

Chartbook of the *In Gold We Trust* Report 2023

Showdown

Ronald-Peter Stöferle & Mark J. Valek

September 2023

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Extensive
Detailed study on gold and gold-relevant capital market developments.

Critical
Critical consideration of all relevant events.

Global
Recognized in more than 60 nations.

Key Facts

- ✓ Extensive annual study of gold and gold-related capital market developments
- ✓ Critical analysis and holistic approach
- ✓ Reference work for everybody interested in gold, precious metals and mining stocks
- ✓ Extent 2023: More than 400 pages
- ✓ International recognition – newspaper articles in more than 60 countries (Wall Street Journal: "The Goldstandard of Gold Analysis")
- ✓ Available as a Fullversion and a Compact version
- ✓ Obtainable in English, German, Spanish and Chinese
- ✓ Published for the 17th time in 2023

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About the *In Gold We Trust* Report

- The annual gold study has been written by Ronald-Peter Stöferle **since 2007**, for the eleventh time together with Mark Valek and under the umbrella of Incrementum AG.
- It provides a **holistic assessment of the gold sector** and the most important influencing factors such as real interest rate trends, debt, inflation, etc.
- The *In Gold We Trust* report is one of the **most widely read gold studies worldwide** and was downloaded and shared almost 2 million times last year.
- The report is published in German and English, as well as **in Spanish (short version) and Chinese.**
- All information can be found at **www.ingoldwetrust.report**



Mark Valek & Ronald Peter Stöferle

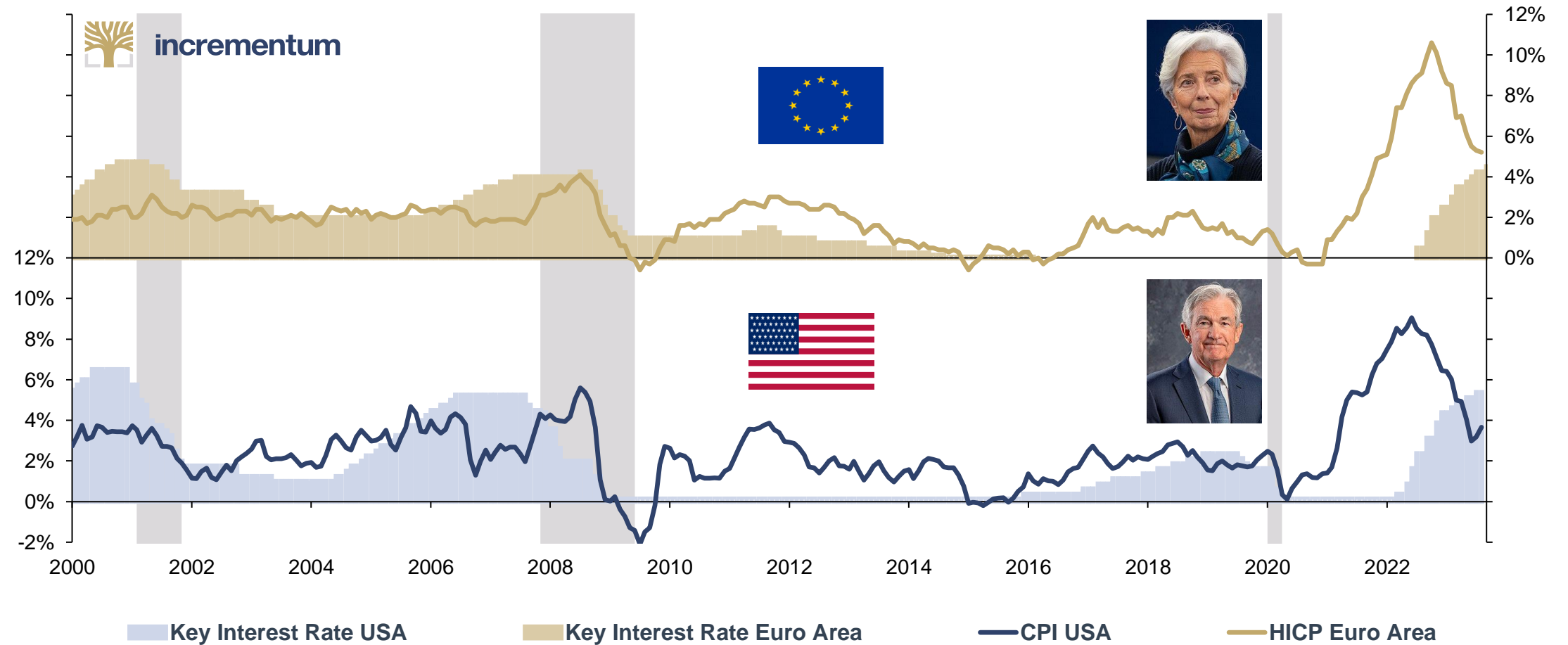
1. Showdown (Monetary Policy, Geopolitics, Gold)

“The characterization of inflation as transitory is probably the worst inflation call in the history of the Federal Reserve, and it results in a high probability of a policy mistake.”

Mohamed El-Erian

The Definition Of Being “Behind The Curve”

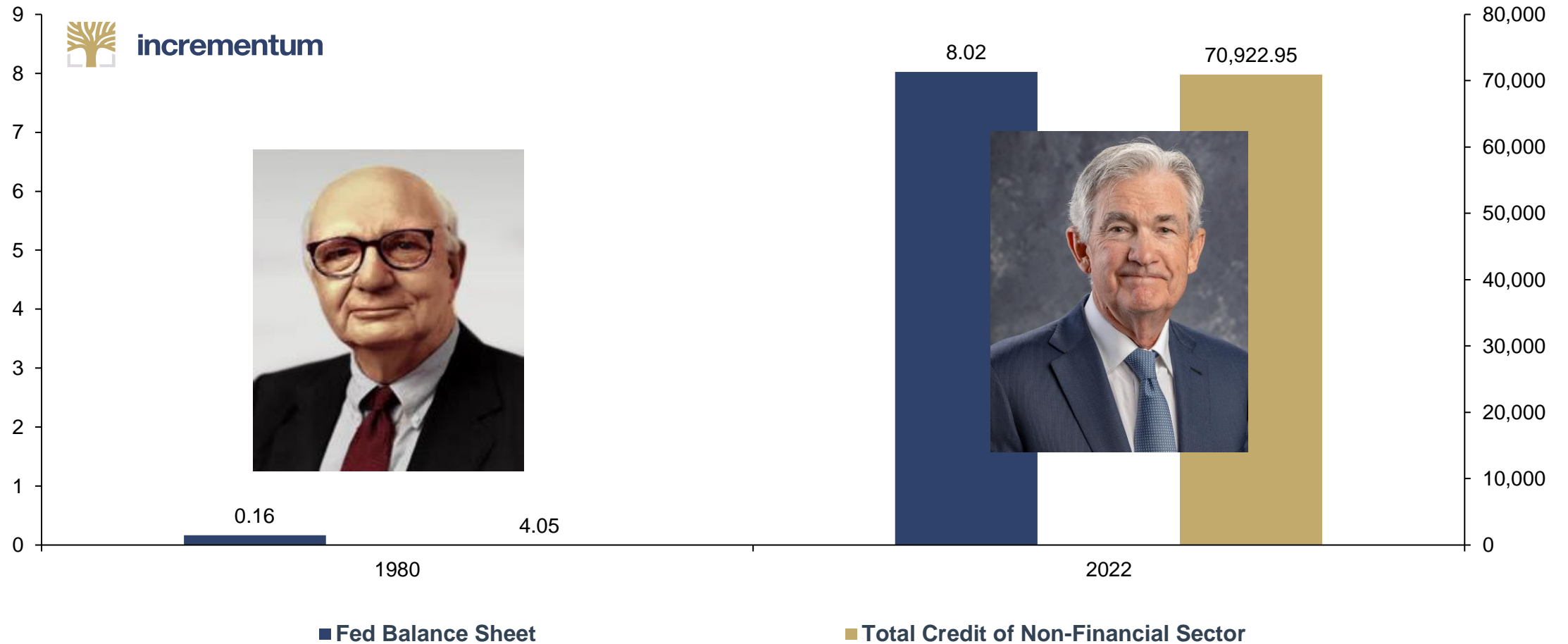
Key Interest Rate, and CPI/HICP, USA (lhs), and Euro Area (rhs), 01/2010-09/2023



Source: Reuters Eikon, Incrementum AG

Jay Powell Is The New Paul Volcker? Not Sure About This...

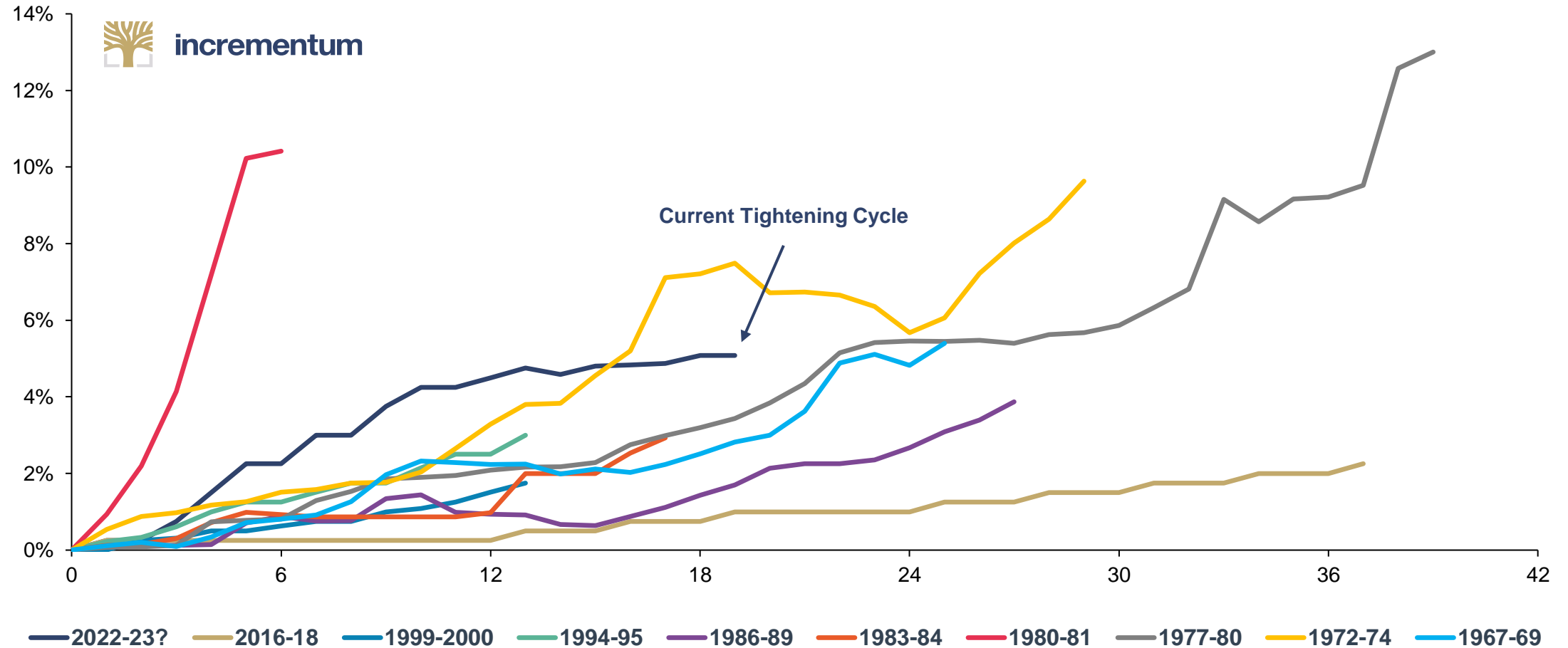
Fed Balance Sheet, in USD trn (lhs), and Total Credit of Non-Financial Sector, in USD trn (rhs), 1980 vs. 2023



Source: Federal Reserve St. Louis, Wiki Commons, Incrementum AG

Central Bankers May Have Acted Not Only Far Too Late, But Also Far Too Aggressively...

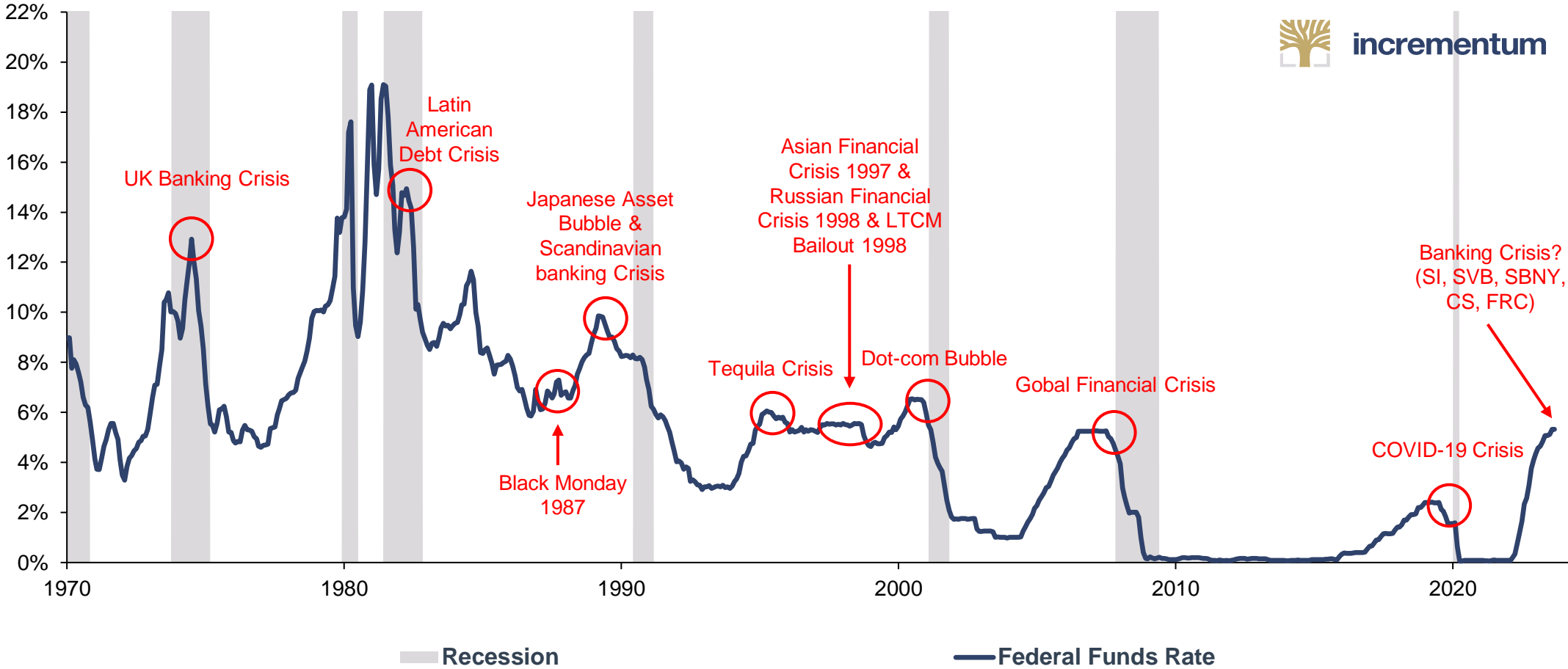
Fed Rate Hikes, Federal Funds Rate, 1967-2023



Source: Federal Reserve St. Louis, Reuters Eikon, Incrementum AG

Past Interest Rate Hike Cycles Have Historically Led To Crises

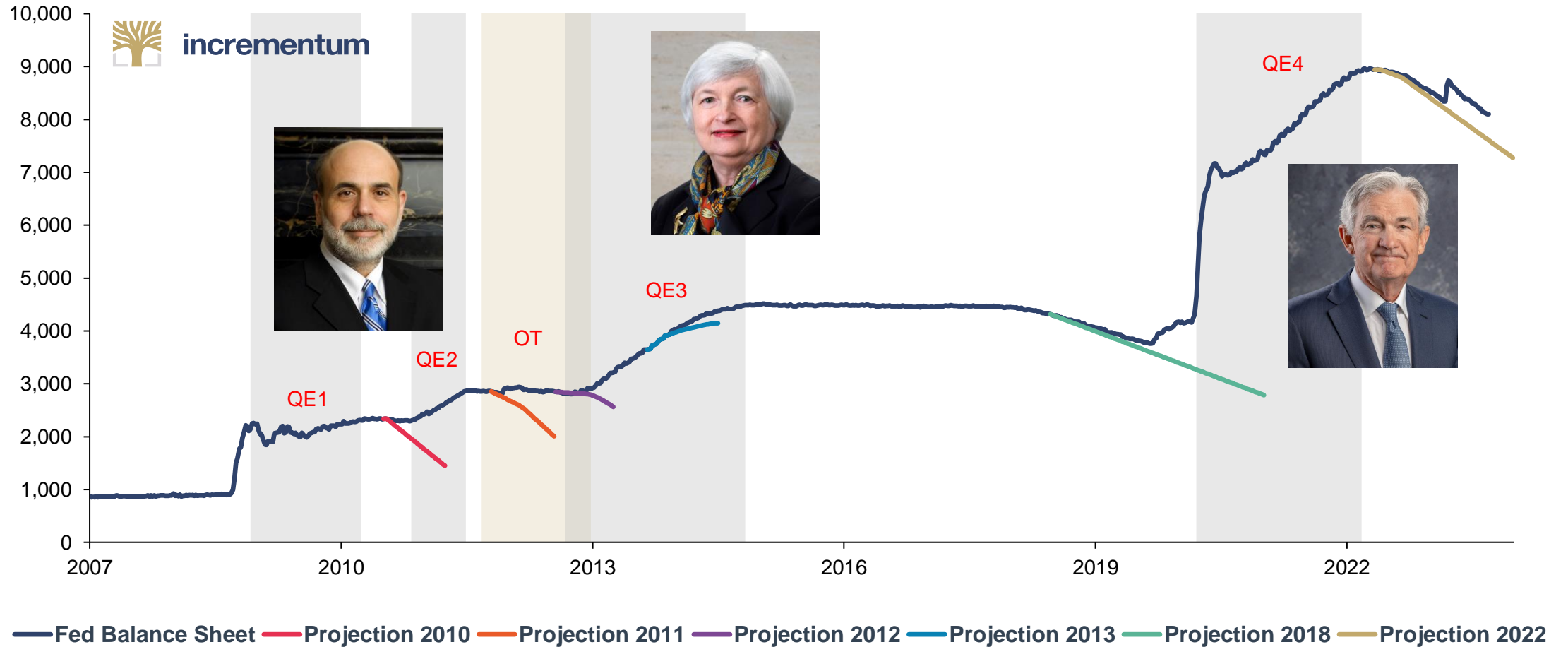
Federal Funds Rate, 01/1970-09/2023



Source: Reuters Eikon, Incrementum AG

Quantitative Tightening Is Like The Fed Gradually Removing Oxygen From A Ballroom Full Of Investors!

