepted by the Trustee

_____ Declined-Reason: _____

Final # of Ounces:

_____ (Gold)

_____ (Silver)

_____ (Platinum)

_____ (Palladium)

Final # of Shares: _____

Final Cash Due to BNYM _____

Date

Time

Authorized Signature of Trustee

ANNEX II TO CREATION AND REDEMPTION PROCEDURES

ORDER ENTRY SYSTEM TERMS AND CONDITIONS

This Annex II shall govern use by Authorized Participant of the electronic order entry system for placing Purchase Orders and Redemption Orders for Shares (the “**System**”). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in Schedule 1 of the Authorized Participant Agreement. In the event of any conflict between the terms of this Annex II and the main body of the Authorized Participant Agreement with respect to the placing of Purchase Orders and Redemption Orders, the terms of this Annex II shall control.

1. (a) Authorized Participant shall provide to The Bank of New York Mellon a duly executed authorization letter, in a form satisfactory to The Bank of New York Mellon, identifying those authorized persons who will access the System (the “**Authorized Persons**”). Authorized Participant shall notify The Bank of New York Mellon in writing in the event that any person’s status as an Authorized Person is revoked or terminated as soon as possible, in order to give The Bank of New York Mellon a reasonable opportunity to terminate such Authorized Person’s access to the System.

(b) It is understood and agreed that each Authorized Person shall be designated as an authorized user of Authorized Participant for the purpose of the Authorized Participant Agreement. Upon termination of the Authorized Participant Agreement, the Authorized Participant’s and each Authorized Person’s access rights with respect to System shall be immediately revoked.

2. The Bank of New York Mellon grants to Authorized Participant a personal, nontransferable and nonexclusive license to use the System solely for the purpose of transmitting Purchase Orders and Redemption Orders and otherwise communicating with The Bank of New York Mellon in connection with the same. Authorized Participant shall use the System solely for its own internal and proper business purposes. Except as set forth herein, no license or right of any kind is granted to Authorized Participant with respect to the System. Authorized Participant acknowledges that The Bank of New York Mellon and its suppliers retain and have title and exclusive proprietary rights to the System. Authorized Participant further acknowledges that all or a part of the System may be copyrighted or trademarked (or a registration or claim made therefor) by The Bank of New York Mellon or its suppliers. Authorized Participant shall not take any action with respect to the System inconsistent with the foregoing acknowledgments. Authorized Participant may not copy, distribute, sell, lease or provide, directly or indirectly, the System or any portion thereof to any other person or entity without The Bank of New York Mellon’s prior written consent. Authorized Participant may not remove any statutory copyright notice or other notice included in the System. Authorized Participant shall reproduce any such notice on any reproduction of any portion of the System and shall add any statutory copyright notice or other notice upon The Bank of New York Mellon’s request.

2. (a) Authorized Participant acknowledges that any user manuals or other documentation (whether in hard copy or electronic form) (collectively, the “**Material**”), which is delivered or made available to Authorized Participant regarding the System is the exclusive and confidential property of The Bank of New York Mellon. Authorized Participant shall keep the Material confidential by using the same care and discretion that Authorized Participant uses with respect to its own confidential property and trade secrets, but in no event less than reasonable care. Authorized Participant may make such copies of the Material as is reasonably necessary for Authorized Participant to use the System and shall reproduce The Bank of New York Mellon’s proprietary markings on any such copy. The foregoing shall not in any way be deemed to affect the copyright status of any of the Material which may be copyrighted and shall apply to all Material whether or not copyrighted. THE BANK OF NEW YORK MELLON AND ITS SUPPLIERS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE MATERIAL OR ANY PRODUCT OR SERVICE, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

(b) Upon termination of the Authorized Participant Agreement for any reason, Authorized Participant shall return to The Bank of New York Mellon all copies of the Material which is in Authorized Participant's possession or under its control.

3. Authorized Participant agrees that it shall have sole responsibility for maintaining adequate security and control of the user IDs, passwords and codes for access to the System, which shall not be disclosed to any third party without the prior written consent of The Bank of New York Mellon. The Bank of New York Mellon shall be entitled to rely on the information received by it from the Authorized Participant and The Bank of New York Mellon may assume that all such information was transmitted by or on behalf of an Authorized Person regardless of by whom it was actually transmitted.

4. The Bank of New York Mellon shall have no liability in connection with the use of the System, the access granted to the Authorized Participant and its Authorized Persons hereunder, or any transaction effected or attempted to be effected by the Authorized Participant hereunder, except for damages incurred by the Authorized Participant as a direct result of The Bank of New York Mellon's gross negligence or willful misconduct. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, IT IS HEREBY AGREED THAT IN NO EVENT SHALL THE BANK OF NEW YORK MELLON OR ANY MANUFACTURER OR SUPPLIER OF EQUIPMENT, SOFTWARE OR SERVICES BE RESPONSIBLE OR LIABLE FOR ANY SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES WHICH THE AUTHORIZED PARTICIPANT MAY INCUR OR EXPERIENCE BY REASON OF ITS HAVING ENTERED INTO OR RELIED ON THIS AGREEMENT, OR IN CONNECTION WITH THE ACCESS GRANTED TO AUTHORIZED PARTICIPANT HEREUNDER, OR ANY TRANSACTION EFFECTED OR ATTEMPTED TO BE EFFECTED BY AUTHORIZED PARTICIPANT HEREUNDER, EVEN IF THE BANK OF NEW YORK MELLON OR SUCH MANUFACTURER OR SUPPLIER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, NOR SHALL THE BANK OF NEW YORK MELLON OR ANY SUCH MANUFACTURER OR SUPPLIER BE LIABLE FOR ACTS OF GOD, MACHINE OR COMPUTER BREAKDOWN OR MALFUNCTION, INTERRUPTION OR MALFUNCTION OF COMMUNICATION FACILITIES, LABOR DIFFICULTIES OR ANY OTHER SIMILAR OR DISSIMILAR CAUSE BEYOND SUCH PERSON'S REASONABLE CONTROL.

5. The Bank of New York Mellon reserves the right to revoke Authorized Participant's access to the System immediately and without notice upon any breach by the Authorized Participant of the terms and conditions of this Annex II.

6. The Bank of New York Mellon shall acknowledge through the System its receipt of each Purchase Order or Redemption Order communicated through the System, and in the absence of such acknowledgment The Bank of New York Mellon shall not be liable for any failure to act in accordance with such orders and Authorized Participant may not claim that such Purchase Order or Redemption Order was received by The Bank of New York Mellon. The Bank of New York Mellon may in its discretion decline to act upon any instructions or communications that are insufficient or incomplete or are not received by The Bank of New York Mellon in sufficient time for The Bank of New York Mellon to act upon, or in accordance with such instructions or communications.

