



ABC[®]
BULLION

A PALLION COMPANY



PRECIOUS METAL INVESTOR GUIDE

2023 EDITION



Gold Fun Fact 1

Australia is the world's second largest gold producer, having produced almost 3,500 tonnes of the precious metal, worth approximately AUD \$300 billion, since 2010. Only China, (4,877 tonnes), has produced more over the same time period.

Dear Investor,

Thank you for downloading the ABC Bullion Precious Metal Investor Guide. Gold and other precious metals like silver have long been trusted as assets investors can use to both build and just as importantly, protect hard-earned wealth.

This has continued in modern times, with gold and silver amongst the best performing assets of the new millennium.

Their strong performance over the past twenty plus years, combined with an economic backdrop that today includes the return of high inflation, the after-effects of the COVID-19 pandemic, bank failures and rising geopolitical concerns has seen interest in precious metals as an asset class skyrocket.

Indeed, many Australians are now looking to include precious metals in their portfolio for the first time.

ABC Bullion's Precious Metal Investor Guide contains two key infographic pages, focusing on the key reasons why investors are incorporating both gold and silver into their portfolio today. As well as answering the why, this guide also answers some of the frequently asked questions people have regarding how to invest in precious metals.

Whether you are a first time individual investor looking to protect your wealth, or a SMSF trustee looking to diversify, ABC Bullion has been Australia's specialist in physical precious metals since 1972.

We look forward to assisting you.

Jordan Eliseo



Jordan Eliseo
General Manager
ABC Bullion Australia

To discuss this report, please contact our sales and client service team on 1300 361 261 or email comms@abcbullion.com.au

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“For over 50 years, we’ve been trading and storing gold for our Australian clients. This guide details some of the key reasons people are investing in bullion today.

Jordan Eliseo, General Manager, ABC Bullion

Why Australian Investors are turning to Gold

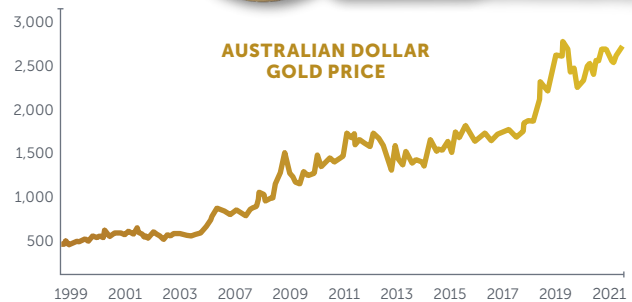
Gold has been the best performing asset of the new millennium, having outperformed shares and property since 2000. This outperformance looks set to continue going forward.



Long-term capital growth

Gold prices have risen from less than AUD \$500 to almost AUD \$3,000 per troy ounce since the turn of the century, as highlighted in the chart. That's a return of more than 500% in total, or more than 8.5% per annum, with an AUD \$20,000 investment made in 1999 growing in value to more than \$120,000 by the end of 2022.

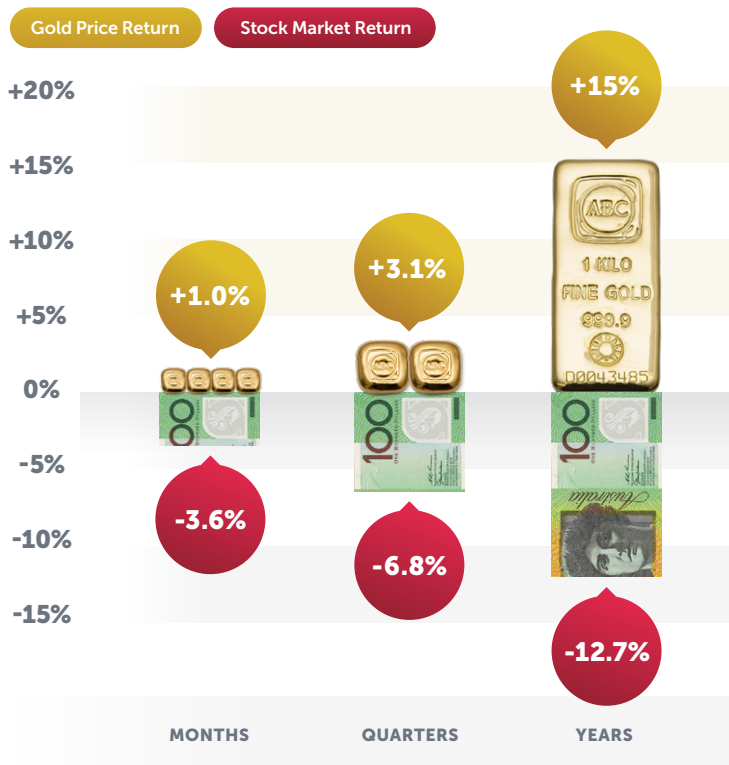
The gold price has outperformed all other mainstream assets over this time period, including Australian shares and property.



