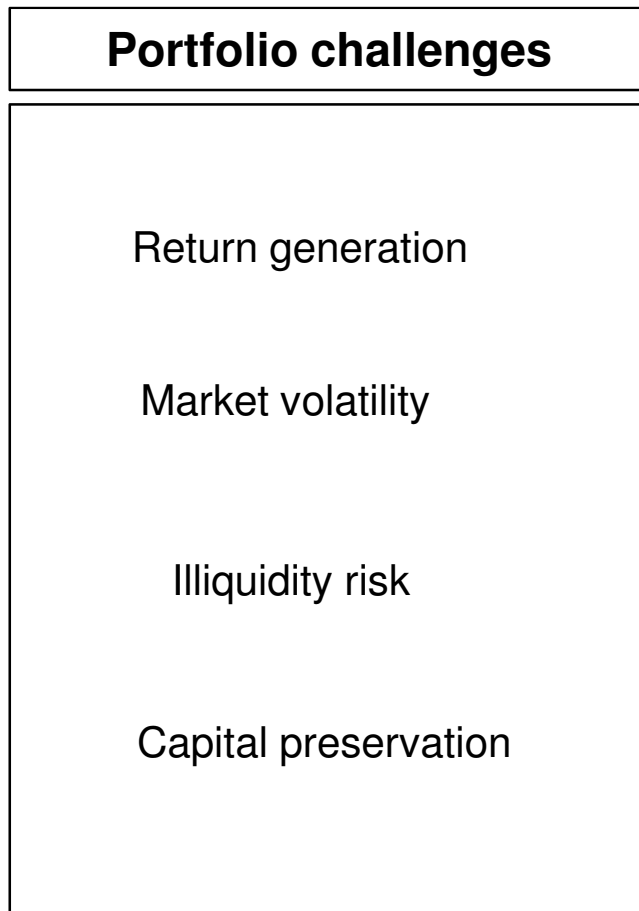


The role of gold as a strategic asset

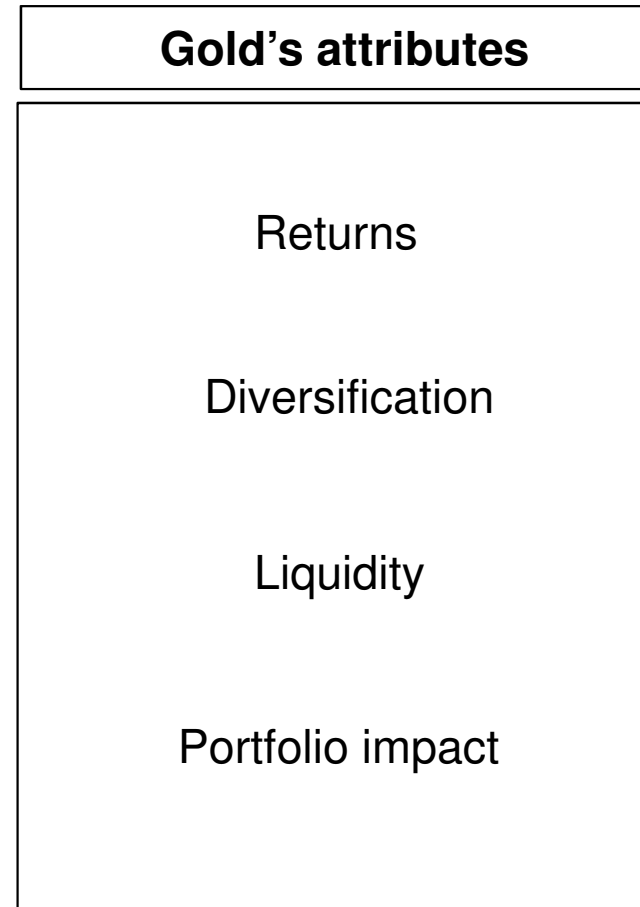
June 2019



Why gold?

