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WORLD GOLD COUNCIL

Gold Investment Digest

October 2009

QUARTER 3 2009

Price trends

The gold price ended the third quarter at US$995.75/oz on the London PM fix, having breached the symbolic US$1000/oz level during the penultimate week of the quarter, and up from US$934.50/oz at the end of Q2 2009. The rally continued in early Q4 2009, with the gold price posting successive new records in the second and third weeks of the quarter. The latest record of US$1059.50/oz, on the London PM fix, was set on 14 October 2009.

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Investment trends

Gold exchange traded funds continued to grow in popularity during the third quarter, reaching yet another record in tonnage terms. Net long non-commercial and non-reportable positions on COMEX, a proxy for investor flows, rose to an all-time high of 27.58 million ounces at the end of September. GFMS report a strong pick up in buy-side activity in the OTC markets during September, after the usual summer lull, although not to the same extent as in the futures market.

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Market and economic influences

The combination of the strengthening global recovery and an unchanged policy stance by the world's major central banks heightened fears about future inflation and increased demand for gold as a store of value. The improvement in risk appetite also put more downward pressure on the dollar, as investors sold US Treasuries in favor of higher yielding assets overseas, increasing demand for gold as a dollar hedge. The dollar's woes were exacerbated by a UK newspaper report claiming that a number of countries were planning to stop using the dollar for oil trading in favor of a basket of currencies, including gold. Although the report was subsequently denied by various central bank and finance ministry officials, it re-focused investor attention on the dollar's role in the global trading and reserve system.

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Gold market trends

Preliminary reports on third quarter trends in India suggest that jewellery demand remained weak, although the upcoming wedding and festival season has resulted in some seasonal improvement. Reports from China continue to be more upbeat, while the US market is still being dominated by the cutbacks in discretionary purchases that have accompanied the economic downturn. Separately, the European Central Bank announced a third Central Bank Gold Agreement, lowering the annual sales ceiling to 400 tonnes from 500 tonnes. The bank said the agreement could also accommodate the planned IMF sales, if necessary.

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Key data

Our key data table provides you with a concise summary of gold returns, supply and demand statistics, price volatility and a correlation matrix covering gold, silver, commodities, equities and bonds.

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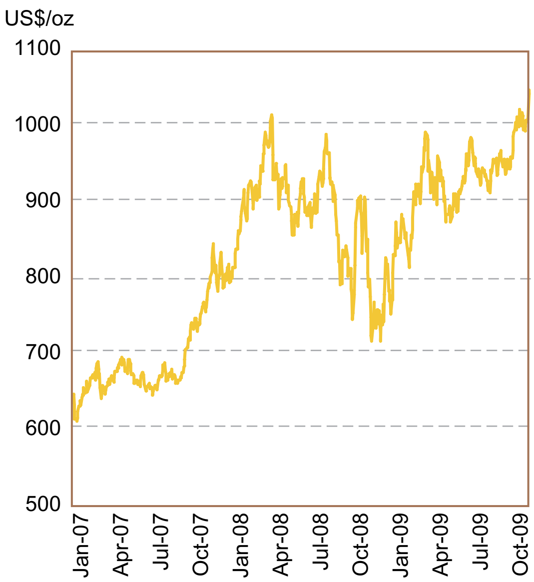
gold

PRICE TRENDS

The price of gold ended the third quarter, at US$995.75/oz on the London PM fix, having breached the symbolic US$1000/oz level during the penultimate week of the quarter, compared with US$934.50/oz at the end of Q2 2009. The rally continued in early Q4 2009, with the gold price posting successive new records in the first half of October. The latest record of US$1059.50/oz, on the London PM fix, was set on 14 October 2009.

Gold's strong performance during Q3 2009 and its continuing bull run at the time of writing was supported primarily by two factors: first, stronger economic activity and an unchanged policy stance by the worlds' major central banks (keeping benchmark rates at record low levels) led to an uptick in inflation fears and a rise in demand for gold as a store of value; and second, further dollar weakness, which increased demand for gold as a dollar hedge. The latter was exacerbated by reports in the UK that Gulf Arab States, along with China, Russia, Japan and France, were planning to stop using the dollar for oil trading in favour of a basket of currencies, including gold, although this was subsequently denied by various central bank and finance ministry officials.

Chart 1: Gold price (US$/oz), London PM fix

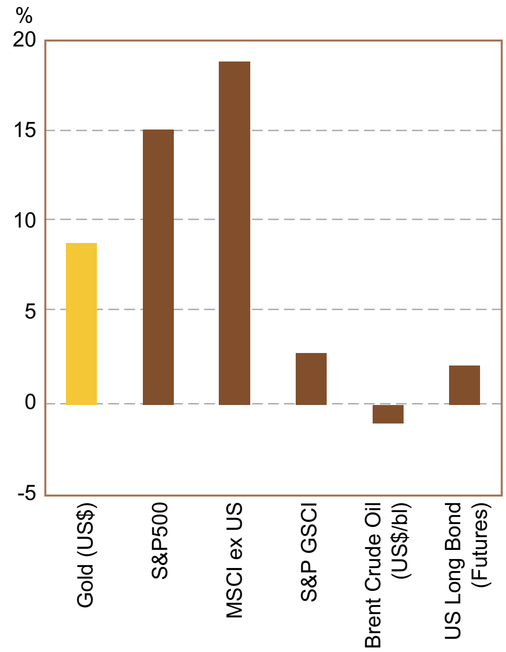


Source: Global Insight

Equities outperformed gold on a quarter-on-quarter basis. However, the yellow metal outperformed US bonds, oil, and the commodity complex in general in Q3. It also posted by far the strongest increase in year-on-year terms.

Stronger-than-expected earnings and positive surprises in most other economic indicators saw the S&P 500 climb by 15% over the quarter, to finish at 1057.08 by 30 September. International equities, as measured by the MSCI World ex US Index, rose by 18.7% to 1565.32 as the world economy showed continuing signs of recovery. On a year-on-year basis, the indices ended September down by 0.3% and 9.4% respectively.

