

# SUPER GUIDE: THE PORTFOLIO BENEFITS OF INVESTING IN GOLD



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**The SMSF Club**

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THE SMSF CLUB

This guide is brought to you by THE SMSF CLUB

## About The SMSF Club

The SMSF Club is a membership program designed specifically for anyone who has or wants a SMSF.

*"Business and investing are team sports. The average investor or small business loses financially because they do not have a team. Instead of a team, they act as individuals who are trampled by very smart teams."* **Richard Branson**

With an extensive network throughout Australia, The SMSF Club integrates a tailored education program with administrative, compliance, and investment support. We help members throughout every stage of the SMSF process. This includes the establishment of a SMSF, full ongoing bookkeeping, ongoing accounting, legal and compliance support, plus investment education. We ensure our members are informed, responsible, and compliant trustees of their SMSF.

Having the right team to support you in meeting your obligations is critical to the success of running your own SMSF.

With the guidance of The SMSF Club you can be in control of your retirement savings for yourself – not by yourself.



# The portfolio benefits of investing in gold

Prepared by Ryan Case and Adam Offermann,  
Trading & Business Development,  
January 2014

This article presents a number of compelling arguments for investing in gold. It explores gold's role as a risk management tool that offers excellent portfolio diversification benefits and provides tail-risk protection, as well as gold's use as a source of capital preservation that hedges against inflation and currency devaluation. Finally, empirical evidence from various academic studies is provided to show gold's optimum allocation in an investment portfolio.

Gold has two primary functions in investors' portfolios: as a risk management vehicle and as a source of capital preservation.<sup>1</sup>

## 1. Gold as a risk-management vehicle:

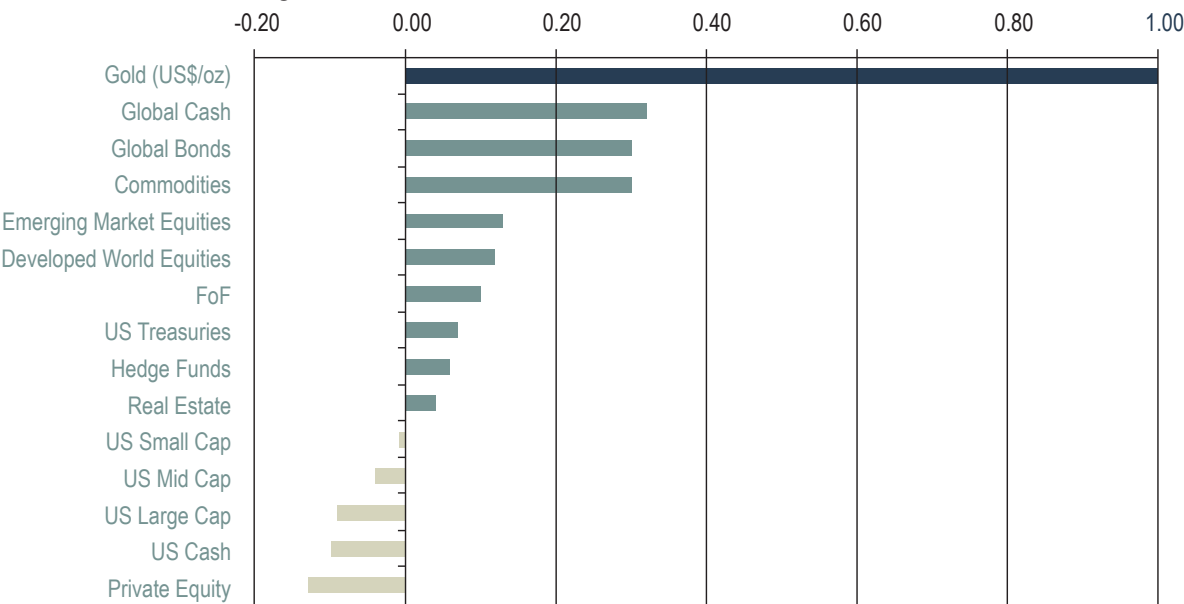
1.1 Gold provides excellent portfolio diversification due to its lack of correlation with traditional asset classes. As changes in the gold price are not significantly correlated with changes in the price of other mainstream asset classes, gold brings considerable diversification benefits to an investor's portfolio. Importantly, this is a relationship that has been shown to hold across markets and over time.<sup>2</sup>

Modern Portfolio Theory suggests that investors should hold a combination of assets in their portfolio that achieves the least volatility for a given return, or achieves the maximum return for a given exposure to volatility.

Portfolio diversification allows investors to reduce the likelihood of substantial losses that may be caused by a change in economic conditions that negatively affects one or more asset classes.

Chart 1 shows the correlation of the monthly performance of gold to a variety of traditional and alternative asset classes and illustrates the diversification benefits of gold.

CHART 1 Correlation of gold vs. other asset classes in US dollar terms



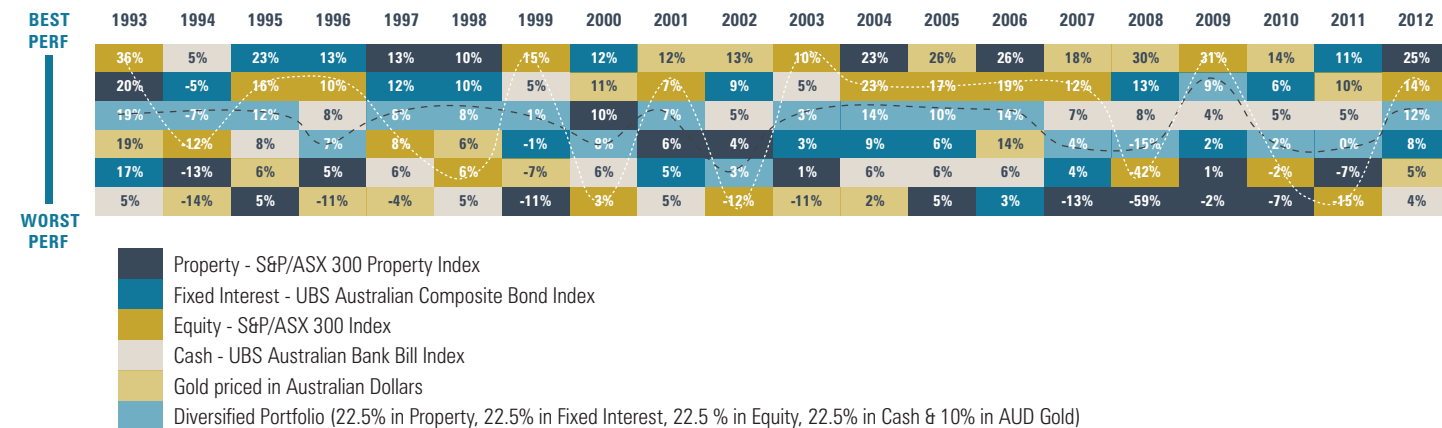
Data source: Barclays Capital, Bloomberg, Hedge Fund Research, J.P. Morgan, Thomson Reuters, World Gold Council

<sup>1</sup> World Gold Council, *Gold Investor: Risk management and capital preservation* (2013).  
<sup>2</sup> World Gold Council, *An investor's guide to the gold market, UK edition* (2010).