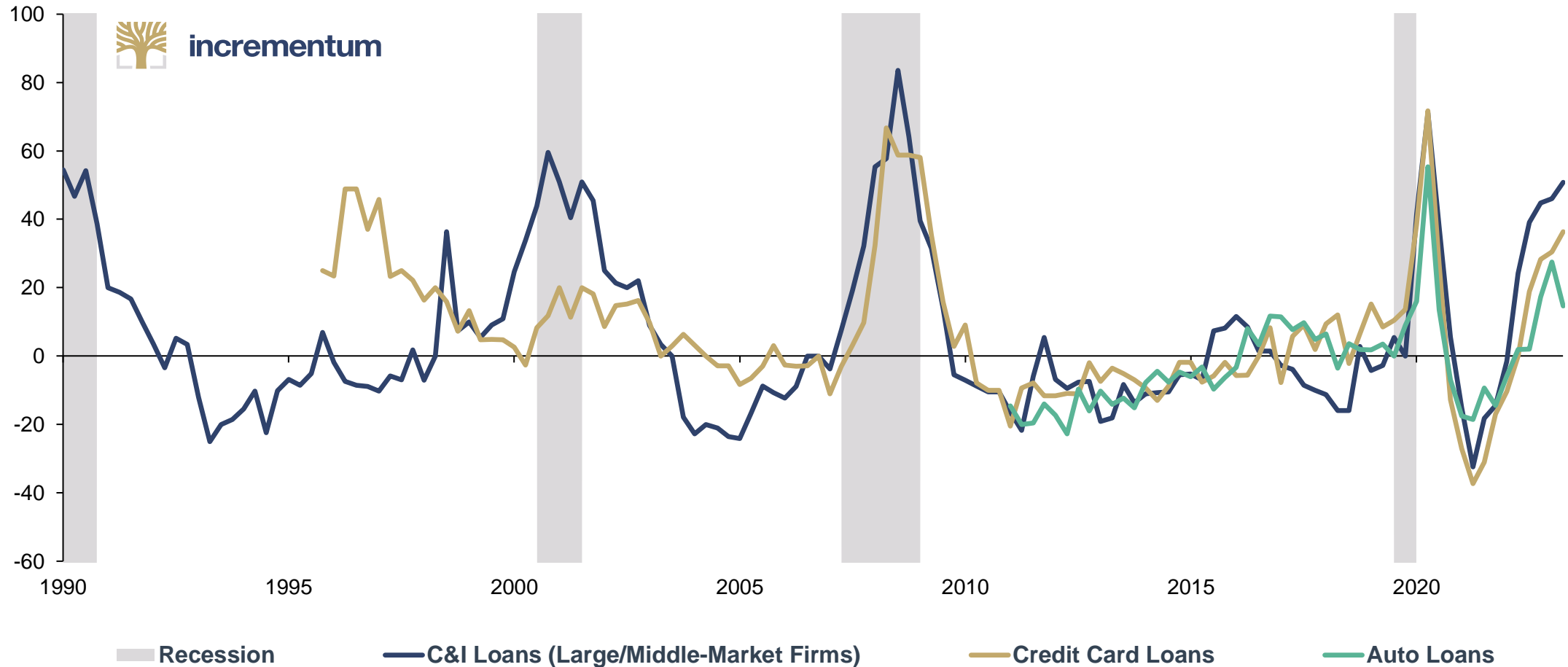
Fed Balance Sheet Path, in USD bn, 01/2007-01/2024e



Source: Reuters Eikon, Federal Reserve St. Louis, Incrementum AG

Credit Tightening Is The Cherry On The Icing (Quantitative Tightening) On the Cake (Interest Rate Hikes)!

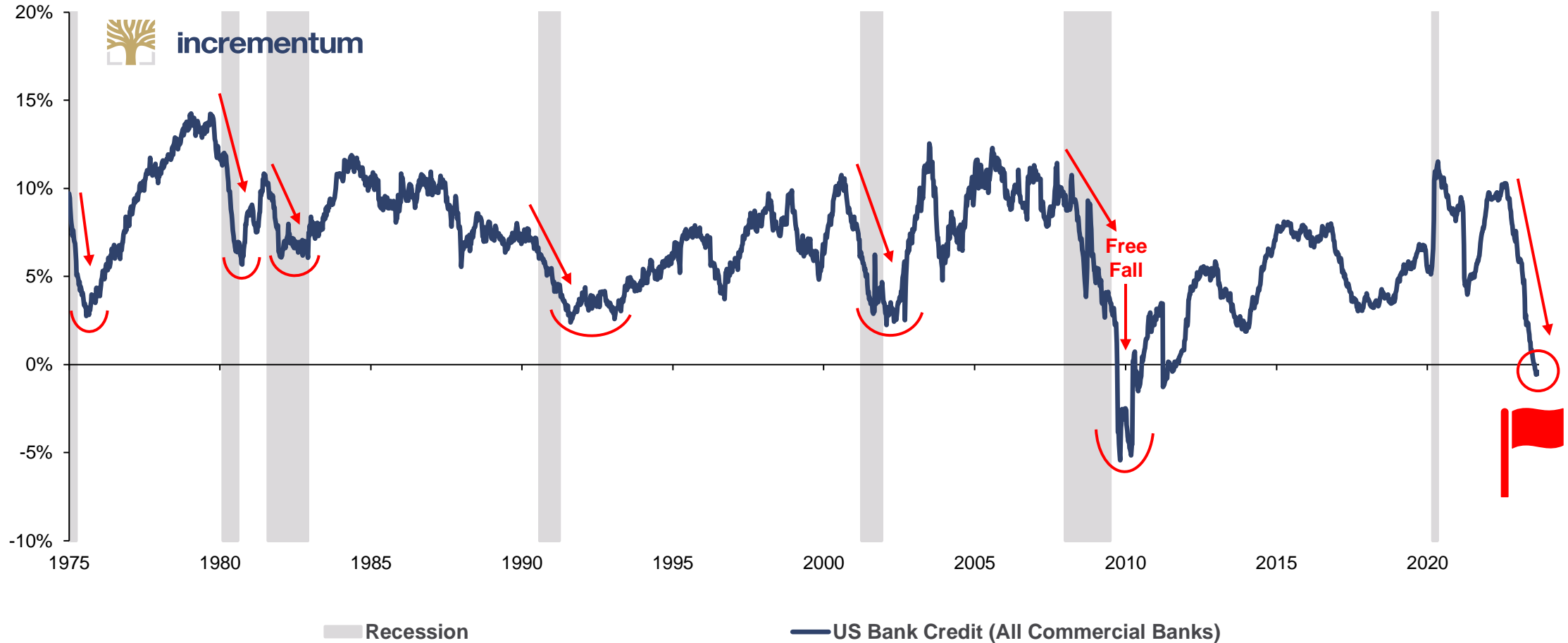
Net Percentage of US Banks Tightening Credit Standards (Various Categories), Q2/1990-Q3/2023



Source: Federal Reserve St. Louis, Reuters Eikon, Incrementum AG

Negative Bank Credit Growth Before Recession Is A BIG Red Flag! Bank Credit Declines Into But Bottoms After Recession!

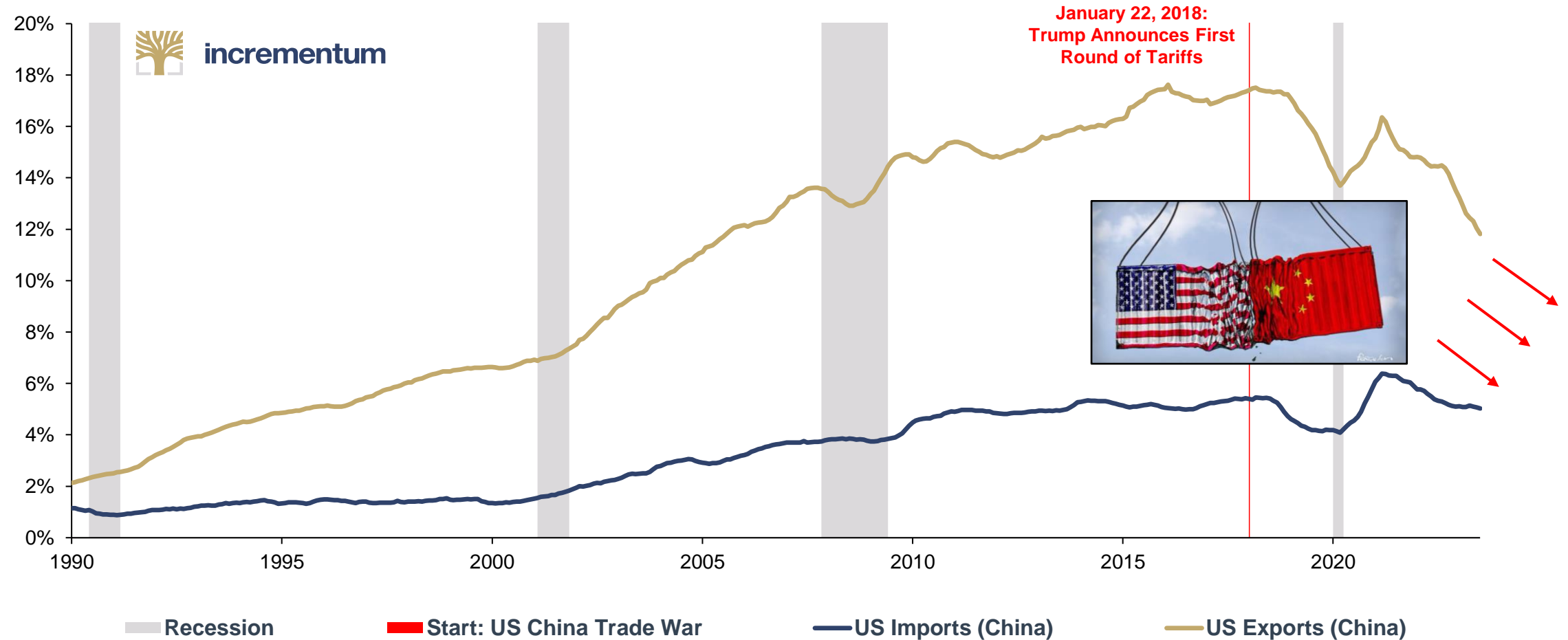
US Bank Credit (All Commercial Banks), yoy, 01/1975-09/2023



Source: Reuters Eikon, Incrementum AG

The Fronts Between West And East Are Hardened: Trade Between The USA And China Is Declining Rapidly

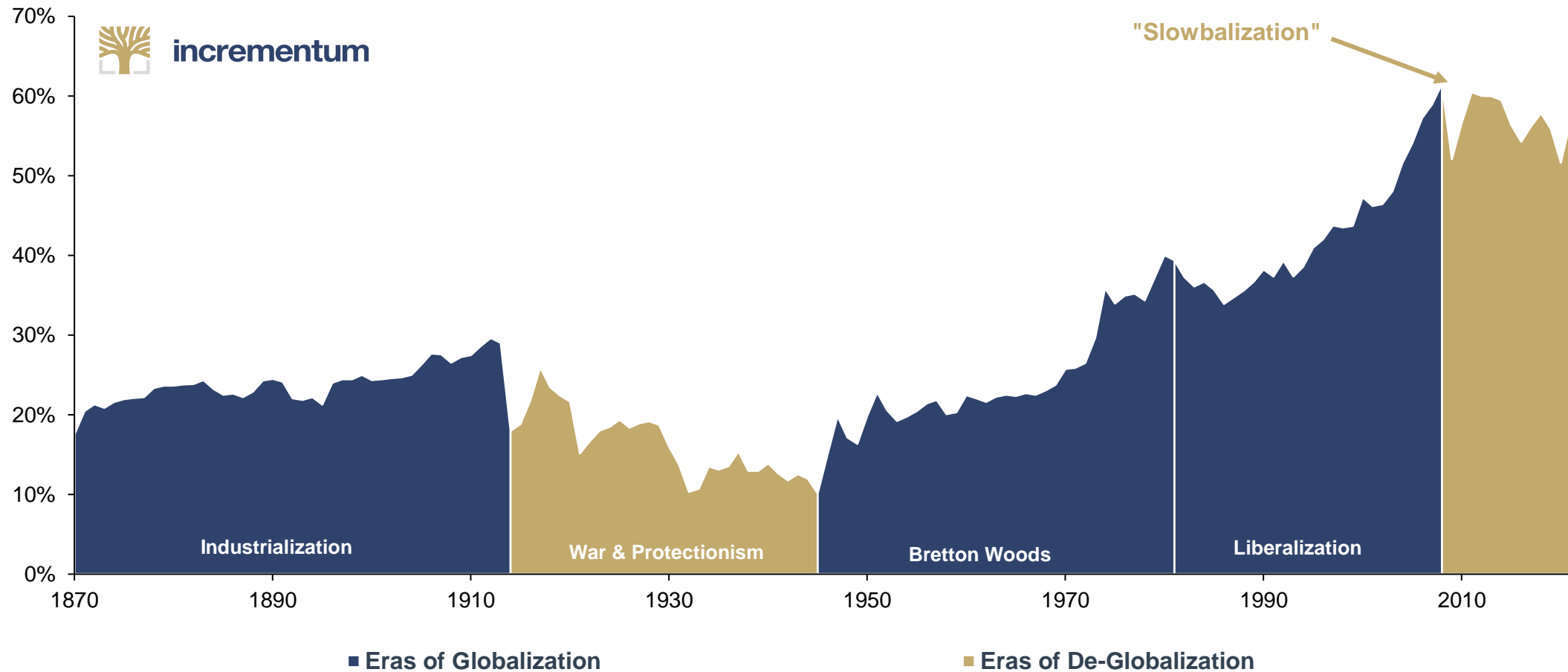
Share of US Imports and Exports to and from China (12 Month Average), 01/1990-07/2023



Source: Reuters Eikon, Incrementum AG

A New Era Of De-Globalization Has Only Just Begun

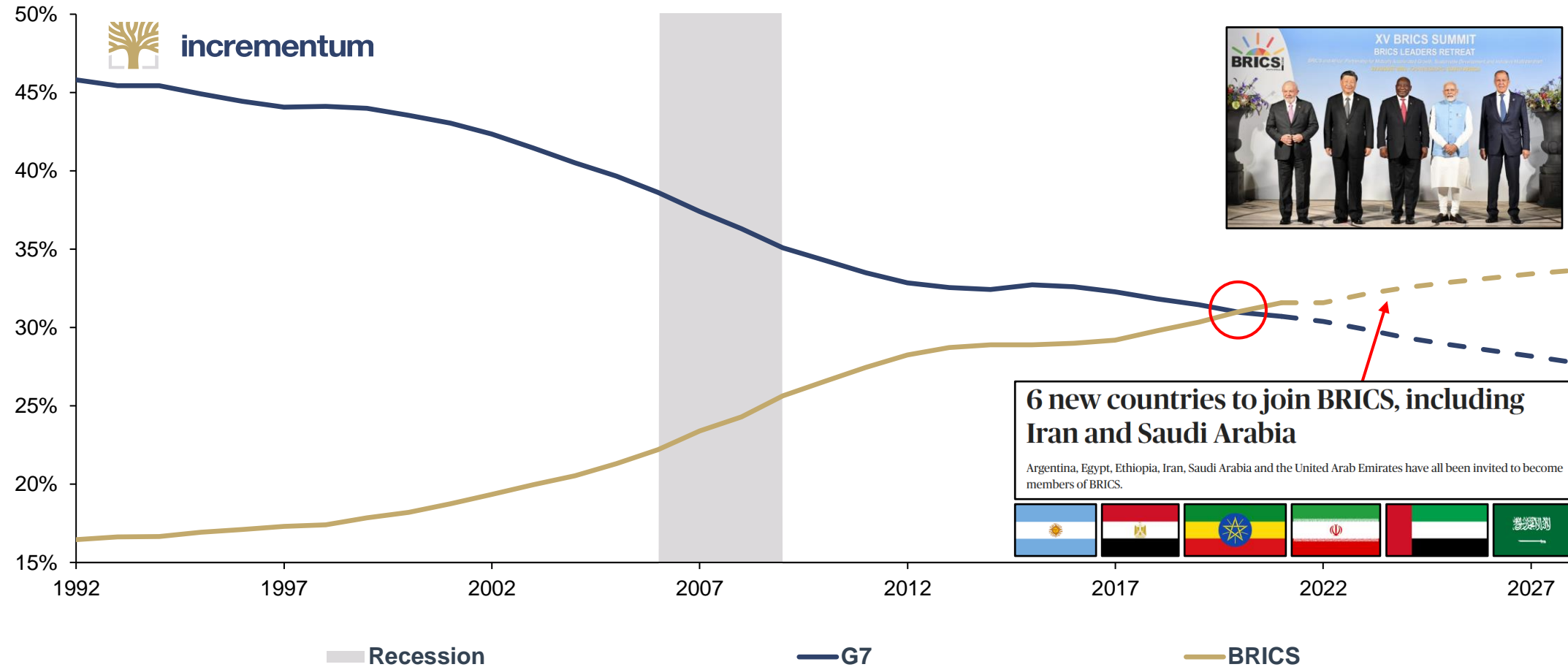
Trade Openness Index, 1870-2021



Source: IMF, Klasing and Milonis (2014), OECD, Penn World Table, World Bank, ourworldindata.org, Incrementum AG

The Balance Of Power In The Bipolar Global Economy Has Changed Dramatically Over The Past 30 Years

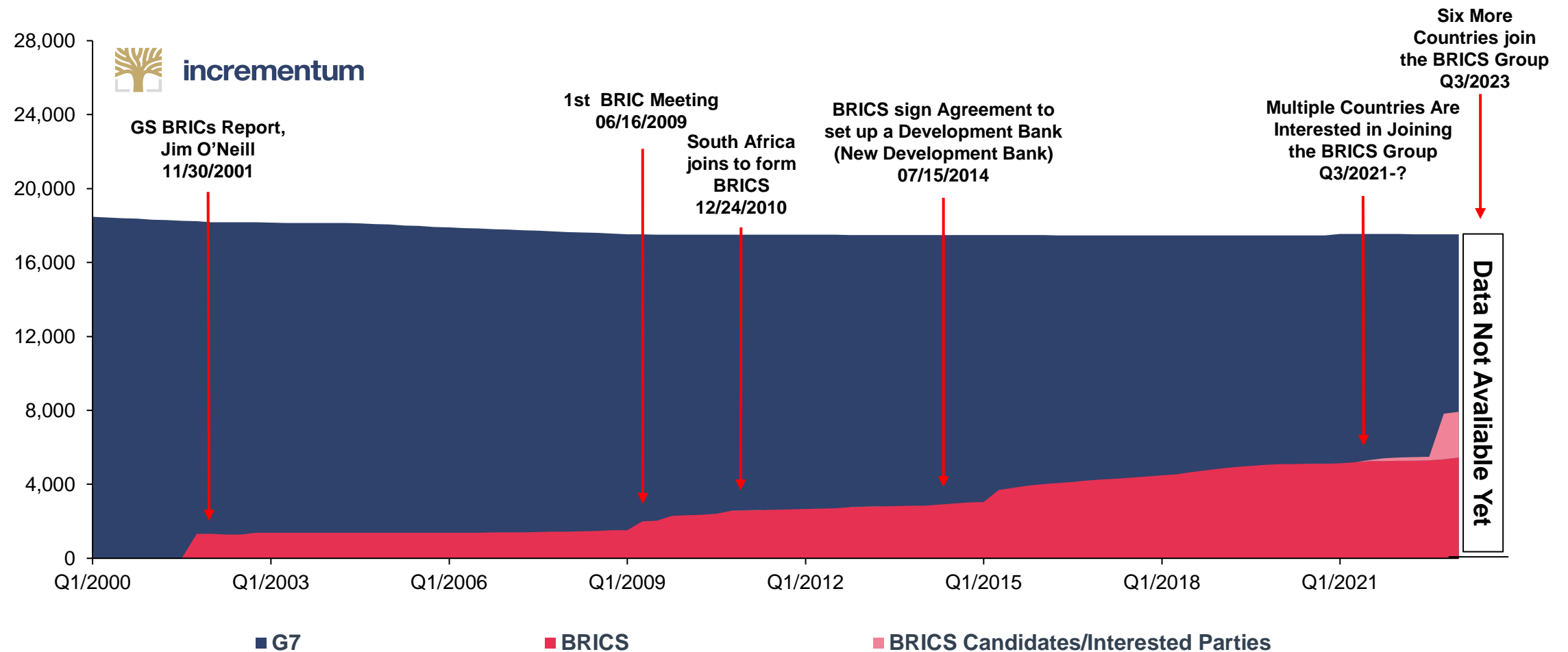
Share of Global GDP (PPP), G7 and BRICS, 1992-2027e



Source: Politico, Acorn MC Ltd, World Economic Outlook, Reuters Eikon, Incrementum AG

While The West Relies On Its Existing Gold Reserves, The East Recognizes The Advantages Of Gold As An Independent Currency Reserve