Chart 2: Relative price performance Q3 2009/Q2 2009 (%)



Source: Bloomberg

Government bonds rallied slightly during the quarter, as bets that the Federal Reserve would keep the funds rate unchanged until late next year rose. Yields on the 10-year US Treasury note ended the quarter at 3.2%, from the 3.8% high in mid-August.

Demand for industrial metals continued to rise as the global recovery gathered pace, resulting in double-digit price growth, both on a quarter-on-quarter and year-on-year basis. Lead was the best performing of the commodities we regularly monitor, rising by 31.6% during the quarter, followed by zinc (23.1%), copper (20.1%), palladium (18.6%), and silver (18%). Energy performance

Commodities – Returns

	% QOQ	% YOY
Gold London PM fix	6.6	12.6
Silver	18.0	26.9
Palladium	18.6	48.6
Platinum	9.9	28.1
Aluminum	14.6	-22.7
Copper	20.1	-4.4
Lead	31.6	26.4
Nickel	8.3	10.0
Tin	1.0	-12.0
Zinc	23.1	16.0
Brent Oil	-3.0	-30.9
S&P GSCI	2.8	-25.6
S&P GS Agriculture spot index	1.3	-11.6
S&P GS Livestock spot index	-5.6	-15.7
R/J CRB Index	3.8	-24.7
DJ AIG Index	4.2	-23.9

Source: Global Insight, Bloomberg

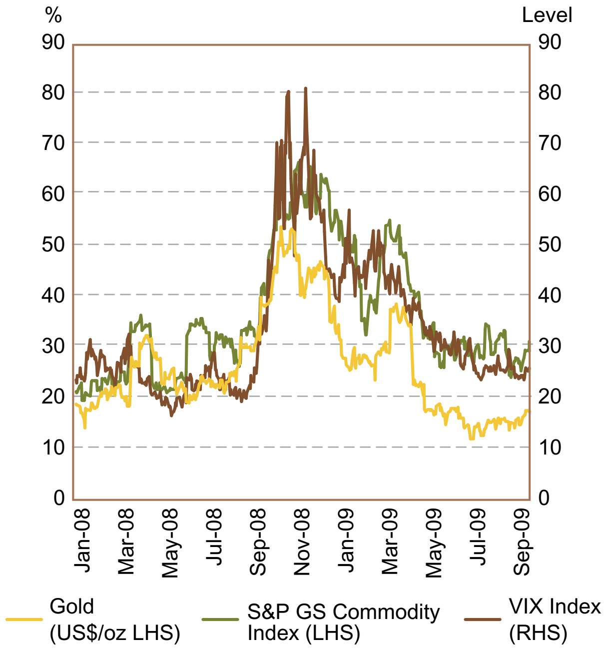
during the third quarter was less than stellar. Brent oil fell by 3% on a quarter-on-quarter basis, and it is still down 30.9% from previous-year levels.

Price Volatility

Market volatility continued its downward trend over the third quarter, albeit at a slower pace. While signs that the world slowdown bottomed out sometime during the first half of the year helped restore investors' confidence and kept price fluctuations in a range, market volatility is, in general, still higher than pre-recessionary levels. The VIX index, a market estimate of future volatility based on the weighted average of the implied volatilities of a wide range of strikes, averaged 25.5% in Q3 2009 down from 33% in the previous quarter. Nevertheless, the level of the VIX at the end of September was 24.3%, down only 2-percentage points from the end of June. Similarly, the average gold price volatility in Q3 2009 was 14.5% down from a 21.4% average during the previous quarter, measured on a 22-day rolling basis. However, by the end of September volatility was slightly higher, at 16.9% on a 22-day rolling basis, around 4 percentage points above its long-run average of 12.5%.

Gold remained the least volatile of the commodities that we monitor with the exception of the S&P GS Livestock Spot Index. For the second consecutive quarter, lead was

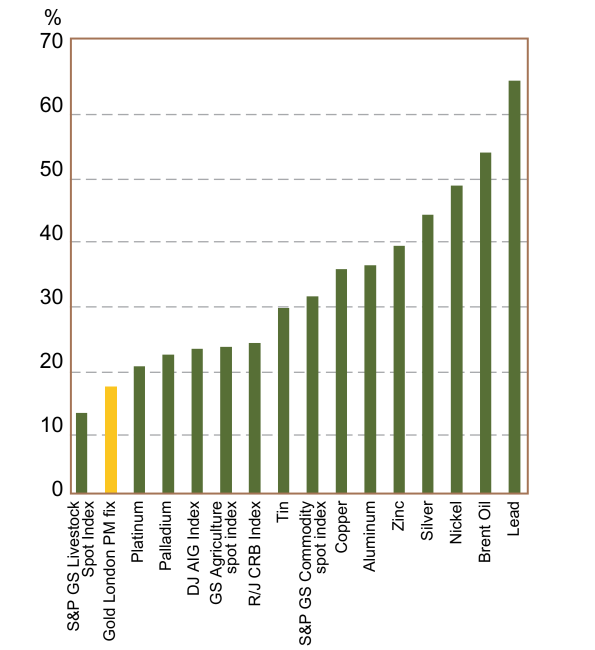
Chart 3: Gold and S&P GS Commodity Index annualised price volatility (22-day rolling, %) and the VIX index (level)



Source: Global Insight, Bloomberg, WGC calculations

the most volatile commodity, with 22-day price volatility of 64.7% by the end Q3, followed by oil and nickel, which had volatilities of 53.5% and 48.0% respectively.