7. Authorized Participant agrees to use reasonable efforts to prevent the transmission through the System of any software or file which contains any viruses, worms, harmful component or corrupted data and agrees not to use any device, software, or routine to interfere or attempt to interfere with the proper working of the Systems.

8. Authorized Participant acknowledges and agrees that encryption may not be available for every communication through the System, or for all data. Authorized Participant agrees that The Bank of New York Mellon may deactivate any encryption features at any time, without notice or liability to Authorized Participant, for the purpose of maintaining, repairing or troubleshooting its systems.

SCHEDULE 2- STANDARD TERMS

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THIRD AMENDED AND RESTATED STANDARD TERMS FOR AUTHORIZED PARTICIPANT AGREEMENTS (the “**Standard Terms**”) agreed to as of [DATE] by and between The Bank of New York Mellon, a New York banking corporation (the “**Trustee**”), and abrdn ETFs Sponsor LLC, a Delaware limited liability company (the “**Sponsor**”).

ARTICLE I

ORDERS FOR PURCHASE AND REDEMPTION

Section 1.01. Authorization to Purchase and Redeem Baskets. Subject to the provisions of the Authorized Participant Agreement, during the term of the Authorized Participant Agreement the Authorized Participant will be authorized to purchase and redeem Baskets of Shares in compliance with the provisions of the relevant Prospectus.

Section 1.02. Procedures for Orders. Each party hereto agrees to comply with the provisions of the relevant Prospectus and the Procedures to the extent applicable to it.

Section 1.03. Consent to Recording. The phone lines used by the Trustee, the Custodian, the Sponsor and/or their affiliated persons may be recorded, and the Authorized Participant hereby consents to the recording of all calls with any of those parties. In the event that the Trustee, the Custodian, the Sponsor or any of their affiliated persons becomes legally compelled to disclose to any third party any recording involving communications with the Authorized Participant, the Sponsor agrees to provide the Authorized Participant with reasonable advance written notice identifying the recordings to be so disclosed unless prohibited by applicable rule, law or order, together with copies of such recordings, so that the Authorized Participant may seek a protective order or other appropriate remedy with respect to the recordings or waive its right to do so. In the event that such protective order or other remedy is not obtained or the Authorized Participant waives its right to seek such protective order or remedy, the Sponsor will use commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the recorded conversation. The Trustee, the Sponsor or any of their affiliated persons shall not otherwise disclose to any third party any recording involving communications with the Authorized Participant without the Authorized Participant’s express written consent, except the Trustee and the Sponsor may disclose to any regulatory or self-regulatory organization, to the extent required by applicable rule or law, any recording involving communications with the Authorized Participant.

Section 1.04. Irrevocability. The Authorized Participant agrees that delivery to the Trustee of an Order shall be irrevocable; provided that the Trust will reject any Order that is not properly completed. In the event that the purchase or redemption of Baskets is suspended by the Trustee or the Sponsor and such suspension affects any Order submitted by the Authorized Participant, the Trustee or Sponsor, as applicable, will promptly notify the Authorized Participant of such suspension. In such case, the Sponsor agrees to undertake commercially reasonable efforts to accommodate any request by the Authorized Participant to cancel a previously placed Order.

Section 1.05. Costs and Expenses. The Authorized Participant shall be responsible for the expenses and costs incurred by the Trust that can be directly attributable to Orders submitted by the Authorized Participant other than ordinary course expenses and costs which are reimbursed through payment of the fee contemplated in Section 2.02(g) of the Procedures. The Trustee or the Sponsor shall provide the Authorized Participant with reasonably detailed information relating to such expenses and costs upon request by the Authorized Participant.

Section 1.06. Delivery of Property to the Trust and Shares Surrendered for Redemption. The Authorized Participant understands and agrees that in the event Deposit Property is not transferred to the Trust by the time specified for the Purchase Order, or Shares are not delivered to the Trustee by the time specified for the Redemption Order and, in each such case, in compliance with the Procedures and the relevant Prospectus, the Purchase Order or Redemption Order may be cancelled by the Trustee and the Authorized Participant will be solely responsible for all costs incurred by the Trust, the Trustee or the Custodian related to the cancelled Order. The Authorized Participant will not, however, be responsible for costs incurred by the Trust, the Trustee, or the Custodian related to cancelled Orders where the failure to transfer Deposit Property to the Trust is due to the gross negligence, bad faith, or reckless or willful misconduct of the Trustee, the Sponsor, or the Custodian. The foregoing provisions notwithstanding, the Authorized Participant shall not be liable for any failure or delay in making Delivery of Bullion in respect of a Purchase Order or for any failure or delay in surrendering Shares for redemption arising from nuclear fission or fusion, radioactivity, war, terrorist event, invasion, insurrection, civil commotion, riot, strike, act of government, public authority, public service or utility problems, power outages resulting in telephone, telecopy and computer failures, acts of God, such as fires, floods, extreme weather conditions, market conditions or activities causing trading halts, systems failures involving computer or other information systems affecting the Authorized Participant, or similar extraordinary events beyond the Authorized Participant's control. In the event of any such delay, the time to complete Delivery in respect of a Purchase Order or Redemption Order will be extended for a period equal to that during which the inability to perform continues. Upon the deposit of any Bullion, the Authorized Participant as Depositor represents and warrants that (i) the Bullion meets the relevant requirements to be such Bullion and contains the required number of Ounces, (ii) the Authorized Participant is duly authorized to make such deposit of Bullion and (iii) at the time of delivery, the Bullion is free and clear of any lien, pledge, encumbrance, right, charge or claim.

Section 1.07. Title to Deposit Property and Shares Surrendered for Redemption. The Authorized Participant represents and warrants to the Trustee and the Sponsor that

a. in connection with each Purchase Order, the Authorized Participant will have the right and authority to transfer to the Trust the corresponding Deposit Property, and that upon delivery of such Deposit Property to the Custodian and/or the relevant sub-custodian in accordance with the Procedures, the Trust will acquire good and unencumbered title to such property, free and clear of all liens, charges, duties imposed on the transfer of assets and encumbrances and not subject to any adverse claims or transferability restrictions, whether arising by operation of law or otherwise; and

b. in connection with a Redemption Order, the Authorized Participant will have the right and authority to surrender to the Trustee for redemption the corresponding Shares, and upon such surrender the Trust will acquire good and unencumbered title to such Shares, free and clear of all liens, charges, duties imposed on the transfer of assets and encumbrances and not subject to any adverse claims, transferability restrictions (whether arising by operation of law or otherwise), loan, pledge, repurchase or securities lending agreements or other arrangements which, under such circumstances, would preclude the delivery of such Shares to the Trustee on the second Business Day following the date of the Redemption Order.

