

Why Own Gold?

Gold has been used as money since 550 BC



The information presented is for informational purposes only and shall not be construed as an offer, recommendation, or solicitation to buy or sell a security or any other investment vehicle. Past performance is no guarantee of future results, and a risk of loss is involved with investing.

Various Ways to Own Gold

- **Physical Gold (via Coins or Bullion)**
- **Paper Gold (via ETFs, CEFs, Mutual Funds)**
- **Gold Mining Companies (via Individual Stocks)**

Understand Tax Implications of Selling Gold in your Non-IRA Accounts

Physical Gold (via Coins or Bullion)

Physical Gold Coins or Bullion – pay attention to the coin dealer price differences (price spreads) from the spot price which reduces your return.

- www.comparegoldprices.com
- www.findbullionprices.com
- www.sdbullion.com
- Local coin dealer

Gold IRA Companies - offer ownership of physical gold inside an IRA and delivery of physical gold on withdraws from an IRA; these companies do not disclose the price mark-up (for buys) and price mark-down (for sales) from the spot price which reduces your rate of return.

- My analysis uncovered ~8% price spreads, better off with gold bullion ETFs (in my opinion)

Taxation:

- **Buying:** You can purchase gold in any amount using cash. However, if your purchase exceeds \$10,000 in value using cash or its equivalents, the coin dealer must file Form 8300 to the IRS, failure to do so may result in significant penalties, potentially up to \$25,000.
- **Selling:** When you sell a reportable quantity of certain gold bullion or coins, coin dealers are required to file Form 1099-B to the IRS, failure to do so may result in monetary fines, or even criminal charges. See reportable quantities: www.jmbullion.com/fag/report-purchases-government

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The Best Gold ETFs, CEFs, Mutual Funds

ETFs

- Aberdeen Physical Gold (SGOL) – owns physical gold held in a vault, long-term capital gains are taxed at 28% in a taxable account
- Granite Shares Gold (BAR) – owns physical gold held in a vault, long-term capital gains are taxed at 28% in a taxable account
- Van Eck Merk Gold (OUNZ) – owns physical gold with option to take delivery of the gold without taxes in a taxable account (see page 4 analysis)

Ticker	Jan 2018 - Dec 2023	CAGR	Stdev	Best Year	Worst Year	Max Drawdown
SGOL	abrdn Physical Gold Shares ETF	7.8%	13.7%	25.0%	(3.9%)	(17.7%)
BAR	GraniteShares Gold Trust	7.8%	13.6%	25.0%	(3.9%)	(17.7%)
OUNZ	VanEck Merk Gold Trust	7.6%	13.7%	24.7%	(4.0%)	(17.8%)

CEF

- Sprott Physical Gold (PHYS) – owns physical gold with ability to exchange gains into a lower tax rate on sales in a taxable account (see page 5 analysis)

Mutual Funds

- Gold Bullion Strategy (QGLDX) – owns gold ETFs, derivatives and bonds; offers normal long-term capital gains tax rates in a taxable account
- First Eagle Gold (SGGDGX) – owns gold bullion and mining companies; riskier than above options, normal long-term capital gains tax rates in a taxable account

Ticker	Jan 2014 - Dec 2023	CAGR	Stdev	Best Year	Worst Year	Max Drawdown
PHYS	Sprott Physical Gold Trust ETV	4.8%	15.2%	23.9%	(10.6%)	(21.0%)
QGLDX	Gold Bullion Strategy Investor	2.9%	14.3%	19.3%	(12.0%)	(23.8%)
SGGDGX	First Eagle Gold A	5.5%	27.9%	38.5%	(19.3%)	(38.6%)

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Van Eck Merk Gold Trust (OUNZ)

- The Van Eck Merk Gold Trust (OUNZ) invests in physical gold bullion with the option to take physical delivery of the gold.
- If held in a taxable account, taking delivery of gold is not a taxable event as you are not selling it, you are taking possession of the gold then can sell the gold at a local gold dealer. Transactions under \$10,000 does not generate a 1099-B to the IRS by the dealer. If held in a traditional IRA, it will be considered a withdraw from your IRA and taxed at your current income tax rate.
- To take delivery of your gold, you file a delivery application with Merk. After the Delivery Application is pre-approved, Merk will email you a Delivery Applicant Share Submission Form. You must submit a completed and signed Delivery Applicant Share Submission Form to your custodian along with the pre-approved Delivery Application. Your custodian will submit the equivalent OUNZ shares to Van Eck.
- Your physical gold will then be delivered, fully insured by use of a conventional shipping carrier (e.g., U.S. Postal Service, Federal Express, United Parcel Service) or an armored transportation service if chosen.
- <https://www.vaneck.com/us/en/investments/merk-gold-trust-etf-ounz>
- <https://www.vaneck.com/us/en/investments/merk-gold-trust-etf-ounz/taking-delivery>
- <https://www.merkgold.com/taking-delivery.html>

Sprott Physical Bullion Trust (PHYS)