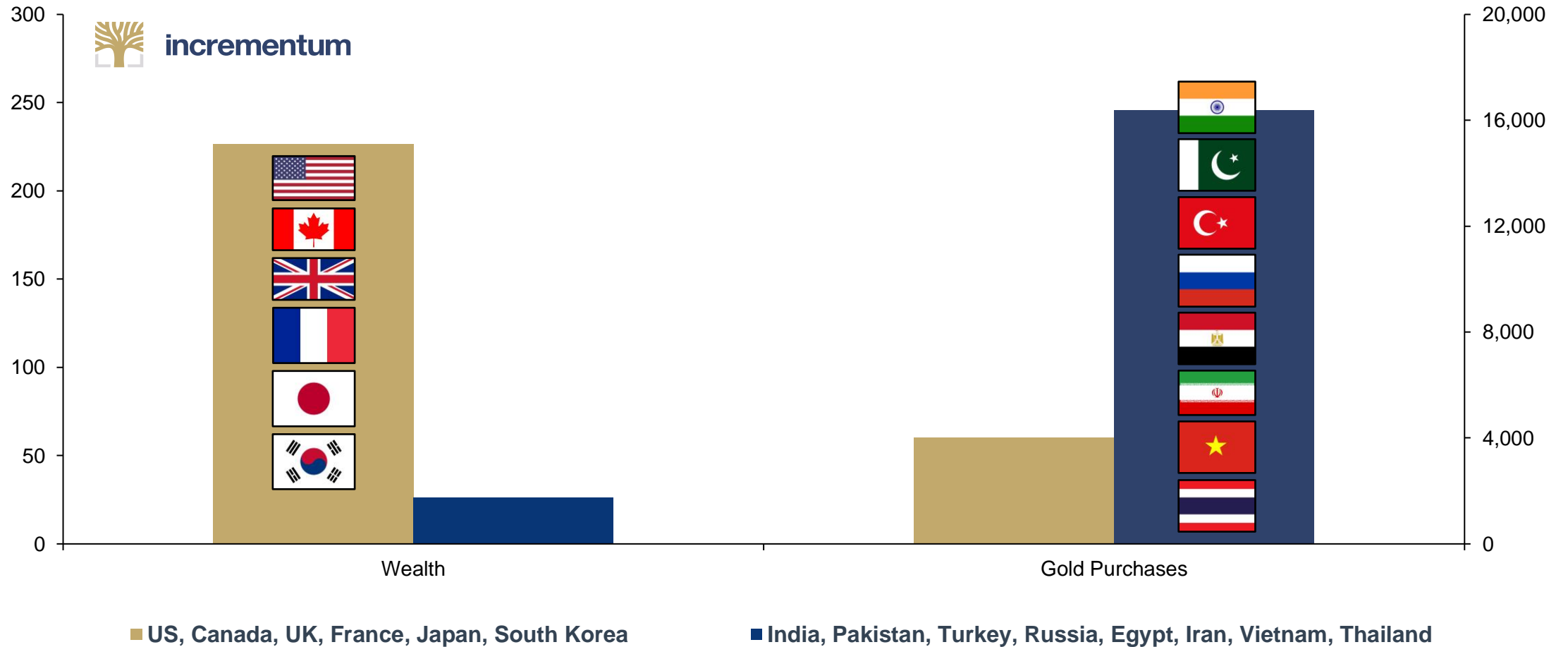
Global Gold Reserves, G7 (lhs), and BRICS + BRICS Candidates/Interested Parties (rhs), in Tonnes, Q1/2000-Q2/2023



Source: World Gold Council, Incrementum AG

The West Is Relaxing On Its Wealth While The East Is Purchasing Gold

Wealth (lhs), in trn USD, and Gold Coins, Bars and Jewelry Purchased from 2010-2022, in Tonnes



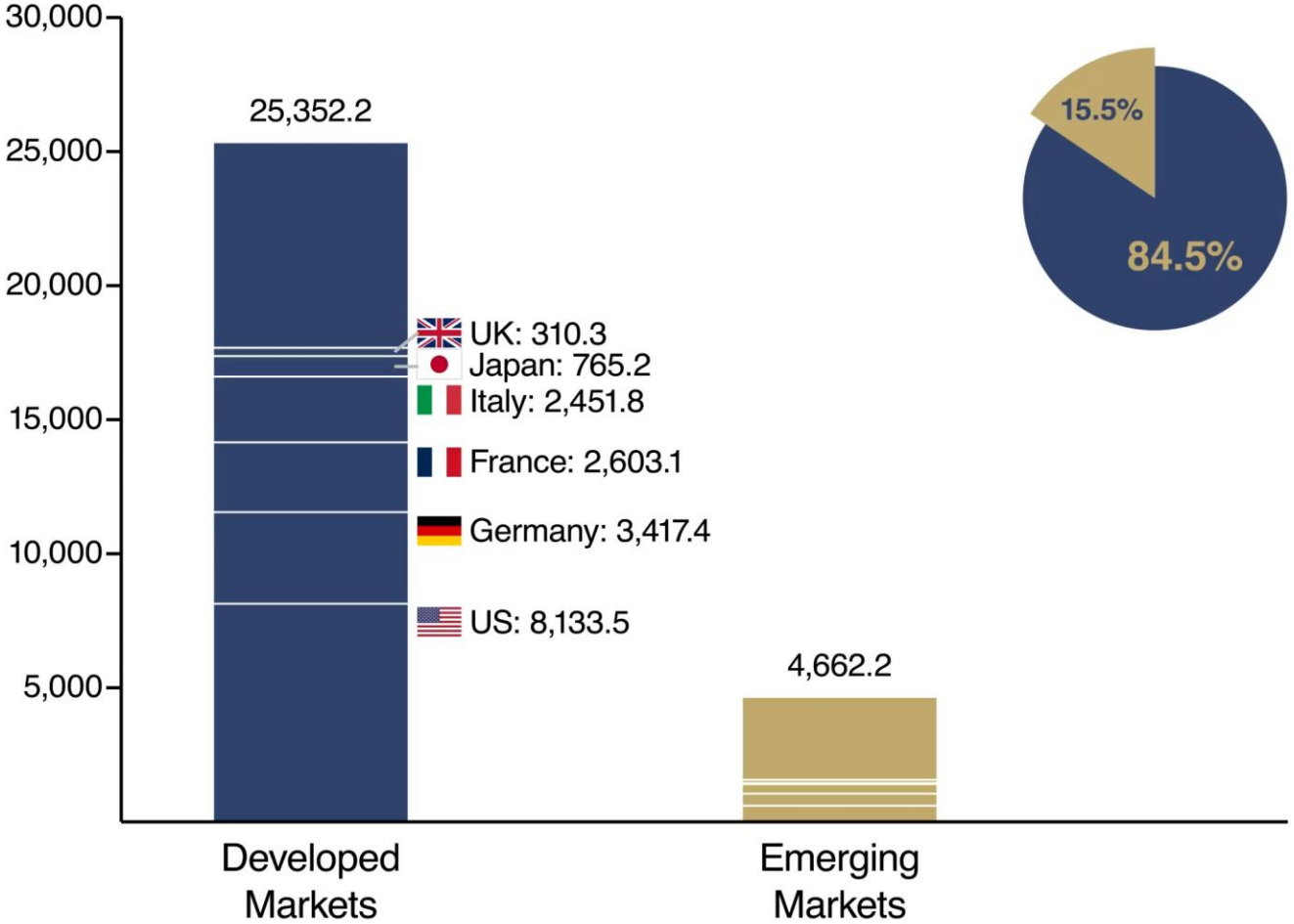
Source: Quantinvestor, World Gold Council, Incrementum AG

Emerging Markets Raise Gold Reserves Amid De-Dollarization

Q4 2007

Gold Reserves (tons)

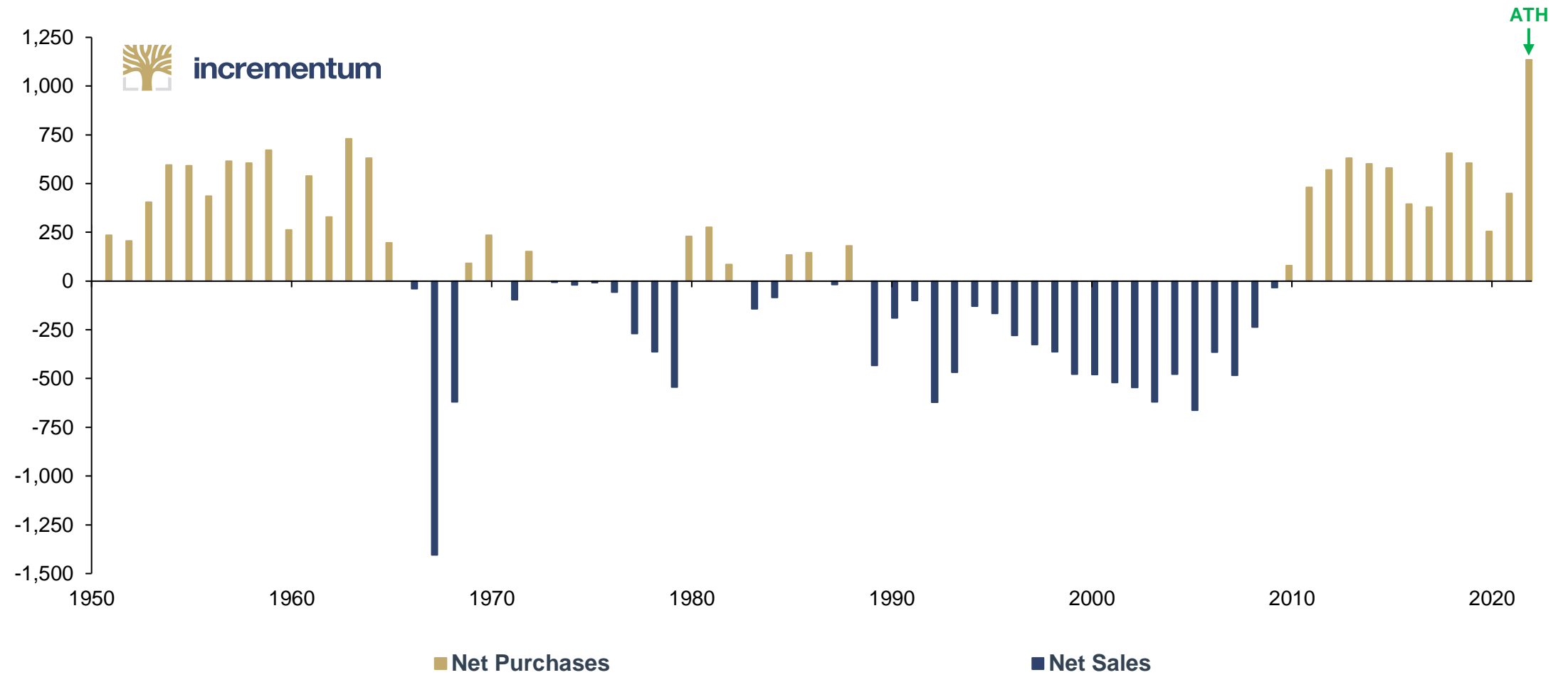
Global Share (%)



Note: Post-2023 gold reserves forecasted to 2050 using a Seasonal ARIMA (SARIMAX) model on quarterly historical data. Source: World Gold Council, Incrementum AG

Central Bank Gold Purchases At Record Highs In 2022

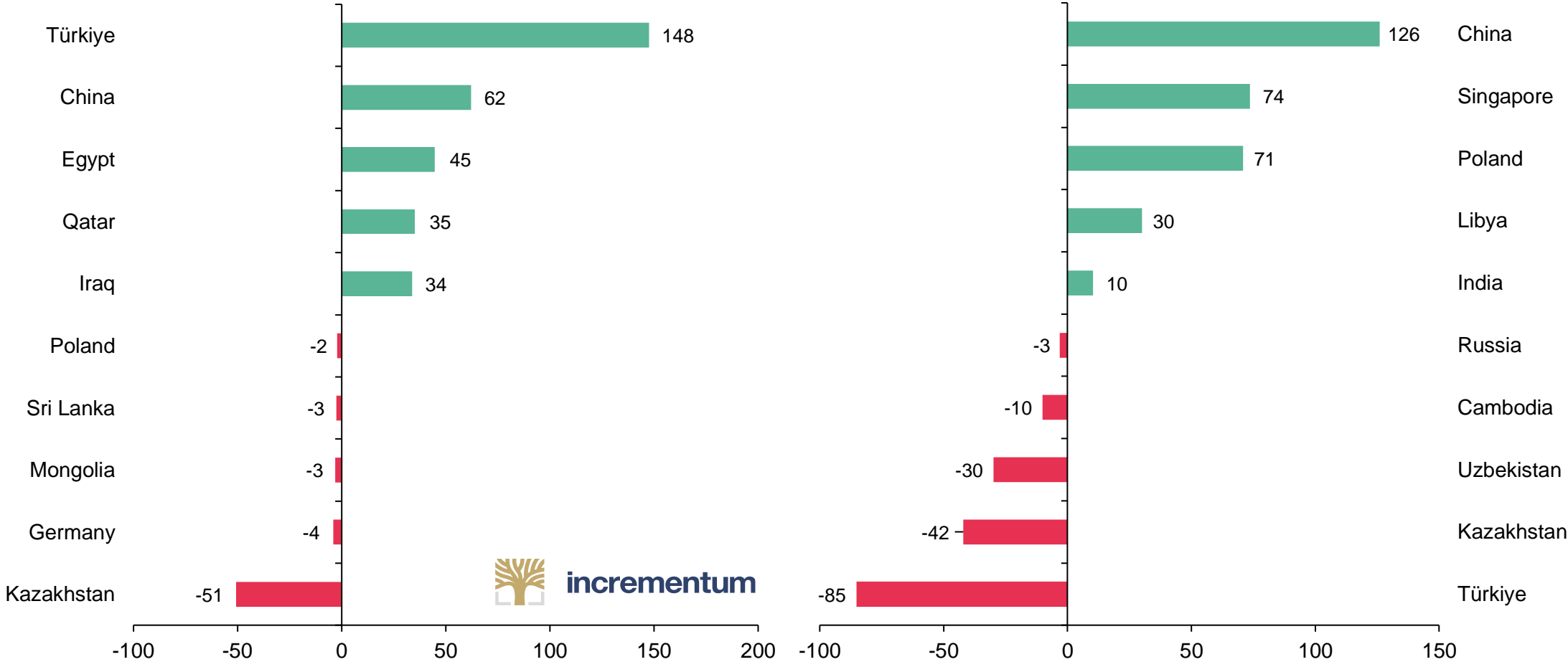
Global Central Bank Gold Purchases, in Tonnes, 1950-2022



Source: World Gold Council, Incrementum AG

Emerging Market Countries Remain The Biggest Buyers... ...But Are Also The Biggest Sellers!

Top 5 Central Bank Gold Purchases/Sales, 2022 (left), and H1 2023 (right), in Tonnes



Source: World Gold Council, Incrementum AG

2. Status Quo of Gold

“Fiat money will be a passing fad in the long-term history of money...Gold is definitely a fiat money hedge.”

Jim Reid, Deutsche Bank

Gold Performance Since 2000 In Various Currencies

Annual Gold Performance, 2000-2023 YTD

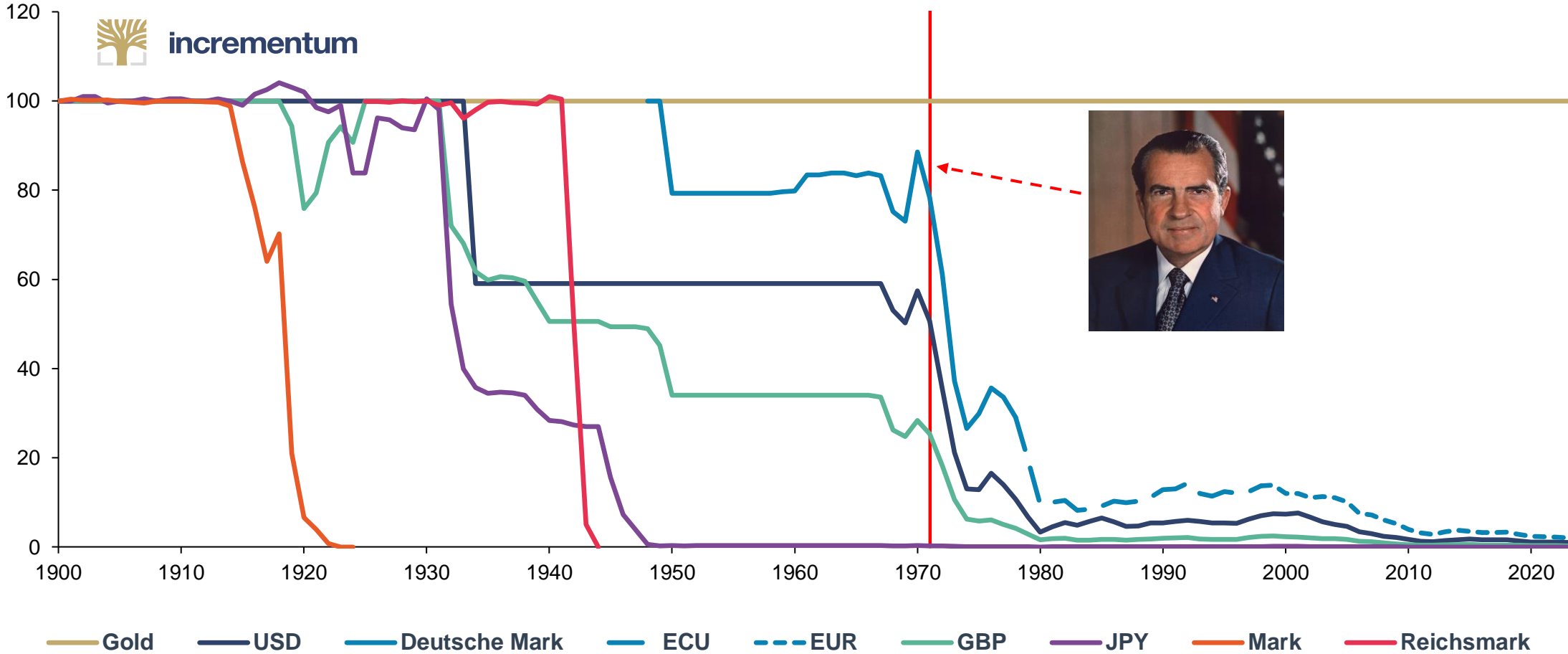
Year	USD	EUR	GBP	AUD	CAD	CNY	JPY	CHF	INR	Average
2000	-5.3%	1.2%	2.4%	11.2%	-1.9%	-5.4%	5.8%	-4.2%	1.4%	0.6%
2001	2.4%	8.4%	5.3%	12.0%	8.8%	2.4%	18.0%	5.5%	5.8%	7.6%
2002	24.4%	5.5%	12.3%	13.2%	22.9%	24.4%	12.2%	3.5%	23.7%	15.8%
2003	19.6%	-0.2%	8.0%	-10.7%	-1.3%	19.6%	8.1%	7.4%	13.9%	7.2%
2004	5.6%	-2.0%	-1.7%	1.5%	-2.0%	5.6%	0.8%	-3.1%	0.1%	0.5%
2005	18.1%	35.2%	31.6%	25.9%	14.1%	15.1%	35.9%	36.3%	22.8%	26.1%
2006	23.0%	10.4%	8.1%	14.3%	23.3%	19.0%	24.2%	14.1%	20.7%	17.5%
2007	30.9%	18.4%	29.2%	18.0%	12.0%	22.5%	22.5%	21.8%	16.9%	21.4%
2008	5.4%	10.0%	43.0%	30.5%	28.7%	-1.5%	-14.2%	-0.8%	30.0%	14.6%
2009	24.8%	21.8%	13.0%	-1.6%	7.9%	24.8%	27.9%	21.1%	19.2%	17.6%
2010	29.5%	38.6%	34.2%	13.9%	22.8%	25.1%	13.2%	16.8%	24.8%	24.3%
2011	10.2%	13.8%	10.6%	9.9%	12.7%	5.2%	4.5%	10.7%	30.7%	12.0%
2012	7.1%	5.0%	2.4%	5.3%	4.2%	6.0%	20.7%	4.5%	11.1%	7.4%
2013	-28.0%	-30.9%	-29.4%	-16.1%	-23.0%	-30.1%	-12.6%	-29.8%	-19.1%	-24.3%
2014	-1.8%	11.6%	4.4%	7.2%	7.5%	0.7%	11.6%	9.4%	0.2%	5.6%
2015	-10.4%	-0.2%	-5.3%	0.6%	6.8%	-6.2%	-9.9%	-9.7%	-5.9%	-4.4%
2016	8.5%	12.1%	29.7%	9.4%	5.3%	16.1%	5.4%	10.3%	11.4%	12.0%
2017	13.1%	-0.9%	3.3%	4.6%	5.9%	6.0%	9.0%	8.3%	6.3%	6.2%
2018	-1.5%	3.0%	4.3%	9.0%	6.8%	4.1%	-4.2%	-0.8%	7.3%	3.1%
2019	18.3%	21.0%	13.8%	18.7%	12.6%	19.7%	17.2%	16.6%	21.3%	17.7%
2020	25.0%	14.7%	21.2%	14.1%	22.6%	17.2%	18.8%	14.3%	28.0%	19.5%
2021	-3.6%	3.6%	-2.6%	2.2%	-4.3%	-6.1%	7.5%	-0.6%	-1.7%	-0.6%
2022	-0.2%	6.0%	11.6%	6.3%	7.0%	8.3%	13.7%	1.1%	10.8%	7.2%
2023 YTD	2.7%	4.7%	2.6%	10.4%	2.6%	8.8%	17.2%	2.4%	3.3%	6.1%
CAGR	8.2%	8.0%	9.5%	8.4%	7.9%	7.7%	10.0%	5.8%	11.2%	8.5%

Source: Reuters Eikon (as of 09/26/2023), Incrementum AG



Time Reveals The True Value of All FIAT Currencies In The Long Run!