Chart 2 shows the year-on-year performance of five individual asset classes which are widely considered to be relevant to Australian investors, compared with a diversified portfolio containing gold priced in Australian dollars. The red dashed line passes through the returns of a portfolio that consists of 100% Australian equities. The white dashed line passes through the returns of a portfolio that is arbitrarily diversified among property (22.5%), cash (22.5%), fixed interest (22.5%), equities (22.5%), and an allocation of 10% in Australian dollar-denominated gold, illustrating the decreased volatility achieved through diversification.

**CHART 2 Improved long term average return and lower volatility through diversification**



Data source: Thomson Reuters, UBS AG, Investment Solutions

Table 1 shows the returns and volatility of the example portfolio as shown in Chart 2. The diversified portfolio with a 10% AUD gold allocation has an equal return and less volatility than the diversified portfolio with no gold allocation.

Our calculations show that the example portfolio would have achieved a better risk-return with a coefficient of variation<sup>3</sup> of 1.28, compared with 1.45 for a portfolio of 0% AUD gold allocation. In other words, for the same average return, the portfolio would have had less risk as measured by the standard deviations.

Table 2 shows how the diversified portfolios with and without gold would have performed against other traditional asset classes over the same period.

1.2 Gold provides tail-risk protection by consistently reducing portfolio losses incurred in extreme circumstances. Gold helps manage risk more effectively by protecting against infrequent or unlikely but consequential negative events, often referred to as "tail risks".<sup>4</sup>

Short- and medium-term holders can take advantage of the lack of correlation of gold to other assets to achieve better returns during times of turmoil. Long-term holders can manage risk through an allocation to gold, without necessarily sacrificing returns.<sup>5</sup> Gold returns tend to outperform other assets during periods of economic and financial turmoil, allowing investors to reduce risk when it is most needed.<sup>6</sup>

This allows investors to use gold as an asset to hedge risk and reduce losses under extreme market conditions, such as during periods of fiscal or monetary mismanagement, crises of various kinds, or a fundamental change in their dominant currency.<sup>7</sup>

Ultimately, gold can be used to manage risk more effectively and protect an investor's capital against potential losses during negative economic conditions<sup>8</sup>. As can be seen in Chart 3, gold consistently outperforms Real Estate and US Stocks in times of economic crisis.

1.3 Gold is a high quality and liquid asset. According to the LBMA, 10.9bn ounces of gold worth approximately USD 15,200bn were traded in the first quarter of 2011.<sup>9</sup> This equates to a daily turnover of around USD 240bn and means a higher daily turnover than most liquid equities, German Bunds, UK Gilts, and most of the currency pairs.<sup>10</sup> By comparison, the daily turnover of Apple shares is about USD 5.5bn.<sup>11</sup>

Gold's liquidity therefore reduces its risk as an investment, as investors can easily translate their gold investment into currency.

Additionally, the lack of credit risk associated with holding allocated gold assists investors in balancing the risks present in their fixed income and equity allocations. Allocated physical gold is one of the very few liquid investment assets that involve neither a liability nor a creditor relationship.

<sup>3</sup> The coefficient of variation allows an investor to determine the amount of risk (volatility) assumed in comparison to return. A lower ratio is preferred from a risk-reward perspective.

<sup>4</sup> World Gold Council, *Gold Investor: Risk management and capital preservation* (2013).

<sup>5</sup> World Gold Council, *Gold: hedging against tail risk* (2010).

<sup>6</sup> World Gold Council, *Gold: alternative investment, foundation asset* (2011).

<sup>7</sup> World Gold Council, *Gold As A Strategic Asset* (2006).

<sup>8</sup> World Gold Council, *Gold: hedging against tail risk* (2010).

<sup>9</sup> London Bullion Market Association (LBMA), *Gold Turnover Survey for 2011* (2011).

<sup>10</sup> World Gold Council, *Gold Investor: Risk management and capital preservation* (2013).

<sup>11</sup> Erste Group Research, *Goldreport 2012* (2012).

**TABLE 1 Portfolio returns and volatility**

December 1993–December 2012

	Mean Return	Volatility (Std. Dev.)	Coefficient of Variation
Diversified 10% gold*	6%	7.7%	1.28
Diversified 0% gold**	6%	8.7%	1.45

\*Property (22.5%), Fixed Interest (22.5%), Equity (22.5%), Cash (22.5%), AUD Gold (10%)

\*\*Property (25%), Fixed Interest (25%), Equity (25%), Cash (25%), AUD Gold (0%)

**TABLE 2: Portfolio and asset class returns and volatility**

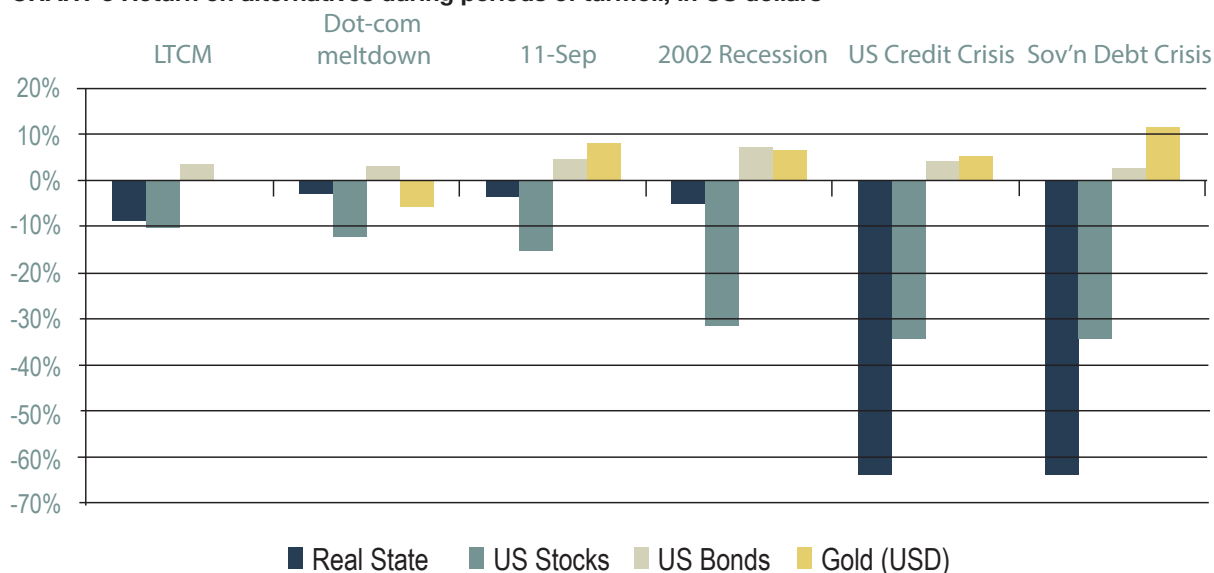
December 1993–December 2012

	Mean Return	Volatility (Std. Dev.)	Coefficient of Variation
Cash	6%	1.2%	0.20
Fixed Interest	8%	6.4%	0.80
Diversified 10%*	6%	7.7%	1.28
Diversified 0%**	6%	8.7%	1.45
Gold (AUD)	7%	12.3%	1.76
Equities	7%	17.5%	2.50
Property	2%	18.7%	9.35