Source: World Gold Council

Protection when it is needed most

Gold has an excellent track record during periods when the share market is uncertain. This can be seen in the chart, which shows the average return for gold, and for the share market in the months, quarters and years that the share market falls in value.



Source: London Bullion Market Association, Yahoo Finance, ABC Bullion

Not only has gold risen strongly when share markets are volatile, it's also outperformed other safe havens like cash and bonds in the process.

Effective hedge against inflation

Gold has long been seen as a trusted hedge against inflation. This is unsurprising, given the fact that throughout history, it has formed the backbone of the monetary system, and to this day remains an important asset held by central banks.

World Gold Council research looking at data from the past fifty years found that in years that inflation was high (3% or more), the average return that gold delivered was 15% in USD terms. For Australian investors it was even better, with gold on average rising by more than 20% in years inflation was high.



High liquidity

One of gold's great attributes is how liquid it is. It can easily be turned into cash, with businesses like ABC Bullion both selling and buying gold to and from clients 24/7. On any given day, there is almost AUD \$200 billion in turnover in the global gold market. That's almost 30 times more turnover than there is on the Australian stock exchange, which helps visualise just how liquid gold is.

Outperformer when interest rates are rising

Gold tends to thrive in periods interest rates are rising, especially if inflation is also high. This can be seen in the table below, which highlights four periods in the past five decades that rates have risen, and how well gold has performed.

Time Period	Interest Rate Increase	Gold Price Move
Jun 72 – Jul 74	+9.6%	+224%
Jan 77 – Apr 80	+13.0%	+292%
May 04 – Jul 07	+4.3%	+69%
Dec 15 – Jul 19	+2.2%	+34%

Source: St Louis Federal Reserve, London Bullion Market Association, ABC Bullion



Gold Products

Pooled Gold

Pooled gold can be bought either by specific weight (i.e. 1 oz) or in fixed dollar amounts (i.e. \$10,000). Traded 24/7, ABC Bullion offers free storage for pooled gold. Perfect for new investors, SMSF trustees, and other investors who want exposure to gold in their portfolio, but do not want to physically store the gold themselves.



ABC Bullion Gold Cast Bars

ABC Bullion's signature cast bar range includes products ranging in size from ½ ounce (currently selling for less than AUD \$2,000 per bar) all the way up to 400 ounces (worth more than AUD \$1 million each). Cast bars are the most cost effective bullion products to purchase.



Gold Coins

ABC Bullion offers a wide range of gold coins to invest in. Coins have long been a favoured way to own gold bullion, and suit investors wanting to own smaller denomination products.



Gold Minted Tablets

Minted tablets are products manufactured in size from as little as one gram, all the way up to 100 grams of gold (just over 3 ounces). These products are perfect for those looking to acquire small amounts of bullion at a time, or buying bullion as a gift, with minted tablets sold in a protective case.