Chart 4: Selected commodities annualised 22-day rolling price volatility, as at the end of September 2009 (%)



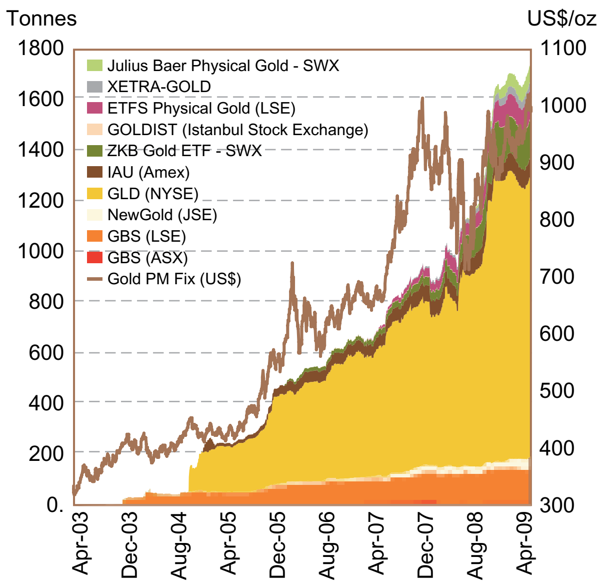
Source: Global Insight, WGC calculations

INVESTMENT TRENDS

Exchange Traded Funds

Gold exchange traded funds continued to grow in popularity during the third quarter, setting yet another record in tonnage terms. The total volume of gold purchased via exchange traded funds rose by 38.5 tonnes in the third quarter, after an increase of 46.0 tonnes in the second quarter, and taking the total ETFs that we monitor to a record 1732.5 tonnes, worth US$55.5 billion. ETF Securities Physical Gold product, listed on the London Stock Exchange, recorded the strongest inflows during the third quarter, with the fund's total assets rising by 27.4 tonnes to 114.7 tonnes. Julius Baer's Physical Gold Swiss listed product enjoyed the second strong strongest gains, rising by 12.8 tonnes during the quarter to 65.4 tonnes followed closely by Absa's NewGold ETF, which is listed on the Johannesburg Stock Exchange, and rose by 2.5 tonnes over the same period to 49.8 tonnes. Although SPDRGoldShares ("GLD") experienced outflows during the third quarter, it remained by far the largest gold ETF; at the end of September the Trust held 1095.3 tonnes worth of London Good Delivery physical gold bars, equivalent to US$35.0 billion.

Chart 5: Gold ETF holdings in tonnes and the gold price (US$/oz)



Data: www.ishares.com; www.exchangetradedgold.com; www.etfsecurities.com; Zurich Kantonalbank; Finans Portföy; www.Deutsche-Boerse.com; www.juliusbaer.com; Global Insight Chart: World Gold Council, www.gold.org

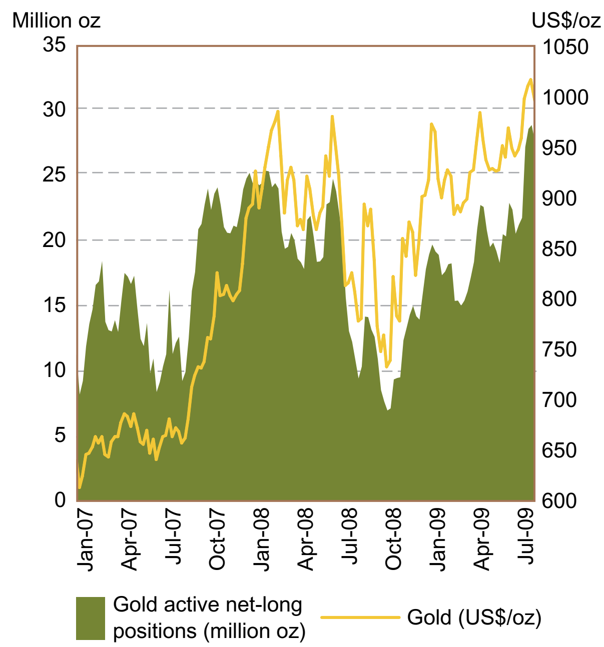
GLD Options

Trading in GLD options fell by 11% in the third quarter of 2009 to a total of 5.6 million contracts from 6.2 million in second quarter. On a year-on-year basis, however, total option volume rose by 29% relative to Q3 2008. Volumes steadily increased over the quarter as the price of gold rose from an average of 65,633 contracts in July to 144,242 by September. Call and put volumes peaked in the first week of September to 242,908 and 127,032 contracts, respectively. This coincided with the largest 5-day gain in the gold price from US$955.00/oz on 28 August to US$994.40/oz on 4 September at 5PM NY time. By the end of the quarter, volumes had retreated slightly as the price of gold declined from its peak in early September to US$1007.70/oz by 30 September. At-the-money implied volatilities traded in a range of 20% to 28% on the 3-month call and put options; they reached an all-time low of 20.25% in 30 July, increasing to 28% by 3 September, and finally retracing back to 21% by the end of the quarter.

Gold Futures

Investors continued to increase their holdings of gold futures during the third quarter. Net long non-commercial and non-reportable positions on COMEX, a proxy for investor flows, rose to the all-time high of 27.58 million ounces

Chart 6: COMEX net long on non-commercial & non-reportable positions on the active gold futures contract (million oz) versus the gold price (US$/oz)



Source: COMEX, Bloomberg

by the end of September. The September high coincided with the quarterly peak in the gold price of US$1014/oz, on the London PM fix, on 22 September. The increase was driven by a combination of new long positions, which rose to 32 million ounces from 24.9 million ounces over the quarter and a reduction in short positions, which fell to 4.5 million ounces from 5.1 million ounces.