\*Property (22.5%), Fixed Interest (22.5%), Equity (22.5%), Cash (22.5%), AUD Gold (10%)

\*\*Property (25%), Fixed Interest (25%), Equity (25%), Cash (25%), AUD Gold (0%)

Notes: LTCM: Q3 1998, Dot-com meltdown: Q1 2001, September 11: Q3 2001, 2002 Recession: Q2/Q3 2002, US credit crisis: Q4 2008/Q1 2009, European sovereign debt crisis: Q2 2010

**CHART 3 Return on alternatives during periods of turmoil, in US dollars<sup>12</sup>**

<sup>12</sup> World Gold Council, Gold: alternative investment, foundation asset (2011).

Data source: Thomson Reuters, World Gold Council

## 2. Gold as a source of capital preservation

2.1 Gold hedges against extreme inflation situations such as deflation and hyperinflation. Independent analysis from Oxford Economics shows, in Table 3, that investors with an average risk profile can benefit from adding a gold allocation of around 5% to their long-term portfolio. Gold's optimal share in an average risk portfolio rises in a scenario with higher inflation and is also seen to rise for low risk investors in a lower growth and lower inflation environment.<sup>13</sup>

The optimal allocation of assets in a multi-asset portfolio depends on the aim of the investor, the nature and duration of their liabilities, and the degree of risk that the investor is prepared to take. Lower risk investors place more emphasis on reducing the riskiness of their overall portfolio and allocate investment to assets such that portfolio returns are less volatile.

Consequently, Table 4 illustrates that investors with a lower risk tolerance will be attracted to assets whose returns are negatively correlated with other assets, such as gold, as the diversification decreases portfolio volatility. Higher risk portfolios place more of an emphasis on boosting returns and will allocate investment in line with higher absolute returns at the expense of the lower volatility generated through diversification.<sup>14</sup>

2.2 Gold protects against currency devaluation. Gold typically exhibits a negative correlation with the U.S. dollar and against most other developed currencies.<sup>15</sup>

Historically, gold has exhibited a strong inverse relationship to the U.S. dollar. Gold's role as a store of value and its broader monetary characteristics result in it, over the long-term, comparing favourably to all major currencies in terms of its ability to maintain its relative value and purchasing power.<sup>16</sup>

Consequently, gold has been found to serve as effective protection against exchange rate fluctuations during periods of considerable economic turbulence.<sup>17</sup>

**TABLE 3 Changes in investor optimum weightings in different scenarios:<sup>18</sup>**

Effect on optimal asset allocations for investors with an average risk profile*					
Scenario	Cash	Equities	Gilts	Property	Gold
Base case allocation	5%	45%	30%	15%	5%
Higher inflation	unch.	▲▲	▼▼	▼	▲▲
Lower inflation and lower	unch.	▼▼	▲▲	▼	unch.

\*Average investor range covers standard deviations of returns from 10-20, average allocations across this range used.

**Key** ▲▲ denotes a significantly higher number ▼ denotes a lower number  
▼▼ denotes a significantly lower number unch. denotes an unchanged allocation

**TABLE 4 Optimum gold weighting in different scenarios according to the risk tolerance of the investor:<sup>19</sup>**

Effect on optimal gold allocation			
Scenario	Lower risk*	Average*	Higher risk*
Base case allocation	9	5	0
Higher inflation	▲▲	▲▲	▲▲
Lower inflation and lower growth	▲	▼	unch.

\*Lower risk investor is defined as having standard deviation of returns at 10, average at 15, and higher risk at 20.

**Key** ▲▲ denotes a significantly higher number ▲ denotes a higher number  
▼ denotes a lower number unch. denotes an unchanged allocation

<sup>13</sup> Oxford Economics, *The impact of inflation and deflation on the case for gold* (2011).

<sup>14</sup> Oxford Economics, *The impact of inflation and deflation on the case for gold* (2011).

<sup>15</sup> World Gold Council, *Gold Investor: Risk management and capital preservation* (2013).

<sup>16</sup> World Gold Council, *An investor's guide to the gold market (UK Edition)* (2010).

<sup>17</sup> World Gold Council, *Gold as a hedge against the US dollar* (2004).

<sup>18</sup> Oxford Economics, *The impact of inflation and deflation on the case for gold* (2011).

<sup>19</sup> Oxford Economics, *The impact of inflation and deflation on the case for gold* (2011).

### 3. Gold Allocation According to Academic Studies

Perhaps the most studied aspect of the gold market is the role and weighting that gold may have in a diversified investment portfolio.<sup>20</sup>

Eight such studies, outlined in the table below, provide a recommended percentage allocation to gold and the reason for such a recommendation.

**TABLE 5 Numerous academic studies advise an allocation of between 5% and 25%.<sup>21</sup>**

Author	Allocation	Reason
Sherman (1982)	5% in an equity portfolio	Lower risk and higher return
Chua (1990)	as high as 25%	Mainly due to the low or negative correlation between gold and equities at the time of the study
Hiller, Draper et al (2006)	A small percentage	A small percentage weighting for a variety of precious metals was suggested, with gold acting as the most efficient diversifier
Bruno and Chincarini (2010)	Allocation of 10%	Considering oil and gold together, suggest such an allocation for non-US domiciled investors seeking portfolio diversification
Klement and Longchamp (2010)	Between 5% and 10%	Allocation to gold in an equity portfolio for high net worth individuals
Scherer (2009)	Between 5% and 10%	For sovereign wealth funds
Oxford Economics (2011)	Around 5% for the average investor	Gold has a zero or negative correlations with other assets and therefore its inclusion in a portfolio reduces overall volatility
World Gold Council (2011)	Between 3.3% and 7.5%	Significantly improves the profile of a portfolio. Gold has proven a constant diversifier, risk management vehicle and store of wealth

### 4. Conclusion

Perhaps the most studied aspect of the gold market is the role and weighting that gold may have in a diversified investment portfolio.<sup>21</sup>

Gold provides excellent portfolio diversification due to its lack of correlation with traditional asset classes. As changes in the gold price are not significantly correlated with changes in the

Gold provides tail-risk protection by consistently reducing portfolio losses incurred in extreme circumstances. Gold helps manage risk more effectively by protecting against infrequent or unlikely but consequential negative events, often referred to as "tail risks".<sup>22</sup>

Gold is a high quality and liquid asset. Physical gold is one of the very few liquid assets which involve neither a liability nor a creditor relationship.

