

# 10 REASONS TO OWN GOLD



SOURCE: SPROTT.COM



**AVIDIAN  
GOLD**

*VALUE OPTIMIZATION BY EXPLORATION,  
DISCOVERY & SALE*

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# 1

Throughout history, gold has been an unparalleled long-term store of value.

In Roman times, one ounce of gold was enough to buy one toga and accessories. Today, once ounce of gold can buy a tailored suit or a wedding dress.



# 2

Gold has kept up with inflation and it's purchasing power has increased, while the U.S. dollar has lost value and purchasing power.

**1930**

In 1930, 1/100 oz of gold could buy 2.3 loaves of bread while US\$1 could buy 11 loaves of bread.

**TODAY**

In 2021, 1/100 oz of gold can buy 8.3 loaves of bread while US \$1 can buy just one-half a loaf of bread.



# 3

**Gold can be a good substitute for bonds and cash when interest rates are low.**

**During periods like today when interest rates are low, gold has historically performed well while bonds or cash have delivered little income or return. Today, the price of everyday goods and services in the U.S. economy is increasing at a faster rate than interest can accrue in government bonds and savings accounts, leaving traditional savers with less purchasing power.**





# 4

**Gold is a physical asset which cannot be hacked, erased or degraded.**

**Gold has served as a critical store of value and medium of exchange for millennia due to its fixed supply, broad adoption and safe haven quality. While fiat currencies, such as the U.S. dollar, are widely used and offer price stability, they do not have a fixed supply and can be printed at the will of governments. An increasing money supply means that over the long-term, fiat currencies may lose purchasing power relative to inflation. Crypto currencies, such as Bitcoin, have gained significant popularity in recent years due to meteoric price returns. While Bitcoin has a fixed supply and can be an alternative to fiat currencies, like gold, the price volatility of Bitcoin is likely too high for it to be considered a reliable store of value. Cybersecurity may also pose unforeseeable risks given all cryptocurrency assets are held digitally.**



# 5

**Gold demand should increase alongside growing middle classes in Asia.**

**In many eastern countries, such as China and India, gold is a highly sought after asset and often has sentimental value. For example, gold, typically in the form of jewelry, is an integral part of a wedding dowry in India. Chinese investors tend to have a preference for real assets, such as gold and real estate, over financial assets like stocks and bonds which are often preferred by western investors.**

**Demand for gold should increase as demographic trends point to growing middle classes and wealth in eastern countries while western economies age.**