Section 1.08. Certain Payments or Distributions.

a. With respect to any Purchase Order, the Trustee acknowledges and agrees to return to the Authorized Participant or any Authorized Participant Client for which it is acting any payment, distribution or other amount paid to the Trust in respect of any Deposit Property transferred to the Trust that, based on the valuation of such Deposit Property at the time of transfer, should have been paid to the Authorized Participant or any Authorized Participant Client. Likewise, the Authorized Participant acknowledges and agrees to return to the Trust any payment, distribution or other amount paid to the Authorized Participant or any Authorized Participant Client in respect of any Deposit Property transferred to the Trust that, based on the valuation of such Deposit Property at the time of transfer, should have been paid to the Trust.

b. With respect to any Redemption Order, the Authorized Participant on behalf of itself and any Authorized Participant Client acknowledges and agrees to return to the Trust any payment, distribution or other amount paid to it or an Authorized Participant Client in respect of any property transferred to the Authorized Participant or any Authorized Participant Client that, based on the valuation of such property at the time of transfer, should have been paid to the Trust. The Trustee is entitled to reduce the amount of any property due to the Authorized Participant or any Authorized Participant Client by an amount equal to any payment, distribution or other sum to be paid to the Authorized Participant or to the Authorized Participant Client in respect of any property transferred to the Authorized Participant or any Authorized Participant Client that, based on the valuation of such property at the time of transfer, should be paid to the Trust. If, however, the Trustee so reduces an amount of any property appropriately due to the Authorized Participant, the Authorized Participant shall not be required to return to the Trust payments, distributions or other amounts equal to such reduction that has been paid to the Authorized Participant or the Authorized Participant Client as is contemplated in the first sentence of this Section 1.08(b). Likewise, the Trust acknowledges and agrees to return to the Authorized Participant or any Authorized Participant Client any payment, distribution or other amount paid to it in respect of any Shares transferred to the Trust that, based on the valuation of such Shares at the time of transfer, should have been paid to the Authorized Participant or such Authorized Participant Client.

Section 1.09. Ambiguous Instructions. In the event that a Purchase Order or Redemption Order contains terms that differ from the information provided in the related telephone call or email transmission, the Trustee will attempt to contact the Authorized Participant to request confirmation of the terms of the order at the telephone number indicated in the Purchase Order or Redemption Order. If an Authorized Representative confirms the terms as they appear in the Purchase Order or Redemption Order, then the order will be accepted and processed. If an Authorized Representative contradicts the terms of the Purchase Order or Redemption Order, the order will be deemed invalid, and a corrected Purchase Order or Redemption Order must be received by the Trustee not later than the earlier of (i) within fifteen (15) minutes of such contact with the Authorized Representative or (ii) thirty (30) minutes after the Order Cutoff Time. For the avoidance of doubt, notwithstanding the invalidation of the initial Purchase Order or Redemption Order pursuant to this paragraph, a Purchase Order or Redemption Order that is otherwise in proper form shall be deemed submitted at the time of its initial submission for purposes of determining when orders are deemed "received." If the Trustee is not able to contact an Authorized Person, then the Purchase Order or Redemption Order shall be accepted and processed in accordance with its terms notwithstanding any inconsistency from the terms of the telephone information. In the event that a Purchase Order or Redemption Order contains terms that are illegible, the submission will be deemed invalid and the Trustee will attempt to contact the Authorized Participant to request retransmission. A corrected Purchase Order or Redemption Order must be received by the Trustee, as applicable, not later than the earlier of (i) within fifteen (15) minutes of such contact with the Authorized Participant or (ii) thirty (30) minutes after the Order Cutoff Time.

ARTICLE II

AUTHORIZED REPRESENTATIVES

Section 2.01. Certification. Concurrently with the execution of the Authorized Participant Agreement, the Authorized Participant shall deliver to the Trustee a certificate in a form as attached at Schedule 3-A to the Authorized Participant Agreement (an “**Authorized Representative Certificate**”) signed by the Authorized Participant’s Secretary or other duly authorized person setting forth the names, signatures, e-mail addresses and telephone and facsimile numbers of all persons authorized to give instructions relating to any activity contemplated hereby or any other notice, request or instruction on behalf of the Authorized Participant (each an “**Authorized Representative**”). Such certificate may be accepted and relied upon by the Trustee as conclusive evidence of the facts set forth therein and shall be considered to be in full force and effect until (i) receipt by the Trustee of a superseding Authorized Representative Certificate, or (ii) termination of the Authorized Participant Agreement. After such Authorized Representative Certificate is accepted by the Trustee, the Authorized Participant may authorize additional Authorized Representatives to give instructions relating to any activity contemplated hereby or any other notice, request or instruction on behalf of the Authorized Participant by delivering to the Trustee an addendum to the certificate described above in a form as attached at Schedule 3-B to the Authorized Participant Agreement.

Section 2.02. PIN Numbers. The Trustee shall issue to each Authorized Participant a unique personal identification number (“**PIN Number**”) by which such Authorized Participant shall be identified and instructions issued by the Authorized Participant shall be authenticated. The PIN Number shall be kept confidential and only provided to Authorized Representatives. The Authorized Participant may revoke the PIN Number at any time upon written notice to the Trustee, and the Authorized Participant shall be responsible for doing so in the event that it becomes aware that an unauthorized person has received access to its PIN Number or has or intends to use the PIN Number in an unauthorized manner. Upon receipt of such written request, the Trustee shall, as promptly as practicable, de-activate the PIN Number. If an Authorized Participant’s PIN Number is changed, the new PIN Number will become effective on a date mutually agreed upon by the Authorized Participant and the Trustee. Except as otherwise provided in these Standard Terms, the Authorized Participant agrees that, absent the Trustee’s fraud, gross negligence, bad faith or reckless or willful misconduct in failing to cancel the PIN Number promptly following a written request to do so from the Authorized Participant or the termination of the Authorized Participant Agreement, none of the Trust or the Trustee shall be liable for losses incurred by the Authorized Participant as a result of unauthorized use of the Authorized Participant’s PIN Number prior to the time when the Authorized Participant provides notice to the Trustee of the termination or revocation of authority pursuant to Section 2.03 and the Trustee has de-activated the PIN Number as provided for in this paragraph.

Section 2.03. Termination of Authority. Upon the termination or revocation of authority of an Authorized Representative by the Authorized Participant, the Authorized Participant shall (i) give, as promptly as practicable under the circumstances, written notice of such fact to the Trustee and such notice shall be effective upon receipt by the Trustee; and (ii) request a new PIN Number. The Trustee shall, as promptly as practicable, de-activate the PIN Number upon receipt of such written notice.