OTC Market

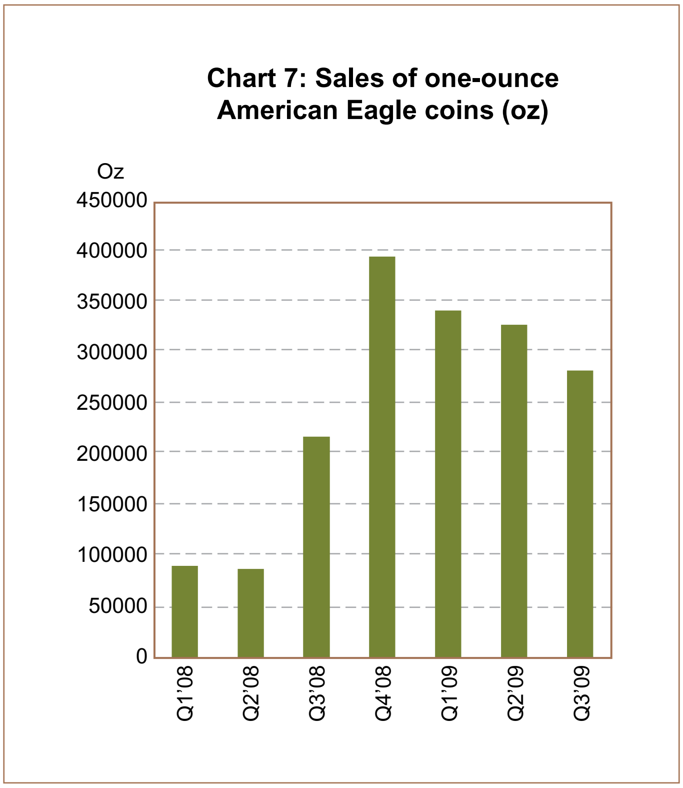
The typical "summer lull" in over-the-counter market turnover was quite pronounced for most of Q3 2009, according to research carried out by GFMS on the World Gold Council's behalf. However, GFMS reports a strong pick up in buy-side activity in September, although not to the same extent as seen on futures exchanges. For the quarter as a whole, GFMS estimates that net investment via the OTC market would at best have been very modest in size. Most activity in the OTC market continues to be at the vanilla end of the spectrum, namely spot and forward contracts and purchases and sales via unallocated and allocated accounts. The latter continued to grow over the quarter, though at a more modest pace than earlier in the year, when concerns over counterparty risk where at their peak.

Bars and Coins

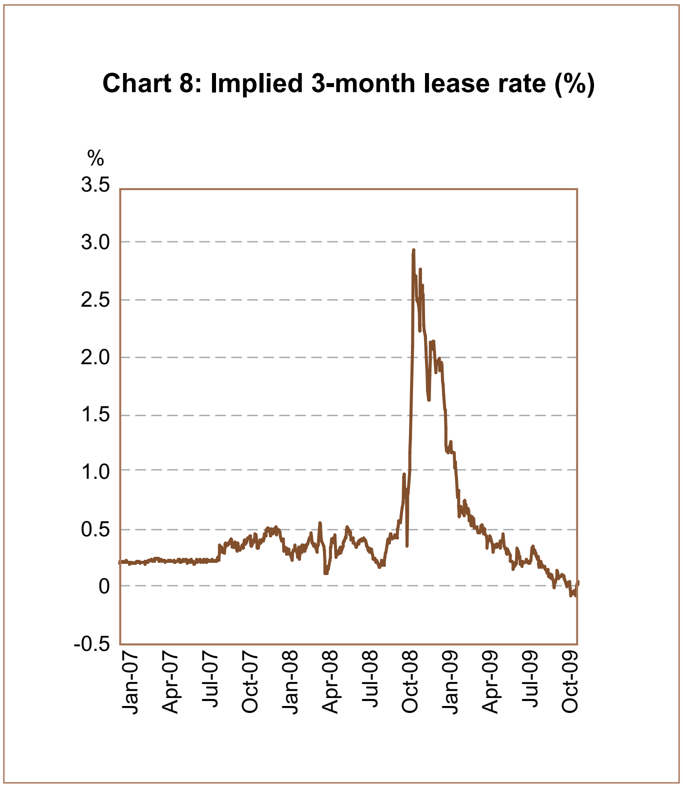
The latest official data for coin and small bar sales pertains to the second quarter of 2009 and showed continued healthy demand from around the globe. Total retail investment, which measures demand for coins, small bars and medals and imitation coins, rose by 12% to 165.7 tonnes, according to GFMS. The strongest increase was recorded in "other identified retail investment", which mainly represents demand from North America and Western Europe. Data from the US Mint point to a modest slowdown in US sales during the third quarter. Total sales of one ounce American Eagle coins fell to 283,500 in the third quarter, from 328,500 in the second quarter, but remained well above year-earlier levels. Earlier constraints which had forced the US Mint to impose allocations on the sales of American Buffalo and America Eagle bullion coins to authorised purchasers are currently being lifted. Investors wishing to purchase gold coins or small bars can find a list of retail dealers on our website at: http://www.invest.gold.org/sites/en/where_to_invest/directory.

Lease Rates

The implied gold lease rate is the difference between the dollar interest rate and the equivalent duration gold forward rate—the rate at which gold holders are willing to lend gold in exchange for dollars, also known as the swap rate. The 3-month swap rate was unchanged over the quarter at 0.358%, however, with 3-month US LIBOR falling from 0.6% to 0.29% over the period, the implied gold lease rate turned slightly negative.



Source: The United States Mint



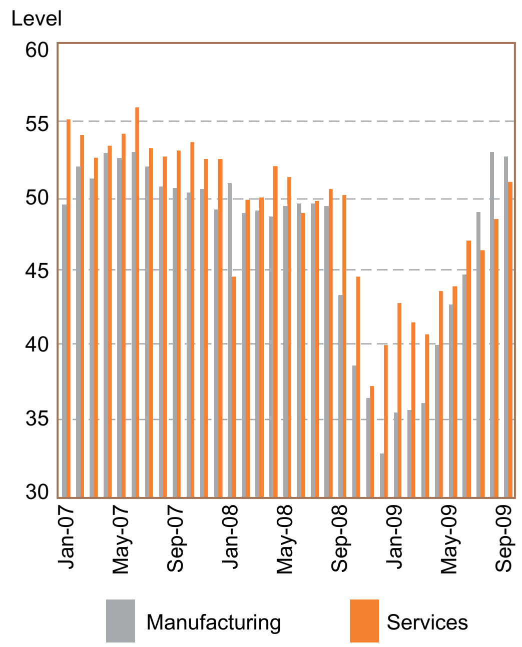
Source: Bloomberg, WGC calculations

MARKET AND ECONOMIC INFLUENCES

The recovery in world financial markets and macro-economic indicators continued to gather pace in the third quarter. Equities markets staged an impressive rally, as investors' appetite for risk returned. In the United States, the S&P500 index rose by 15.0% during the quarter to 1057.08. The recovery in international stocks was even more pronounced, especially in emerging market countries, many of which have seen an impressive bounce back in growth. The MSCI Emerging Market Index rallied by 20% over the quarter to 914.50. Corporate bond spreads also tightened. Moody's Seasoned Aaa Corporate bond yield, a measure of the average cost of borrowing for companies with the highest bond ratings, tightened by 33 basis points over the quarter to 5.04%.