5 Reasons

Why Australian investors should add **Silver** to their portfolio

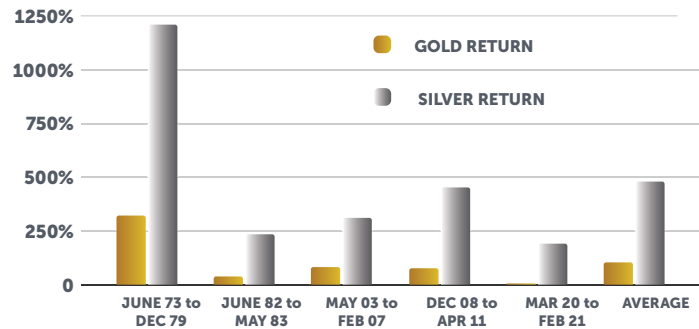
Silver could be the market leading precious metal in 2023, with multiple catalysts set to push prices higher.



Outperformance in precious metal bull markets

Silver tends to outperform gold in precious metal bull markets. This can be seen in the chart opposite, which shows the five largest precious metal bull markets of the last five decades. While gold prices more than doubled in these environments, the price of silver rose by almost 500% on average.

Source: LBMA, ABC Bullion



The best precious metal to hedge inflation

In high inflation environments, gold has delivered average annual gains of 15%. For silver, the number is 18% per annum, with protection against rising prices a key reason to include silver in a portfolio.

Correlation to rising stock market

Silver has varied sources of industrial demand. This means silver often performs well when the economy is growing, and the stock market is rising. This can be seen in the chart opposite, which shows the performance of stocks, gold, and silver, in years the stock market goes up.

Average return in years the stock market rises

Source: LBMA, ABC Bullion



Market indicators suggest silver remains undervalued

The Gold to Silver Ratio (GSR) measures how many ounces of silver are needed to equal an ounce of gold. The lower the GSR, the more expensive silver is relative to gold, while a higher the GSR indicates silver is undervalued relative to gold. The GSR ended 2022 at 76, suggesting silver remains extremely undervalued today.

Gold to Silver Ratio

Source: LBMA, ABC Bullion



76

GSR AT THE END OF 2022 (Silver undervalued)

16

MINIMUM GSR (Silver expensive)

5 Reasons

Why Australian investors should add **Silver** to their portfolio

Silver could be the market leading precious metal in 2023, with multiple catalysts set to push prices higher.



Trade flexibility

Because silver is cheaper than gold, it's easier to spread a large sum of money across multiple products. For example, as at end of December 2022, 1-kilo of gold was worth just over \$86,000, while 1-kilo of silver was worth just over \$1,100. This also provides greater flexibility when it comes to eventual resale.

A \$100K INVESTMENT COULD EQUAL



1KG OF GOLD

OR

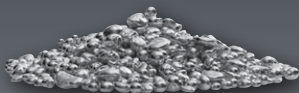


88 x 1KG OF SILVER

ABC Bullion is Australasia's leading precious metals and bullion specialist



Products



POOLED SILVER



1KG SILVER BARS



5KG SILVER BARS



SILVER COINS

Pooled Silver

Pooled silver can be bought either by specific weight (i.e. 1 kilo) or in fixed dollar amounts (i.e. \$10,000). Traded 24/7, ABC Bullion offers free storage for pooled silver. Perfect for new investors and SMSF trustees.

5kg Silver Bars

The largest investment grade cast bar in the ABC Bullion product range, these bars are particularly popular with those looking to make a large investment into precious metals.

1kg Silver Bars

Our signature cast bar and best seller, 1kg ABC Bullion Cast Bars come with individual serial numbers and assay certificates, guaranteeing metal weight, purity and origin.

Silver Coins

ABC Bullion offers a wide range of investment grade silver coins, from our very own Eureka range, to Maple Leafs, Britannias and Krugerrands. Perfect for those wanting to own precious metals in coin form.

ABC Bullion Gold Saver

The ABC Bullion Gold Saver is a direct debit physical gold and silver accumulation plan, which allows any Australian to become a gold investor with as little as \$50 per month.

It is an Australian first, having first been launched by ABC Bullion back in 2016. Since then, tens of thousands of clients have used this product, investing more than AUD \$50 million into the product in that time.

Australian investors are increasingly attracted to this product as it allows them to dollar cost average into physical bullion, rather than investing in a lump sum.