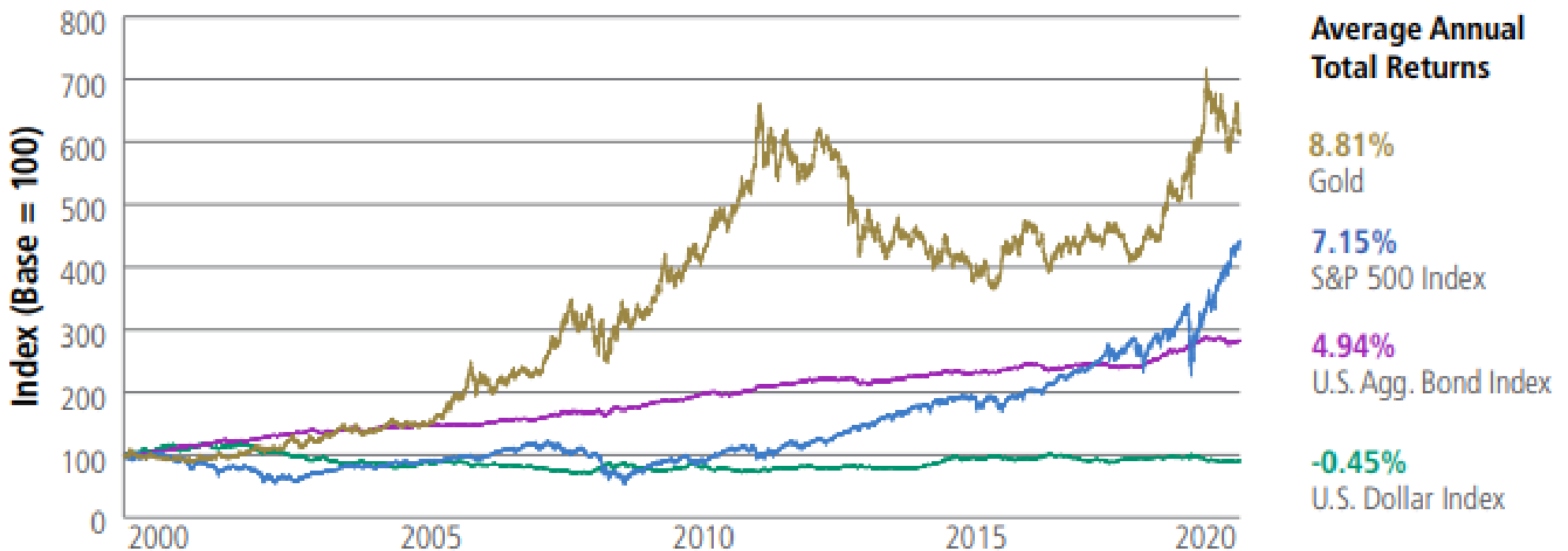




# 6

## Gold has outperformed other asset classes.

Gold has outperformed major asset classes over the past 20 years, historically enhancing returns and increasing diversification.



Source: Bloomberg. Period from 12/31/1999-6/30/2021. Gold is measured by GOLDS Comdty Spot Price; S&P 500 TR is measured by the SPX; US Agg Bond Index is measured by the Bloomberg Barclays US Agg Total Return Value Unhedged USD (LBUSTRUU Index); and the U.S. Dollar is measured by DXY Curncy. You cannot invest directly in an index. Past performance is no guarantee of future results.



# 7

**Gold can be a powerful investment portfolio diversifier.**

**Many major asset classes are highly correlated, which means that they tend to move in the same direction at the same time. This is because many assets, like stocks, real estate or commodities, all tend to rise and fall with economic performance and investor sentiment. The price of gold is driven by different factors than many major assets, leading to a low correlation.\* In other words, gold's performance moves independently and may help serve as a return diversifier within a broader multiasset portfolio.**