The recovery in stock markets was largely backed up by improving economic indicators. In the United States, the Institute for Supply Management's manufacturing and services indices both moved back above the "50 no change" level in September for the first time since November 2007, to 52.6 and 50.9 respectively, signaling a return to growth (albeit modest) in both sectors. Consumers were also more upbeat. The Conference Board's Consumer Confidence Index rose to 53.1 in September from 49.3 in June, and is now well off the record low of 25.3 posted in February this year.

Chart 9: US Manufacturing and Service ISM indices (level)



Source: Bloomberg

It was a similar story in Europe, with both business leaders and consumers turning more optimistic and economic activity nudging higher. The European Commission's Economic Sentiment Index, which reflects general economic activity in the European Union, rose to 82.8 in September, from 73.2 in June and a low of 64.6 in March this year. Emerging Asia has made an even more impressive recovery, helped by very aggressive monetary and fiscal expansionary policies in some countries. Chinese industrial production growth has returned to double digits since June 2009. In its October 2009 *World Economic Outlook*, the IMF revised its 2010 growth forecast for emerging Asia to 6.8% from an estimated 5.3% just six months earlier.

The combination of stronger economic activity and an unchanged policy stance by the worlds' major central banks led to an uptick in inflation fears during the third quarter, increasing demand for gold as a store of value. However, not everyone shared this view. Many investors we spoke to during the quarter did not view inflation as a threat and did not see inflation-related inflows supporting the gold market. Other investors were not convinced that gold has even been a good inflation hedge. We were repeatedly quoted the following: *"the last major peak in the gold price was US$850/oz in January 1980, that would be around US$2000/oz adjusted for inflation, yet gold is trading at less than half that level....it's not a good inflation hedge."*

Our response to the first point has been that it doesn't matter whether you share the view that inflation is coming or not, you simply need to acknowledge that there is a camp that does; and there is little question about that. The main counter argument being made against inflation is that the "output gap" is still too large (i.e. there is still too much spare capacity in the economy) for inflation to accelerate. We do not share this view. The output gap does not need to close for inflation to accelerate, as evidenced by periods of stagflation throughout history, where a large output gap has coexisted with high inflation.

In respect of the second point, the last major peak in the gold price was indeed US$850/oz in January 1980, which would be around US$2200/oz in today's price, based on the US Urban Consumer Price Index. But to say that gold has not been a good inflation hedge because it is trading around half that level today is not warranted in our view.

The 1980s peak needs to be put in context. The run up to the 21 January 1980 high was incredibly quick and short lived. The gold price only fixed there for one day, at the time of the Soviet Union's invasion of Afghanistan. Three weeks earlier it was trading at US$473.1/oz and a week later it was back at US$624/oz. In other words, the gold price spiked around US$400/oz for a matter of weeks.

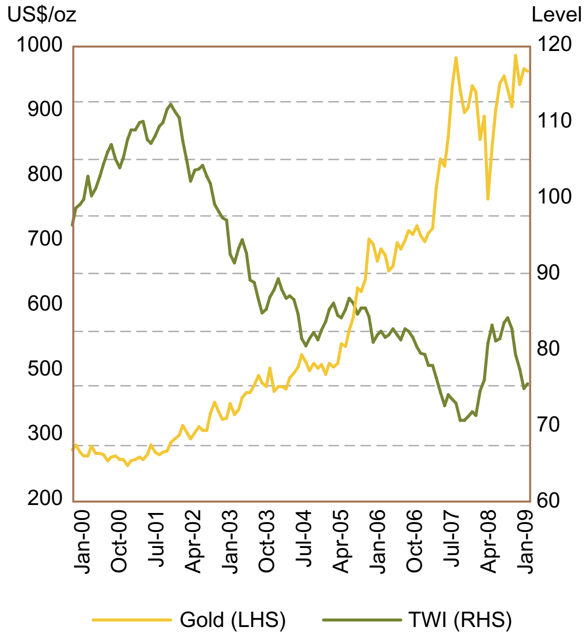
To expect gold to act as an inflation hedge for such a short lived spike is unrealistic. A much fairer representation of where gold was trading in the early 1980s would be to take a three-year average around 1980. The gold price averaged US$459/oz between 1979-1981. In inflation adjusted terms, that's US$1118/oz (based on US CPI data to end 2008), which is very close to where gold is trading today.

Chart 10: Gold price (US$/oz), London PM fix

Source: Global Insight

The improvement in risk appetite put more downward pressure on the dollar, as investors sold US Treasuries in favor of higher yielding assets overseas. The trade-weighted dollar fell by 4.4% over the quarter, to 74.3, continuing a trend underway since March. The rise in inflationary expectations also prompted investors to shift out of dollars and, with similar concerns surrounding other major world currencies, investors bought gold; gold being the only currency that cannot be de-based by central banks expanding their balance sheets ("printing money").

Chart 11: Gold price (US$/oz) and trade-weighted dollar index (level)



Source: Bloomberg

The dollar's woes were exacerbated in early October by a report in the UK's Independent newspaper claiming that Gulf Arab States, along with China, Russia, Japan and France, were planning to stop using the dollar for oil trading in favor of a basket of currencies, including gold. The report seems to have been the trigger for the successive daily records posted in the gold price in the week beginning 5 October. Although the report was subsequently denied by various central bank and finance ministry officials, it re-focused investors' attention on how long the dollar can remain at the centre of the world's international trading and reserve system.