Section 2.04. Verification. The Trustee may assume that all instructions issued to it using the Authorized Participant's PIN Number have been properly placed by Authorized Representatives, unless the Trustee has actual knowledge to the contrary or the Authorized Participant has revoked its PIN Number. The Trustee shall have no duty to verify that an Order is being placed by an Authorized Representative that uses a valid PIN Number. The Authorized Participant agrees that the Trustee shall not be responsible, absent the Trustee's fraud, gross negligence, bad faith or reckless or willful misconduct, for any losses incurred by the Authorized Participant as a result of an Authorized Representative identifying himself or herself as a different Authorized Representative or an unauthorized person identifying himself or herself as an Authorized Representative, unless the Trustee previously received from the Authorized Participant written notice to revoke its PIN Number.

ARTICLE III

STATUS OF THE AUTHORIZED PARTICIPANT

Section 3.01. Clearing Status. The Authorized Participant represents, covenants and warrants that, as of the date of execution of the Authorized Participant Agreement, and at all times during the term of the Authorized Participant Agreement, the Authorized Participant is and will be entitled to use the clearing and settlement services of each of the national or international clearing and settlement organizations through which, in compliance with the Procedures, the transactions contemplated hereby will clear and settle. Any change in the foregoing status of the Authorized Participant shall terminate the Authorized Participant Agreement and the Authorized Participant shall give prompt written notice thereof to the Trustee.

Section 3.02. Broker-Dealer Status. The Authorized Participant represents and warrants that, if required under U.S. law, it is (i) registered as a broker-dealer under the Securities Exchange Act of 1934, as amended, (ii) qualified to act as a broker or dealer in the states or other jurisdictions where it transacts business to the extent so required by applicable law, and (iii) a member in good standing with FINRA. The Authorized Participant agrees that it will maintain such registrations, qualifications, and membership in good standing and in full force and effect throughout the term of the Authorized Participant Agreement. The Authorized Participant further agrees to comply with all applicable U.S. federal laws, the laws of the states or other jurisdictions concerned, and the rules and regulations promulgated thereunder, to the extent such laws and regulations are applicable to the Authorized Participant's transactions in Shares, and with the FINRA By-Laws and Conduct Rules of the NASD (or with comparable FINRA Conduct Rules, if such NASD Conduct Rules are subsequently repealed, rescinded, or are otherwise replaced by FINRA Conduct Rules) to the extent the foregoing relates to the Authorized Participant's transactions in, and activities with respect to, Shares, and that it will not offer or sell Shares in any state or jurisdiction where they may not lawfully be offered and/or sold.

Section 3.03. Foreign Status. If the Authorized Participant is offering and selling Shares in jurisdictions outside the several states, territories and possessions of the United States and is not otherwise required to be registered, qualified, or a member of FINRA as set forth in the preceding paragraph, the Authorized Participant nevertheless agrees to observe the applicable laws of the jurisdiction in which such offer and/or sale is made and to conduct its business in accordance with the FINRA Conduct Rules, to the extent the foregoing relates to the Authorized Participant's transactions in, and activities with respect to, Shares.

Section 3.04. Compliance with Certain Laws. If the Authorized Participant is subject to the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "U.S.A. PATRIOT Act"), the Authorized Participant has policies and procedures reasonably designed to comply with the anti- money laundering and related provisions of the U.S.A. PATRIOT Act.

Section 3.05. Authorized Participant Status. The Authorized Participant understands and acknowledges that the method by which Baskets of Shares will be created and traded may raise certain issues under applicable securities laws. For example, because new Baskets of Shares may be issued and sold by the Trust on an ongoing basis, at any point a "distribution", as such term is used in the 1933 Act, may occur.

ARTICLE IV

ROLE OF AUTHORIZED PARTICIPANT

Section 4.01. No Agency. The Authorized Participant acknowledges and agrees that for all purposes of the Authorized Participant Agreement, the Authorized Participant will have no authority to act as agent for the Trust or the Trustee in any matter or in any respect. The Authorized Participant agrees to make itself and its employees available, upon reasonable request, during normal business hours to consult with the Trustee, the Sponsor or their designees concerning the performance of the Authorized Participant's responsibilities under the Authorized Participant Agreement; *provided, however*, that the Authorized Participant shall be under no obligation to divulge or otherwise disclose any information that the Authorized Participant reasonably believes (i) the disclosure of which to third parties is in violation of any applicable law or regulation or is otherwise prohibited, or (ii) is confidential or proprietary in nature.

Section 4.02. Rights and Obligations of DTC Participant. The Authorized Participant, as a DTC Participant, agrees that it shall be bound by all of the obligations of a DTC Participant in addition to any obligations that it undertakes hereunder or in accordance with the Procedures.

Section 4.03. Beneficial Owner Communications. The Authorized Participant agrees (i) subject to any limitations arising under federal or state securities laws relating to privacy, its internal privacy policies, or other obligations it may have to its customers, to assist the Trustee or the Sponsor in determining certain information regarding sales of Shares made by or through the Authorized Participant (including, without limitation, the ownership level of each beneficial owner relating to positions in Shares that the Authorized Participant may hold as record holder) upon the request of the Trustee or the Sponsor that is necessary for the Trustee or Sponsor to comply with their obligations to distribute information to beneficial owners of Shares under applicable state or federal securities laws or (ii) in lieu thereof, and at the option of the Authorized Participant, to forward to such beneficial owners written materials and communications received from the Sponsor or the Trustee in sufficient quantities to allow mailing thereof to such beneficial owners, including notices, annual reports, disclosure or other informational materials and any amendments or supplements thereto that may be required to be sent by the Sponsor or the Trustee to such beneficial owners pursuant applicable law or regulation or otherwise, or that the Sponsor or the Trustee reasonably wishes to distribute to such beneficial owners, in each case at the expense of the Sponsor and/or the Trust.

Section 4.04. Authorized Participant Customer Information. The Sponsor and the Trustee agree that the names and addresses and other information concerning the Authorized Participant's customers are and shall remain the sole property of the Authorized Participant, and none of the Sponsor, the Trust, or the Trustee, or any of their respective affiliates shall use such names, addresses or other information for any purpose except in connection with the performance of their duties and responsibilities under the Authorized Participant Agreement, the Procedures, the Standard Terms and the applicable Prospectus and except for servicing and informational mailings related to the Trust(s) referred to in Section 4.03 above.