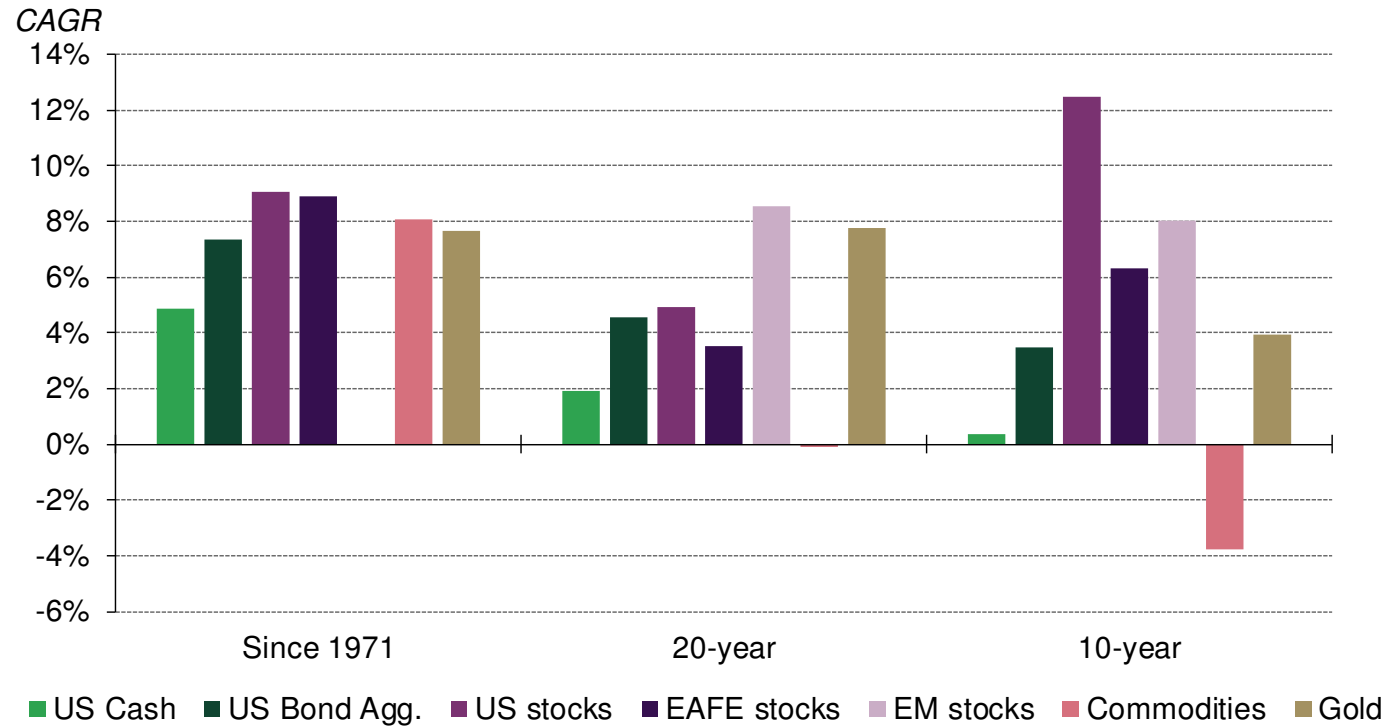


Portfolio Challenges



The strategic case for gold: returns

Gold's long-term performance compared to other financial assets*



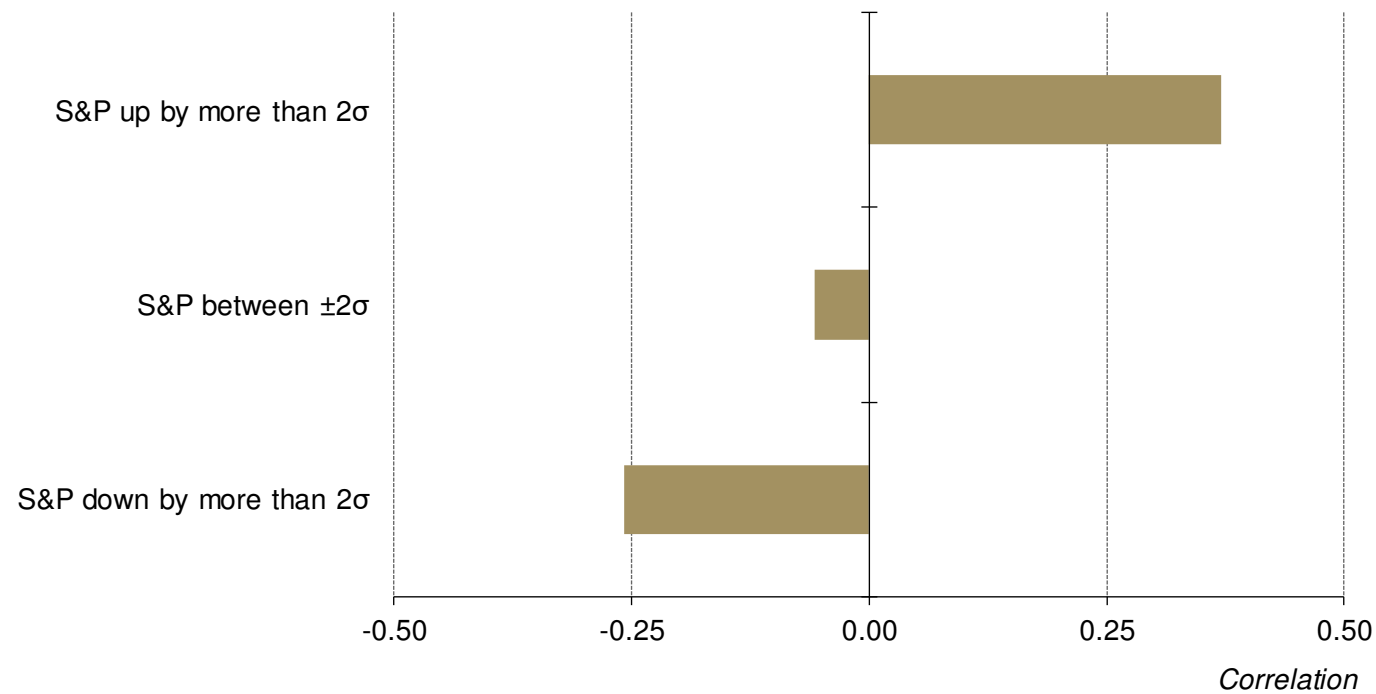
*As of 31 December 2018.

Based on total returns indices including JPMorgan 3-month US cash, Bloomberg Barclays US Bond Aggregate, MSCI US, MSCI EAFE net, MSCI Emerging Markets net, Bloomberg Commodity Index. Gold performance based on the LBMA Gold Price.