GOLD MARKET TRENDS

Jewellery

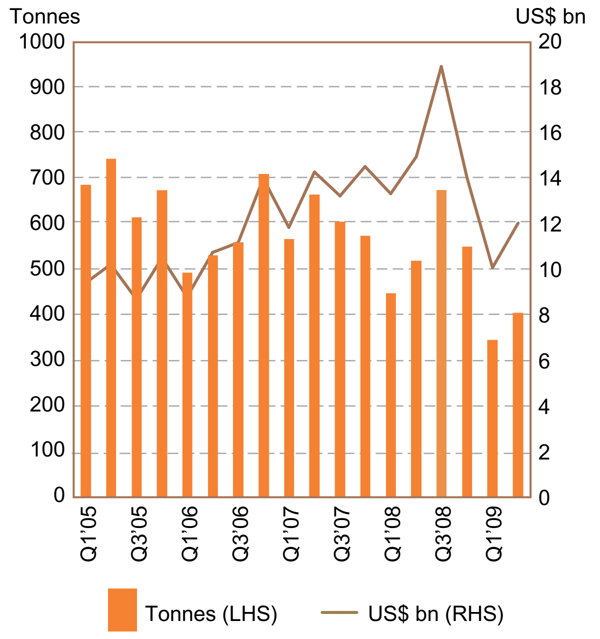
Please note that data on jewellery and industrial demand are released with a lag; the latest available data is for Q2 2009. Data for the third quarter of 2009 will be released in mid-November 2009.

The second quarter scenario of historically high gold prices at a time of severe global economic difficulty proved to be a challenging one for most countries. Global demand for gold jewellery declined by 22% relative to the same period in 2008. The decline was only slightly less pronounced in US$ value terms; demand dropped 20% to just under US$12bn.

The reduction in demand for gold jewellery was a global story with just one exception; mainland China where demand increased by 6%. This was attributed to still healthy rates of economic growth, stability in the local currency and a raft of government measures aimed at mitigating the impact of the global downturn. The absence of large stocks of gold holdings among consumers due to earlier market regulations restricting private gold ownership also helps to explain the difference in consumer trends in China and other countries. Jewellery demand in India, the Middle East and the United States fell in Q2 2009 by 31%, 17% and 19% respectively year-on-year.

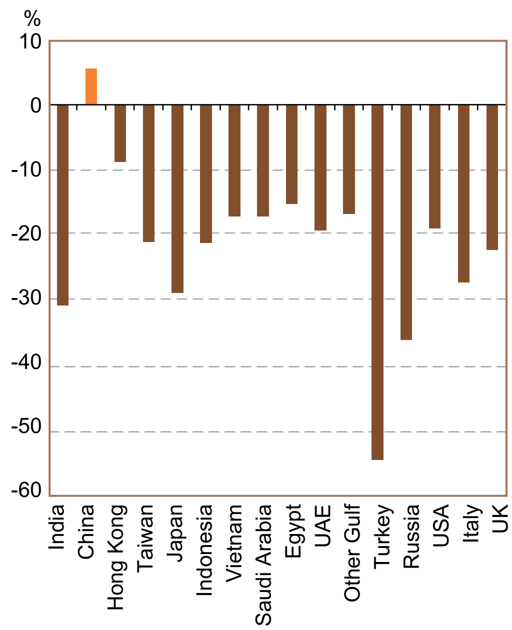
Preliminary reports on third quarter trends in India suggest that demand remained weak, although the upcoming wedding and festival season has resulted in some seasonal improvement. Furthermore, levels of jewellery recycling have been subdued despite the high level of the gold price, which has resulted in some improvement in imports into India from the very weak levels seen earlier in 2009. Reports from China continue to be more upbeat, while the US market is still being dominated by the cutbacks in discretionary purchases that have accompanied the economic downturn.

Chart 12: Jewellery demand in tonnes and US$ billions



Source: GFMS

Chart 13: Jewellery by country (tonnes, Q2'09 vs. Q2'08, % change)



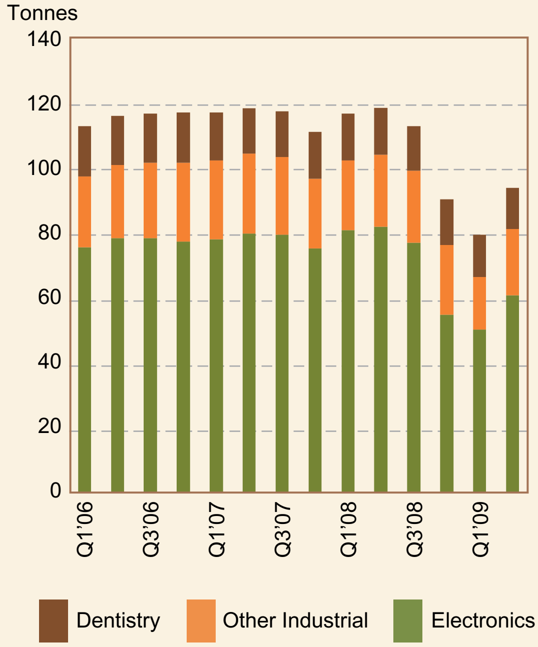
Source: GFMS

GOLD MARKET TRENDS

Industrial and dental applications

Gold demand for industrial and dental applications in Q2 2009 continued to suffer chiefly as a result of the severity of the global economic downturn, falling 21% relative to year-earlier levels to just 93.1 tonnes. Nonetheless, the industrial segment did stage a quarter-on-quarter gain of 18%. Electronics off-take, the largest component of industrial demand, showed an improvement on the scale of first quarter losses, dropping by 26% relative to Q2 2008 in comparison to the Q1 slump of 38%. Elsewhere, demand for gold used in the other industrial and decorative sectors was constrained to a 9% fall by a strong performance in India, while dental demand continued its secular decline, slipping 11%. Recent reports from the semiconductor industry suggest that a recovery in demand for consumer electronics is now underway and this may well support a positive trend in gold demand by the electronics industry in Q3 2009 and beyond.