# 8

**Gold has been a safe haven during economic and political instability.**

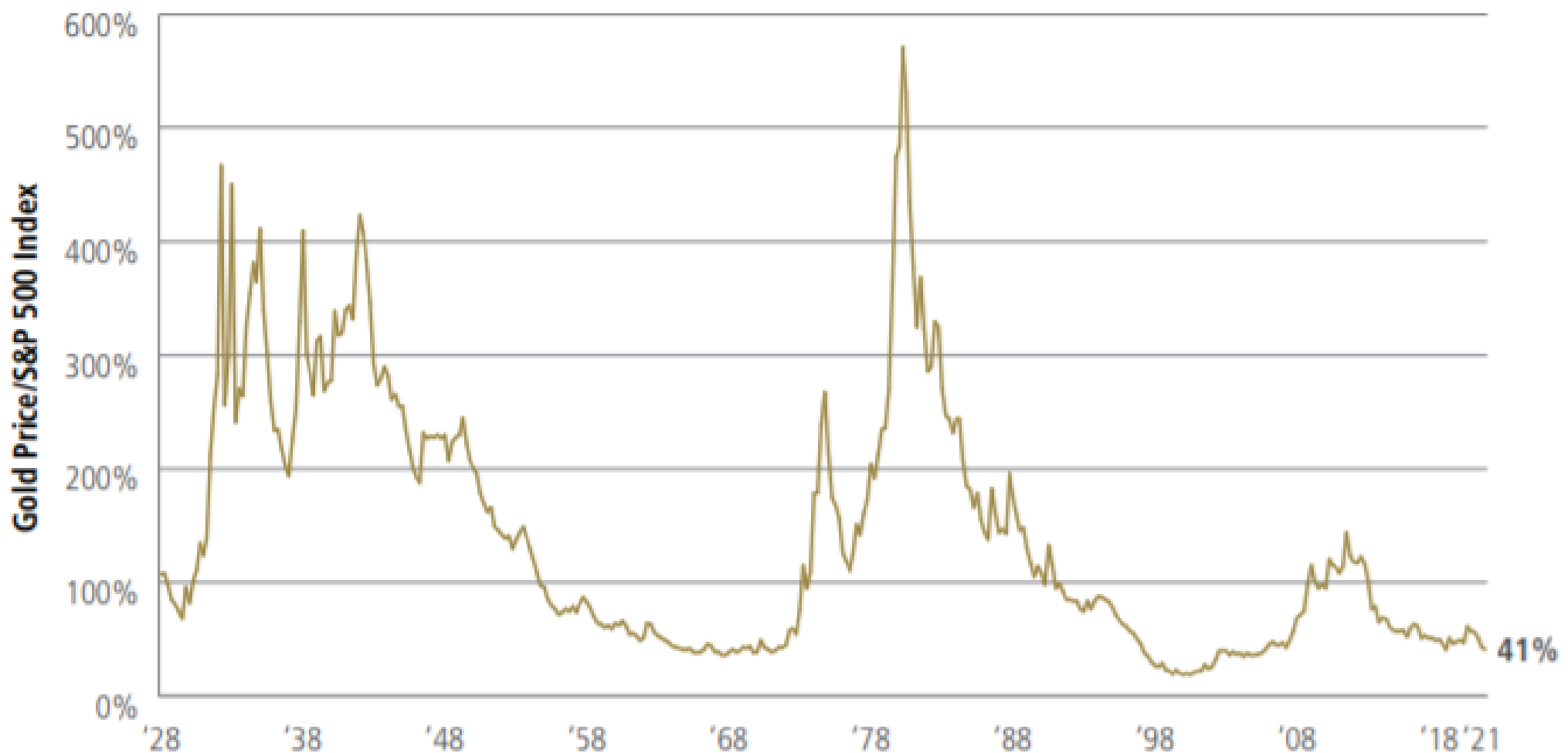
**Investors seek out gold for its safe haven quality during periods of economic and political instability. During the height of the COVID-19 pandemic crisis, gold outperformed both stocks and bonds. According to the World Gold Council,\* gold's performance during periods of crisis has risen to become the "top reason for central banks to hold gold".**



# 9

## Gold is undervalued versus stocks.

**In a world of high stock valuations and low bond yields, gold may be one of the only undervalued asset classes. At just 41% currently, the ratio of the gold price to U.S. stock prices is near record lows.**



Source: Bloomberg as of 6/30/2021. Gold price represents the Gold Spot Price measured by GOLDS Comdty. S&P 500 represents the closing price of the S&P 500 measured by SPX Index.

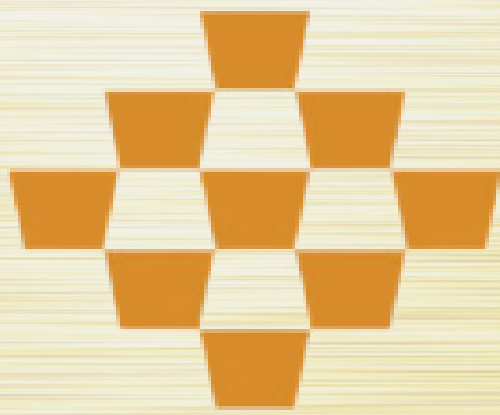


# 10

**Gold has appreciated alongside exploding government debts.**

**Gold has historically appreciated as U.S. Federal Debt levels have risen. U.S. Federal Debt is now 28% greater than the size of the entire U.S. economy (as measured by U.S. Gross Domestic Product or "GDP"). During disruptive periods like the COVID-19 crisis, the U.S. government tends to issue massive debt to help stimulate the economy. While this may help support economic recovery in the near-term, the U.S., along with many other countries, has accumulated debt at a faster pace than its economy has grown. The crushing global debt burden is likely to weaken major fiat currencies (like the U.S. dollar) and gold can help protect investor wealth.**





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**Value Optimization  
By Exploration,  
Discovery & Sale**

**Avidian's Largest Shareholder:  
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