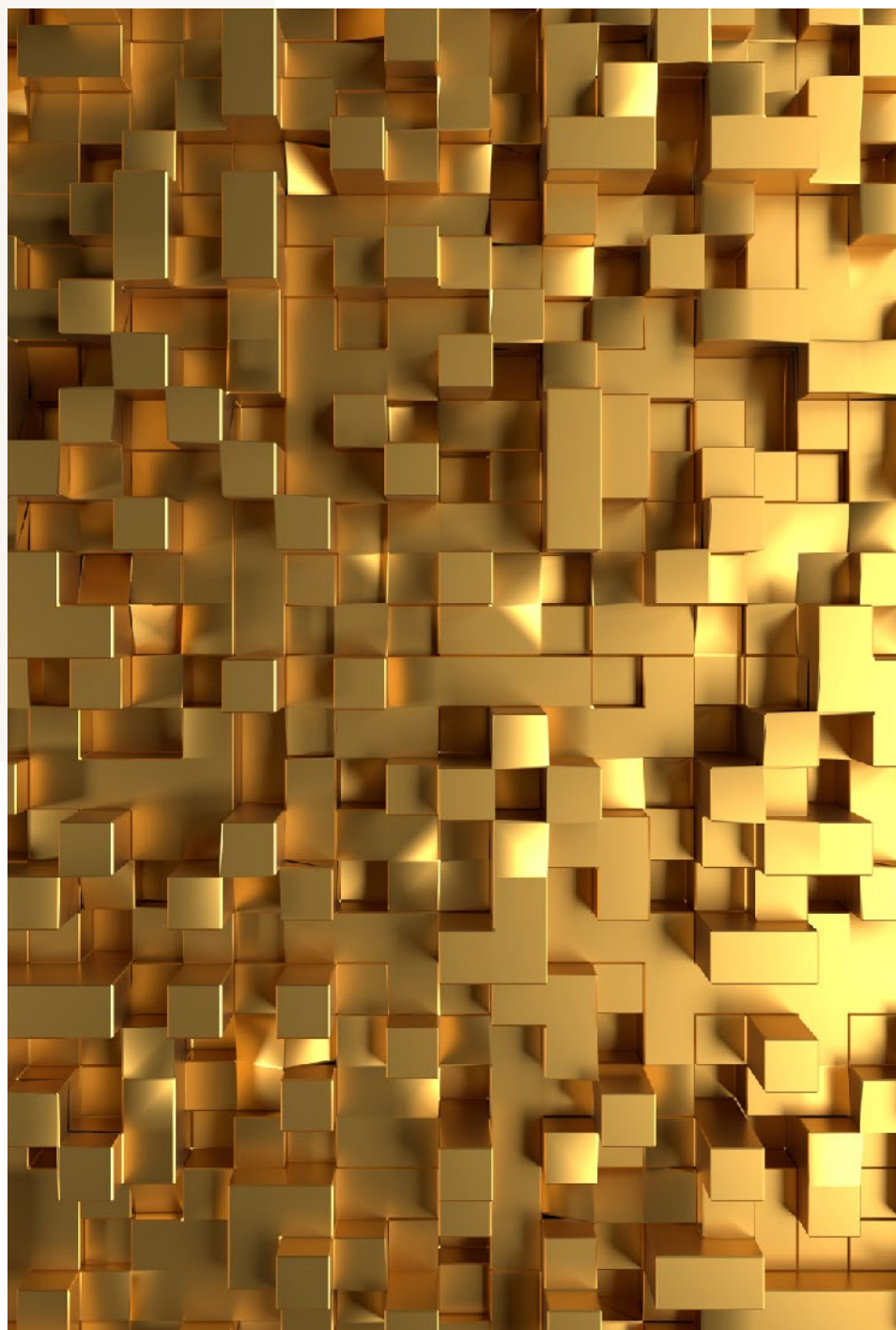


# Investing in Gold



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BANCO  
CARREGOSA

For those who wish to invest in an asset of universal and timeless value, with low or zero correlation with financial markets.



