

Welcome Remarks

Paul Fisher
LBMA Chairman

Good morning everyone, as chair of the LBMA it is my great pleasure to welcome you to the 2018 Precious Metals Conference, co-hosted with LPPM. This is the 19th annual conference, being held for the first time in Boston and the second time in the US following San Francisco in 2002.

Coming back to North America is significant for the special place it has in the story of gold. Historically, the modern era for gold can be said to have truly started with the Californian Gold Rush starting in 1848. Estimates suggest that some 90% of all the gold above ground has been mined since that date.

The United States is still today the 4th largest producer of gold in the world and home to some of the leading miners, refiners and banks that contribute to a truly global market. Not to forget our good friends at the CME, one of the world's great gold exchanges.

But we live in the present. And just as the leading financial markets are continually embracing new technology, so too must the LBMA conference! So my next job is to make sure you have all downloaded the conference app, or that you do so while I am speaking.

Just as last year, you will need to access the conference app to register your vote whenever a question is put to the audience, or you wish to ask a question of a panel. Ruth will be testing your digital skills very shortly. So if you haven't downloaded the app, please stop looking at me. Look instead at the instructions on the screen and on your chairs. And

download it – right now! I am told it should take only a few moments to download successfully! And I really won't mind if you ignore me until you have it running!

While some of you do that, I would like to say a few words about the world and markets we find ourselves in. Historically, the world is richer than it has ever been and more people are enjoying the benefits of rising living standards than ever before. But to many it doesn't feel that way. There continues to be a sense of dissatisfaction in many developed economies, giving rise to a growth of populist politics. I would highlight three basic issues:

First, I spoke last year about the environment and climate change. Pollution levels are a rising concern. Progress is being made, but not quickly enough. I was pleased to see and help with the WGC's first report on the subject of climate change during 2018.

Secondly, the growth of digital technology and globalisation, with huge benefits for billions of people, nevertheless seems to be associated with rising dissatisfaction in regards to income and wealth distribution. Over many thousands of years, one economic lesson continually jumps out – increased trade has the potential to make just about everyone better off. Yet we seem to be experiencing a push back on free and fair trade which should be a concern for all those here.

Finally, major wars between global powers may have been absent for three quarters of a century, but there continue to be too many violent conflicts. And whilst the cold war may have ended, the threat from cyberattacks poses just as big a risk to democracy.

Our part in all this may be small, but, free and fair trade in precious metals globally is at the heart of what the LBMA stands for. Our mission is to ensure the highest levels of

integrity, transparency and leadership for the global precious metals industry by setting standards and developing market services.

Over the past year we have continued to develop various strategic initiatives which Ruth will cover in a few minutes. I want to just highlight one: the continuing development of our Responsible Sourcing Guidance. Version 8 of LBMA's Responsible Gold Guidance will come into force on 1 January 2019. It has been expanded in scope to include environmental, social and governance issues – something which many of you will know that I promote wearing other hats. The new guidance also strengthens the interaction with producers, which is something we are aiming to do more generally. And as well as the Responsible Silver Guidance implemented on 1 January this year, LBMA also collaborated with LPPM in 2018 to create the Responsible Platinum and Palladium Guidance which launched in the Summer. And throughout the year, LBMA has been working with the WGC, ICMM and many others to ensure a coherent and complimentary approach to responsible mineral production more generally.

As Chair of the LBMA, I can also tell you that earlier this year we commissioned an independently conducted LBMA Board Effectiveness Review. The summary of that Review and our response – which was to agree and implement all the recommendations – can be found on the LBMA website.

Now, for the thank-yous. First I would like to thank the LBMA Executive – and indeed, the whole of the LBMA team – for the incredibly hard work they have put in over the past year on the market's behalf. You can read about that in the Second Annual Review which was published alongside the LBMA Annual General Meeting and which you can access using the app. Another key benefit for those of you who have got it working!

As Chair it is both my duty and pleasure to thank a number of people for helping to deliver this conference for you.

That includes:

- our co-hosts, the LPPM;
- our keynote speakers – Adam Posen and Raghav Chawla (day one) and Mike Silva and Elaine Dorward-King (day two)
- all the other speakers who give their time and energy so freely;
- all our sponsors, including CME/IPMI for the Welcome Reception; Asahi for Monday lunch; ICE-IBA for the coffee breaks; BMO Capital Markets for the Delegate Lounge and especially Metalor-Tanaka for the Gala Dinner; as well as all the companies who have taken exhibitor booths.
- And for the organisation of the event, I would like to thank the Chairs of the LBMA's Public Affairs Committee: Edel Tully – who was recently elected to the Board - and Tom Kendall who took over the reins last month;
- and the wonderful LBMA team who ensure that everything works as it should.

And thanks to you, the delegates, for taking the time to join us here in Boston – I hope you really enjoy the next couple of days.

Finally, I hand over to the Chief Executive of LBMA, Ruth Crowell. Those of you who know Ruth will appreciate the personal leadership and sheer commitment that she offers to the Bullion Market globally and I would like to thank her personally for making my job as Chair so rewarding. Ruth, over to you.