Gold and Various Currencies Measured in Gold, 1900-2023



Source: World Gold Council, Reuters Eikon, Incrementum AG

Mind The Gap: Gold And Longterm-Bonds Are Diverging

Gold (lhs), in USD, and TLT (rhs), in USD, 01/2003-09/2023



Source: Reuters Eikon, Incrementum AG

Every Time Yields Fell From Their Highs, Gold Began A Bull Market

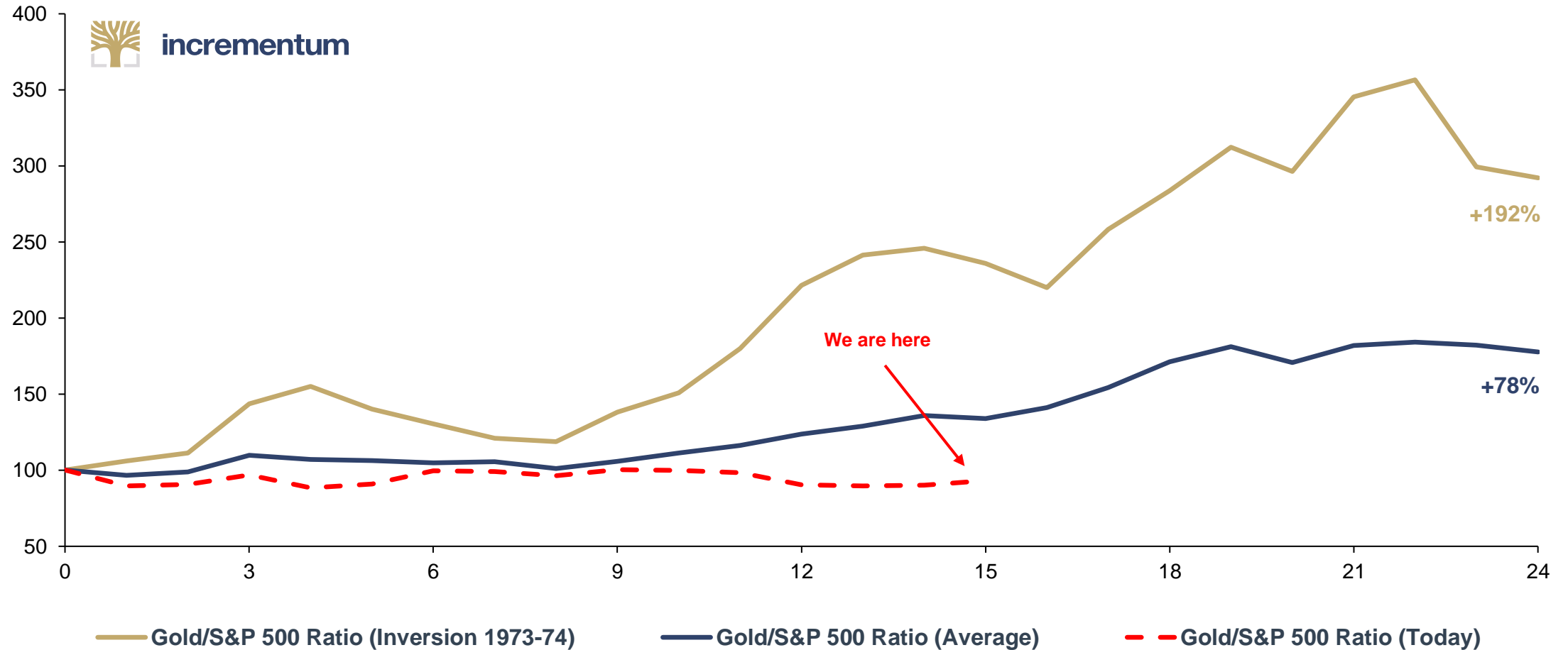
UST 2Y (lhs), and Gold (rhs), 01/1996-09/2023



Source: 13D Research & Strategy, Reuters Eikon, Incrementum AG

Gold Bulls Are Still Sleeping. Historically, Gold Has Clearly Outperformed Stocks After Yield Inversions

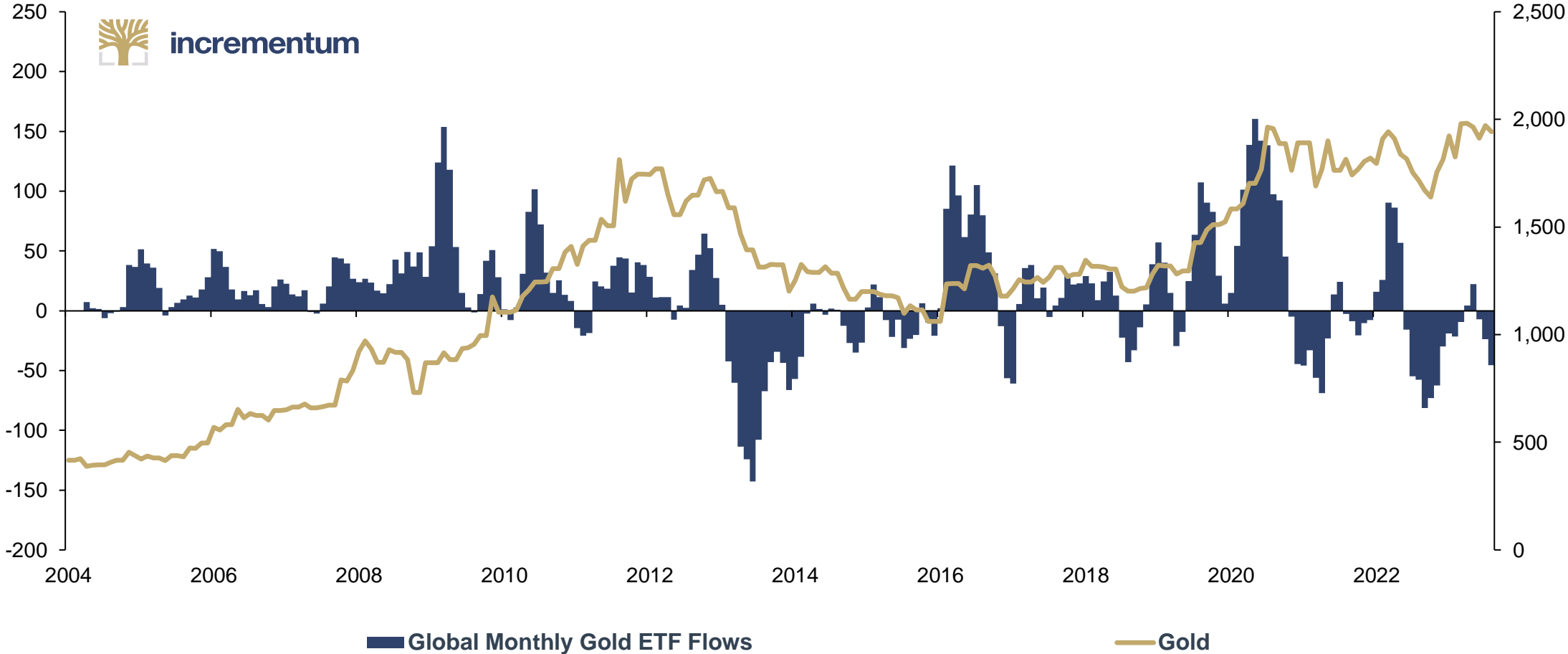
Gold/S&P 500 Ratio, Performance after UST 10Y-1Y Inversions*, 01/1971-09/2023



Source: Tavi Costa, Crescat Capital LLC, Reuters Eikon, Incrementum AG
*excl. inversion 2019 due to low intensity and duration

Gold ETF Flows: Financial Investors Remain On The Sidelines!

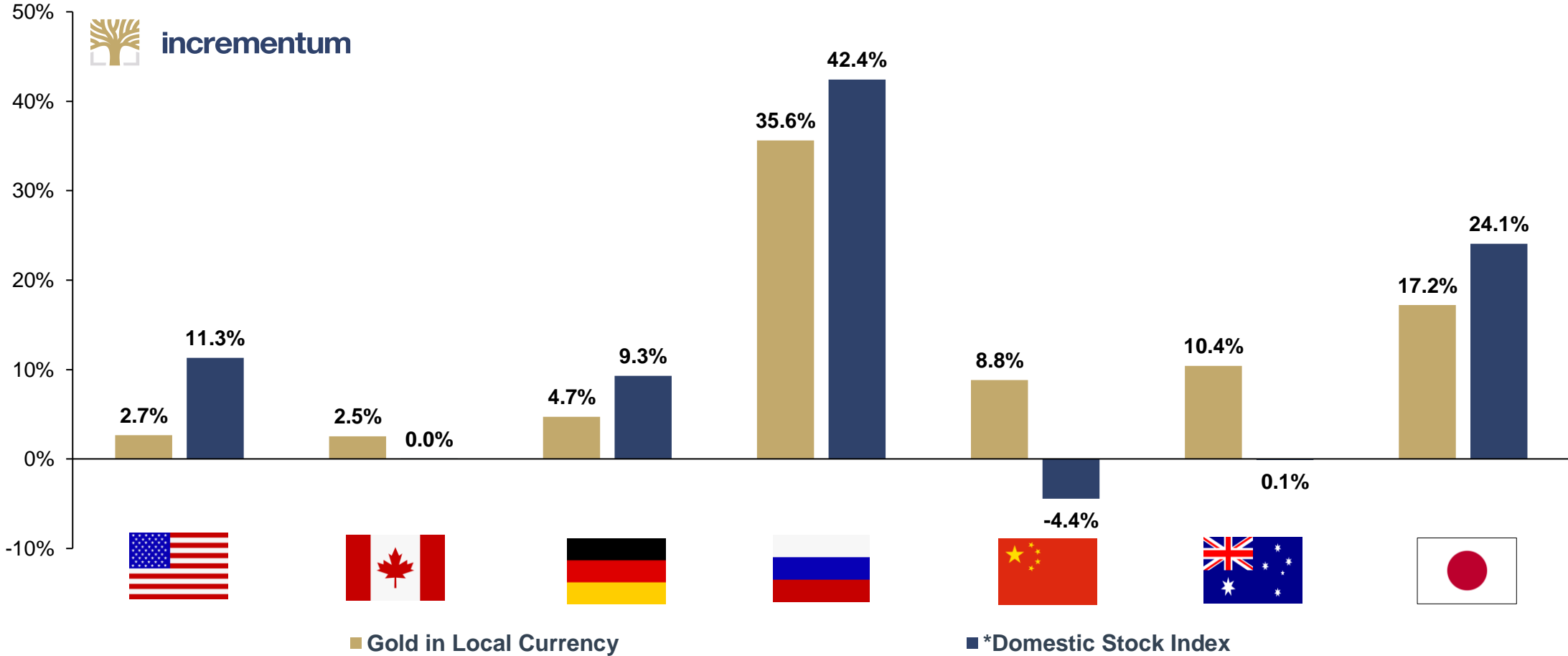
Global Monthly Gold ETF Flows (3 Month Average) (lhs), in Tonnes, and Gold (rhs), in USD, 01/2004-08/2023



Source: World Gold Council, Incrementum AG

Gold Remains An Excellent Equity Hedge

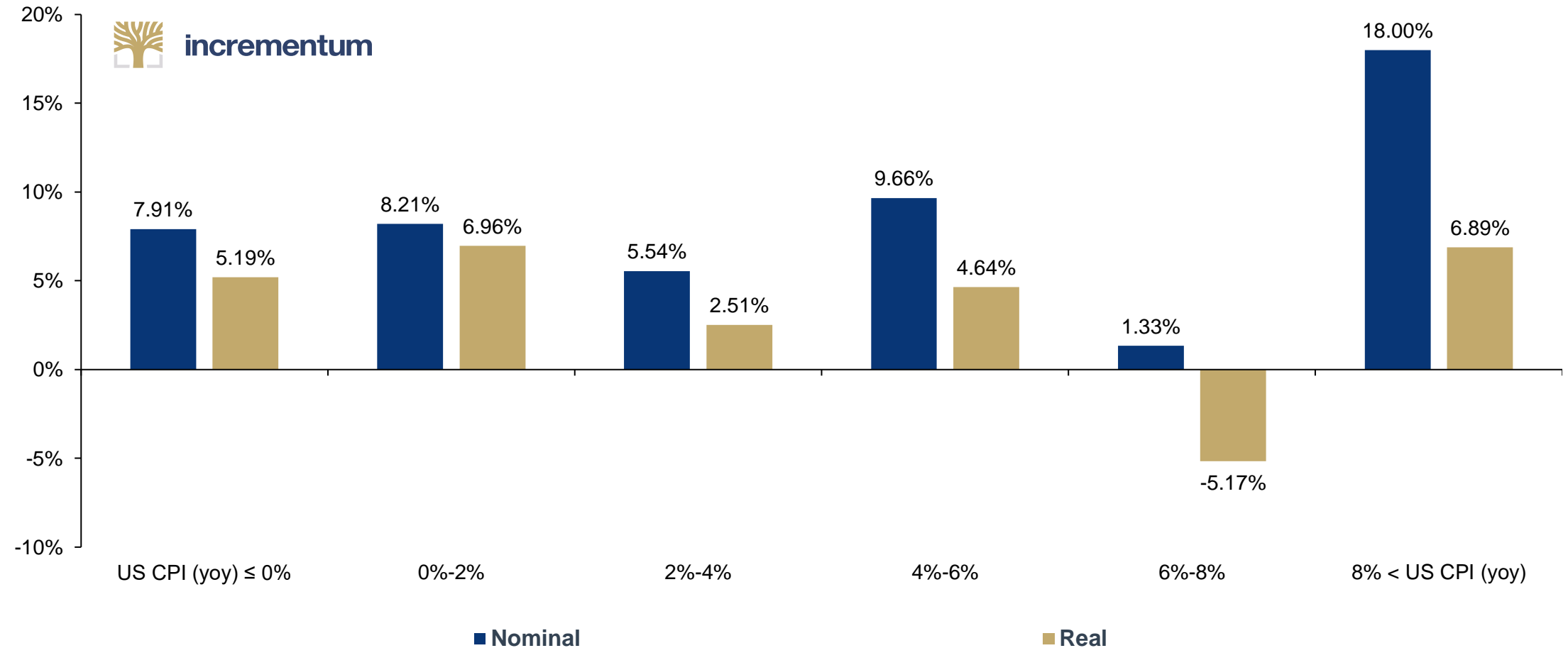
Gold in Local Currency, and Domestic Stock Index, Annual Performance in %, 2023 YTD



Source: Reuters Eikon (as of 09/26/2023), Incrementum AG
 * US = S&P 500, CA = TSX Comp., DE = DAX, RU = MOEX, CN = SCI 300, AU = ASX 200, JP = Nikkei 225

Gold Likes High As well As Low Inflation. Not Only In Nominal But Also In Real Terms!

Nominal and Real (US CPI Adjusted) CAGR for Gold during Different Inflation Regimes, 01/1971-08/2023



Source: Reuters Eikon, Incrementum AG

Gold Shines When The Equity Bear Eats!

Performance of the S&P 500 vs. Gold during S&P 500 Bear Markets

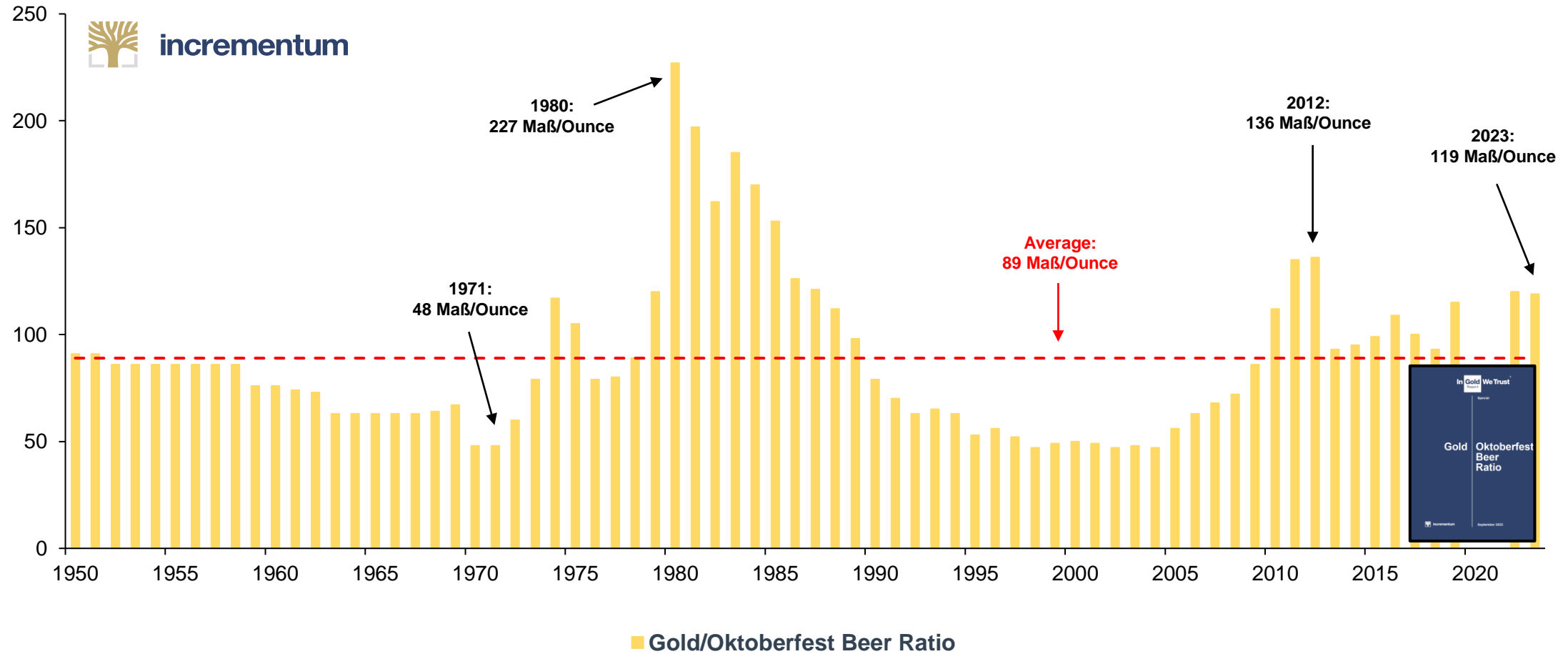
Date of the Market High	Date of the Market Low	S&P 500 Return	Gold Return	Gold Relative to S&P500
09/16/1929	06/01/1932	-86.19%	0.29%	86.48%
08/02/1956	10/22/1957	-21.63%	-0.11%	21.52%
12/12/1961	06/26/1962	-27.97%	-0.06%	27.91%
02/09/1966	10/07/1966	-22.18%	0.00%	22.18%
11/29/1968	05/26/1970	-36.06%	-10.50%	25.56%
01/11/1973	10/03/1974	-48.20%	137.47%	185.67%
11/28/1980	08/09/1982	-27.27%	-45.78%	-18.51%
08/25/1987	10/20/1987	-35.94%	1.38%	37.32%
07/16/1990	10/11/1990	-20.36%	6.81%	27.17%
07/17/1998	10/08/1998	-22.29%	1.71%	24.00%
03/24/2000	10/10/2002	-50.50%	11.18%	61.68%
10/11/2007	03/06/2009	-57.69%	25.61%	83.30%
09/21/2018	12/26/2018	-20.21%	5.59%	25.80%
02/19/2020	03/23/2020	-35.41%	-3.63%	31.78%
01/03/2022	09/26/2023*	-10.90%	5.56%	16.46%
	Mean	-34.85%	9.03%	43.89%
	Median	-27.97%	1.38%	29.35%

Source: Cornerstone Macro, Bloomberg, Reuters Eikon (*Lowest closing price since 01/03/2022), Incrementum AG



Despite Drastic Price Increases, Gold Investors Maintain Their Wealth In Beer Terms

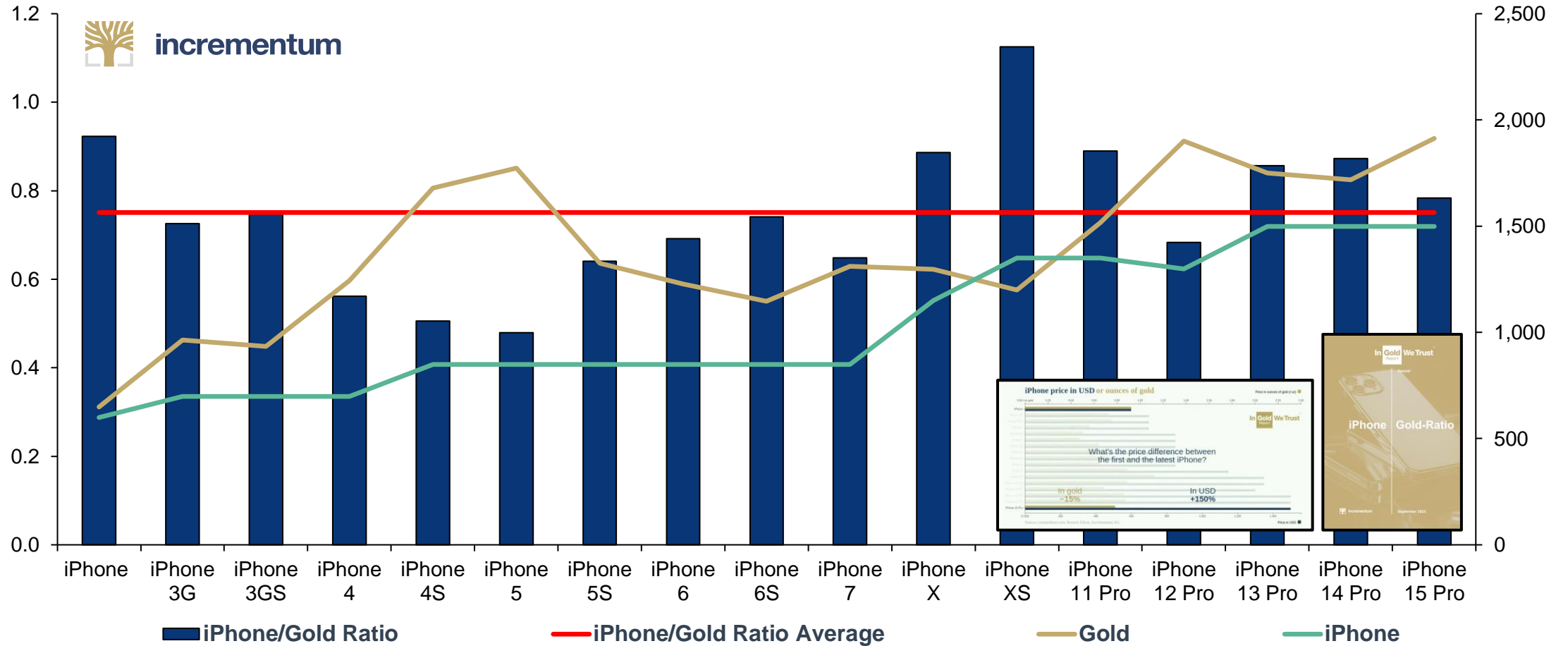
Gold/Oktoberfest Beer Ratio, 1950-2023



Source: Statista, Reuters Eikon, Incrementum AG

iPhones Are Becoming More Expensive, But Not For Gold Investors

iPhone/Gold Ratio (Most Expensive Version) (lhs), and iPhone and Gold (rhs), in USD, 2007-2023



Source: venturebeat.com, Reuters Eikon, Incrementum AG

3. Status Quo of Silver

“The two most powerful warriors are patience and time.”