Product Features Include:

- ▶ Option to build savings in physical gold, silver, or both
- ▶ Ability to invest in regular instalments (weekly, fortnightly, or monthly)
- ▶ Transparent pricing - transactions occur at 5pm AEST on each business day
- ▶ No activation fees or cancellation fees
- ▶ No ongoing storage fees
- ▶ Ability to track the value of your gold and silver holdings online 24/7
- ▶ Option to make Top Up payments to accelerate your gold and silver holdings
- ▶ Easy to trade - you can sell your gold and silver back to ABC Bullion at any time
- ▶ 100% back by externally audited metal positions held by ABC Bullion and its related bodies corporate

To learn more about this unique product, access the [ABC Bullion Gold Saver Brochure](#).

Gold Fun Fact 2

The last Australian to win a real physical gold medal at the Olympics was Sarah Frances "Fanny" Durack. She won the 100m freestyle in Stockholm, Sweden, way back in 1912. The medal Durack received weighed 24 grams and was worth about USD \$15 when she won it. Today, it would be worth closer to USD \$2,000.



Why Choose ABC Bullion?

Gold Fun Fact 3

The chemical symbol for gold is 'Au'. It is derived from the Latin word aurum meaning "shining dawn" and from Aurora, the Roman goddess of the dawn. Around 50 B.C., Romans began issuing gold coins, which they called the Aureus.



Established in 1972

Trading continuously since 1972, ABC Bullion is a cornerstone of the Australian physical precious metal market.



Highly Accredited

ABC Bullion products are made at the LBMA, SGE and CME Group accredited ABC Refinery.



Major Distributor

Distributors for major global mints such as the Royal Australian Mint, Royal Canadian Mint, The Royal Mint (UK), South African Mint and PAMP.



24 Hour Trading

Buy and sell precious metals twenty-four hours a day, and track the value of your portfolio online.



Wide Variety of Products

Wide range of products including bar, coin and pool allocated precious metals, perfect for SMSF investment.



Protection

All metals stored by ABC Bullion are independently audited and fully insured.



ABC Bullion Gold Saver

Access ABC Bullion Gold Saver, Australia's first savings account for real gold and silver.



Live Pricing

Live pricing on gold, silver, platinum and palladium, as well as daily email updates and market information.



Storage Solutions

Range of allocated storage solutions including private vaulting via Custodian Vaults.



Frequently Asked Questions

This section contains answers to some of the key questions we are asked by clients regarding investing into physical bullion, which we hope you find useful. If you would like to discuss these or other questions related to investing in precious metals, please contact us on 1300 361 261 or via email at comms@abcbullion.com.au. The ABC Bullion team will be happy to assist you.

What is the spot price?

The spot price is the current trading price for precious metals like gold and silver, which we use as a benchmark for our pricing. The spot price is based on wholesale trade of bullion, which is typically in tens of millions of dollars at a time. It doesn't take into account the cost of making the metal into coins or bars, transporting it, storing it or retailing to the investor.

What is the purity of physical gold and silver bars and coins?

To be classified as an investment grade physical gold bar, coin or minted table, the product must be at least 99.95% pure. For silver, the minimum purity is 99.90%. All bullion products sold by ABC Bullion are sourced direct from our internationally accredited ABC Refinery and other accredited manufacturers, and either meet or exceed investment grade standards.

Why are the selling and buy back prices different?

The difference between our sale and our buy back price is called a spread. The spread allows for different trading and handling costs associated with us selling and buying precious metals. Like any trader, we make a small margin on sales of bullion, and we make a small margin on the bullion we buy back.

Can ABC Bullion store precious metals for me?

Yes. ABC Bullion stores physical gold and silver for tens of thousands of clients. Through our sister company Custodian Vaults, we can also provide safety deposit boxes which clients can use to store precious metals as well as other valuables like cash and jewellery. We also offer pool allocated bullion, which comes with free storage.

Is bullion stored with ABC Bullion independently audited?

Yes. All precious metals stored with ABC Bullion, either in Pool Allocated, Secure or Premium storage are externally audited bi-annually.