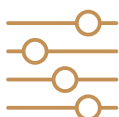
### Diversity.

A wide variety of forms of exposure to the world of gold and other precious metals: gold bars, investment funds, and ETFs.



### Convenience.

Banco Carregosa ensures the purchase, sale, safekeeping, and withdrawal of precious metals.



### Diversification.

Addition of a new asset class of universal and timeless value, with a poor or negative correlation with other assets on the market.



### Liquidity.

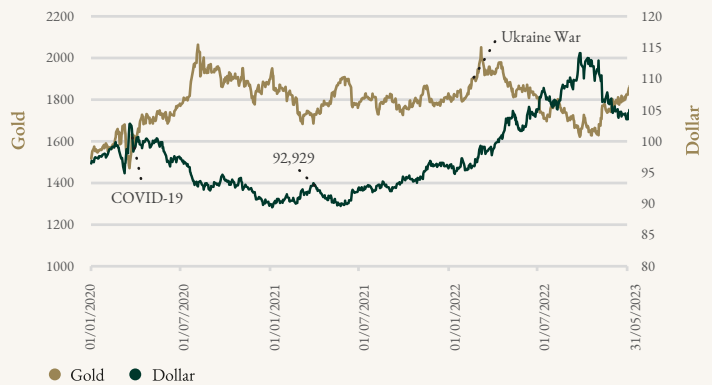
Gold is a safe haven asset par excellence and one of the most sought after in times of uncertainty.

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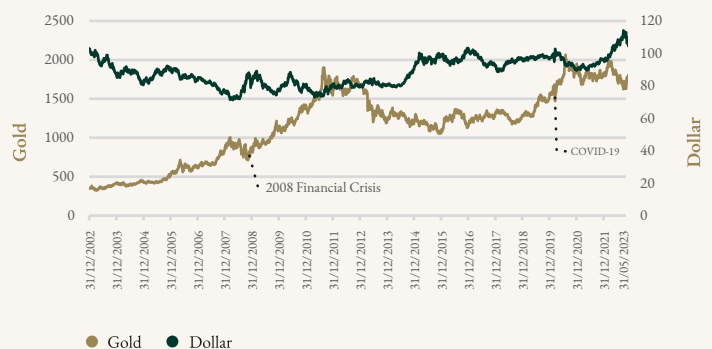


We have recently seen gold reach record highs and looking attractive to many investors. Fiat currencies tend to be penalised in times of great uncertainty. However, major currencies such as the US dollar emerge as safe haven assets in the search for liquidity in times of high uncertainty. As a store of value, gold maintains its status. In the light of the Gresham Law, the dollar will circulate and gold will be used as savings.

Gold vs US dollar 2020/2022



Gold vs US dollar - 20 years



Gold has hit record high prices and is a safe haven par excellence in times of geopolitical tensions. Gold has no underlying remuneration, that is, its implicit interest rate is zero and the only return it offers is capital gains, in other words, it appreciates against purchase price.

Broadly speaking, the demand for gold is driven by uncertainty and falling interest rates. The greater the demand for gold, the greater the supply will be, as in the law of supply and demand and from a standpoint of profit maximisation by gold extracting companies. Uncertainty is often associated with geopolitical tensions, unstructured economies in border countries and some emerging countries, and also with economic downturn or recession, particularly in a scenario of stagflation (economic stagnation accompanied by high inflation). Over the past five years, the Angolan kwanza has lost 60% of its value against the US dollar, the Argentine peso 90%, the Turkish lira 80% and the Brazilian real a third of its value. In this context, gold is always a good safe haven. Although high interest rates are attractive in these countries, uncertainty and sharp inflation encourage the possession of gold and of global benchmark currencies such as the dollar, to the detriment of local currencies.