Source: Bloomberg, ICE Benchmark Administration, World Gold Council

The strategic case for gold: diversification

Correlation of US stocks versus gold*



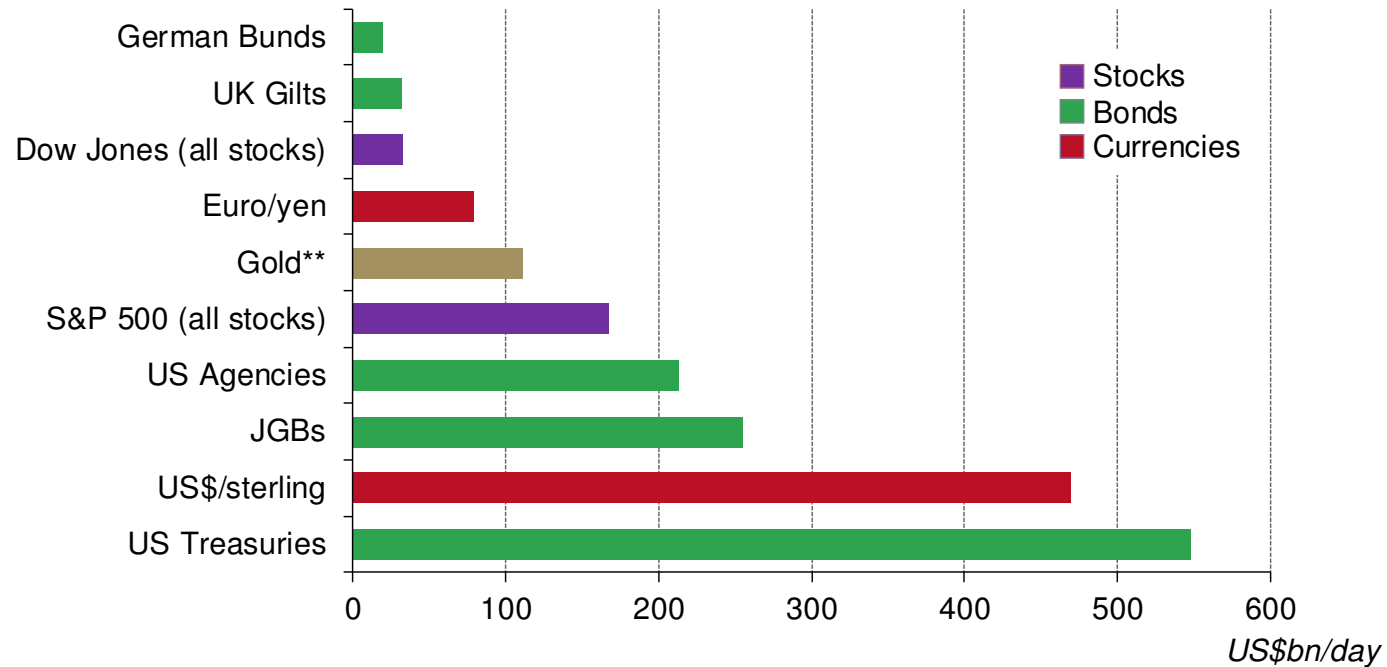
*Based on weekly returns of the S&P 500 and LBMA Gold Price using data between 1 January 1987 and 31 December 2018.

Source: Bloomberg, ICE Benchmark Administration, World Gold Council

The strategic case for gold: liquidity

Gold trades more than many other major financial assets

Average daily trading volumes in US\$*



*Based on estimated 1-year average trading volumes as of 31 December 2018, except for currencies that correspond to 2016 volumes due to data availability.

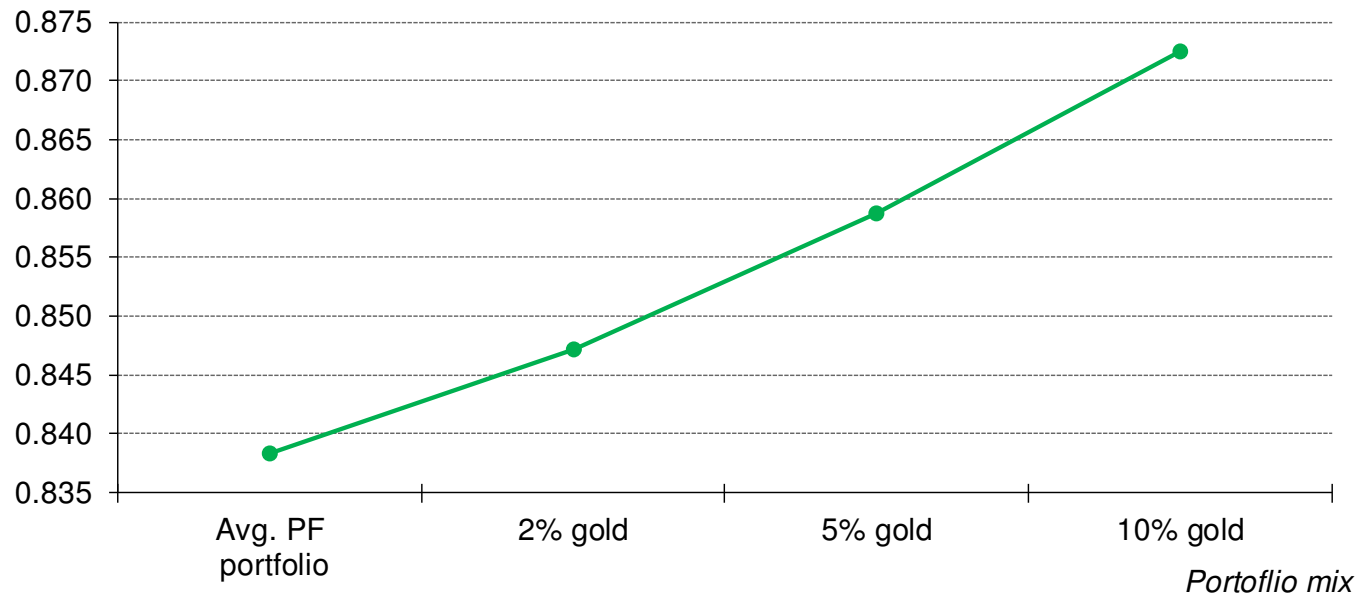
**Gold liquidity includes estimates on over-the-counter (OTC) transactions, and published statistics on futures exchanges, and gold-backed exchange-traded products.