Gold hedges against extreme inflation situations such as deflation and hyperinflation.

Gold protects against currency devaluation. Gold typically exhibits a negative correlation with the U.S. dollar, as well as other currencies.

Numerous academic studies advise an allocation of between 5% and 25%.<sup>23</sup>



<sup>20</sup> Brian M. Lucey, *What do Academics Think They Know About Gold?* (2011).

<sup>21</sup> Erste Group Research, *Goldreport 2012* (2012).

<sup>22</sup> World Gold Council, *Gold Investor: Risk management and capital preservation* (2013).

<sup>23</sup> Erste Group Research, *Goldreport 2012* (2012).

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Erste Group Research, Goldreport 2013 (2013) [www.erstegroup.com/en/Downloads/0901481b8010f734.pdf](http://www.erstegroup.com/en/Downloads/0901481b8010f734.pdf)

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World Gold Council, Gold Investor: Risk management and capital preservation (2013) [http://www.gold.org/download/gold\\_investor/2013-10/gold-investor-201310.pdf](http://www.gold.org/download/gold_investor/2013-10/gold-investor-201310.pdf)

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# THE PORTFOLIO BENEFITS OF INVESTING IN GOLD

## The SMSF Club presents the most advanced solution for trading physical precious metal

### Buying and Selling Allocated Physical Bullion:

You can now invest in allocated physical gold, silver and platinum wherever you are using an online platform in the same way that you would trade stocks, forex or futures.

Multiple organisations (liquidity providers and market makers) located around the world provide live pricing 23 hours a day, 5 days a week. Through the MetalDesk online trading platform you have access to this unique allocated physical precious metal exchange, which gives you the ability to tap into and enjoy the exchange's higher liquidity and tighter spreads; key considerations of any trader or investor.

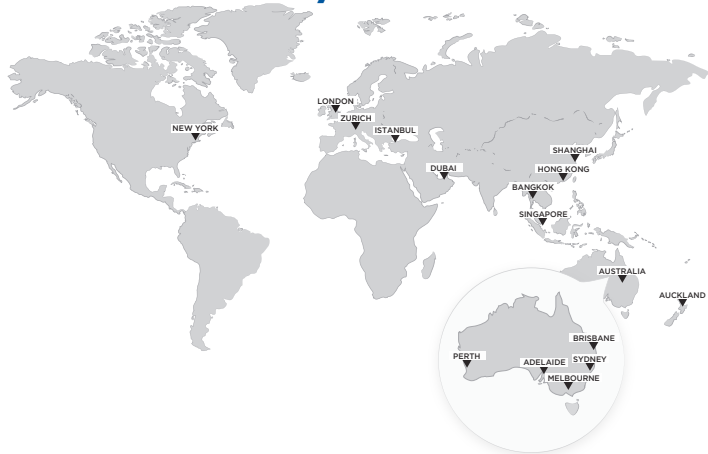
### Allocated Precious Metal Holdings:

All bullion traded on the exchange is done so on an "allocated" basis. This means that legal title remains with you, the client, at all times and that your ownership and legal title to the bullion would survive any insolvency scenario. Any creditors of the exchange would have no claim to your gold being held in the vaults; translating to physical investments that literally and physically belong to you.

### Investment Security:

Triple-layered security features include the use of leading third-party vaulting providers: Malca-Amit, Loomis and Armaguard, and auditing and inspection specialists: BDO & Inspectorate.

### Vault and Delivery Locations:



### Key Features

- Pricing: tight spreads for physical precious metal. Market-leading storage and logistics costs.
- Allocated precious metal holdings
- AUD- and USD-denominated trading globally
- Third-party storage, insurance, audit, verification and logistics providers
- Take delivery of your investment

Gain exposure to allocated physical precious metals

- Gold bars (1/2 oz, 100 gram, 10oz, 1kg) and coins
- Silver bars (1oz, 10oz, 1kg, 100oz) and coins
- Platinum bars (1/2 oz, 1kg) and coins

## MetalDesk 2

The custom-built trading platform, MetalDesk™, has been specifically designed to make physical bullion trading simple, secure and efficient.

Trade physical gold and silver anywhere with MetalDesk.



## Features

**Online Trading Platform:** MetalDesk allows you to monitor live market prices and enables instant order execution and trade settlement.

**Full market depth:** shows all the price levels available in the market for each precious metal product traded, giving an indication of total market demand and supply.

**Customisable watchlist:** organise and focus your precious metal trading by creating watchlists to keep a close eye on the products that you are most interested in.

**Comprehensive trade management tools:** through MetalDesk you are able to manage and view your cash and bullion holdings, access a full range of financial and trade reports, and obtain personalised support for any question that you may have.

**Holdings management:** allows you to monitor and manage your bullion inventory.

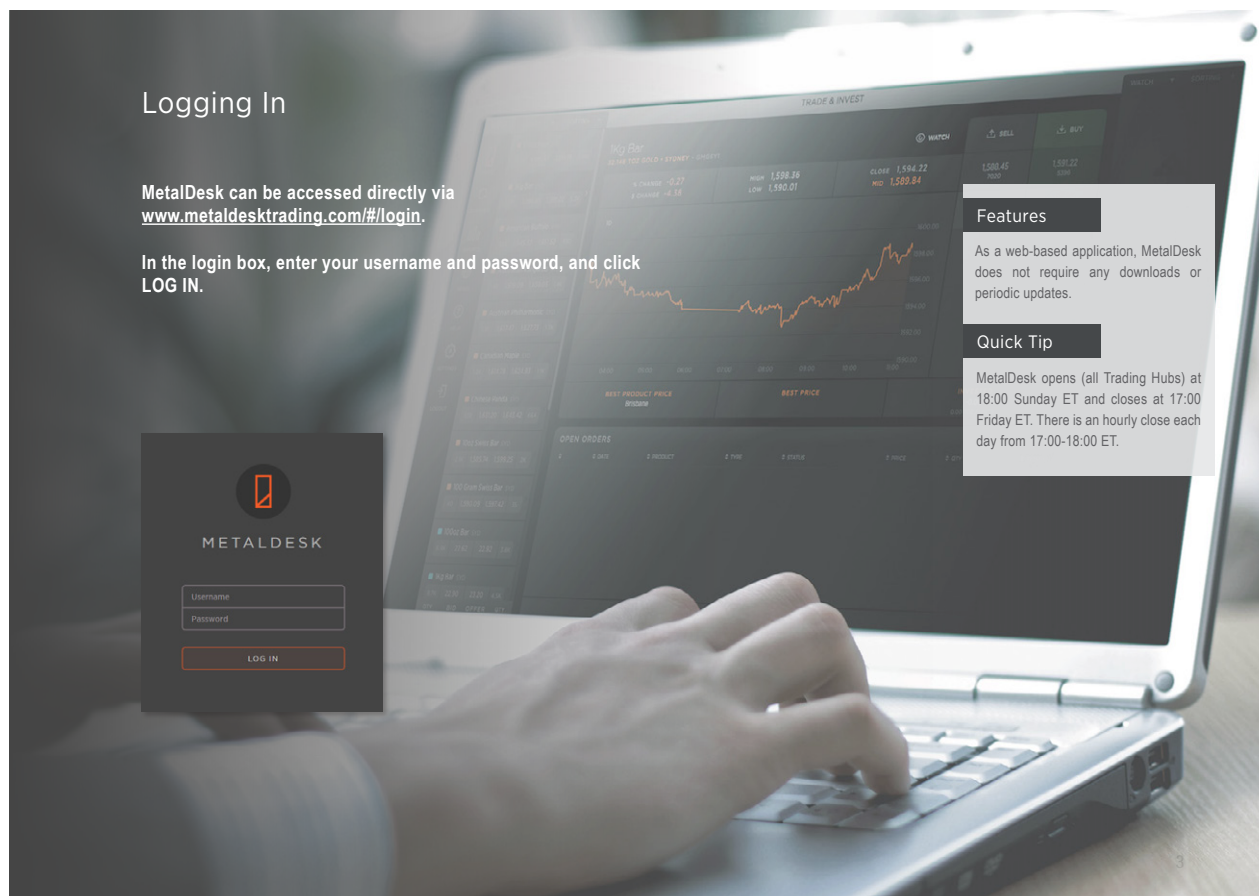
**Full account activity reporting:** 24 hour access to live and historic account activity.