- The Sprott Physical Gold Trust (PHYS) invests in physical gold bullion with the ability to reduce your tax rate on sales.
- The IRS considers precious metals to be collectibles, if held in a taxable account and sold after more than 1 year, the capital gains tax on gains is 28%, if sold in less than 1 year, the proceeds could be taxed at higher ordinary income, depending on your tax bracket.
- The Sprott Physical Bullion Trust is classified as a Passive Foreign Investment Corporation (PFIC). If you make a Qualified Electing Fund (QEF) election by filing IRS Form 8621 with your tax return, this exchanges the capital gains tax of 28% to either 15% or 20% depending on your income tax bracket. Recommend discussing this option with your tax advisor.
- If held in a traditional IRA, the QEF does not apply, the only tax rate that applies is your income tax rate on withdraws from your IRA.
- <https://sprott.com/investment-strategies/physical-bullion-trusts/gold>
- <https://sprott.com/investment-strategies/physical-bullion-trusts/gold-and-silver/tax-information>

Largest (Top Selling) Gold Mutual Funds, CEFs, ETFs - Last 12 Years (Jan 2011 - Dec 2023)*

Ticker	Fund Name	Fund Type	CAGR	Stdev	Best Year	Worst Year	Max Drawdown	Cost	Fund Size	Style
GLD	SPDR Gold Shares	ETF - Bullion	2.5%	16.0%	24.8%	(28.3%)	(42.9%)	0.40	54,168,745,292	Index
IAU	iShares Gold Trust	ETF - Bullion	2.6%	16.0%	25.0%	(28.3%)	(42.6%)	0.25	25,602,771,376	Index
GDX	VanEck Gold Miners ETF	ETF - Miners	(4.3%)	35.8%	52.9%	(54.0%)	(77.5%)	0.51	11,005,231,853	Index
PHYS	Sprott Physical Gold Trust ETV	CEF - Bullion	2.0%	16.8%	23.9%	(29.9%)	(45.1%)	0.41	6,388,837,254	Active
GDXJ	VanEck Junior Gold Miners ETF	ETF - Miners	(8.9%)	41.8%	72.9%	(60.8%)	(87.3%)	0.52	3,608,749,630	Index
SGOL	abrdrn Physical Gold Shares ETF	ETF - Bullion	2.6%	16.0%	25.0%	(28.3%)	(42.8%)	0.17	2,705,892,950	Index
SGDX	First Eagle Gold A	MF - Miners	(2.1%)	27.8%	38.5%	(47.0%)	(67.4%)	1.19	1,916,621,262	Active
OPGSX	Invesco Gold&Special Minerals A	MF - Miners	(3.9%)	34.1%	48.7%	(47.8%)	(78.0%)	1.06	1,542,634,322	Active
FSAGX	Fidelity Select Gold	MF - Miners	(5.3%)	33.5%	47.3%	(51.4%)	(74.5%)	0.78	1,058,273,011	Active
FGDAX	Fidelity Advisor Gold A	MF - Miners	(5.6%)	33.5%	46.8%	(51.5%)	(74.8%)	1.09	1,058,273,011	Active
FKRCX	Franklin Gold and Precious Metals A	MF - Miners	(5.4%)	34.4%	55.6%	(48.0%)	(76.8%)	0.92	789,228,567	Active
SGDLX	Sprott Gold Equity Investor	MF - Miners	(5.0%)	31.9%	40.4%	(48.3%)	(72.3%)	1.45	693,048,248	Active
INIVX	VanEck International Investors Gold A	MF - Miners	(4.0%)	35.7%	53.1%	(48.9%)	(75.5%)	1.42	590,187,828	Active
GLDAX	Gabelli Gold A	MF - Miners	(2.8%)	34.4%	53.5%	(51.3%)	(70.2%)	1.51	259,378,351	Active
GOLDX	Gabelli Gold AAA	MF - Miners	(2.8%)	34.5%	53.5%	(51.3%)	(70.3%)	1.51	259,378,351	Active
USERX	US Global Investors Gld&Prec Mtls	MF - Miners	(3.3%)	33.3%	51.3%	(49.1%)	(71.8%)	1.55	82,487,353	Active

Averages	Averages	(2.7%)	29.7%	44.6%	(45.3%)	(66.9%)	0.92
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FNV	Franco-Nevada Corporation	Stock	11.0%	31.9%	51.9%	(27.5%)	(38.7%)	-	Individual Company	N/A
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**Gold bullion funds are less risky than gold miner funds;
in taxable accounts own lower taxed funds: OUNZ, PHYS, QGLDX;
for high risk investors, miner Franco-Nevada (FNV) has better risk/reward vs. gold miner funds**

* BAR, OUNZ, QGLDX funds are similar gold ETFs available but have shorter track records