ARTICLE V

MARKETING MATERIALS AND REPRESENTATIONS AND WARRANTIES

Section 5.01. Authorized Participant's Representation. The Authorized Participant represents, warrants and agrees that, in connection with any sale or solicitation of a sale of Shares, it will not make, or permit any of its representatives to make on its behalf, any representations concerning Shares other than those not inconsistent with the Trust's then current Prospectus or any promotional materials or sales literature furnished to the Authorized Participant by the Sponsor. The Authorized Participant agrees not to furnish or cause to be furnished to any person or display or publish any information or materials relating to Shares (excluding, without limitation, promotional materials and sales literature, advertisements, press releases, announcements, statements, posters, signs or other similar materials not inconsistent with the Trust's then current Prospectus and in accordance with applicable laws and regulations, and any materials prepared and used for the Authorized Participant's internal use only or brokerage communications prepared by the Authorized Participant in the normal course of its business), except such information and materials as may be furnished to the Authorized Participant by the Sponsor and such other information and materials as may be approved in writing by the Sponsor. The Authorized Participant understands that the Trust will not be advertised as offering redeemable securities, and that any advertising materials will prominently disclose that the Shares are not redeemable units of beneficial interest in the Trust. Notwithstanding the foregoing, the Authorized Participant and its Affiliates and representatives may, without the approval of the Sponsor, prepare and circulate in the regular course of their respective businesses, research, reports, marketing materials, sales literature or similar materials that include information, opinions or recommendations relating to Shares (i) for public dissemination, provided that such reports, research, marketing materials, sales literature or other similar materials comply with applicable FINRA rules and (ii) for internal use by the Authorized Participant and its Affiliates and representatives.

Section 5.02. Prospectus. The Sponsor will provide, or cause to be provided, to the Authorized Participant copies of the then current Prospectus and any printed supplemental information in reasonable quantities upon request. The Sponsor will, as promptly as practicable under the circumstances, notify the Authorized Participant when a revised, supplemented or amended Prospectus for the Shares is available, and deliver or otherwise make available to the Authorized Participant copies of such revised, supplemented or amended Prospectus at such time and in such quantities as may be reasonable to permit the Authorized Participant to comply with any obligation the Authorized Participant may have to deliver such Prospectus to its customers. The Sponsor will make such revised, supplemented or amended Prospectus available to the Authorized Participant no later than its effective date. The Sponsor shall be deemed to have complied with this Section 5.02 when the Authorized Participant has received such revised, supplemented or amended Prospectus by e-mail, in printable form, with such number of hard copies as may be agreed from time to time by the parties promptly thereafter

ARTICLE VI

INDEMNIFICATION; LIMITATION OF LIABILITY

Section 6.01. Indemnification. The provisions of this Section 6.01 shall survive termination of the Agreement.

a. The Authorized Participant shall indemnify and hold harmless the Sponsor, in its capacity as sponsor of the applicable Trust, the Trustee, the Trust and their respective Affiliates, subsidiaries, directors, officers, employees and agents, and each person, if any, who controls such persons within the meaning of Section 15 of the 1933 Act (each an “**AP Indemnified Party**”) from and against any direct loss, liability, cost and expense (including reasonable attorneys’ fees) incurred by such AP Indemnified Party as a result of (i) any material breach by the Authorized Participant of any provision of the Authorized Participant Agreement that relates to the Authorized Participant; (ii) any material failure on the part of the Authorized Participant to perform any of its obligations set forth in the Authorized Participant Agreement applicable to it; (iii) any material failure by the Authorized Participant to comply in all material respects with applicable laws, including rules and regulations of self-regulatory organizations to the extent such laws, rules and regulations are applicable to the transactions being undertaken pursuant to the Authorized Participant Agreement; or (iv) actions of such AP Indemnified Party pursuant to any instructions issued in accordance with the relevant Prospectus, Authorized Participant Agreement, the Procedures, or the Standard Terms reasonably believed by the AP Indemnified Party to be genuine and to have been given by the Authorized Participant except to the extent that the Authorized Participant had previously revoked a PIN Number used in giving such instructions or representations (where applicable) and such revocation was given by the Authorized Participant and received by the Trustee in accordance with the terms of Section 2.03 hereto. The Authorized Participant shall not be liable under its indemnity agreement contained in this paragraph with respect to any claim made against any AP Indemnified Party unless the AP Indemnified Party shall have notified the Authorized Participant in writing of the claim within a reasonable time after the summons or other first written notification giving information of the nature of the claim was served upon the AP Indemnified Party (or after the AP Indemnified Party shall have received notice of service on any designated agent). However, failure to notify the Authorized Participant of any claim shall not relieve the Authorized Participant from any liability which it may have to any AP Indemnified Party against whom such action is brought otherwise than on account of its indemnity agreement contained in this paragraph and shall only release it from such liability under this paragraph to the extent it has been materially prejudiced by such failure to give notice. The Authorized Participant shall be entitled to participate at its own expense in the defense, or, if it so elects, to assume the defense of any suit brought to enforce any claims, but if the Authorized Participant elects to assume the defense, the defense shall be conducted by counsel chosen by it and satisfactory to the AP Indemnified Parties in the suit and who shall not, except with consent of the AP Indemnified Parties, be counsel to the Authorized Participant. If the Authorized Participant does not elect to assume the defense of any suit, it will reimburse the AP Indemnified Parties in the suit for the reasonable fees and expenses of any counsel retained by them. The Authorized Participant shall not be liable to the AP Indemnified Party for any damages arising out of mistakes or errors in data provided to the Authorized Participant, or mistakes or errors by, or out of interruptions or delays of communications with the AP Indemnified Parties due to any action of a service provider to the Trust.

b. The Sponsor hereby agrees to indemnify and hold harmless the Authorized Participant, its Affiliates, subsidiaries, directors, officers, employees and agents, and each person, if any, who controls such persons within the meaning of Section 15 of the 1933 Act (each a “**Sponsor Indemnified Party**”) from and against any loss, liability, cost and expense (including reasonable attorneys' fees) incurred by such Sponsor Indemnified Party as a result of (i) any breach by the Sponsor of any provision of the Authorized Participant Agreement that relates to the Sponsor; (ii) any failure on the part of the Sponsor to perform any of its obligations set forth in the Authorized Participant Agreement applicable to it; (iii) any failure on the part of the Sponsor to comply in all material respects with applicable laws, including rules and regulations of self-regulatory organizations to the extent such laws, rules and regulations are applicable to the transactions being undertaken pursuant to the Authorized Participant Agreement; (iv) actions of such Sponsor Indemnified Party pursuant to any instructions issued or representations made in accordance with the relevant Prospectus, Authorized Participant Agreement, the Procedures, or the Standard Terms reasonably believed by the Sponsor Indemnified Party to be genuine and to have been given by the Sponsor; or (v) any untrue statements or omissions made in any promotional material or sales literature furnished to the Authorized Participant by the Sponsor or otherwise approved in writing by the Sponsor. The Sponsor shall not be liable under its indemnity agreement contained in this paragraph with respect to any claim made against any Sponsor Indemnified Party unless the Sponsor Indemnified Party shall have notified the Sponsor in writing of the claim within a reasonable time after the summons or other first written notification giving information of the nature of the claim shall have been served upon the Sponsor Indemnified Party (or after the Sponsor Indemnified Party shall have received notice of service on any designated agent). However, failure to notify the Sponsor of any claim shall not relieve the Sponsor from any liability which it may have to any Sponsor Indemnified Party against whom such action is brought otherwise than on account of its indemnity agreement contained in this paragraph and shall only release it from such liability under this paragraph to the extent it has been materially prejudiced by such failure to give notice. The Sponsor shall be entitled to participate at its own expense in the defense, or, if it so elects, to assume the defense of any suit brought to enforce any claims, but if the Sponsor elects to assume the defense, the defense shall be conducted by counsel chosen by it and satisfactory to the Sponsor Indemnified Parties in the suit and who shall not, except with the consent of the Sponsor Indemnified Parties, be counsel to the Sponsor. If the Sponsor does not elect to assume the defense of any suit, it will reimburse the Sponsor Indemnified Parties in the suit for the reasonable fees and expenses of any counsel retained by them.