## METALDESK Quick Guide

September 2015

### Welcome to the MetalDesk Trading Platform, the world's first exchange-based trading platform for physical precious metal.

All information and prices displayed in this document are indicative only and are not reflective of true Market data. Some diagrams may contain information that is for illustrative purposes only and may not be a true representation of the Products or prices offered via The SMSF Club's MetalDesk. The functionality and layout of MetalDesk as presented here may also differ from what is presented on the actual website. When this Quick Guide refers to 'you' it means any Customer trading upon MetalDesk.



## Your Side Bar

On the left side of the screen you will find your side bar with different tabs that will allow you to access different windows.

- TRADE
- TRANSFER
- REPORTS
- NEWS
- HELP
- SETTINGS
- LOGOUT



in Transfer you will be able to manage and view the movement of funds or bullion for your trading account.



Reports, allows you to download statements and also view your trading and holdings history.



Latest bullion news and global events.



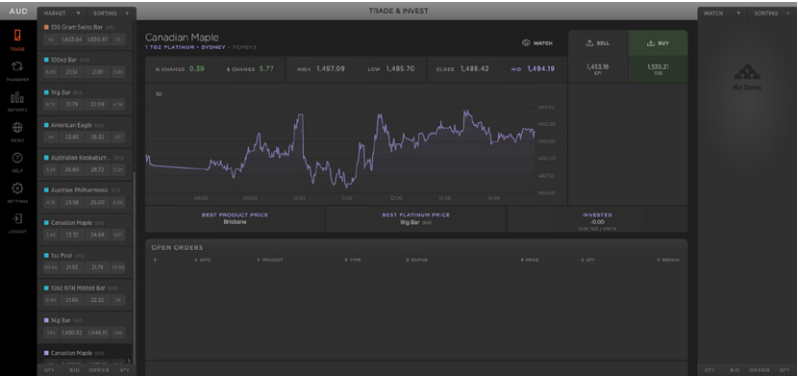
Help, is where you can find help documents and send a support requests.



Update account details, view your fees, change passwords and view current account settings.

## Your Home Page

When you first log into MetalDesk, you will be taken to the Trade & Invest screen. From here, you can place buy and sell orders, view tradable products, holdings, open orders, and add products of interest to your watchlist.



### Features

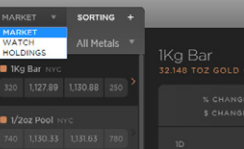
The trade & Invest screen has charting, live quotes, market depth, holdings, your watchlist and all open orders. Trading takes place in USD or AUD, depending on which currency you used to fund your account.

### Quick Tip

Add products to your watchlist by selecting a product in your desired location and clicking watch.



You can sort through market, watch or holdings from the drop-down tab on either the left or right side of the screen.



## Credit Your Account - Cash

To start trading on MetalDesk, you need to credit your account with cleared funds in either USD or AUD. There are two steps involved in crediting funds to your account:

1. Electronically transfer funds to your Member's Trust Account.

2. Lodge a deposit notification in the transfer section of MetalDesk

to withdraw funds, simply enter the amount to be withdrawn and click confirm transfer.

Select between trading in U.S. Dollars or Australian Dollars in settings.



### Quick Tip

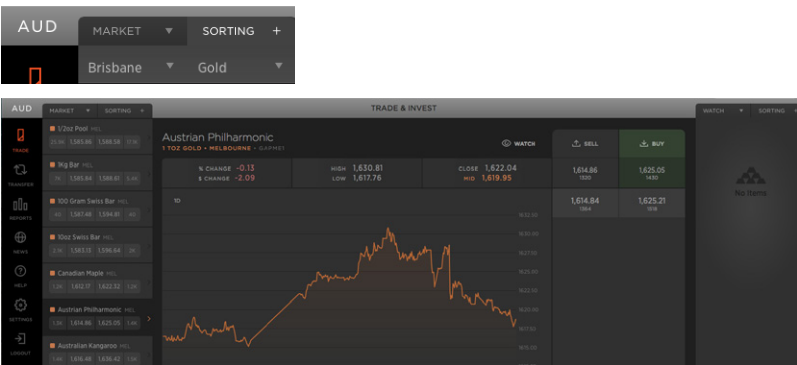
The Global market is USD-denominated and provides access to Trading Hubs in Sydney, Singapore, Bangkok, Shanghai, Hong Kong, Dubai, Istanbul, London, Zurich, New York and Auckland.

The Australia market is AUD-denominated and provides access to Australian Trading Hubs in Sydney, Melbourne, Brisbane, Adelaide and Perth. For more information please see page 14.

## Placing An Order

You may also select the Metal Type, Product and Location. Next to the Market tab you will see the option sorting +.

When clicked, it will display the location of the market in the left and the metal type on the right. You can change it by clicking the arrow and selecting your preference.



### Features



You can currently buy and sell bullion in the following locations and currencies:

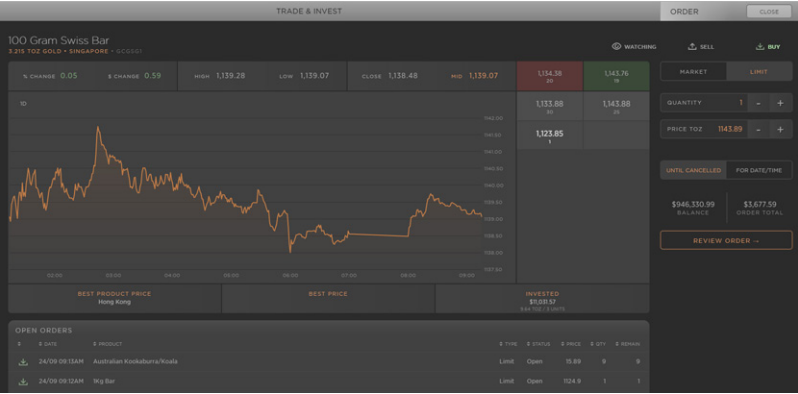
USD- Auckland, Bangkok, Dubai, Hong Kong, Istanbul, London, New York, Shanghai, Singapore, Sydney & Zurich.