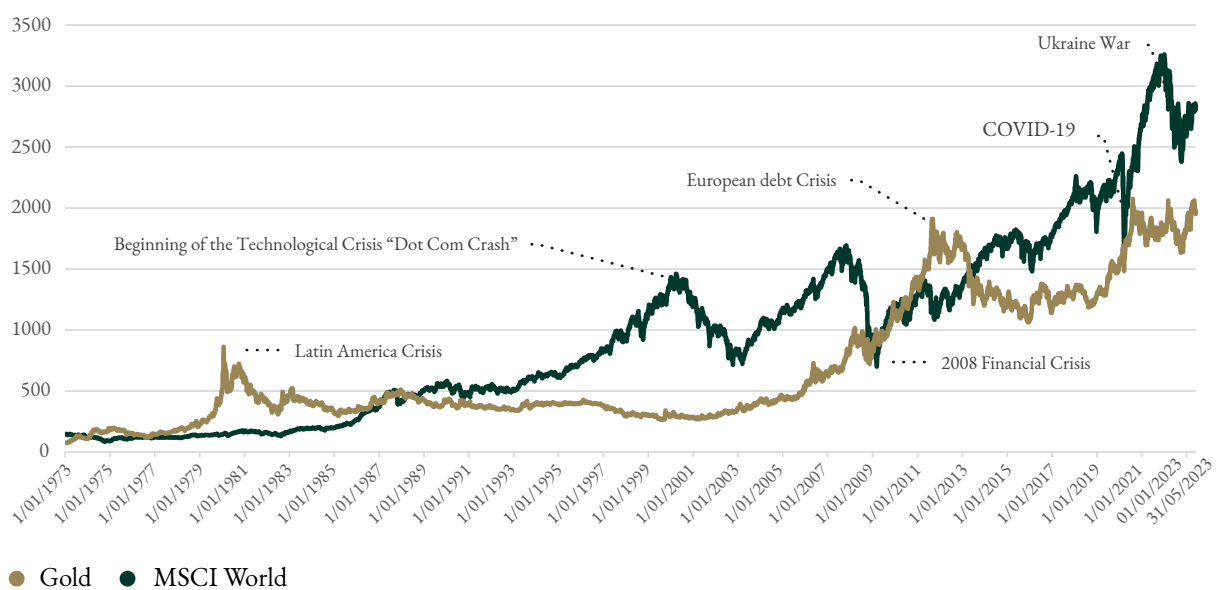
But there is no direct and positive correlation between higher inflation and higher demand for gold, as it depends on the root causes of inflation.

Against a backdrop of full employment, as the US economy is currently experiencing, inflation tends to remain high due to the growth in economic activity. In this scenario gold is not such an attractive asset as central banks tend to adopt a belt-tightening monetary policy, which is reflected in rising interest rates.

In recent months, however, uncertainty has increased driven by the possibility of a recession, restoring the relative attractiveness of gold, also stimulated by the perception of falling inflation and lower interest rates in the coming semesters, especially given the threat of recession.

As gold has no implicit interest, it sometimes loses ground to major world currencies when interest rates rise. Higher interest rates increase the opportunity cost of holding non-interest bearing gold. However, if inflation is expected to fall and interest rates fall as a result thereof, gold would become much more attractive.

## Gold vs MSCI World



**In the same vein, if we look at some milestones in modern history and relate them to the performance of gold price and the stock market, we can see that the demand for gold tends to increase in times of greater insecurity**

Moreover, in this scenario gold is at an advantage because it is seen as a safe haven asset since the dawn of civilisation, so the investor is protected against geopolitical tensions and ever-present uncertainties. However, the reversal of monetary policy by central banks and the adoption of a gradually more ‘hawkish’ stance, evidenced in rising interest rates, takes much of the ‘shine’ off gold. Any signs of economic slowdown and easing of inflationary pressures in advanced economies, in particular in the US, will nevertheless contribute to further boosting the price of gold.

Lately, gold has also been boosted by the geopolitical tensions between Ukraine and Russia.

If you wish to invest in gold, Banco Carregosa offers solutions: gold bars, investment funds, ETFs, and other instruments with exposure to this precious metal. For more information, see our website or contact your account manager.