Source: BIS; Bloomberg; Germany Finance Agency; Japan Securities Dealers Association; LBMA; UK Debt Management Office (DMO); World Gold Council

The strategic case for gold: portfolio impact

Risk-adjusted return of a hypothetical average US pension fund (PF) portfolio with various allocations to gold*

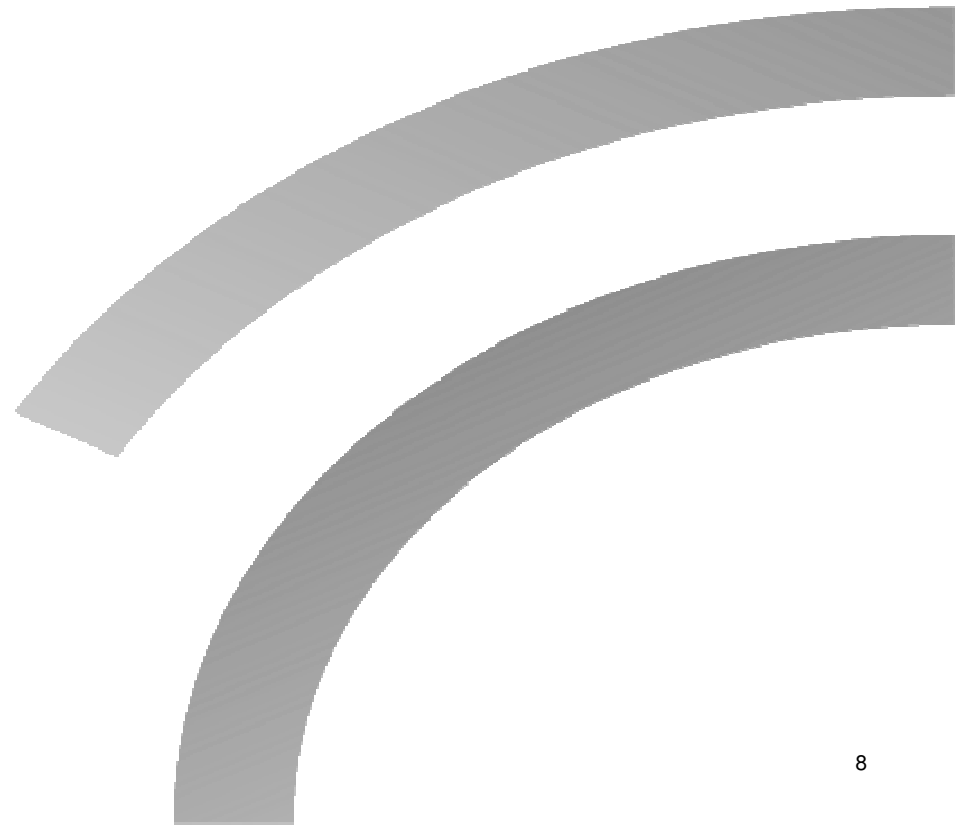
Risk-adjusted return



**Risk-adjusted return* computed by dividing portfolio return with annualised volatility based on total return indices and benchmarks listed below, using data from December 2008 to December 2018 and assuming quarterly rebalancing. The composition of the hypothetical average PF portfolio is based on Willis Tower Watson *Global Pension Assets Study 2018* and *Global Alternatives Survey 2017*. It includes a 50% allocation to stocks (30% Russell 3000, 20% MSCI ACWI ex US), 25% allocation to fixed income (22% Barclays US Aggregate, 1% Barclays Global Aggregate ex US, 1% JPMorgan EM Global Bond Index and 2% short-term Treasuries), and 25% alternative assets (9% FTSE REITs Index, 7% HFRI Hedge Fund Index, 7% S&P Private Equity Index and 2% Bloomberg Commodity Index). Gold based on the LBMA Gold price and the respective 2%, 5% and 10% portfolio allocations come from proportionally reducing all other assets.