c. No indemnifying party, as described in paragraphs (a) and (b) above, shall, without the written consent of the AP Indemnified Party or the Sponsor Indemnified Party, as the case may be, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the AP Indemnified Party or Sponsor Indemnified Party, as the case may be, from all liability arising out of such action or claim and (ii) does not include a statement as to an admission of fault, culpability or a failure to act, by or on behalf of any AP Indemnified Party or Sponsor Indemnified Party, as the case may be.

d. The Authorized Participant shall not be liable to any AP Indemnified Party for any damages arising out of (i) mistakes or errors in data provided in connection with purchase or redemption transactions except for data provided by the Authorized Participant, or (ii) mistakes or errors by, or arising out of interruptions or delays of communications with, the Trustee or any AP Indemnified Party.

e. The indemnification provided for in Section 6.01(a) shall not apply to the extent any such losses, liabilities, damages, costs and expenses are incurred as a result of any fraud, gross negligence, bad faith or reckless or willful misconduct on the part of an AP Indemnified Party. The indemnification provided for in Section 6.01(b) shall not apply to the extent any such losses, liabilities, damages, costs and expenses are incurred as a result of any fraud, gross negligence, bad faith or reckless or willful misconduct on the part of a Sponsor Indemnified Party.

f. The indemnity agreements contained in this Section 6.01 shall remain in full force and effect and shall survive any termination of this Agreement. The Sponsor and the Authorized Participant agree promptly to notify each other of the commencement of any Proceeding against it and against any of their officers or directors in connection with the issuance and sale of the Shares or in connection with the registration statement or the relevant Prospectus.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Commencement of Trading. The Authorized Participant may not submit an Order prior to the effectiveness of the registration statement, or amendment to the registration statement, filed with the Securities and Exchange Commission and pursuant to which the Authorized Participant is identified as such in the relevant Prospectus.

[Signatures Follow on Next Page]

IN WITNESS WHEREOF, the Sponsor and the Trustee have executed these Third Amended and Restated Standard Terms as of the date set forth above.

THE BANK OF NEW YORK MELLON, in its capacity as Trustee

By: _____
Name: Phyllis A. Cietek
Title: Vice President

abrdn ETFs Sponsor LLC, in its capacity as Sponsor

By: _____
Name: Lucia Sitar
Title: Vice President

[Third Amended and Restated Standard Terms Signature Page]

SCHEDULE 3-A : AUTHORIZED REPRESENTATIVES OF THE AUTHORIZED PARTICIPANT

Certificate of Authorized Representatives of the Authorized Participant

The following are the names, titles, signatures, phone numbers, and email addresses of all persons (each, an "Authorized Representative") authorized to give instructions relating to any activity contemplated by the Authorized Participant Agreement between [AUTHORIZED PARTICIPANT], The Bank of New York Mellon and abrdn ETFs Sponsor LLC dated [DATE] (the "Agreement") or any other notice, request or instruction on behalf of the Authorized Participant pursuant to the Agreement.

Name: _____
Title: _____

Signature: _____
Phone: _____
Email: _____

Name: _____
Title: _____

Signature: _____
Phone: _____
Email: _____

Name: _____
Title: _____

Signature: _____
Phone: _____
Email: _____

Name: _____
Title: _____

Signature: _____
Phone: _____
Email: _____

Name: _____
Title: _____

Signature: _____
Phone: _____
Email: _____

Name: _____
Title: _____

Signature: _____
Phone: _____
Email: _____

The undersigned, [AP'S AUTHORIZED SIGNATORY], does hereby certify that the persons listed above have been duly authorized to act as Authorized Representatives pursuant to the Authorized Participant Agreement.

By: _____
Name:
Title:
Date:

SCHEDULE 3-B : ADDENDUM TO CERTIFICATE OF AUTHORIZED REPRESENTATIVES OF THE AUTHORIZED PARTICIPANT

[On AP's Firm Letterhead]

[DATE]

The Bank of New York Mellon
240 Greenwich Street
8th Floor
New York, New York 10286
Attention: ETF Services

Re: Addendum to the Certificate of Authorized Representatives for [AUTHORIZED PARTICIPANT] under the Authorized Participant Agreement for the relevant Trusts sponsored by abrdn ETFs Sponsor LLC dated [DATE] (the "Agreement")

Ladies and Gentlemen:

Pursuant to the Agreement, the following are the names, titles, signatures, phone numbers, and email addresses of additional Authorized Representatives of [AUTHORIZED PARTICIPANT] (the "AP") authorized to give instructions relating to any activity contemplated by the Agreement or any other notice, request or instruction on behalf of the AP pursuant to the Agreement. This list of Authorized Representatives is an addendum and adds further Authorized Representatives to the AP's most recently executed certificate (entitled "Certificate of Authorized Representatives of the Authorized Participant").

Name: _____	Name: _____
Title: _____	Title: _____
Signature: _____	Signature: _____
Phone: _____	Phone: _____
Email: _____	Email: _____
Name: _____	Name: _____
Title: _____	Title: _____
Signature: _____	Signature: _____
Phone: _____	Phone: _____
Email: _____	Email: _____

Please provide PIN numbers for those listed above.

The undersigned, [AP'S AUTHORIZED SIGNATORY], does hereby certify that the persons listed above have been duly authorized to act as Authorized Representatives pursuant to the Authorized Participant Agreement.

By: _____
Name:
Title:
Date:

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statement (No. 333-272037) on Form S-3 of abrdn Palladium ETF Trust (known as Aberdeen Standard Palladium ETF Trust prior to March 31, 2022) of our reports dated February 28, 2024, with respect to the statements of assets and liabilities of abrdn Palladium ETF Trust, including the schedules of investments, as of December 31, 2023 and 2022, the related statements of operations and changes in net assets and the financial highlights for each of the years in the three-year period ended December 31, 2023 and the related notes (collectively, the “financial statements”), and the effectiveness of internal control over financial reporting, as of December 31, 2023 which reports appear in the December 31, 2023 annual report on Form 10-K of abrdn Palladium ETF Trust. We also consent to the reference to our firm under the heading “Experts” in the above noted registration statement.

