

## How much gold should be in the portfolio



It is no secret that gold belongs in a well-diversified portfolio. But how high the share should be is the question.

A rule of thumb that has been known for decades is that there should be five to ten percent gold in a portfolio. An extensive study by the investment strategy magazine *Fairvalue* questioned this rule. In short, if you trusted this rule of thumb, the results were not the best. In the study, a typical mixed portfolio of 60 percent global equities and 40 percent euro-denominated government bonds was added to with increasing amounts of gold. To do this, equity shares were swapped for gold. This resulted in 34 portfolio mixes and various investment periods between 1970 and October 2022, nearly 53 years of data for all three asset classes. In the process, 374 "cases" were calculated.

Without going into more detail on the sophisticated calculations (1565 investment periods were examined), it should be clear that the optimal portfolio mix cannot exist. Risk or return are personal factors. So which portfolio mixes were the best? Overall, the study suggests that a portfolio of 65 percent global equities and 35 percent gold performed promisingly.

When looking at volatility, it came out that it was on average about 20 percent lower with a gold blend. Portfolios with a mix of 35 percent equities, 25 percent gold and 40 percent euro government bonds also performed similarly well. The five-to-ten percent rule should be a thing of the past. What is important are the personal guidelines, age, risk appetite, investment horizon. In any case, gold does well, especially in the long

run. If you want to bet on gold and like leverage on the price, you should look at stocks of gold companies like Aurania Resources or Aztec Minerals.

**Aurania Resources** - <https://www.youtube.com/watch?v=sxywh9j1Cjw> - focuses on precious metals and copper in South America. Flagship project is The Lost Cities project in Ecuador, located in the Andes Mountains.

**Aztec Minerals** - <https://www.youtube.com/watch?v=rzWy9OYvJtE> - has the prospective Cervantes property in Mexico (gold and copper, just over 3,600 hectares) and the historic Tombstone properties in Arizona (gold, silver, zinc, lead).

Current corporate information and press releases from Aurania Resources (- <https://www.resource-capital.ch/en/companies/aurania-resources-ltd/> -).

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