Besides the demand for investment, due to its unique characteristics gold can be used for various purposes in our daily lives. It can be used as jewellery, but also for technology and medicinal purposes, among others.

However, demand in each of these sectors has changed. The use of gold for technological purposes is expected to continue and, given the increase use of these instruments in our daily lives, this could contribute to an increase in demand for gold. On the other hand, the use of this precious metal for medicinal purposes has dropped significantly as the need for rapid development and aesthetic issues (such as dental prostheses) have been running high.

Although there are various forms of exposure to gold, from an investment perspective this commodity, which does not deliver income, can compete with the main fiat currencies, and has even hit record high prices over the past few months.

The extent of exposure to gold will vary according to the investor, but Banco Carregosa offers various forms of exposure to this precious metal:

### Gold Bars

The most tradition way to invest in gold is having it as a physical asset.

Banco Carregosa ensures the purchase, sale, safekeeping, and withdrawal of precious metals, facilitating the entire physical acquisition process of this precious metal, as you can see in the area dedicated to this asset.



### Investment Funds

Through Investment Funds you can diversify your exposure as, depending on the Fund’s management strategy, you may be exposed to several variables of the gold “universe” such as, for example, mining companies or companies related to other precious metals.

The table below shows some examples of Investment Funds with exposure to gold:

Instrument	Performance 2022	Performance 2023 (*)	ISIN	KIID Risk
BlackRock GB World Gold E2 (EUR) Acc	-12.38%	5.11%	LU0171306680	7
Franklin Gold & Precious Metals N (EUR) Acc	-18.46%	-0.16%	LU0496369389	7
Invesco Gold & Precious Metals E (EUR) Acc	-12.44%	2.69%	LU0503253931	7

## ETFs and other forms of exposure

You can also explore other forms of exposure by using the GoBulling PRO trading platform.

ETFs are an example of other instruments that allow exposure to gold and that investors can trade. Like Investment Funds, ETFs allow for diversification of exposure and are listed and traded on an exchange.

	Instrument	Performance 2022	Performance 2023 (*)	ISIN	Market
Mining ETFs	iShares   IS0E GY (EUR)	-12.34%	8.26%	IE00B6R52036	Germany
	iShares   IAUP LN (USD)	-18.98%	4.98%	IE00B6R52036	London
	VanEck   GDX LN (USD)	-13.35%	12.53%	IE00BQQP9F84	London

	Instrument	Performance 2022	Performance 2023 (*)	ISIN	Market
Physical Gold ETCs	Amundi   GOLD FP (EUR)	3.28%	5.37%	FR0013416716	Paris
	iShares   IGLN LN (USD)	-3.98%	8.62%	IE00B4ND3602	Londres
	WisdomTree   GBS FP (EUR)	3.10%	5.26%	GB00B00FHZ82	Paris
	WisdomTree   GBS LN (USD)	-4.17%	8.43%	GB00B00FHZ82	Londres

## GoBulling

Other products are also available on the GoBulling platforms such as CFDs, Forex and Futures, which can be considered alternatives for investing in/being exposed to gold.

However, these instruments have higher risk levels, so you should contact your Private Banker to know the associated characteristics and risks of these instruments.



(\*) data on 31<sup>st</sup> july of 2023

## Private Banking

### Porto

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4100-129 Porto, Portugal  
Tel.: +351 226 086 460

### Lisboa

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Tel.: +351 210 134 100  
Email: BancaPrivada@bancocarregosa.com

## Savings and Investment

### Porto

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4150-387 Porto, Portugal  
Tel.: +351 226 086 414

### Lisboa

Rua Latino Coelho, 37-B - 3º Andar  
1050-132 Lisboa, Portugal  
Tel.: +351 213 232 960

### Customer Service

To clarify day-to-day issues in your  
relationship with the Bank.

Tel.: +351 213 232 960  
Email: ApoioCliente@BancoCarregosa.com

### Account Opening Service

Dedicated number to help you through the  
account opening process.

Tel.: 808 10 20 20  
Email: AberturaConta@bancocarregosa.com



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