AUD - Adelaide, Brisbane, Melbourne, Perth & Sydney.

## Placing An Order

We have made buying and selling physical bullion as simple as a few clicks of a mouse.

1. From the Trade page, select the metal type (gold, silver or platinum), the product (eg. 1 kg bar) and the location (eg. Hong Kong).
2. Click the  or  icon to bring up order form for y our selected product.
3. Select the order type (market and limit) and follow the prompts and click buy/sell.
4. Review your order, then click confirm.



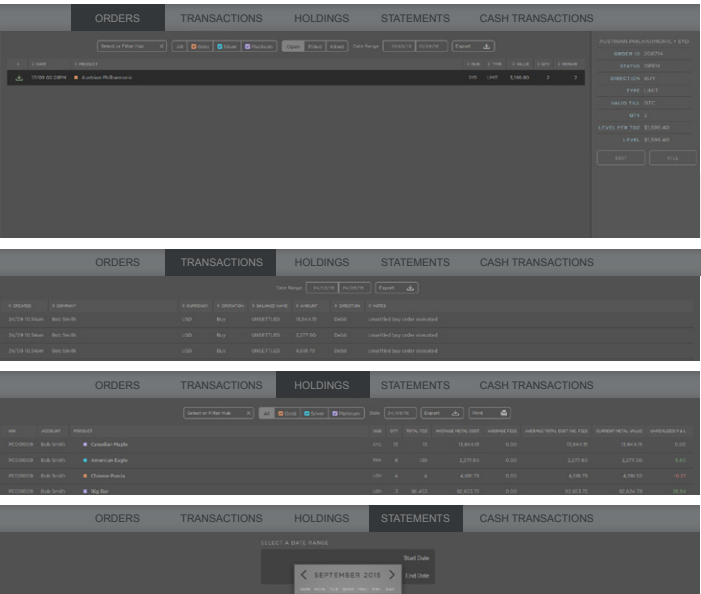
### Quick Tip

The market depth shows the buy and sell prices for a product and the quantity available at each price level, representing how much bullion can be bought and sold at a given price.



## View Your Reports

The report tab is where you go to view your orders, transaction history, bullion holdings, cash transactions and account statements.



### Features

Check the status of your orders and quantity to be filled in the orders tab

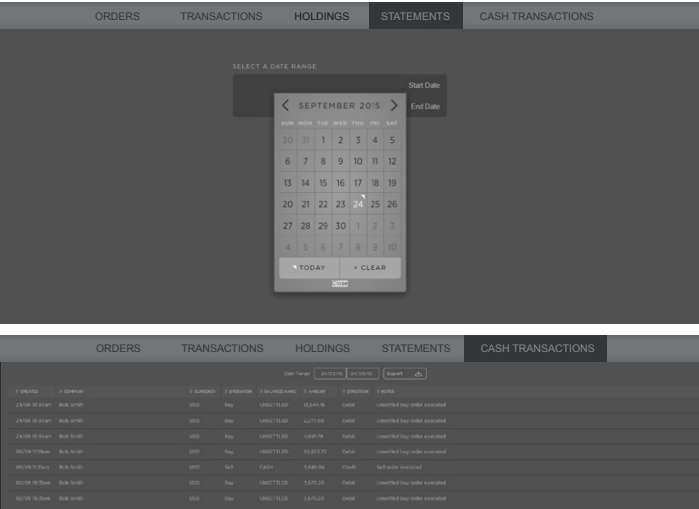
View your bullion inventory and monitor your profit & loss in real-time in holdings

View all executed prices in transactions

View, Edit or Kill your open orders

View Your Reports

The statements tab allows you to generate an activity report in which you will be able to see all transactions and transfers for your account, value, holdings, profit and loss.



Quick Tip

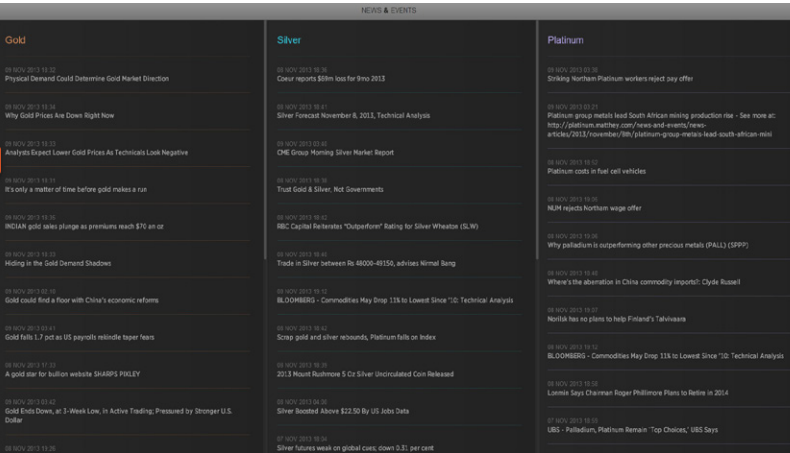
Being a web-based platform, you get 24 hour access to live and historic account activity.

Statements can be instantly generated and downloaded in PDF format.



Live News & Events

Never miss a news event in the precious metal markets with MetalDesk's live news & events feed. MetalDesk provides comprehensive information on all the latest gold, silver and platinum news from sources around the world.



Features

View the latest news & events in the precious metals industry as they occur.

Quick Tip

Scroll through to find comprehensive research reports directly from the major bullion banks, traders, dealers and analysts.

## Help Documents & Support Request

The documentation tab provides users with all the information required to confidently operate in the MetalDesk market. The Quickguide which is the current document you are reading. Brochure that provides information about the vaults and metaldesk features. Your quality assurance framework and your account agreement.

The support request tab will be helpful if you have any technical enquiries. It will allow you to communicate directly with your Member's technical experts to receive timely and accurate responses to any MetalDesk related questions you might have.

DOCUMENTATION

SUPPORT REQUEST

GENERAL

QUICK GUIDE

POP

MARKETING

BROCHURE

POP

QUALITY ASSURANCE FRAMEWORK

PLEASE CONTACT YOUR MEMBER FOR THE LATEST VERSION

ACCOUNT AGREEMENT

PLEASE CONTACT YOUR MEMBER FOR THE LATEST VERSION

DOCUMENTATION

SUPPORT REQUEST

General

Trading

Tech Support

Feedback

Your Message

SEND REQUEST

### Features

Send your support request directly to the relevant team to receive the fastest possible response.