/s/ KPMG LLP

New York, New York
February 28, 2024

Exhibit 31.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Steven Dunn, certify that:

1. I have reviewed this Report on Form 10-K of abrdn Palladium ETF Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; and
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2024

/s/ Steven Dunn*

Steven Dunn**

President and Chief Executive Officer
(Principal Executive Officer)

* The original executed copy of this Certification will be maintained at the Sponsor's offices and will be made available for inspection upon request.

** The Registrant is a trust and Mr. Dunn is signing in his capacity as an officer of abrdn ETFs Sponsor LLC, the Sponsor of the Registrant.

Exhibit 31.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Brian Kordeck, certify that:

1. I have reviewed this Report on Form 10-K of abrdr Palladium ETF Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; and
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2024

/s/ Brian Kordeck*

Brian Kordeck**

Chief Financial Officer and Treasurer

(Principal Financial Officer and Principal Accounting Officer)

* The original executed copy of this Certification will be maintained at the Sponsor's offices and will be made available for inspection upon request.

** The Registrant is a trust and Mr. Kordeck is signing in his capacity as an officer of abrdr ETFs Sponsor LLC, the Sponsor of the Registrant.

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of abrdn Palladium ETF Trust (the “Company”) on Form 10-K for the year ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 28, 2024

/s/ Steven Dunn*

Steven Dunn**

President and Chief Executive Officer
(Principal Executive Officer)

* The original executed copy of this Certification will be maintained at the Sponsor’s offices and will be made available for inspection upon request.

** The Registrant is a trust and Mr. Dunn is signing in his capacity as an officer of abrdn ETFs Sponsor LLC, the Sponsor of the Registrant.

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of abrdn Palladium ETF Trust (the “Company”) on Form 10-K for the year ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date February 28, 2024

/s/ Brian Kordeck*

Brian Kordeck**

Chief Financial Officer and Treasurer

(Principal Financial Officer and Principal Accounting Officer)

* The original executed copy of this Certification will be maintained at the Sponsor’s offices and will be made available for inspection upon request.

** The Registrant is a trust and Mr. Kordeck is signing in his capacity as an officer of abrdn ETFs Sponsor LLC, the Sponsor of the Registrant.

Exhibit 97.1

**abrdn Gold ETF Trust
abrdn Silver ETF Trust
abrdn Platinum ETF Trust
abrdn Palladium ETF Trust
abrdn Precious Metals Basket ETF Trust**

POLICY FOR RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

abrdn Gold ETF Trust, abrdn Silver ETF Trust, abrdn Platinum ETF Trust, abrdn Palladium ETF Trust and abrdn Precious Metals Basket ETF Trust (each a “Trust” and collectively, the “Trusts”) adopt this Policy for Recovery of Erroneously Awarded Compensation (the “Policy”), which provides for the recovery of certain incentive compensation in the event of an Accounting Restatement (as defined below). This Policy is designed to comply with, and shall be interpreted to be consistent with, Section 10D of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), Rule 10D-1 promulgated under the Exchange Act (“Rule 10D-1”), New York Stock Exchange (“NYSE”) Arca listing standards and NYSE Arca Rule 5.3-E(p) (collectively, the “Listing Standards”).

1. Administration

Except as specifically set forth herein, this Policy shall be administered by abrdn ETFs Sponsor LLC (the “Sponsor”) or, if so designated by the Sponsor, a committee thereof (the Sponsor or such committee charged with administration of this Policy, the “Administrator”). The Administrator is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate or advisable for the administration of this Policy. Any determinations made by the Administrator shall be final and binding on all affected individuals and need not be uniform with respect to each individual covered by the Policy. In the administration of this Policy, the Administrator is authorized and directed to consult with the Sponsor or such other committees of the Sponsor. Subject to any limitation of applicable law, the Administrator may authorize and empower any officer or employee of the Sponsor to take any and all actions necessary or appropriate to carry out the purpose and intent of this Policy (other than with respect to any recovery under this Policy involving such officer or employee).

2. Definitions

As used in this Policy, the following definitions shall apply:

- “Accounting Restatement” means an accounting restatement of the Trust’s financial statements due to the Trust’s material noncompliance with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.
- “Administrator” has the meaning set forth in Section 1 of this Policy.

- “Applicable Period” means the three completed fiscal years immediately preceding the date on which the Trust is required to prepare an Accounting Restatement, as well as any transition period (that results from a change in the Trust’s fiscal year) within or immediately following those three completed fiscal years (except that a transition period that comprises a period of at least nine months shall count as a completed fiscal year). The “date on which the Trust is required to prepare an Accounting Restatement” is the earlier to occur of (a) the date the Sponsor, a committee of the Sponsor, or the officer or officers of the Sponsor are authorized to take such action if the Sponsor action is not required, concludes or reasonably should have concluded, that the Trust is required to prepare an Accounting Restatement or (b) the date a court, regulator or other legally authorized body directs the Trust to prepare an Accounting Restatement, in each case regardless of if or when the restated financial statements are filed.
- “Covered Executives” means the current and former president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller) of the Trusts (or persons performing such functions for the Trusts in their capacities as officers of the Sponsor), any vice-president of the Trusts in charge of a principal business unit, division, or function (such as sales, administration, or finance) of the Trusts, any other officer who performs a policy-making function for the Trusts, or any other person who performs similar policy-making functions for the Trusts, in each case, as determined by the Administrator in accordance with the definition of executive officer set forth in Rule 10D-1 and the Listing Standards; provided that, an executive officer of a Trust’s parent or subsidiary is deemed a Covered Officer if the executive officer performs such policy making functions for the Trusts. Although a Covered Executive would include officers or employees of the respective Trust’s trustee who perform policy-making functions for the Trust, there are no such individuals.
- “Erroneously Awarded Compensation” has the meaning set forth in Section 5 of this Policy.
- A “Financial Reporting Measure” is any measure that is determined and presented in accordance with the accounting principles used in preparing the Trust’s financial statements, and any measure that is derived wholly or in part from such measure. Financial Reporting Measures include but are not limited to the following (and any measures derived from the following): Trust stock price; total shareholder return (“TSR”); revenues; net income; operating income; profitability of one or more reportable segments; financial ratios (e.g., accounts receivable turnover and inventory turnover rates); earnings before interest, taxes, depreciation and amortization; funds from operations and adjusted funds from operations; liquidity measures (e.g., working capital, operating cash flow); return measures (e.g., return on invested capital, return on assets); earnings measures (e.g., earnings per share); sales per square foot or same store sales, where sales is subject to an Accounting Restatement; revenue per user, or average revenue per user, where revenue is subject to an Accounting Restatement; cost per employee, where cost is subject to an Accounting Restatement; any of such financial reporting measures relative to a peer group, where the Trust’s financial reporting measure is subject to an Accounting Restatement; and tax basis income. A Financial Reporting Measure need not be presented within the Trust’s financial statements or included in a filing with the Securities Exchange Commission.