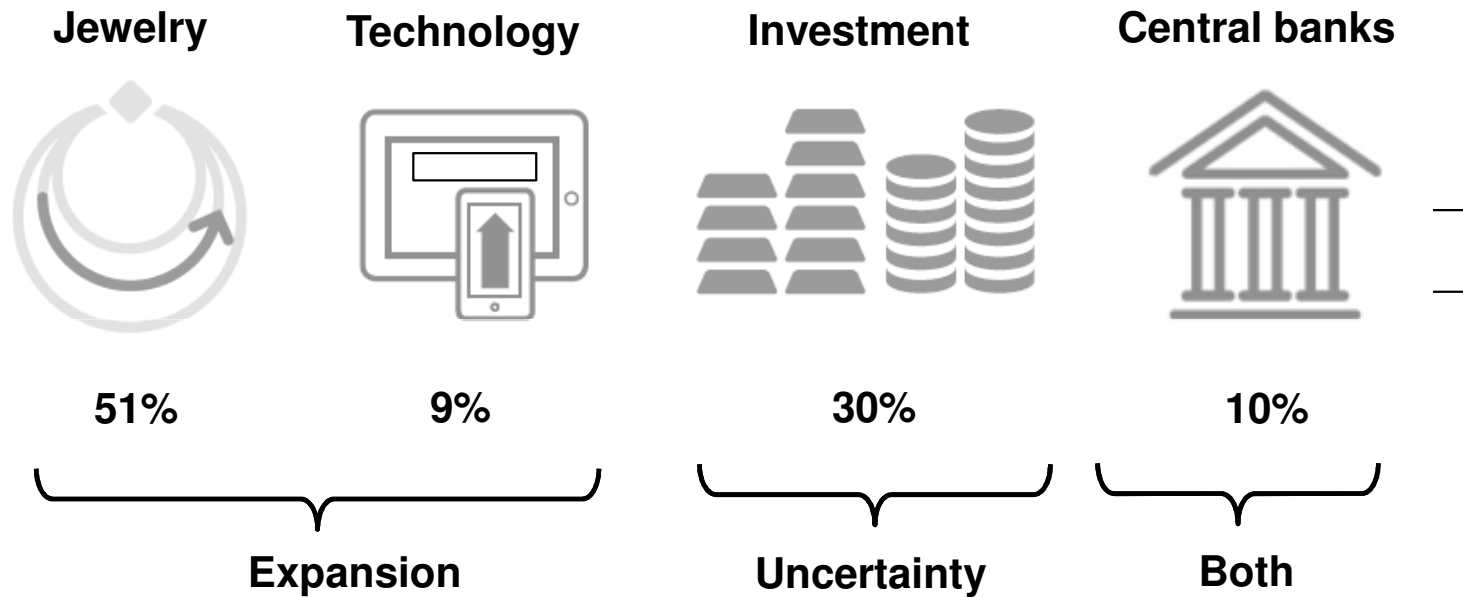
Source: Bloomberg, ICE Benchmark Administration, World Gold Council

Drivers of gold portfolio impact



Dual nature of strategic demand

Average annual demand \approx 4,350 tonnes* (approx. US\$177bn)



*Based on 10-year average annual demand estimates ending in 2018. Includes jewelry, technology, bars, coins, and ETF demand. It excludes over-the-counter demand. Figures may not add to 100% due to rounding. US dollar value computed using the LBMA Gold Price as of December 2018. Source: Metals Focus, Refinitiv GFMS, World Gold Council

Gold is a global market



*Based on **10-year average demand** estimates ending in 2018. Includes jewelry, technology, bars, coins, and ETF demand. Excludes over-the-counter transactions and central bank purchases.