How often will my bullion be valued?

Bullion valuations are available online twenty-four hours a day. ABC Bullion also emails a quarterly valuation to clients with metal in storage, so as a minimum, you will receive four updates a year.

Do I have to prepay for bullion purchases?

No, there is no need to prepay. You order your metal first, either online, over the phone, or in one of our offices in Sydney, Perth, Melbourne or Brisbane. Once you've locked in your order, you will receive an invoice which you can arrange payment for via EFT, BPAY, credit card, or cheque. If you are in one of our offices, you can also pay cash, subject to a limit of AUD \$5,000 per client per day.

How easy is it to sell bullion and how long does payment take?

Selling can be done either online 24/7, via a phone call, or in our offices. ABC Bullion will repurchase any metals we store instantly. ABC Bullion will make payment to your designated bank account with funds typically received within two business days. Please note that for all first-time sales, ABC Bullion will call you to verify your bank account details, prior to processing payment.

Can I pick my bullion up or have it delivered to me?

Yes. Any products purchased through ABC Bullion can either be collected from our offices in Sydney, Perth, Melbourne or Brisbane. Alternatively, ABC Bullion can deliver metals anywhere in Australia. More information on our delivery fees can be found at [this link](#).

Can ABC bullion work with my financial adviser or my accountant?

Yes. ABC Bullion works with several leading financial advisory and accounting groups.

ABC Bullion Investor Centre

The ABC Bullion Investor Centre is Australasia's leading precious metals investment portal.

It contains a wealth of knowledge on the key factors influencing the physical gold and silver markets, as well as research into foreign exchange markets, interest rates, share markets, fixed income securities, cryptocurrencies, property and superannuation.

From investment guides, to weekly reports, podcasts, videos, webinars and media appearance, the ABC Bullion investor centre is the perfect place for Australian investors to stay up to date on all precious metal related news.

ABC Bullion's Investor Centre is headed up by ABC Bullion General Manager, Jordan Eliseo, and Global Head of Institutional Markets, Nick Frappell. Collectively, they have close to 60 years' experience in global precious metals, banking and wealth management markets.

Join the ABC Bullion Investor centre by visiting abcbullion.com.au/investor-centre and establish your precious metals investment account with ABC Bullion today.

Gold Fun Fact 4

ABC Bullion is the proud manufacturer of The Emirates Melbourne Cup, the race that stops the nation. The cup that goes to winner features three handles (one for the jockey, one for the trainer, and one for owner), and takes over 200 hours to manufacture. There is over 3 kilos of gold, worth more than AUD \$250,000 in each Melbourne Cup.



Jordan Eliseo
General Manager

Jordan Eliseo is a financial markets commentator and precious metals expert with more 25 years industry experience.

Jordan is the General Manager of ABC Bullion Australia, Australia's largest independent bullion dealer, and part of Pallion Group, the largest precious metal services group in Australia.

Prior to entering the bullion industry, Jordan worked at companies including JP Morgan Deutsche Bank and AMP Capital. He was also Head of Investment Analytics at Cazenove Capital in London where he was responsible for building risk and attribution models for hedge funds as well as equity, fixed income and multi-asset portfolios.



Nicholas Frappell
ABC Refinery, Global Head
Institutional Markets

Nicholas Frappell is Global Head of Institutional Markets for ABC Refinery.

Nick joined ABC Refinery in 2016 and drives international business development and structured finance.

Nick is an experienced precious metals spot and swaps trader who also has experience in developing business in Europe and Asia. Prior to working in Sydney, Nick worked in London, Tokyo, Singapore and Hong Kong. Nick has a Masters in Finance majoring in Economic Policy from the University of London, and a Diploma in Statistics from the Open University.

Nick gained a Distinction in the Diploma of Technical Analysis from the UK Society of Technical Analysts.

Nick is Chair of the LBMA membership sub-committee and the Gold Forum for the Minerals Council Australia. Nick also co-hosts the ABC Refinery 'Pod of Gold' podcast. Nick speaks widely at various domestic and international conferences as both keynote and panellist.



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