- “Incentive-Based Compensation” means any compensation that is paid by the Trusts to a Covered Executive, and that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure. Incentive-Based Compensation is “received” for purposes of this Policy in the Trust’s fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of such Incentive-Based Compensation occurs after the end of that period.

3. Covered Executives; Incentive-Based Compensation

This Policy applies to Incentive-Based Compensation received by a Covered Executive (a) after beginning services as a Covered Executive; (b) if that person served as a Covered Executive at any time during the performance period for such Incentive-Based Compensation; (c) while the Trust had a listed class of securities on a national securities exchange and (d) during the Applicable Period.

4. Required Recoupment of Erroneously Awarded Compensation in the Event of an Accounting Restatement

In the event that the Trust is required to prepare an Accounting Restatement, the Trust shall promptly recoup the amount of any Erroneously Awarded Compensation received by any Covered Executive, as calculated pursuant to Section 5 of this Policy, during the Applicable Period. Recovery under this Policy with respect to a Covered Executive shall not require the finding of any misconduct by such Covered Executive or such Covered Executive being found responsible for the accounting error leading to an Accounting Restatement.

5. Erroneously Awarded Compensation: Amount Subject to Recovery

The amount of Erroneously Awarded Compensation subject to recovery under this Policy, as determined by the Administrator, is the amount of Incentive-Based Compensation received by the Covered Executive that exceeds the amount of Incentive-Based Compensation that would have been received by the Covered Executive had it been determined based on the restated amounts.

Erroneously Awarded Compensation shall be computed by the Administrator without regard to any taxes paid by the Covered Executive in respect of the Erroneously Awarded Compensation.

With respect to any compensation plans or programs that take into account Incentive-Based Compensation, the amount of Erroneously Awarded Compensation subject to recovery hereunder includes, but is not limited to, the amount contributed to any notional account based on Erroneously Awarded Compensation and any earnings accrued to date on that notional amount.

For Incentive-Based Compensation based on stock price or TSR: (a) the Administrator shall determine the amount of Erroneously Awarded Compensation based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or TSR upon which the Incentive-Based Compensation was received and (b) the Sponsor shall maintain documentation of the determination of that reasonable estimate and provide such documentation to NYSE Group, Inc. (“NYSE Group”).

6. Method of Recoupment

The Administrator shall determine, in its sole discretion, the timing and method for promptly recouping Erroneously Awarded Compensation hereunder, which may include without limitation (a) seeking reimbursement of all or part of any cash or equity-based award, (b) cancelling prior cash or equity-based awards, whether vested or unvested or paid or unpaid, (c) cancelling or offsetting against any planned future cash or equity-based awards, (d) forfeiture of deferred compensation, subject to compliance with Section 409A of the Internal Revenue Code and the regulations promulgated thereunder and (e) any other method authorized by applicable law or contract. Subject to compliance with any applicable law, the Administrator may affect recovery under this Policy from any amount otherwise payable to the Covered Executive, including amounts payable to such individual under any otherwise applicable Sponsor plan or program, including base salary, bonuses or commissions and compensation previously deferred by the Covered Executive.

The Trust is authorized and directed pursuant to this Policy to recoup Erroneously Awarded Compensation in compliance with this Policy unless the Administrator has determined that recovery would be impracticable solely for the following limited reasons, and subject to the following procedural and disclosure requirements:

- The direct expense paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on the expense of enforcement, the Administrator must make a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempt(s) to recover and provide that documentation to NYSE Group;
- Recovery would violate home country law of the issuer where that law was adopted prior to November 28, 2022. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on a violation of home country law of the issuer, the Administrator must satisfy the applicable opinion and disclosure requirements of Rule 10D-1 and the Listing Standards; or
- Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Sponsor, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

7. No Indemnification of Covered Executives

Notwithstanding the terms of any indemnification or insurance policy or any contractual arrangement with any Covered Executive that may be interpreted to the contrary, the Trust shall not indemnify any Covered Executives against the loss of any Erroneously Awarded Compensation, including any payment or reimbursement for the cost of third-party insurance purchased by any Covered Executives to fund potential clawback obligations under this Policy.

8. Administrator Indemnification

Any members of the Administrator, and any other members of the Sponsor who assist in the administration of this Policy, shall not be personally liable for any action, determination or interpretation made with respect to this Policy and shall be fully indemnified by the Trust to the fullest extent under applicable law and Trust policy with respect to any such action, determination or interpretation. The foregoing sentence shall not limit any other rights to indemnification under applicable law or Trust policy.

9. Effective Date; Retroactive Application

This Policy shall be effective as of December 1, 2023 (the "Effective Date"). The terms of this Policy shall apply to any Incentive-Based Compensation that is received by Covered Executives on or after the Effective Date, even if such Incentive-Based Compensation was approved, awarded, granted or paid to Covered Executives prior to the Effective Date. Without limiting the generality of Section 6 of this Policy, and subject to applicable law, the Administrator may effect recovery under this Policy from any amount of compensation approved, awarded, granted, payable or paid to the Covered Executive prior to, on or after the Effective Date.

10. Amendment; Termination

The Trust may amend, modify, supplement, rescind or replace all or any portion of this Policy at any time and from time to time in its discretion, and shall amend this Policy as it deems necessary to comply with applicable law or any rules or standards adopted by a national securities exchange on which the Trust's securities are listed.

11. Other Recoupment Rights; Company Claims

The Trust intends that this Policy shall be applied to the fullest extent of the law. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Trust under applicable law or pursuant to the terms of any similar policy in any employment agreement, equity award agreement or similar agreement and any other legal remedies available to the Trust.

Nothing contained in this Policy, and no recoupment or recovery as contemplated by this Policy, shall limit any claims, damages or other legal remedies the Trust or any of its affiliates may have against a Covered Executive arising out of or resulting from any actions or omissions by the Covered Executive.

12. Successors

This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

13. Governing Law; Venue

This Policy and all rights and obligations hereunder are governed by and construed in accordance with the internal laws of Delaware, excluding any choice of law rules or principles that may direct the application of the laws of another jurisdiction.

14. Exhibit Filing Requirement

A copy of this Policy and any amendments thereto shall be filed as an exhibit to each Trust's annual report, if applicable.