

# GOLD FOR PORTFOLIOS

STATE STREET  
GLOBAL ADVISORS  
SPDR®



# WHY CONSIDER INVESTING IN GOLD?

Gold is both an investment and a consumer good. Global economic growth, income growth, monetary policy and market volatility drive demand.

A strategic allocation to this unique asset class may help an investor to pursue the following potential benefits of gold:

## Long-term Returns

Since 1971, when President Nixon removed the US dollar from the Gold Standard, the price of gold has increased from \$43.28/oz. to \$1323.85/oz. at the end of March 2018, or a compounded annual growth rate of 7.79 percent per year.<sup>1</sup>

Gold's prices are influenced by a diverse set of global drivers in pro-cyclical and counter-cyclical markets.

## Greater Diversification

Gold's historically low or negative correlation to other asset classes means the potential for greater diversification that could potentially lower portfolio volatility, enhance overall risk-adjusted returns and preserve purchasing power.

## Improved Risk-Adjusted Returns

Because gold has historically tended to rise during stock market pullbacks, a strategic allocation to gold in a multi-asset class portfolio may help temper the impact of market volatility and reduce portfolio drawdown.

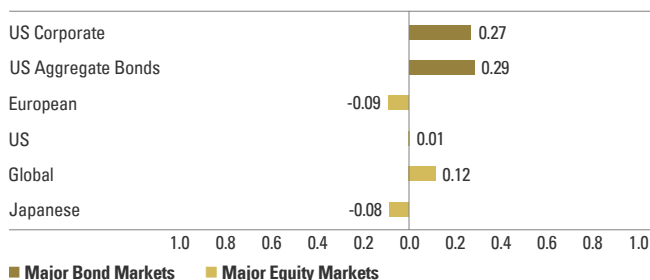
## Deep Liquidity

The average daily turnover of gold is over \$250 billion, equivalent to \$62 trillion per year. That makes the gold market larger than that of many stocks and bonds.<sup>2</sup>

# 7.79%

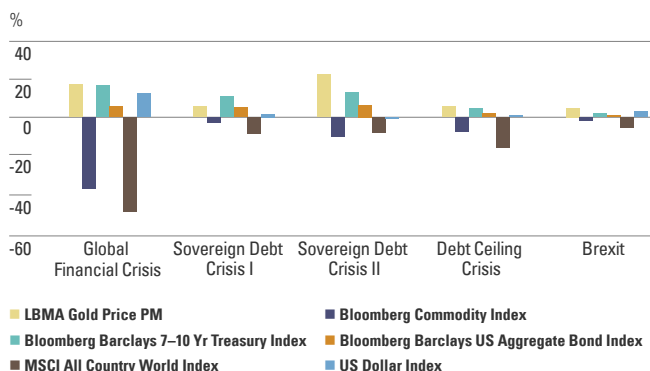
Compounded annual growth rate for LBMA Gold Price PM since 1971<sup>1</sup>

### Gold's Historically Relatively Low or Negative Correlation with Equity and Bond Markets Since 2000



Source: Bloomberg Finance L.P., State Street Global Advisors, data from January 1, 2000 to March 31, 2018. Correlations are calculated from monthly returns in USD. Asset classes represented by the following indices — Japanese: MSCI Japan Index; Global: MSCI AC World Daily Index TR; US: S&P 500; European: MSCI Europe Index; US Aggregate Bonds: Bloomberg Barclays US Aggregate Bond Index TR; US Corporate: Bloomberg Barclays US Corporate Bond Index TR

### Gold's Historical Performance in Market Downturns



Source: Bloomberg Finance L.P., State Street Global Advisors, as of March 31, 2018. Notes: Global Financial Crisis: 11/30/2007–3/31/2009; Sovereign Debt Crisis I: 4/30/2010–8/31/2010; Sovereign Debt Crisis II: 2/28/2011–10/31/2011; Debt Ceiling Crisis: 7/22/2011–8/8/2011; Brexit: 6/22/2016–6/27/2016. **Past performance is not a guarantee of future results. Performance above does not reflect charges and expenses associated with the fund or brokerage commissions associated with buying and selling exchange traded funds. Performance above is not meant to represent the performance of any investment product.** Performance data above derived from total return indices.

<sup>1</sup> Bloomberg Finance L.P., State Street Global Advisors, August 13, 1971–March 31, 2018.

<sup>2</sup> Source: A study carried out by London Bullion Market Association and overseen by the Bank of England and the Financial Conduct Authority; GFMS-Thomson Reuters, date as of December 31, 2017.

***For use with the public.***

**State Street Global Advisors Asia Limited**, 68/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong. Telephone: +852 2103-0288. Facsimile: +852 2103-0200. Web: www.ssga.com\*

**State Street Global Advisors Singapore Limited**, 168, Robinson Road, #33-01 Capital Tower, Singapore 068912 (Company Reg. No: 200002719D, regulated by the Monetary Authority of Singapore). Telephone: +65 6826-7555. Facsimile: +65 6826-7501. Web: www.ssga.com\*

**Important Risk Information**

All forms of investments carry risks, including the risk of losing all of the invested amount. Such activities may not be suitable for everyone.

The information provided does not constitute investment advice and it should not be relied on as such. It should not be considered a solicitation to buy or an offer to sell a security. It does not take into account any investor's particular investment objectives, strategies, tax status or investment horizon. You should consult your tax and financial advisor.

**ETFs** trade like stocks, are subject to investment risk, fluctuate in market value and may trade at prices above or below the ETFs' net asset value. Brokerage commissions and ETF expenses will reduce returns.

Commodities and commodity-index linked securities may be affected by changes in overall market movements, changes in interest rates, and other factors such as weather, disease, embargoes, or political and regulatory developments, as well as trading activity of speculators and arbitrageurs in the underlying commodities. **Currency exchange** rates between the U.S. dollar and non-U.S. currencies may fluctuate significantly over short periods of time and may cause the value of investments to decline.

Frequent trading of ETFs could significantly increase commissions and other costs such that they may offset any savings from low fees or costs. Diversification does not ensure a profit or guarantee against loss.

**Investing in commodities entails significant risk and is not appropriate for all investors.**

The World Gold Council name and logo are a registered trademark and used with the permission of the World Gold Council pursuant to a license agreement. The World Gold Council is not responsible for the content of, and is not liable for the use of or reliance on, this material.

Standard & Poor's<sup>®</sup>, S&P<sup>®</sup> and SPDR<sup>®</sup> are registered trademarks of Standard & Poor's Financial Services LLC, a division of S&P Global (S&P); Dow Jones is a registered trademark of Dow Jones Trademark Holdings LLC (Dow Jones); and these trademarks have been licensed for use by S&P Dow Jones Indices LLC (SPDJI) and sublicensed for certain purposes by State Street Corporation. State Street Corporation's financial products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates and third party licensors and none of such parties makes any representation regarding the advisability of investing in such product(s) nor do they have any liability in relation thereto. The whole or any part of this work may not be reproduced, copied or transmitted or any of its contents disclosed to third parties without SSGA's express written consent. This document has not been reviewed by the Securities and Futures Commission of Hong Kong (the "SFC").

\*This website has not been reviewed by the SFC.