Chart 14: Industrial demand by category (tonnes)



Source: GFMS

SUPPLY

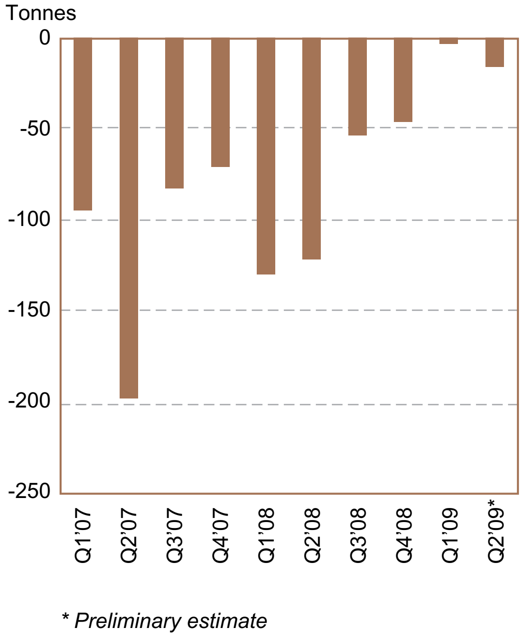
Mine production

Producer de-hedging softened to 19 tonnes in the first half of the year, from 99 tonnes in the second half of 2008. However, it may pick up again moderately following Barrick's announcement on 8 September 2009 that it intends to eliminate all of its 3.0 million ounces (93.3 tonnes) in fixed price gold contracts over the next 12 months. The company had the largest remaining hedge book position at the end of Q2 2009, according to Virtual Metals.

Barrick said its decision reflected an increasingly positive outlook on the gold price, due partly to ongoing global monetary and fiscal reflationary policies, which risk pushing up inflation and damaging the value of global currencies, and partly to continued robust gold demand and supply fundamentals.

Mine production increased by 6% in the first half of the year to 1204 tonnes, helped by increases in Indonesia and China (now the world's largest producer of gold). Still, the outlook for gold mining remains generally flat, with ageing mines in the traditional mining hubs, a dearth of major new gold discoveries in recent years and increasing lead times in bringing new projects on stream, largely offsetting increased production in some regions, most notably China.

Chart 15: Net producer hedging (tonnes)



** Preliminary estimate*

Source: GFMS

SUPPLY

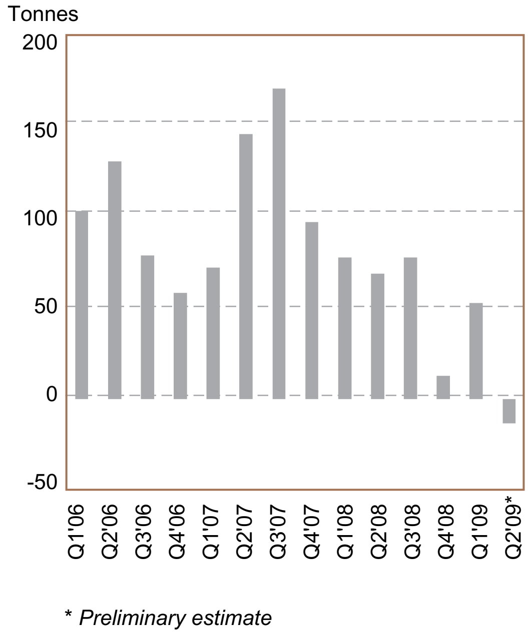
The official sector

GFMS data show the official sector becoming a net buyer of gold in Q2 2009. However, the data require a certain amount of qualification as, due to GFMS's chosen statistical treatment, a 35 tonne sale that took effect by the European Central Bank during the second quarter was registered in Q1 2009. In accordance with GFMS methodology, ECB forward sales are accounted for in the month during which they are announced rather than the month in which they are settled.

That said, there has been an undeniable shift in the behavior of the official sector. Net sales in the first half of 2009 amounted to just 38.7 tonnes, down 73% from H1 2008 – the lowest half yearly figures since H1 1997 when net sales were just 38.0 tonnes. Central banks outside of the CBGA have been net purchasers of gold since the second half of 2006 and bought a net 53.1 tonnes of gold in H1 2009. At the same time, sales under the second central bank gold agreement have slowed sharply, with CBGA2 signatories selling just 91.7 tonnes in H2 2009. Their sales remained subdued in Q3 2009. As a result, in the final year of the CBGA2 (ending on 26 September 2009) signatories sold just 155 tonnes of gold, compared to sales of 358 tonnes in the previous year, and an average of 456 tonnes in the prior three years.

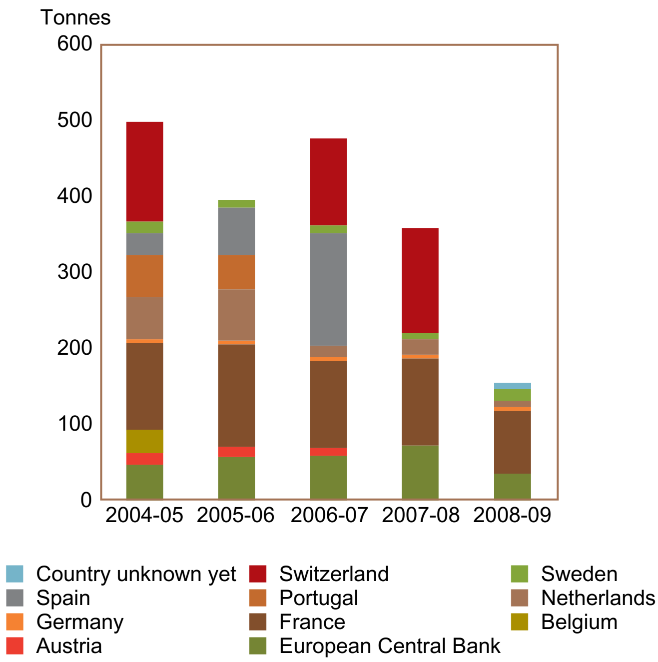
The European Central Bank announced a third CBGA on 7 August 2009, lowering the sales ceiling to 400 tonnes per annum or 2000 tonnes over the period 27 September 2009 to 26 September 2014, compared with 500 tonnes per annum or a total of 2500 tonnes in the five year period covered by CBGA2. As usual, the agreement reaffirmed that: "gold remains an important element of global monetary reserves". It also stated that, in recognition of the fact that the IMF intends to sell 403 tonnes of gold, these sales "can be accommodated within the above ceiling". When the IMF's Executive Board approved the gold sales on 18 September 2009; it said the sales could either be conducted via CBGA3 or through an off market transaction with another central bank. The salient point is that neither route will be destabilizing for the gold market. The IMF also stated that, in the interests of transparency, markets will be informed of the sales in advance.