Leo Tolstoy

Silver Performance Since 2000 In Various Currencies

Annual Silver Performance, 2000-2023 YTD

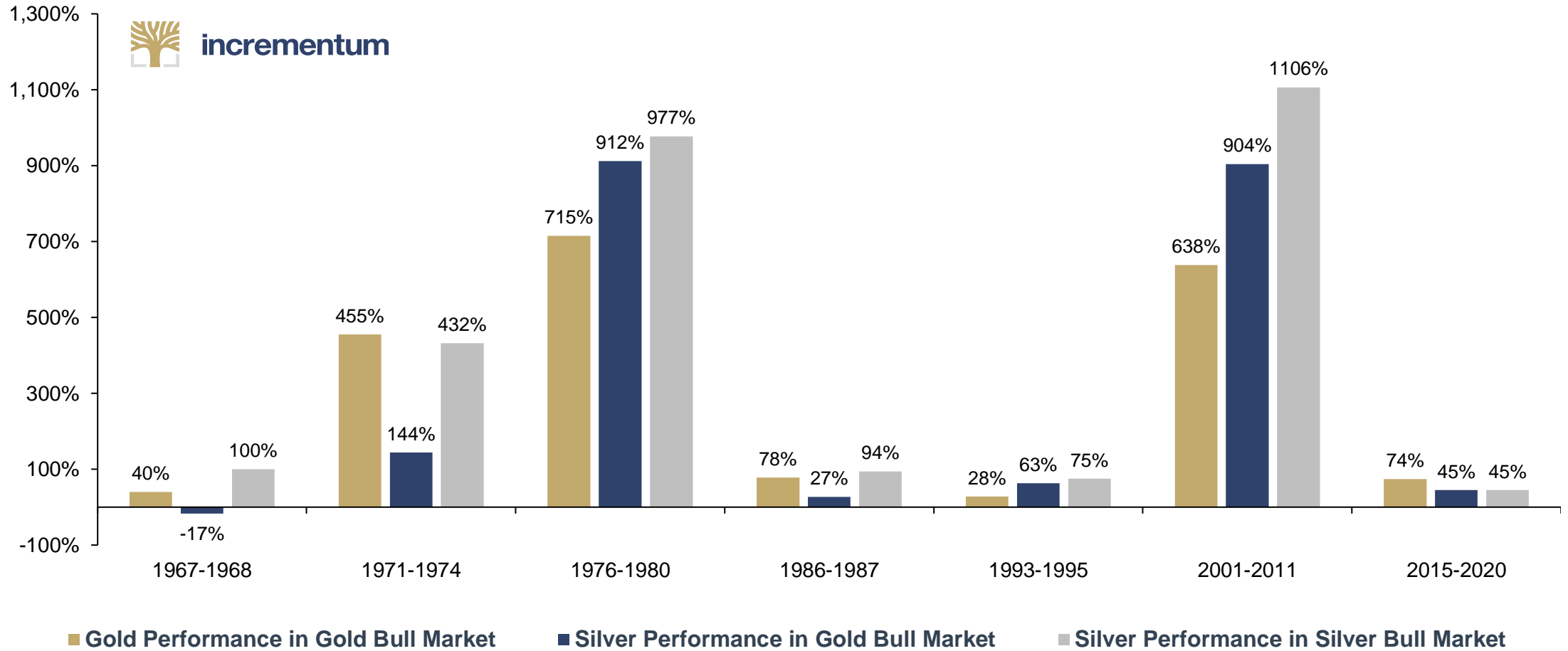
Year	USD	EUR	GBP	AUD	CAD	CNY	JPY	CHF	INR	Average
2000	-15.0%	-9.1%	-8.4%	0.0%	-11.9%	-15.0%	-5.0%	-13.9%	-8.9%	-9.7%
2001	0.4%	6.2%	3.3%	9.2%	6.7%	0.4%	15.7%	3.5%	3.8%	5.5%
2002	3.3%	-12.4%	-6.8%	-6.0%	2.0%	3.3%	-6.9%	-14.1%	2.7%	-3.9%
2003	24.6%	3.9%	12.5%	-7.0%	2.7%	24.6%	12.6%	11.9%	18.6%	11.6%
2004	14.5%	6.3%	6.6%	10.0%	6.2%	14.5%	9.3%	5.1%	8.6%	9.0%
2005	29.7%	48.5%	44.6%	38.4%	25.4%	26.5%	49.3%	49.8%	35.0%	38.6%
2006	46.1%	31.1%	28.4%	35.8%	46.4%	41.3%	47.4%	35.5%	43.3%	39.5%
2007	14.8%	3.8%	13.3%	3.4%	-1.8%	7.4%	7.4%	6.8%	2.5%	6.4%
2008	-23.5%	-20.2%	3.9%	-5.3%	-6.6%	-28.5%	-37.7%	-28.0%	-5.6%	-16.8%
2009	48.9%	45.4%	34.7%	17.5%	28.8%	49.0%	52.7%	44.6%	42.3%	40.4%
2010	83.4%	96.2%	89.9%	60.8%	73.8%	77.0%	60.2%	65.3%	76.6%	75.9%
2011	-10.3%	-7.2%	-9.9%	-10.2%	-8.2%	-14.3%	-14.9%	-9.9%	6.4%	-8.7%
2012	9.5%	7.3%	4.8%	7.6%	6.5%	8.4%	23.4%	6.9%	13.6%	9.8%
2013	-36.0%	-38.5%	-37.2%	-25.4%	-31.4%	-37.8%	-22.3%	-37.5%	-28.0%	-32.7%
2014	-19.3%	-8.3%	-14.2%	-11.9%	-11.7%	-17.3%	-8.3%	-10.2%	-17.7%	-13.2%
2015	-11.7%	-1.6%	-6.7%	-0.9%	5.2%	-7.6%	-11.2%	-11.0%	-7.2%	-5.9%
2016	15.2%	19.0%	37.6%	16.3%	11.8%	23.2%	11.9%	17.1%	18.3%	18.9%
2017	6.4%	-6.8%	-2.9%	-1.6%	-0.4%	-0.3%	2.5%	1.8%	-0.1%	-0.2%
2018	-8.7%	-4.4%	-3.2%	1.0%	-1.0%	-3.5%	-11.2%	-8.0%	-0.5%	-4.4%
2019	15.2%	17.8%	10.8%	15.7%	9.7%	16.6%	14.2%	13.6%	18.1%	14.6%
2020	47.8%	35.7%	43.4%	34.9%	44.9%	38.6%	40.5%	35.2%	51.3%	41.4%
2021	-11.7%	-5.2%	-10.8%	-6.5%	-12.4%	-14.1%	-1.6%	-9.0%	-10.0%	-9.0%
2022	3.0%	9.4%	15.2%	9.8%	10.5%	11.8%	17.3%	4.4%	14.4%	10.6%
2023 YTD	-6.3%	-4.4%	-6.4%	0.7%	-6.4%	-0.7%	6.9%	-6.6%	-5.8%	-3.2%
CAGR	6.2%	6.0%	7.5%	6.3%	5.9%	5.6%	7.9%	3.8%	9.1%	6.5%

Source: Reuters Eikon (as of 09/26/2023), Incrementum AG



Silver Often Finds An Extra Gear During Gold Bull Markets

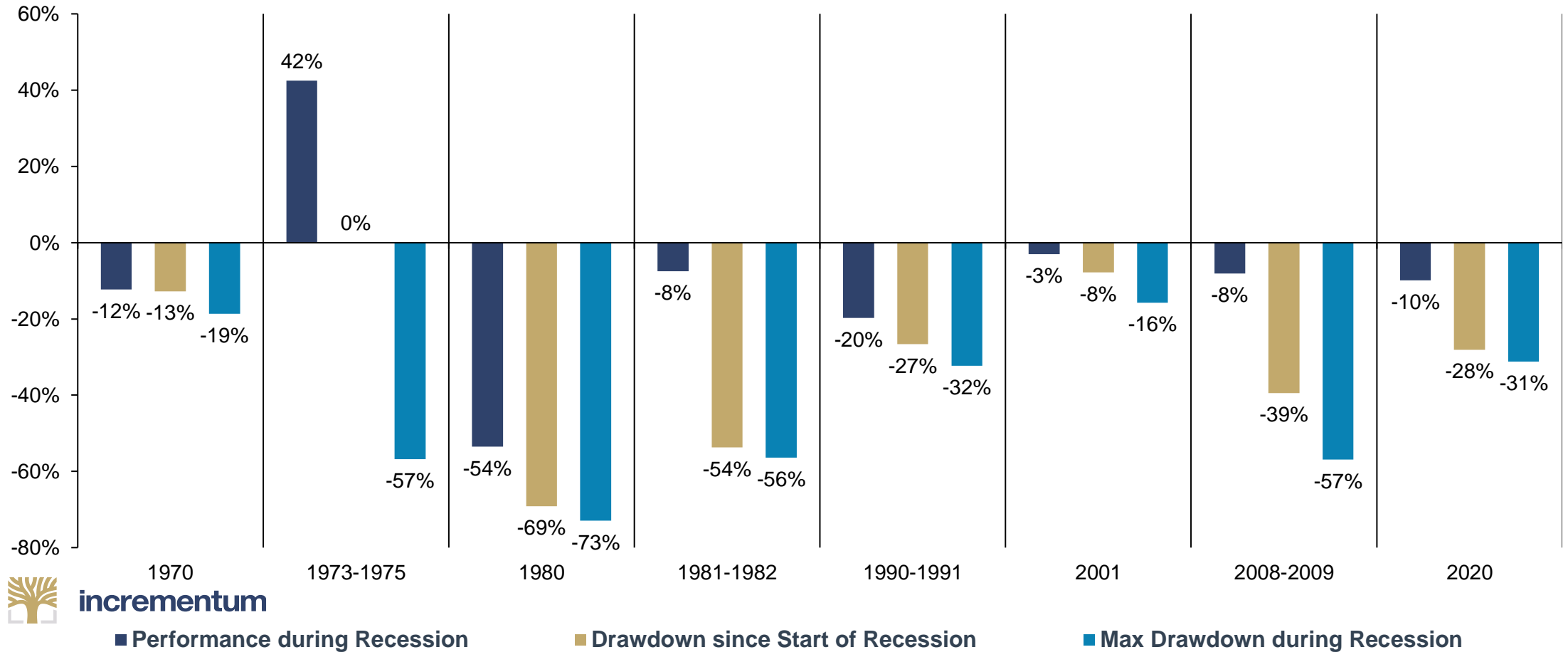
Performance of Gold and Silver during Bull Markets, 1967-2020



Source: CPM Group, Incrementum AG

Trap Door Risk For Silver Prices During Recession!

Performance and Drawdown of Silver during Recession, 01/1970-12/2022



Source: SD Bullion, Reuters Eikon, Incrementum AG

The Reflationary Boom After Recessions Typically Offsets The Negative Performance Characteristics Of Silver During Recessions

Silver Performance in the *Incrementum Recession Phase Model*

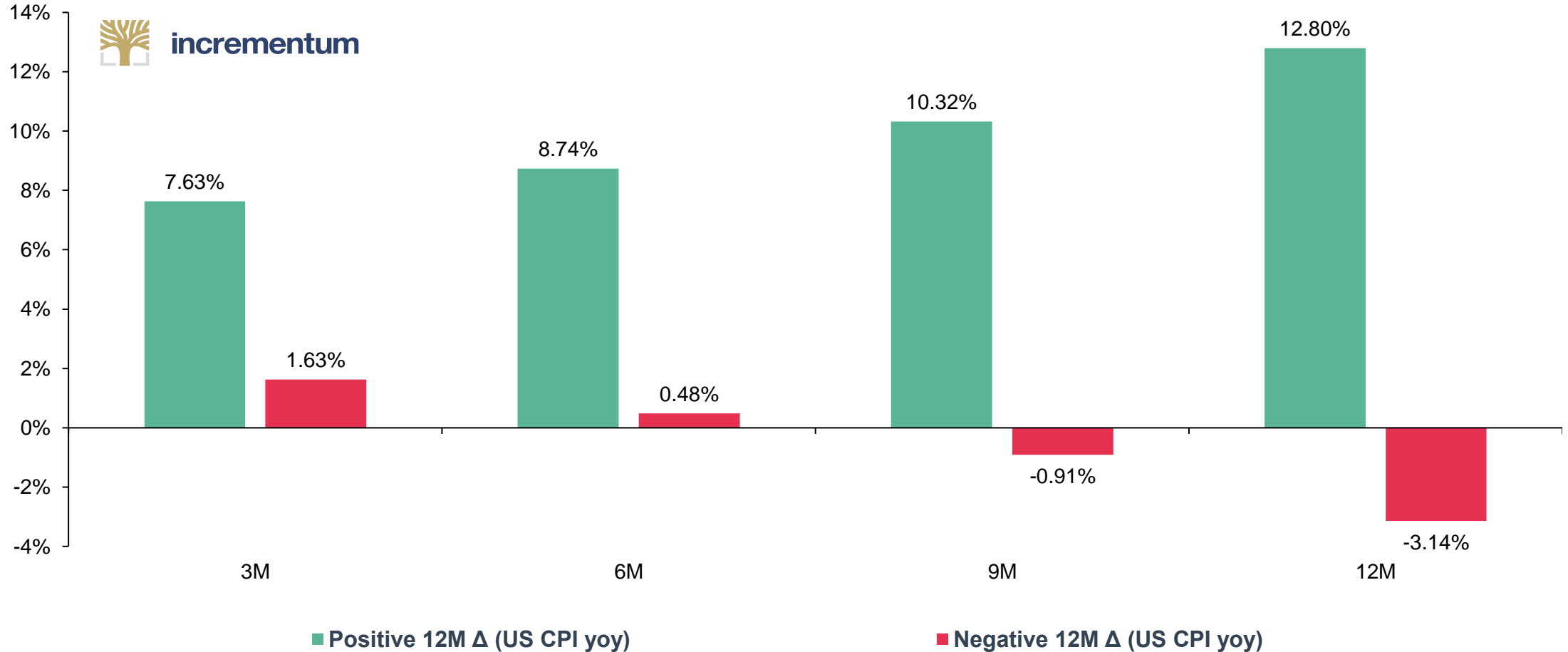
Date	Duration (Months)	Recession	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
01/1970-11/1970	11	-12.3%	14.9%	3.2%	-2.7%	-12.6%	0.9%
12/1973-03/1975	16	42.4%	14.0%	89.4%	-22.4%	-3.1%	6.4%
02/1980-07/1980	6	-53.5%	275.3%	-60.0%	n/a	16.3%	-15.2%
06/1981-11/1982	18	-7.5%	-43.3%	-13.7%	-13.3%	23.6%	38.1%
08/1990-03/1991	8	-19.8%	-7.3%	-13.3%	0.7%	-8.1%	7.3%
04/2001-11/2001	8	-3.0%	-11.7%	0.2%	-2.8%	-0.5%	20.2%
01/2008-06/2009	18	-8.1%	19.2%	16.5%	-24.9%	4.9%	24.0%
03/2020-04/2020	2	-9.9%	-9.2%	-16.2%	n/a	7.5%	57.3%
Average	10.9	-8.8%	37.3%	3.2%	-10.9%	2.9%	11.7%
Median	9.5	-8.1%	14.0%	0.2%	-8.0%	-0.5%	7.3%

Source: Reuters Eikon, Incrementum AG



Silver Offers Great Opportunities During Times Of Reflation/Inflation!