### Quick Tip

Under the general documentation section is where you will find all the information about The SMSF Club's operations, quality assurance procedures and agreements.

## Account Details

The settings section allows you to manage your trading limits, account information, payment details and you will also be able to view your exchange fee details .

TRADING

ACCOUNT

PAYMENT

FEES

GENERAL

MARKET

GLOBAL

TRADING LIMIT

100000

YOUR DETAILS

FIRST NAME

Bob

LAST NAME

Smith

USERNAME

bobsmith

EMAIL

bobsmith@smith.com

Please contact your member to change your account email address

CHANGE PASSWORD

NEW PASSWORD

\*\*\*\*\*

CONFIRM

\*\*\*\*\*

UPDATE TRADE SETTINGS

TRADING

ACCOUNT

PAYMENT

FEES

URL

PC005435

CONTACT DETAILS

BUSINESS NAME

Required

FIRST NAME

Example

TRADING

ACCOUNT

PAYMENT

FEES

BANK DETAILS

BANK NAME

BANK

BRI/BANK CODE

12345

ACCOUNT NUMBER

1234512345121

ACCOUNT NAME

Bullion Trading

TRADING

ACCOUNT

PAYMENT

FEES

TRADING FEES

12.0%

STORAGE FEES

0%

Gold

0%

Silver

0.0%

WITHDRAWAL FEES

Greater of \$511 or 1% of the value of metal withdrawn also includes 0.0001% export costs

### Features

Trading limit alerts can be set so that, should your trading activities exceed a specified dollar value greater than your set limit, you will be notified.

## Selecting Your Market

TRADE

TRANSFER

REPORTS

NEWS

HELP

SETTINGS

LOGOUT

In General Settings you can select to trade in the GLOBAL or AUSTRALIA market.

The Global market is USD-denominated and provides access to Trading Hubs in Sydney, Singapore, Bangkok, Shanghai, Hong Kong, Dubai, Istanbul, London, Zurich, New York and Auckland.

The Australia market is AUD-denominated and provides access to Australian Trading Hubs in Sydney, Melbourne, Brisbane Adelaide and Perth.

Cash balances, trades and holdings in one market are not reflected in the other.

TRADINGACCOUNTPAYMENTFEES

GENERAL

MARKETGLOBAL

TRADING LIMIT100000

YOUR DETAILS

FIRST NAMEBob

LAST NAMESmith

USERNAMEbobsmith

EMAILbobsmith@smith.com

Please contact your member to change your account email address

CHANGE PASSWORD

NEW PASSWORD\*\*\*\*\*

CONFIRM\*\*\*\*\*

UPDATE TRADE SETTINGS

General Settings is where you can select to trade in the GLOBAL or AUSTRALIA market.

Quick Tip

In General Settings you can select to trade in the GLOBAL or AUSTRALIA market.

AUSTRALIA

GLOBAL

Once the Update Trade Settings button is clicked, the currency will change.

UPDATE TRADE SETTINGS

You will be able to see this change in the upper left corner. If you choose Australia, the currency will be AUD. If you choose Global, the currency will be USD.

AUD

USD

PHYSICAL BULLION

Stored in global vaults, not a paper contract. Withdraw your bullion at any time. Retain complete ownership and control over your investment.

SECURE

Stored and insured by Armaguard and Malca-Amit, verified by Inspectorate, audited by BDO. Simply the most secure physical bullion investment solution.

COST EFFECTIVE

With prices provided by multiple market participants, avoid dealer spreads and benefit from MetalDesk's exchange based trading platform. Get the best price.

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## Gold | Silver | Platinum

### Physical contract specifications

#### Gold ½ ounce pooled

Description	1/2 fine troy ounce gold pooled contract, consisting of gold cast bars of minimum fineness of 995, and bearing a serial number and identifying stamp of an Approved Refiner.
Contract Size	1/2 Fine Troy Ounce
Fineness	Min. 995
Price Quotation Currency	AUD & USD
Price Quotation Unit	1 Fine Troy Ounce
Tick Size	\$0.01 AUD & USD
Minimum Withdrawal Quantity	400 troy ounces (800 lots)
Minimum Deposit Quantity	400 troy ounces (800 lots)



#### Gold 10 ounce Swiss minted bar

Description	10 ounce gold minted bar, of minimum fineness 999.9, and bearing a serial number and identifying stamp of an Approved Refiner, where the Refinery Location is within Switzerland.
Contract Size	10 Fine Troy Ounces
Fineness	Min. 999.9
Price Quotation Currency	AUD & USD
Price Quotation Unit	1 Fine Troy Ounce
Tick Size	\$0.01 AUD & USD
Minimum Withdrawal Quantity	1 bar (1 lot)
Minimum Deposit Quantity	1 bar (1 lot)



#### Gold 1kg cast bar

Description	1 kg (32.148 fine troy ounces) gold cast bar, of minimum fineness 999.9, and bearing a serial number and identifying stamp of an Approved Refiner.
Contract Size	32.148 Fine Troy Ounces
Fineness	Min. 999.9
Price Quotation Currency	AUD & USD
Price Quotation Unit	1 Fine Troy Ounce
Tick Size	\$0.01 AUD & USD
Minimum Withdrawal Quantity	1 bar (1 lot)
Minimum Deposit Quantity	1 bar (1 lot)



## Gold 1kg cast bar 995

Description	1 kilogram (31.990 fine troy ounces) gold cast bar, of minimum fineness 995, and bearing a serial number and identifying stamp of an Approved Refiner.
Contract Size	31.990 Fine Troy Ounces
Fineness	Min. 995
Applicable Trading Hubs	Dubai, Istanbul only
Price Quotation Currency	United States Dollars and Cents (USD)
Price Quotation Unit	1 Fine Troy Ounce
Tick Size	\$USD 0.01
Minimum Withdrawal Quantity	1 bar (1 lot)
Minimum Deposit Quantity	1 bar (1 lot)



## Wholesale AAU 10 kg

Description	10 kg Wholesale Gold
Contract Size	10 kg (10 x 1kg bars)
Fineness	Min. 9999.
Price Quotation Currency	AUD & USD
Price Quotation Unit	1 Fine Troy Ounce
Tick Size	\$0.01 AUD & USD
Minimum Withdrawal Quantity	10 kg
Minimum Deposit Quantity	10 kg



## Gold 100 gram Swiss cast bar

Description	100 gram (3.215 fine troy ounces) gold cast bar, of minimum fineness 999.9, and bearing a serial number and identifying stamp of an Approved Refiner, where the Refinery Location is within Switzerland.
Contract Size	3.215 Fine Troy Ounces
Fineness	Min. 999.9
Price Quotation Currency	AUD & USD
Price Quotation Unit	1 Fine Troy Ounce
Tick Size	\$0.01 AUD & USD
Minimum Withdrawal Quantity	3.215 troy ounces (1 bar)
Minimum Deposit Quantity	3.215 troy ounces (1 bar)