Chart 16: Official sector gold sales (tonnes)



Source: GFMS

Chart 17: Central bank sales under CBGA2 (tonnes)



Source: IMF, national sources, WGC

KEY DATA

Gold price

	Q4 08	Q1 09	Q2 09	Q3 09
Gold price (London PM fix, $ average)	798.11	907.80	920.90	960.26
(% qoq)	-8	14	1	4
(% yoy)	1.3	-1.7	2.8	10.3

Source: Global Insight

Volatility (%) to end-September 2009

	1-month	3-month	6-month	1-year
Gold (US$)	16.9%	15.0%	17%	29.2%

Source: Global Insight, WGC calculations

Market capitalisation

	Value ($ bn)
Above-ground stocks of gold [2]	5,032
ETFs (as at 30 June 2009) [3]	55.5
Notional value of net long non-commercial and non-reportable positions reported by CFTC, gold futures (at 29 September 2009)	27

Source: Global Insight, WGC calculations

Demand (Q3 08-Q2 09)

	Tonnes	% change[1]	% yoy	Value ($ bn)	% yoy
Jewellery	1971	-5%	-8%	54.9	-2%
Identifiable investment	1683	4%	133%	47.1	152%
of which ETFs and similar products	766	7%	159%	21.9	198%
Industrial and Dental	374	-6%	-19%	10.5	-14%

Source: GFMS, WGC calculations

Supply (Q3 08-Q2 09)

	Tonnes	% change[1]	% yoy	Value ($ bn)	% yoy
Mining output	2487	1%	3%	69.8	11%
Net producer hedging	-127	…	…	…	…
Total mine supply	2360	6%	18%	66.3	27%
Official sales	135	-39%	-68%	4	-64%
Recycled gold	1479	4%	31%	42	38%

Source: GFMS, WGC calculations

[1] The quarterly % change in rolling annual totals.
[2] Based on 2008 volume and Q3 2009 average gold price.
[3] Data: www.exchangetradedgold.com; www.etfsecurities.com; www.ishares.com; Zurich Kantonalbank; Finans Portföy; www.Deutsche-Boerse.com; www.juliusbaer.com

Performance

	S&P 500	MSCI World ex-US	Dow Jones AIG Commodity Index	GSCI	Gold (spot)	Bank of England Effect Exchange Rate – USD	Dow Jones/ Wilshire REIT Index	Barclays Capital Global Treasury Index – USD
1 month	3.73%	4.13%	1.57%	0.17%	4.21%	-1.96%	6.54%	2.91%
3 months	15.61%	19.36%	4.25%	-1.76%	6.55%	-5.50%	33.92%	7.64%
6 months	34.02%	50.22%	16.41%	17.14%	8.65%	-11.00%	73.23%	12.69%
1 year	-6.91%	2.89%	-23.71%	-44.52%	12.58%	-5.27%	-34.03%	14.49%
Volatility (1 year)	48.49%	42.62%	32.47%	47.12%	32.68%	12.67%	106.16%	13.62%

Correlations (3 years ending 25 September 2009, weekly returns)

	Gold	Silver	Oil	GSCI	CRB Index	DJ AIG Commodity Index	MSCI World excl. US	DJ Industrial Average	S&P 500	Wilshire 5000	BarCap/ Global Treasuries Index	BarCap/ High Yield Bond Index	BarCap/ US Credit Index	Dow Jones/ Wilshire REITS Index	3-month T-Bill Yields
Gold	1.00														
Silver	0.82	1.00													
Oil	0.34	0.41	1.00												
GSCI	0.39	0.40	0.86	1.00											
CRB Index	0.25	0.38	0.61	0.68	1.00										
DJ AIG Commodity Index	0.43	0.47	0.74	0.93	0.76	1.00									
MSCI World excl. US	0.11	0.26	0.50	0.57	0.62	0.62	1.00								
DJ Industrial Average	-0.12	0.02	0.29	0.37	0.41	0.40	0.82	1.00							
S&P 500	-0.07	0.08	0.33	0.42	0.44	0.44	0.85	0.98	1.00						
Wilshire 5000	-0.05	0.09	0.34	0.43	0.45	0.46	0.86	0.97	1.00	1.00					
BarCap/Global Treasuries Index	0.34	0.34	0.12	0.07	0.09	0.10	0.10	-0.21	-0.16	-0.16	1.00				
BarCap/High Yield Bond Index	0.07	0.15	0.19	0.10	0.28	0.11	0.04	-0.02	0.00	0.00	0.05	1.00			
BarCap/US Credit Index	-0.09	0.03	0.05	0.02	0.24	0.05	0.23	0.04	0.07	0.07	0.45	0.38	1.00		
Dow Jones/Wilshire REITS Index	-0.01	0.00	0.09	0.02	0.04	0.01	0.00	0.02	-0.02	-0.02	0.16	0.10	0.22	1.00	
3-Month T- Bill Yields	-0.23	-0.06	0.12	0.15	0.23	0.16	0.28	0.20	0.24	0.25	-0.08	0.13	0.01	-0.11	1.00

Data: Global Insight, Barclays Capital, WGC

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