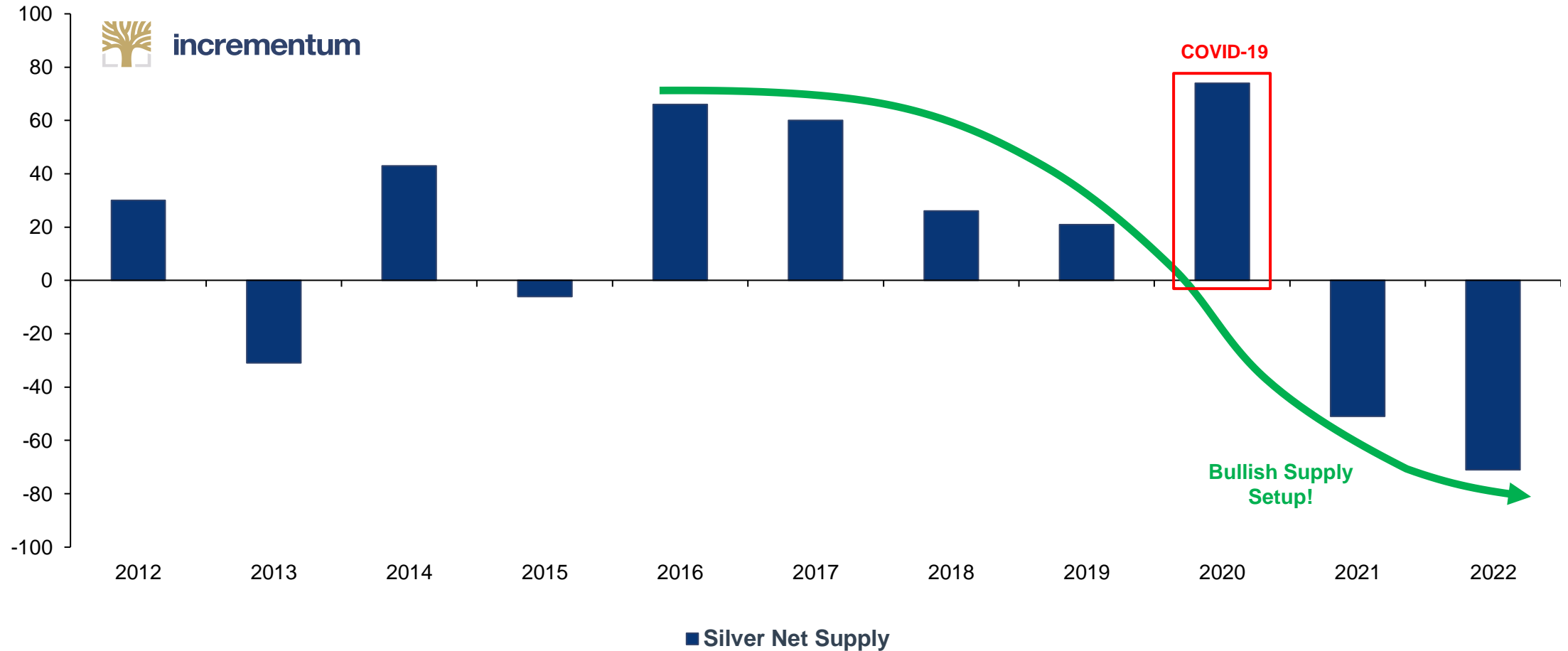
Silver Performance (CAGR) on a 3M, 6M, 9M, 12M Look Ahead during Accelerating and Decelerating Inflation (12M Δ US CPI yoy), 01/1970-12/2022



Source: Reuters Eikon, Incrementum AG

Net Supply Has Been Declining Steadily Since 2016... 2020 Is The Exception

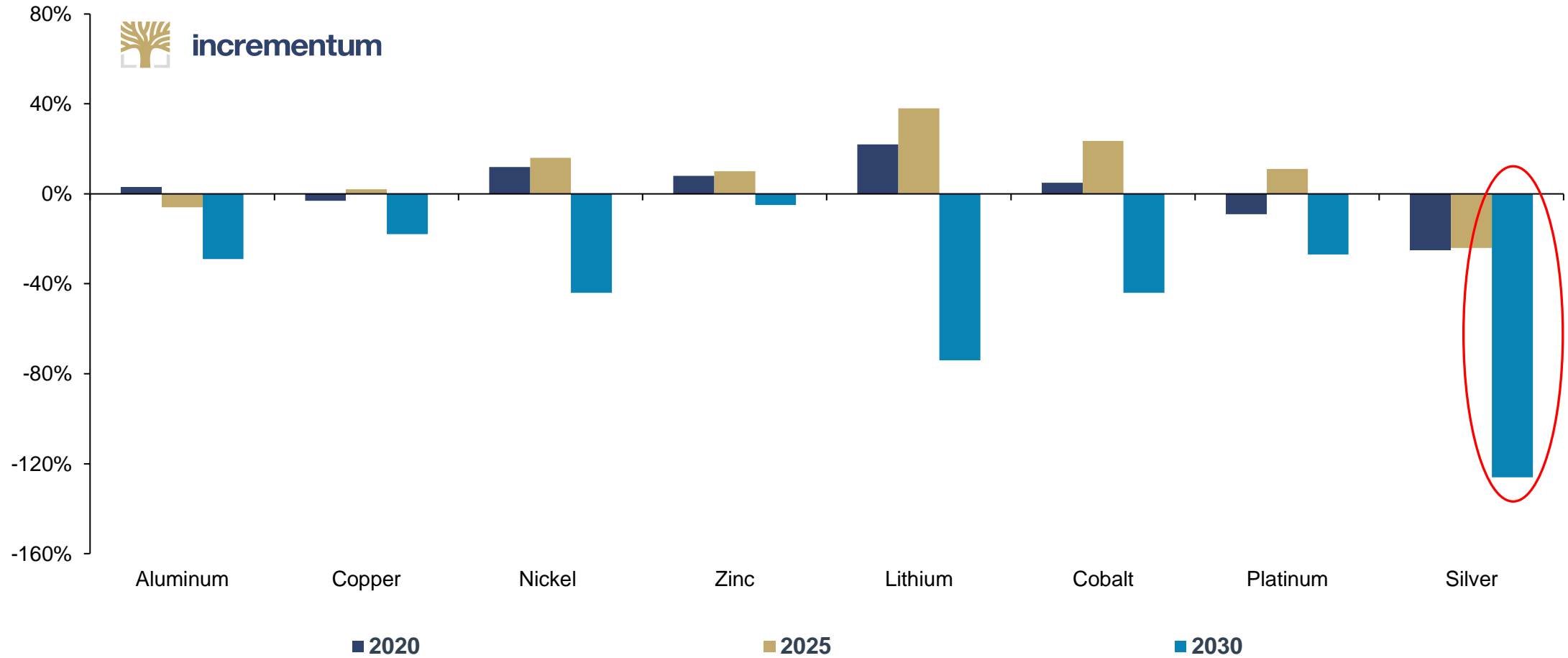
Silver Net Supply, in moz, 2013-2022



Source: Silver Institute, Metals Focus, Incrementum AG

The Outlook For Long Term Supply Is Very Tight!

Metals Market Balance, as % of Supply, 2020-2030



Source: IEA, CRU Woodmac, Platts company reports, IAI BodA Global Research, Incrementum AG

The Gold/Silver Ratio Has Retrived From Its Historic Highs In 2020. Will We See It Break Through The Median?

Gold/Silver Ratio, 01/1970-09/2023



Source: Reuters Eikon, Incrementum AG

At The Current Gold Price Of Approximately USD 1,900 And Median Value Of The Gold/Silver Ratio Of About 61, One Could Expect To See A Silver Price Of USD 32

Gold/Silver Ratio Matrix, Silver (x-axis), in USD, and Gold (y-axis), in USD

	10	15	20	25	30	35	40	45	50	55	60	65
1,400	140	93	70	56	47	40	35	31	28	25	23	22
1,500	150	100	75	60	50	43	38	33	30	27	25	23
1,600	160	107	80	64	53	46	40	36	32	29	27	25
1,700	170	113	85	68	57	49	43	38	34	31	28	26
1,800	180	120	90	72	60	51	45	40	36	33	30	28
1,900	190	127	95	76	63	54	48	42	38	35	32	29
2,000	200	133	100	80	67	57	50	44	40	36	33	31
2,100	210	140	105	84	70	60	53	47	42	38	35	32
2,200	220	147	110	88	73	63	55	49	44	40	37	34
2,300	230	153	115	92	77	66	58	51	46	42	38	35
2,400	240	160	120	96	80	69	60	53	48	44	40	37
2,500	250	167	125	100	83	71	63	56	50	45	42	38

Source: Incrementum AG

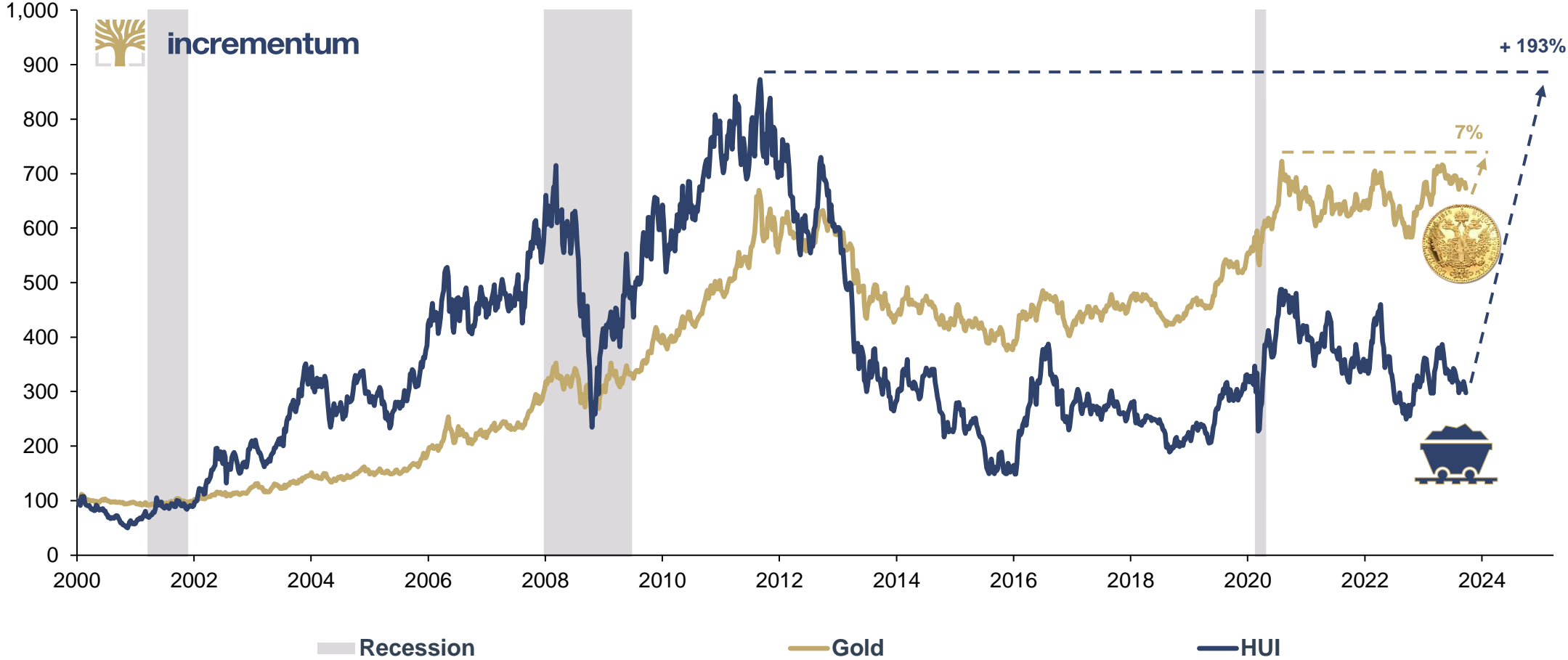
4. Status Quo of Miners

“You make most of your money in a bear market; you just don’t realize it at the time.”

Shelby Cullom Davis

Gold And Mining Stocks: Mind the Gap!

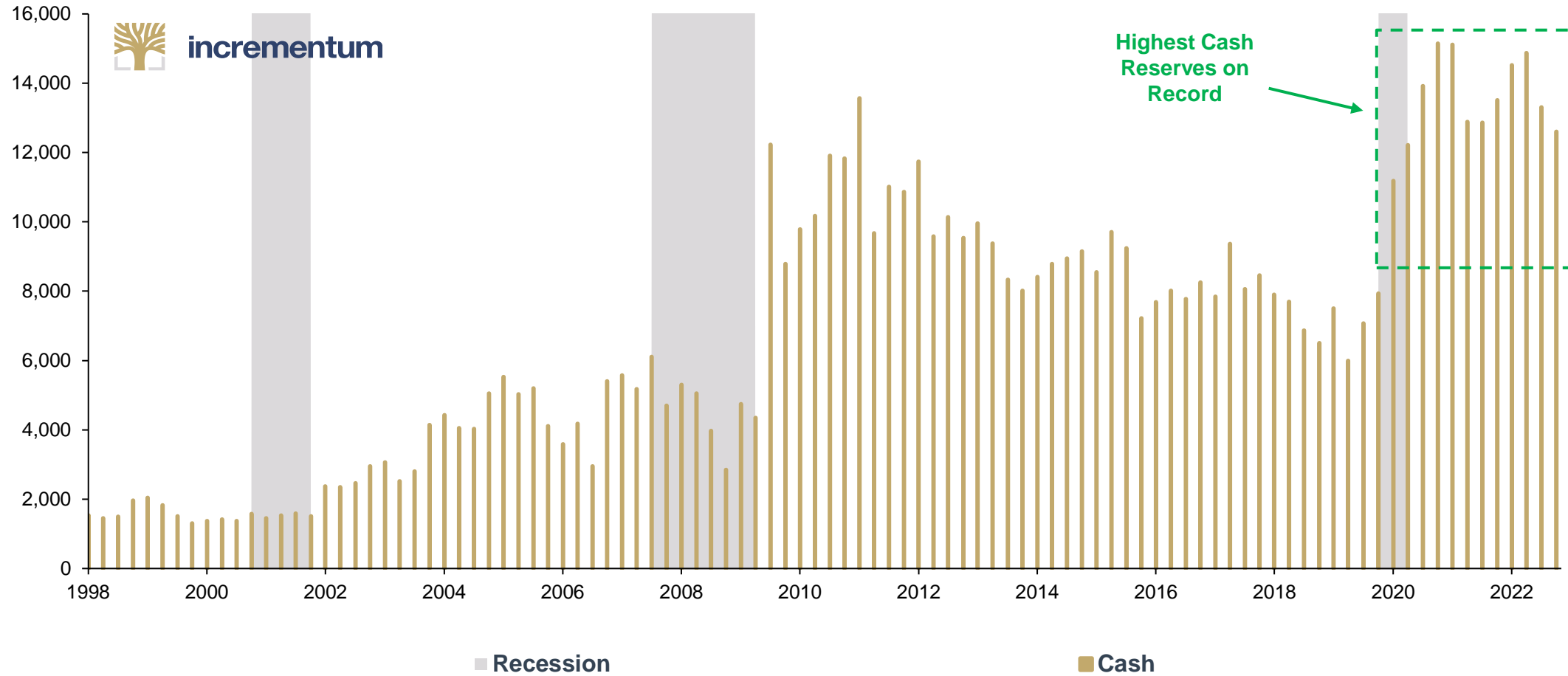
Gold and HUI, 100 = 01/2000, 01/2000-09/2023



Source: Reuters Eikon, Incrementum AG

Mining Companies Are Swimming In Cash...

Aggregate Trailing 12 Month Cash for Top 50 US and Canadian Gold and Silver Miners by Market Cap, in USD mn, Q1/1998-Q4/2022



Source: Crescat Capital, Reuters Eikon, Incrementum AG

Risk Off Sentiment Prevails In The Mining Sector!

Ranking: #1 Gold, #2 GDX, #3 GDXJ

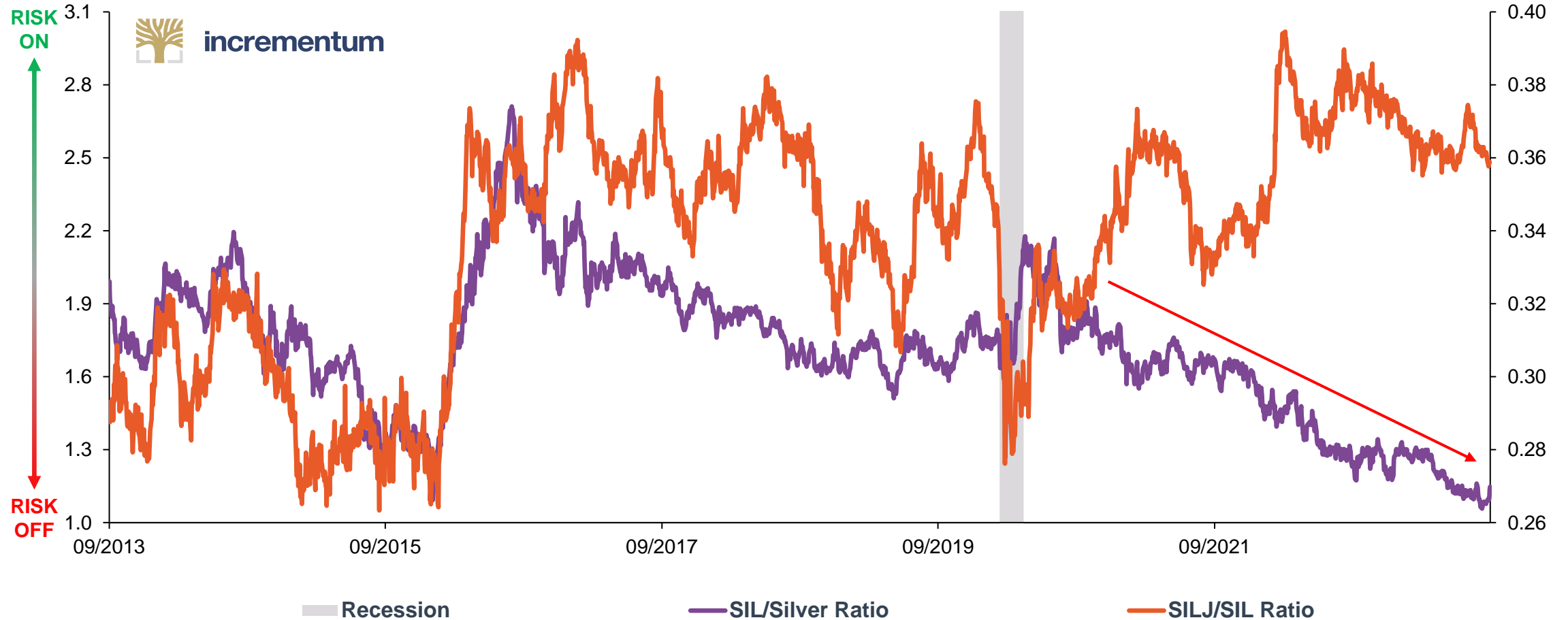
GDX/Gold Ratio (lhs), and GDXJ/GDX Ratio (rhs), 09/2013-09/2023



Source: Reuters Eikon, Incrementum AG

Also For Silver, Bullion Remains The #1! But Juniors Have Seen Worse Times In The Past

SIL/Silver Ratio (lhs), and SILJ/SIL Ratio (rhs), 09/2013-09/2023



Source: Reuters Eikon, Incrementum AG

Silver Is Lagging Behind Gold In Bullion But Much More In Mining Terms!

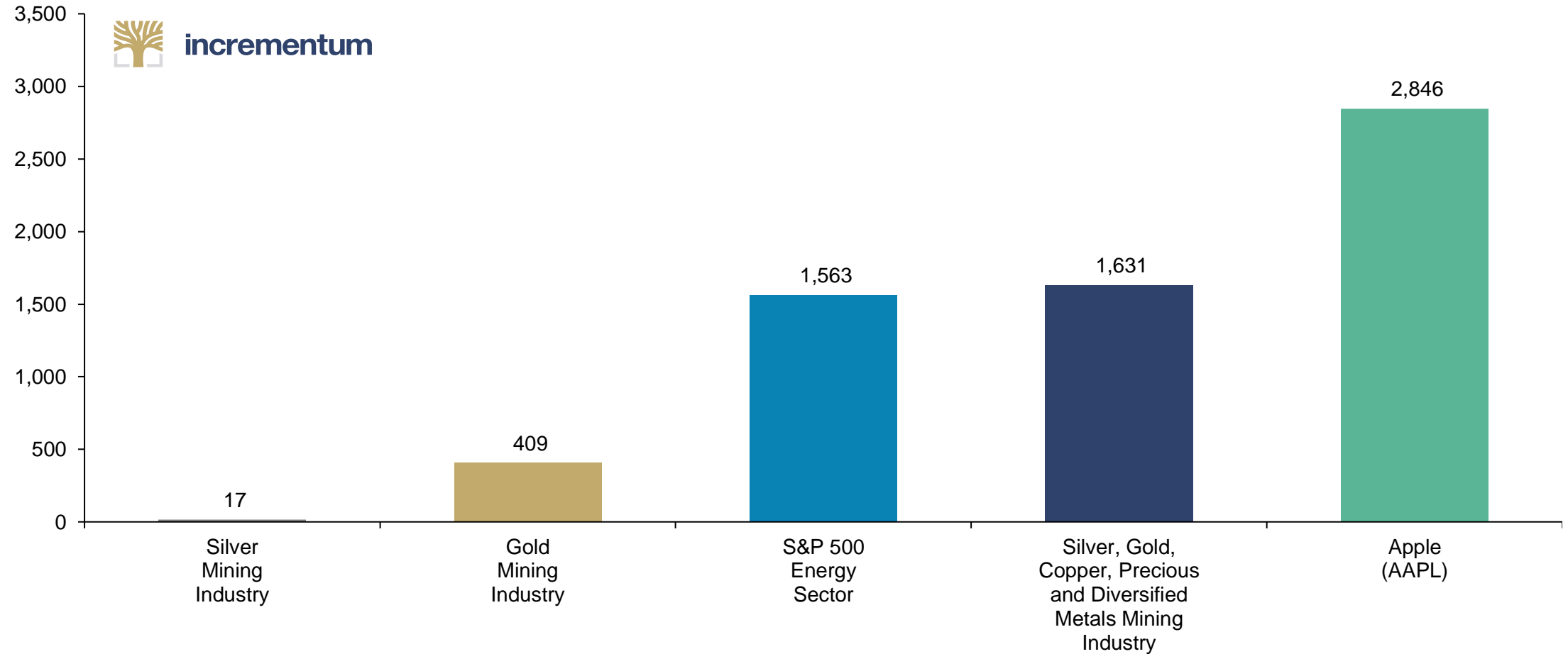
Silver/Gold Ratio (lhs), and SIL/GDX Ratio (rhs), 09/2013-09/2023



Source: Reuters Eikon, Incrementum AG

The Precious Metals Industry Remains Very Small With Silver Mining Hardly Visible!