Source: Refinitiv GFMS, World Gold Council

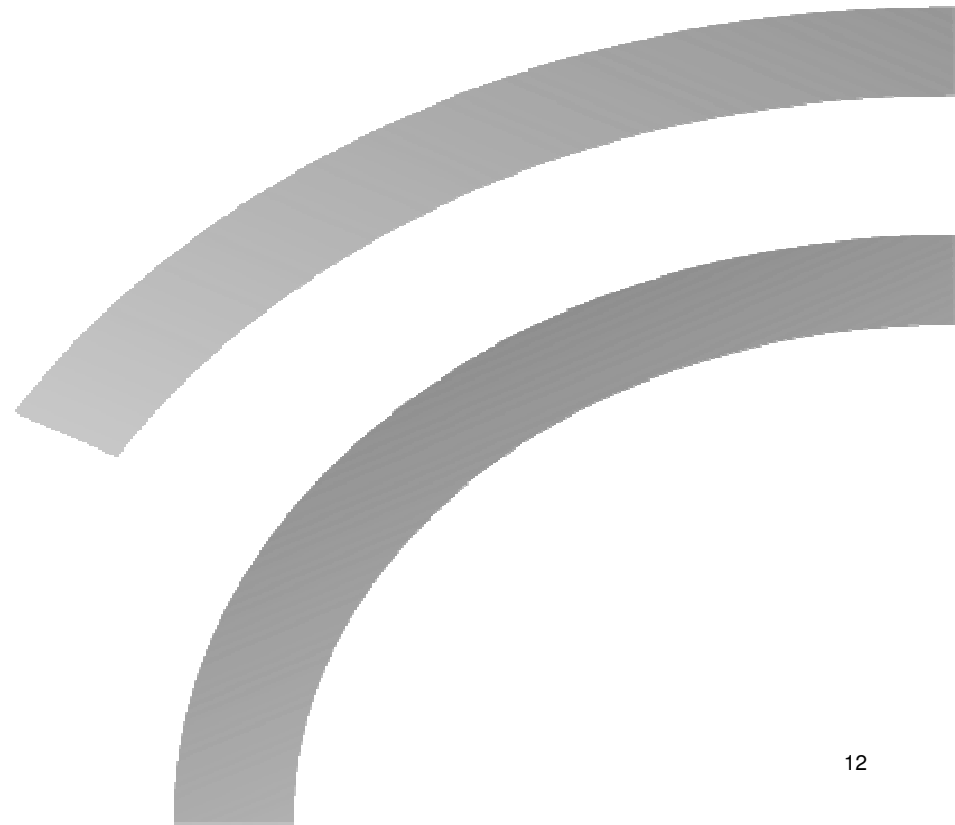
Gold production is well diversified



*Based on **10-year average supply** estimates ending in 2017.

Source: Refinitiv GFMS, Metal Focus, World Gold Council

Investor resources



GOLDHUB



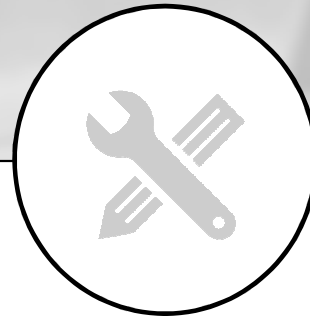
Data

Power your investment decisions with best-in-class data sets



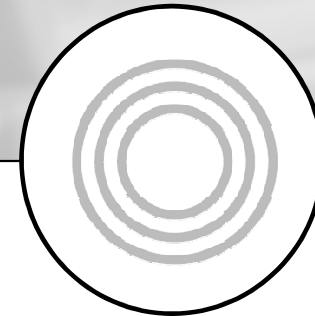
Research

Access to a wealth of material on the role and performance of gold



Tools

Visualise and build your own analyses with interactive tools



Authority

Goldhub draws on the World Gold Council's authority on gold

GOLDHUB

The definitive source of gold data and insight

Goldhub is an initiative of the World Gold Council

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