Source: www.morningstar.com

Data as of 12.31.23

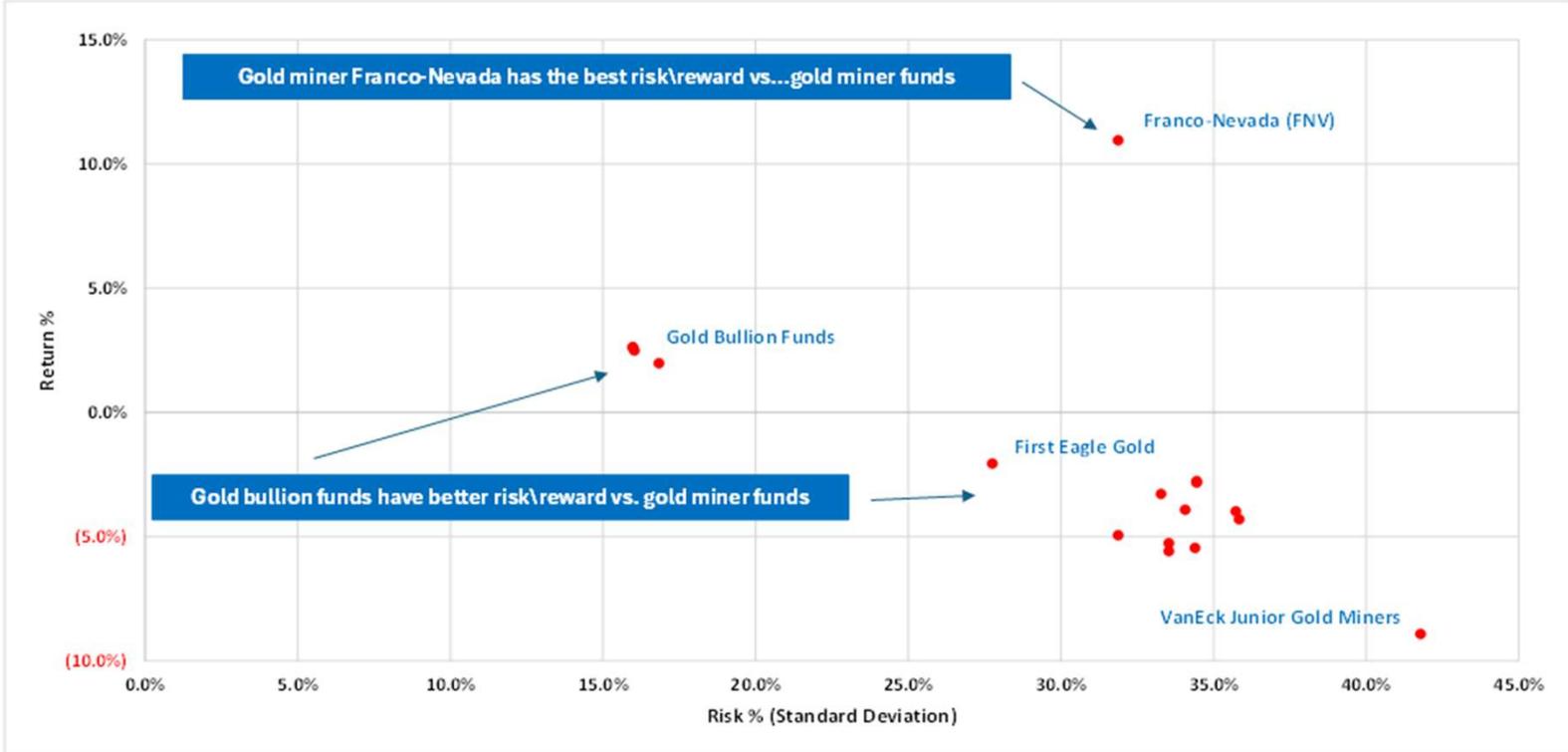
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Gold Mining Companies (Jan 2008 - Dec 2023)*

Ticker	Name	CAGR	Stdev	Best Year	Worst Year	Max Drawdown	Sharpe Ratio
DRD	DRDGOLD Limited	4.20%	64.94%	261.04%	-57.93%	-88.97%	0.33
GFI	Gold Fields Limited	3.05%	52.77%	89.52%	-69.94%	-82.54%	0.29
HMY	Harmony Gold Mining Company Limited	-2.46%	65.84%	140.12%	-71.50%	-96.04%	0.24
WPM	Wheaton Precious Metals Corp	8.07%	51.07%	159.92%	-61.76%	-80.08%	0.38
FNV	Franco-Nevada Corporation	14.28%	34.28%	55.24%	-27.54%	-44.43%	0.53
RGLD	Royal Gold, Inc.	10.23%	41.98%	76.64%	-42.29%	-68.59%	0.41
NEM	Newmont Goldcorp Corp	1.00%	37.06%	90.11%	-48.51%	-74.62%	0.18

**FNV track record goes back in 2008, the previous page reflects 2011-2023 to compare against universe of funds that go back to 2011.*

Gold Mutual Funds, CEFs, ETFs Risk\Reward - Last 12 Years (Jan 2011 - Dec 2023)



Source: www.morningstar.com
 Data as of 12.31.23

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