Market Capitalization, in USD bn, 09/2023



Source: Reuters Eikon, Incrementum AG

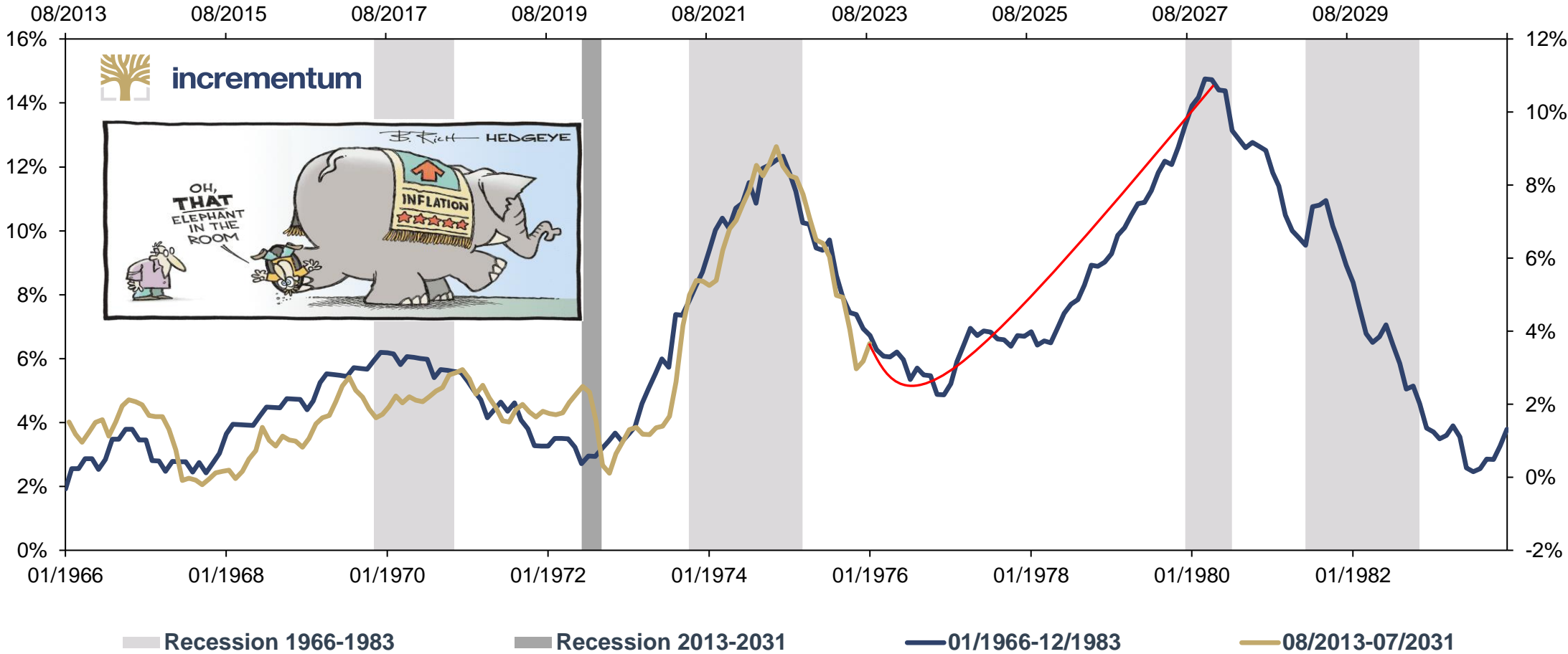
5. Quo Vadis?

*“Bad dreamer, what’s your name?
Looks like we’re ridin’ on the same train
Looks as though there’ll be more pain
There’s gonna be a showdown.”*

Electric Light Orchestra “Showdown”

Does The Mixture Of Geopolitical Tensions And Structural Inflation Drivers Lead To A New Wave Of Inflation – One That Once Again Escapes Everyone’s Radar?

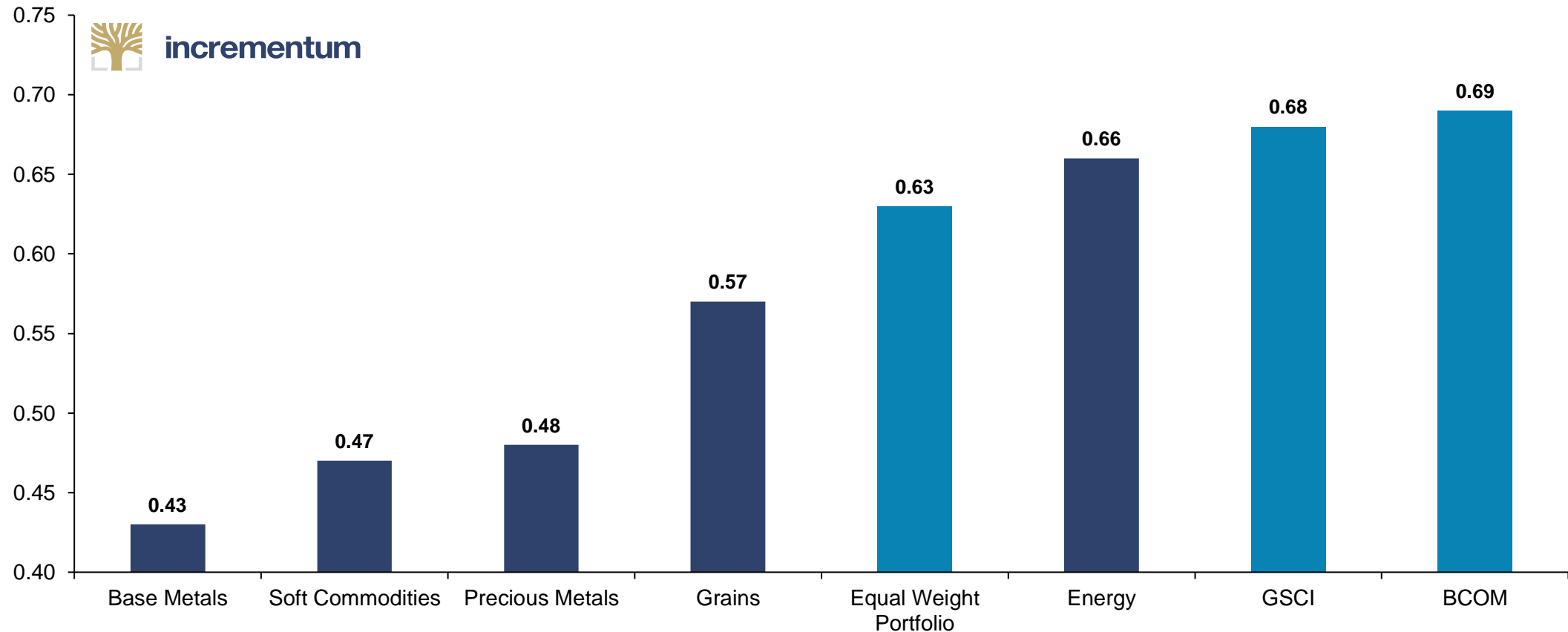
US CPI, yoy, 01/1966-12/1983 (lhs), and 08/2013-07/2031 (rhs)



Source: Andreas Steno, Reuters Eikon, Incrementum AG

2022 Has Demonstrated That Traditional Portfolios Do Not Withstand A Highly Inflationary Environment. Commodities Provide The Solution!

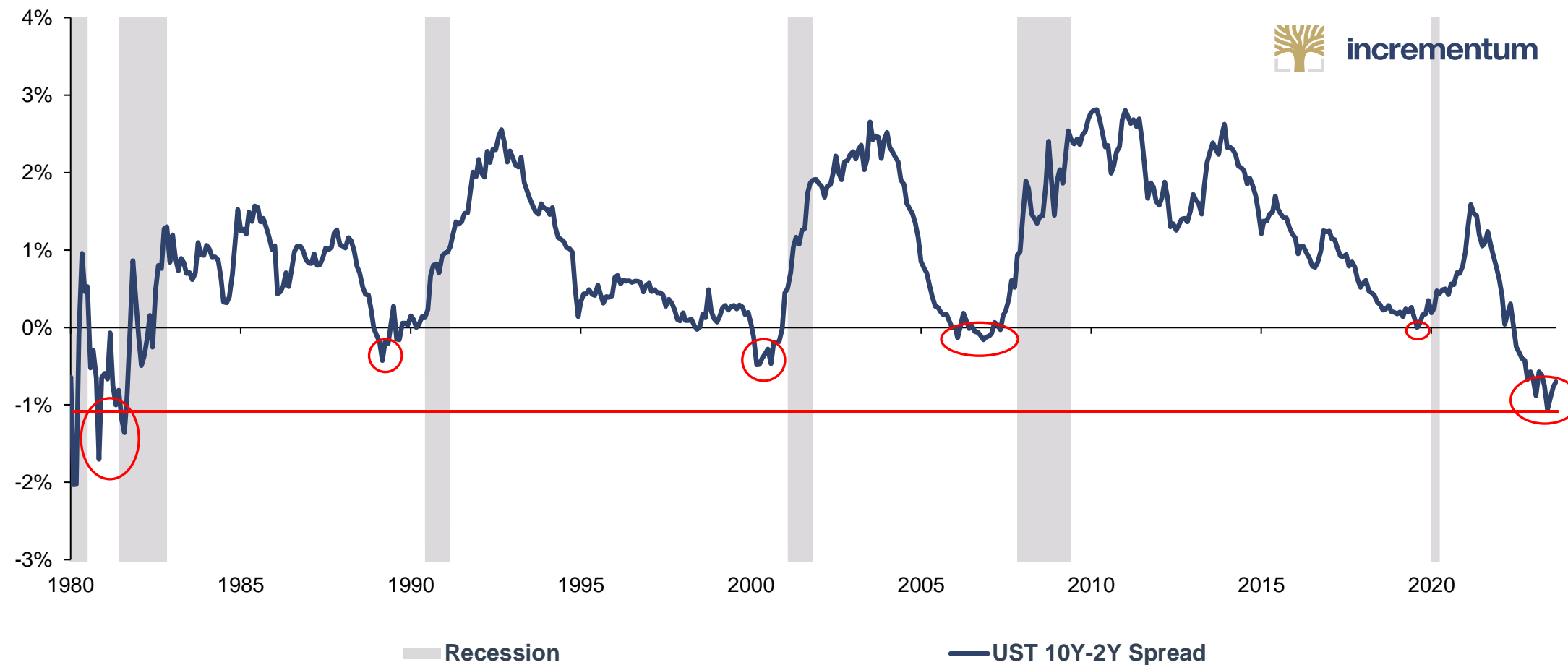
Inflation Sensitivity, 01/1972-12/2021



Source: Reuters Eikon, Incrementum AG

Yield Inversions Go Hand In Hand With Recessions...Currently We Are Experiencing The Most Inverse Yield Curve Since The 80s!

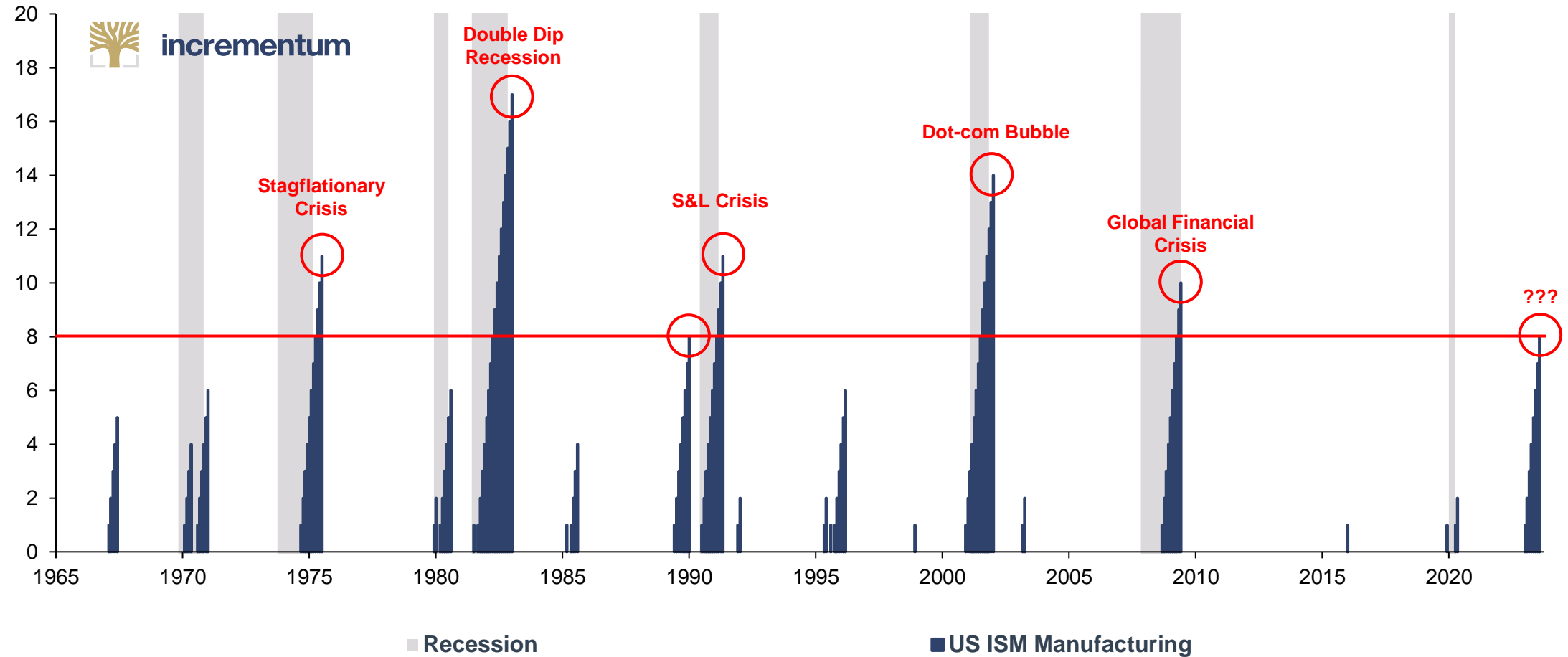
UST 10Y-2Y Spread, 01/1980-09/2023



Source: Reuters Eikon, Incrementum AG

The ISM Has Been Below 48 For 8 Months In A Row!

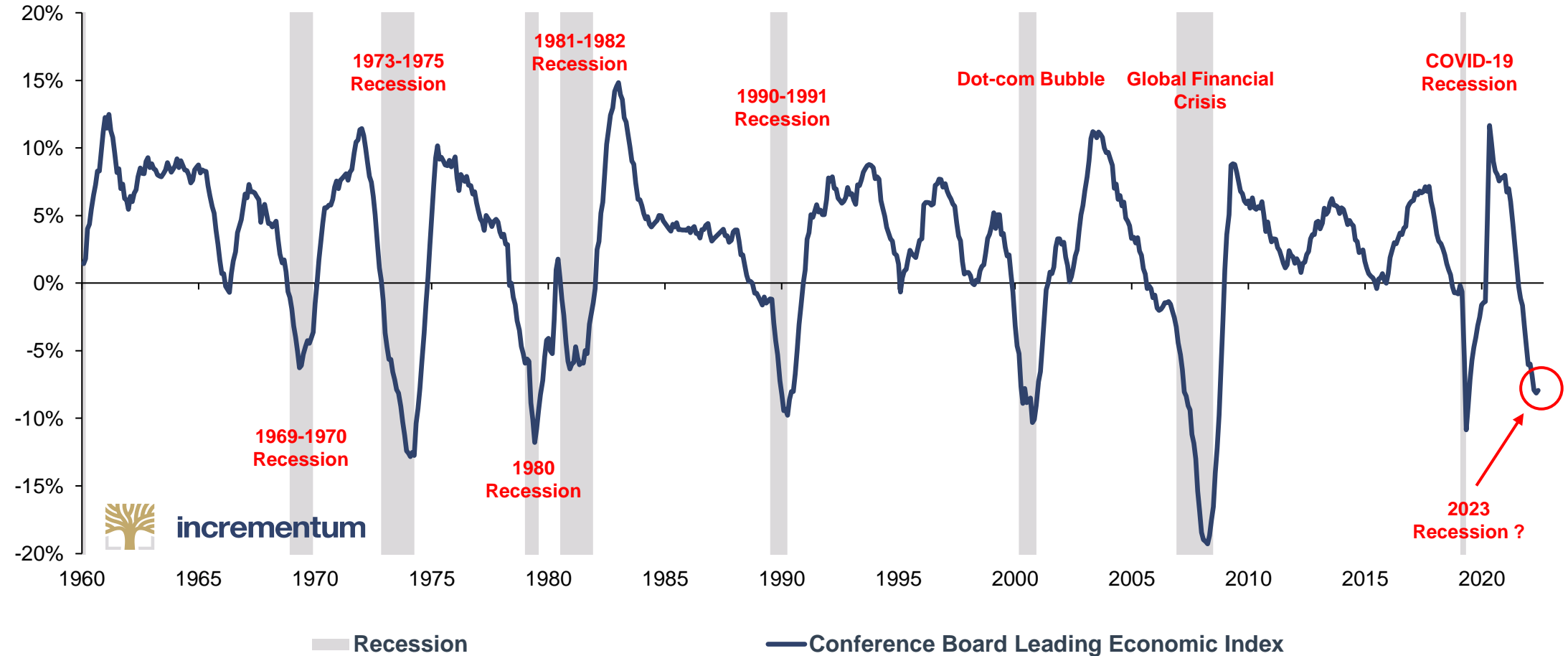
US ISM Manufacturing, Number of Consecutive Months Below 48, 01/1965-08/2023



Source: Tavi Costa / Crescat Capital, Reuters Eikon, Incrementum AG

Is The USA Slowly Sliding Into A Recession, Or Are We Witnessing The First Exception In The 70-Year History Of The LEI Indicator?

Conference Board Leading Economic Index (LEI), yoy, 01/1960-08/2023



Source: Reuters Eikon, Incrementum AG

Gold Remains Unexpensive

Comparison of various Macro- and Market Key Figures at Gold ATH in 1980, 2011 and Currently

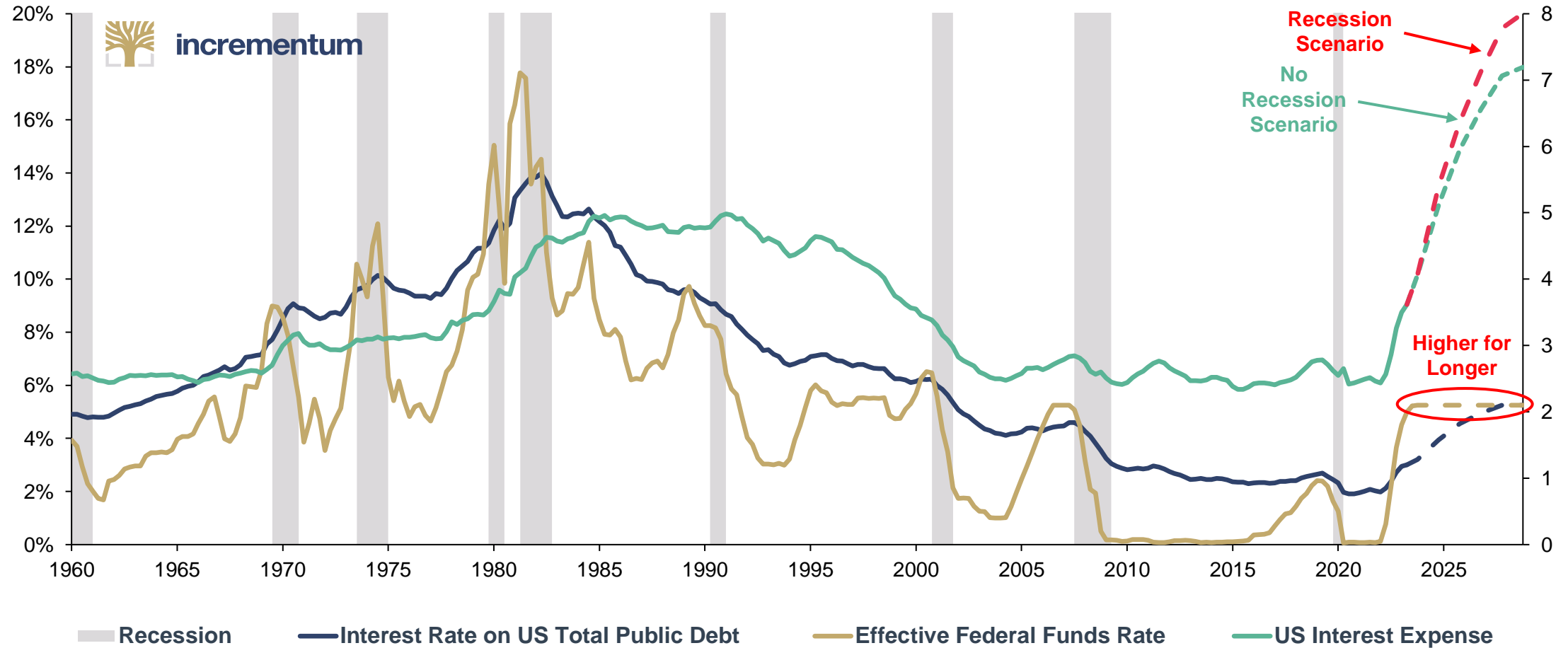
	1980	2011	Current
Gold Price in USD	835	1,900	1,875
Monetary Base in USD bn	157	2,637	5,517
M3 Supply in USD bn	1,483	9,526	20,903
US Federal Debt in USD bn	863	14,790	33,102
US GDP per Capita	12,303	50,056	79,991
US Median House Price in USD	63,700	228,100	416,100
S&P 500	111	1,174	4,276
US Unemployment Rate in %	6.3	9.0	3.8
USD Index	86.1	75.2	106.4

Source: treasury.gov, Federal Reserve St. Louis, Reuters Eikon (as of 09/27/2023), Incrementum AG,



Potential Scenarios Of “Higher for Longer” Policy Implications On US Interest Expense

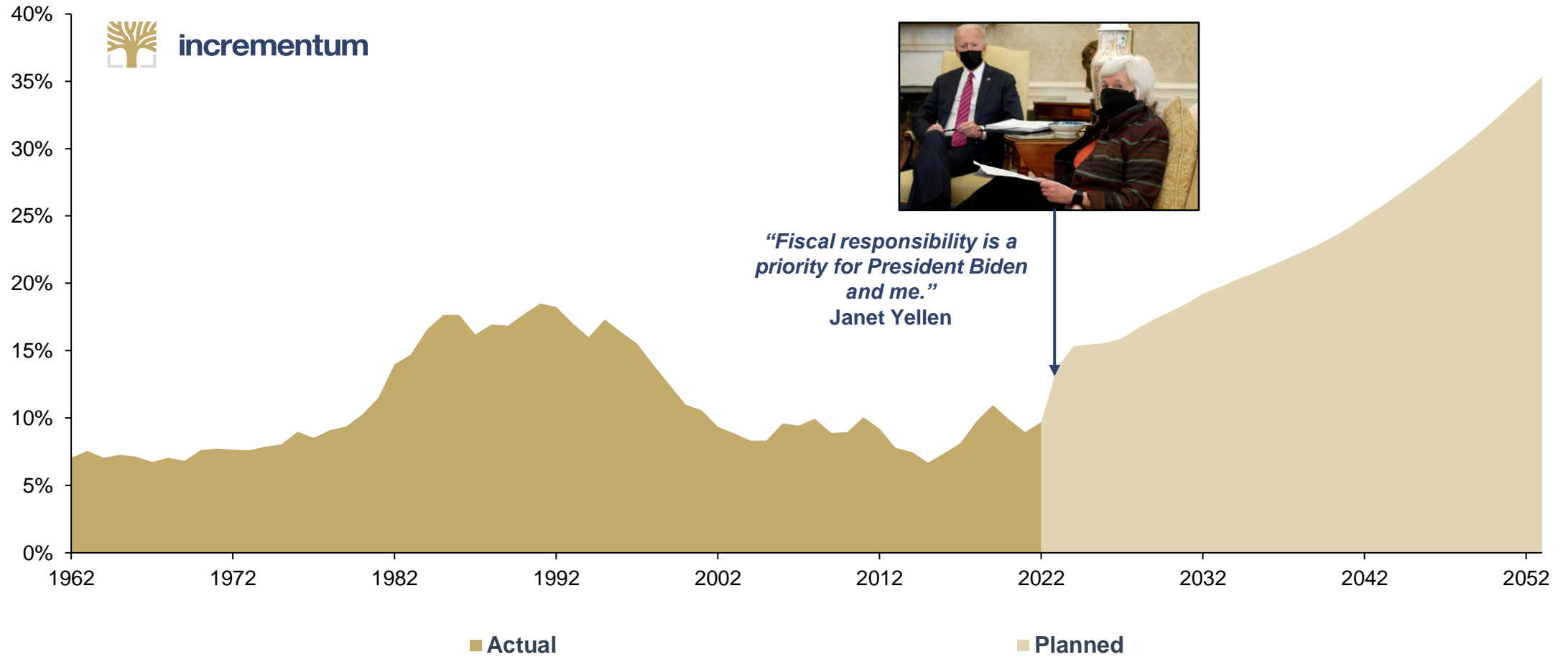
Interest Rate on US Total Public Debt and Effective Federal Funds Rate (lhs), and US Interest Expense, as % of US GDP, Q1/1960-Q4/2028e



Source: CBO, Federal Reserve St. Louis, Reuters Eikon, Incrementum AG

It's The Debt, Stupid!

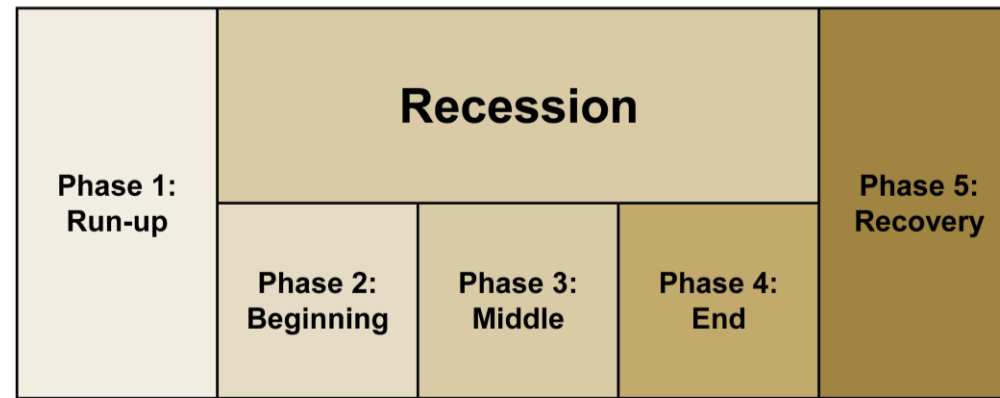
Net Interest Expenses, as % of Tax Revenues, USA, 1962-2053



Source: CBO, Incrementum AG

Which Assets Perform Well Before, During And After A Recession?

Incrementum Recession Phase Model and Average Asset Performance in the Incrementum Recession Phase Model



6 Months before Recession | First 3 Months of Recession* | Months between Phase 2 and 4** | Last 3 Months of Recession* | 6 Months after Recession

Asset	Recession	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
Gold	10.6%	10.9%	5.7%	2.9%	2.7%	2.6%
Silver	-9.0%	31.5%	0.8%	-10.9%	3.5%	17.4%
S&P 500	-5.3%	-2.8%	-6.0%	-13.2%	12.6%	8.6%
BCOM	-6.3%	6.4%	0.2%	-6.5%	-0.2%	5.0%
Mining Stocks	5.4%	8.9%	8.5%	-11.7%	8.3%	24.3%

Source: Incrementum AG

*For short recession periods less than 3 months

** For recession periods with 6 or less months no Phase 3 is identified

Gold Stands Out And Offers Positive Performance Characteristics During Recessions

Gold Performance in the *Incrementum Recession Phase Model*

Date	Duration (Months)	Recession	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
01/1970-11/1970	11	6.6%	-14.5%	0.1%	1.7%	4.7%	8.9%
12/1973-03/1975	16	73.8%	-12.0%	60.8%	14.7%	-5.8%	-19.7%
02/1980-07/1980	6	-5.9%	120.1%	-20.7%	n/a	18.6%	-17.5%
06/1981-11/1982	18	-9.0%	-23.1%	-10.9%	-3.6%	6.0%	0.3%
08/1990-03/1991	8	-4.1%	-10.0%	2.6%	3.3%	-9.5%	-0.4%
04/2001-11/2001	8	6.4%	-5.9%	5.0%	1.3%	0.0%	19.0%
01/2008-06/2009	18	11.1%	28.4%	9.9%	0.2%	0.9%	18.3%
03/2020-04/2020	2	6.0%	4.3%	-0.9%	n/a	6.9%	11.8%
Average	10.9	10.6%	10.9%	5.7%	2.9%	2.7%	2.6%
Median	9.5	6.2%	-8.0%	1.3%	1.5%	2.8%	4.6%

Source: Reuters Eikon, Incrementum AG

The Mother Of All Cup-and-Handle Formations? Target Price USD 2,700

Gold Cup-and-Handle Formation, in USD, 01/2000-09/2023



Source: Reuters Eikon, Incrementum AG

Summary

In Gold We Trust Report 2023

- **Monetary policy emergency brake now exposes misallocations during zero and low interest rate environment.**
- **Both Austrian Business Cycle Theory and financial market empiricism argue for a recession.**
- **Monetary Policy Showdown: tightening expected to be discontinued soon due to economic downturn.**
- **Inflation occurs in waves. Recession has disinflationary effect, further wave of inflation likely in medium-term.**
- **Geopolitical Showdown: Central banks play an ever-greater role for gold**
- **Within 12 Months: Gold price > USD 2,300, based on our base scenario of an approaching recession.**
- **Long-Term Price Target 2030: USD 4,800 confirmed, corresponds to approximately 12.5% p.a.**



Addendum

Because we care...

*About our Clients.
About the Society.
About the **Future.***

About Incrementum

- **Incrementum AG** is an owner-managed and fully licensed asset manager & wealth manager based in the Principality of Liechtenstein.
- Independence is the cornerstone of our philosophy. The partners own 100% of the company.
- Our goal is to offer solid and innovative investment solutions that do justice to the opportunities and risks of today's complex and fragile environment.

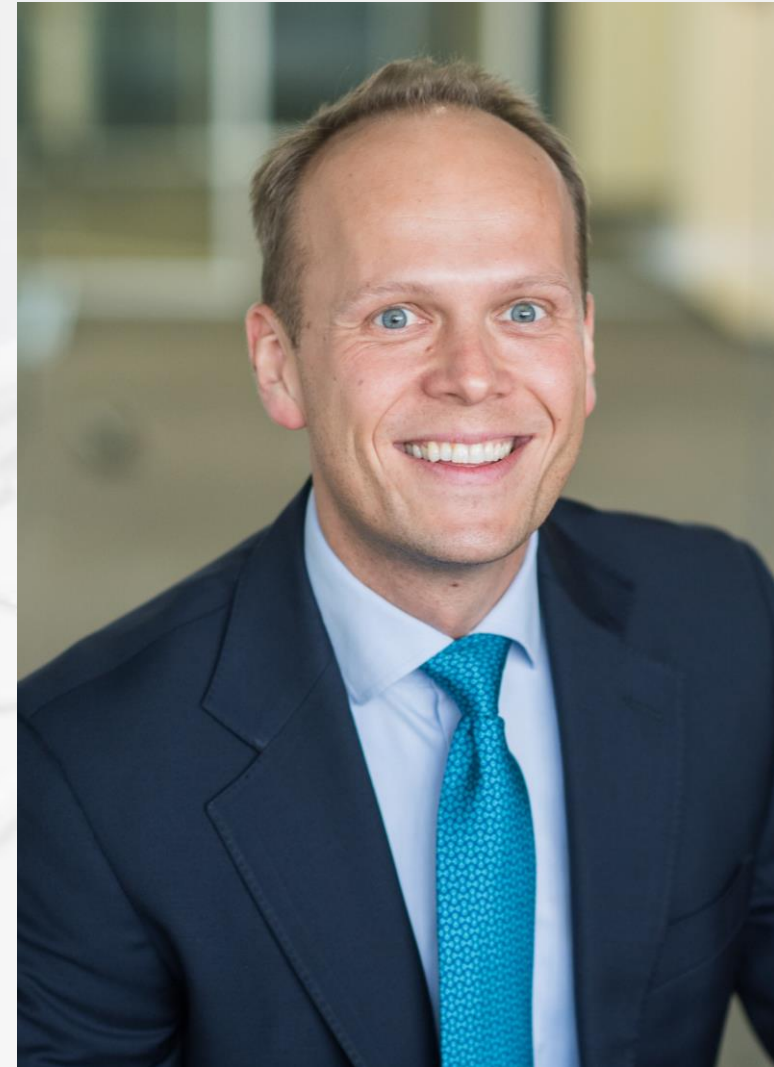


The 5 partners of Incrementum AG

Mark J. Valek, Dr. Christian Schärer, Ronald-Peter Stöferle,
Stefan Kremeth and Hans Günter Schiefen

About Ronald-Peter Stöferle

- **Managing Partner of Incrementum AG
Research and Portfolio Management**
- Business Administration and Finance studies in Vienna and at the University of Illinois
- Chartered Market Technician (CMT) and Certified Financial Technician (CFT)
- Erste Group Research 2006 – 2012
- Fund manager
 - Incrementum Inflation Diversifier Fund
 - Incrementum Digital & Physical Gold Fund
 - Incrementum Crypto Gold Fund
- Since 2007 **Author of the *In Gold We Trust* Report**
- Publication of the bestsellers "Austrian School for Investors" (2014) and "The Zero Interest Trap" (2019)
- Member of the Board of Directors of Tudor Gold (TUD) and Goldstorm Metals (GSTM)
- Advisor at Matterhorn Asset Management / Gold Switzerland



About Mark Valek

- **Partner of Incrementum AG
Portfolio Management and Research**
- Business Administration and Finance studies in Vienna
- Chartered Alternative Investment Analyst (CAIA) and Certified Portfolio Manager (CPM)
- Raiffeisen Central Bank 1999-2001
- Merrill Lynch 2001-2002
- Raiffeisen Capital Management 2002 – 2012
- Fund manager
 - Incrementum Inflation Diversifier Fund
 - Incrementum Digital & Physical Gold Fund
 - Incrementum Crypto Gold Fund
- Since 2013 **Author of the *In Gold We Trust Report***
- Publication of the bestseller "Austrian School for Investors" (2014)
- Founder Philoro Edelmetalle GmbH



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Detailed study on gold and gold-related capital market developments.

 **Critical**


Critical consideration of all relevant events.

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Recognized in more than 60 nations.

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- ✓ Extensive annual study of gold and gold-related capital market developments
- ✓ Critical analysis and holistic approach
- ✓ Reference work for everybody interested in gold, precious metals and mining stocks
- ✓ Extent 2020: More than 300 pages
- ✓ International recognition – newspaper articles in more than 60 countries (Wall Street Journal: "The Goldstandard of Gold Analysis")
- ✓ Available in a Compact and Extended version
- ✓ Obtainable in English, German and Chinese
- ✓ Published for the 14th time in 2019

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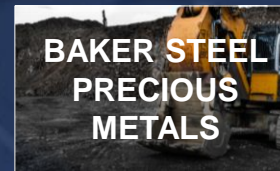
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Our Funds

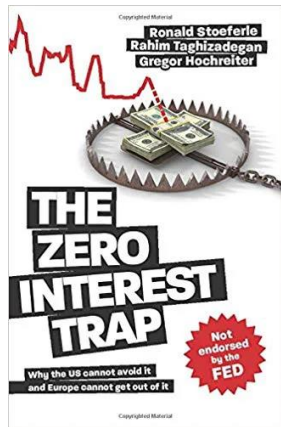
It is our goal to offer investment products for these times of excessive structural debt and negative real interest rates that meet the requirements of the new investment paradigm.

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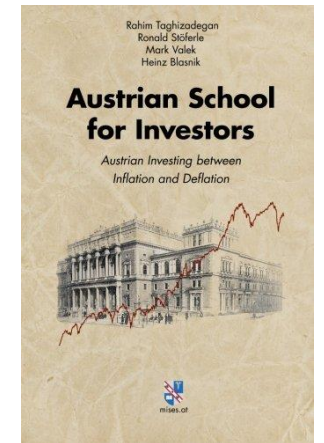
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In Our Partners We Trust



Premium Partners

Agnico Eagle

Agnico Eagle is a senior Canadian gold mining company, and third-largest gold producer in the world, with operating mines located in Canada, Australia, Finland and Mexico, as well as exploration and development activities in these countries and the United States.



Asante Gold

Asante Gold has developed its 400,000 oz per year production profile through organic growth and focused acquisitions. We believe in responsible development and strive to be Ghana's foremost gold producer and employer of choice.



Aurion Resources

Aurion is a well-funded, Canadian explorer operating in an emerging major gold camp in Finland's Central Lapland. The Company is making new discoveries on its Flagship Risti and Launi projects, and JVs with B2Gold and Kinross.



Caledonia Mining

Caledonia Mining is a profitable, dividend-paying gold miner, with a strong growth profile; since November 2021 has acquired Maligreen, Motapa and Bilboes. Its vision is to become a Zimbabwe focused multi-asset gold producer.



Premium Partners

Dakota Gold

Dakota Gold (NYSE American: DC) is a South Dakota-based responsible gold exploration and development company with a specific focus on revitalizing the Homestake District of South Dakota.



EMX Royalty

EMX has a 20-year track record of smart deals. With more than 300 royalties and investments, EMX looks forward to a bright future with diversification into gold, copper, battery metals, strong partners like Franco Nevada, and rapidly increasing cash flow.



Endeavour Mining

As a leading global gold producer and largest in West Africa, Endeavour is committed to the principles of responsible mining and delivering sustainable value to all stakeholders. Endeavour is listed on the LSE and TSE under the symbol EDV.



Endeavour Silver

Endeavour Silver is a mid-tier precious metals mining that owns two underground, silver-gold mines in Mexico, and has a compelling pipeline of exploration and development projects to facilitate its goal to become a senior silver producer.



Premium Partners

Gold Switzerland

MAM is a global leader in the acquisition and storage of gold, providing investors direct personal access to the biggest and safest private gold vault in the world, located in the Swiss Alps. We offer unique and exceptional personal service and advice to our clients.



Hecla Mining

Hecla Mining Company (NYSE: HL) is the largest primary silver producer in the United States and the fifth largest gold producer in Quebec. Hecla is also the third largest US producer of both zinc and lead.



Karora Resources

Karora is TSX-listed gold miner (TSX: KRR) with operations in the tier 1 jurisdiction of Western Australia. Karora has a proven management team and is growing production to 170-195 koz by 2024.



Minera Alamos

Minera Alamos is a new gold producer going through the ramp up of its first gold mine with commercial production expected in 2022. Specializing in low capex builds the Minera model remains insulated from inflationary pressures.



Premium Partners

Münze Österreich

Internationally renowned for its precious metal processing, Münze Österreich AG produces Austria's circulation coins, Vienna Philharmonic bullion coins in gold, platinum and silver, and gold bars.



New Zealand Bullion Depository

Our mission is to provide the best in gold bullion storage, with unparalleled service and discretion. Your gold is allocated, segregated and secured in our purpose-built world class New Zealand facility, giving you secure peace of mind.



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philoros is one of the market leaders in Europe in the field of precious metals trading and your reliable partner for investments in gold and silver, platinum and palladium.



Reyna Gold

Reyna Gold is focused on district-scale exploration on the major gold belts in Mexico, with a property portfolio of over 57,000 hectares, a world class exploration team and proven management team.



Premium Partners

Flexgold

Flexgold is the smart way to invest in physical precious metals, as flexible and simple as never before. With flexgold, SOLIT sets the gold standard for trust, security and transparency.



Sprott Asset Management

Sprott is a global asset manager providing investors with access to leader in precious metals and energy transition investments.



TUDOR GOLD

TUDOR GOLD Corp. is an Exploration company in the Golden Triangle region in B.C., Canada, which is advancing the Treaty Creek project that hosts a mineral resource of 23.4 Moz AuEQ (Indicated) plus 7.4 Moz AuEQ (Inferred).



Victoria Gold

Victoria Gold (“VGCX”) is Leading Yukon’s New Gold Rush. As at 31Dec22 the Eagle Gold mine Reserve is 2.6 m oz Au (124 m tonnes grading 0.65 g/t), and is open at depth and along strike. Exploration priority targets include Raven and Lynx.



Ximen Mining

Ximen Mining (TSX.V XIM) is focused on responsible development, sustainable mining and exploration of its precious metals properties in southern BC, Canada, as it advances its Kenville Gold mine.





incrementum

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