## American gold buffalo coin (1 fine troy ounce)

Description	American Gold Buffalo 1 fine troy ounce minted coin, of minimum fineness 999.9.
Contract Size	1 Fine Troy Ounce
Fineness	Min. 999.9
Price Quotation Currency	AUD & USD
Price Quotation Unit	1 Fine Troy Ounce
Tick Size	\$0.01 AUD & USD
Minimum Withdrawal Quantity	1 coin (1 lot)
Minimum Deposit Quantity	1 coin (1 lot)



## Australian gold kangaroo coin (1 fine troy ounce)

Description	Australian Gold Kangaroo 1 fine troy ounce minted coin, of minimum fineness 999.9.
Contract Size	1 Fine Troy Ounce
Fineness	Min. 999.9
Price Quotation Currency	AUD & USD
Price Quotation Unit	1 Fine Troy Ounce
Tick Size	\$0.01 AUD & USD
Minimum Withdrawal Quantity	1 coin (1 lot)
Minimum Deposit Quantity	1 coin (1 lot)



## Austrian gold Vienna Philharmonic coin (1 fine troy ounce)

Description	Austrian Gold Vienna Philharmonic 1 fine troy ounce minted coin, of minimum fineness 999.9.
Contract Size	1 Fine Troy Ounce
Fineness	Min. 999.9
Price Quotation Currency	AUD & USD
Price Quotation Unit	1 Fine Troy Ounce
Tick Size	\$0.01 AUD & USD
Minimum Withdrawal Quantity	1 coin (1 lot)
Minimum Deposit Quantity	1 coin (1 lot)



## Canadian gold maple leaf coin (1 fine troy ounce)

Description	Canadian Gold Maple Leaf 1 fine troy ounce minted coin, of minimum fineness 999.9.
Contract Size	1 Fine Troy Ounce
Fineness	Min. 999.9
Price Quotation Currency	AUD & USD
Price Quotation Unit	1 Fine Troy Ounce
Tick Size	\$0.01 AUD & USD
Minimum Withdrawal Quantity	1 coin (1 lot)
Minimum Deposit Quantity	1 coin (1 lot)



## Chinese gold panda coin (1 fine troy ounce)

Description	Chinese Gold Panda 1 fine troy ounce minted coin, of minimum fineness 999.9.
Contract Size	1 Fine Troy Ounce
Fineness	Min. 999.9
Price Quotation Currency	AUD & USD
Price Quotation Unit	1 Fine Troy Ounce
Tick Size	\$0.01 AUD & USD
Minimum Withdrawal Quantity	1 coin (1 lot)
Minimum Deposit Quantity	1 coin (1 lot)



## Silver 1 ounce pooled

Description	1 troy ounce silver pooled contract, consisting of silver cast bars of a minimum fineness of 999, and bearing a serial number and identifying stamp of an Approved Refiner.
Contract Size	1 Fine Troy Ounce
Fineness	Min. 999
Price Quotation Currency	AUD & USD
Price Quotation Unit	1 Troy Ounce
Tick Size	\$0.01 AUD & USD
Minimum Withdrawal Quantity	1,000 troy ounces (1,000 lots)
Minimum Deposit Quantity	1,000 troy ounces (1,000 lots)



## Silver 10 ounce minted bar

Description	10 ounce silver minted bar, of minimum fineness 999, and bearing a serial number and identifying stamp of an Approved Refiner.
Contract Size	10 Troy Ounces
Fineness	Min. 999
Price Quotation Currency	AUD & USD
Price Quotation Unit	1 Troy Ounce
Tick Size	\$0.01 AUD & USD
Minimum Withdrawal Quantity	1 bar (1 lot)
Minimum Deposit Quantity	1 bar (1 lot)



## Silver 100 ounce bar

Description	100 ounce silver bar, of minimum fineness of 999, and bearing a serial number and identifying stamp of an Approved Refiner.
Contract Size	100 Ounces
Fineness	Min. 999
Price Quotation Currency	AUD & USD
Price Quotation Unit	1 Troy Ounce
Tick Size	\$0.01 AUD & USD
Minimum Withdrawal Quantity	1 bar (1 lot)
Minimum Deposit Quantity	1 bar (1 lot)



## Wholesale AAG 25,000 oz

Description	25000 oz Wholesale Silver
Contract Size	25,000 troy ounces (250 x 100 oz bars)
Fineness	Min. 999
Price Quotation Currency	AUD & USD
Price Quotation Unit	1 Troy Ounce
Tick Size	\$0.01 AUD & USD
Minimum Withdrawal Quantity	250 x 100 oz bars
Minimum Deposit Quantity	250 x 100 oz bars



### The SMSF Club

Web: [www.thesmsfclub.com.au](http://www.thesmsfclub.com.au)  
Ph: 1300 760 397  
Email: [admin@thesmsfclub.com.au](mailto:admin@thesmsfclub.com.au)

THE SMSF CLUB

## Silver 1kg cast bar

Description	1 kg (32.151 troy ounces) silver cast bar, of minimum fineness of 999, and bearing a serial number and identifying stamp of an Approved Refiner.
Contract Size	32.151 Troy Ounces
Fineness	Min. 999
Price Quotation Currency	AUD & USD
Price Quotation Unit	1 Troy Ounce
Tick Size	\$0.01 AUD & USD
Minimum Withdrawal Quantity	1 bar (1 lot)
Minimum Deposit Quantity	1 bar (1 lot)



## American silver eagle coin (1 troy ounce)

Description	20 x American Silver Eagle 1 troy ounce minted silver coins, of a minimum fineness of 999.
Contract Size	20 Troy Ounces
Fineness	Min. 999
Price Quotation Currency	AUD & USD
Price Quotation Unit	1 Troy Ounce
Tick Size	\$0.01 AUD & USD
Minimum Withdrawal Quantity	20 coins (1 lot)
Minimum Deposit Quantity	20 coins (1 lot)



## Australian silver kookaburra coin (1 troy ounce)

Description	20 x Australian Silver Kookaburra 1 troy ounce minted silver coins, of a minimum fineness of 999.
Contract Size	20 Troy Ounces
Fineness	Min. 999
Price Quotation Currency	AUD & USD
Price Quotation Unit	1 Troy Ounce
Tick Size	\$0.01 AUD & USD
Minimum Withdrawal Quantity	20 coins (1 lot)
Minimum Deposit Quantity	20 coins (1 lot)



## Austrian silver Vienna Philharmonic coin (1 troy ounce)

Description	20 x Austrian Silver Vienna Philharmonic 1 troy ounce minted silver coins, of a minimum fineness of 999.
Contract Size	20 Troy Ounces
Fineness	Min. 999
Price Quotation Currency	AUD & USD
Price Quotation Unit	1 Troy Ounce
Tick Size	\$0.01 AUD & USD
Minimum Withdrawal Quantity	20 coins (1 lot)
Minimum Deposit Quantity	20 coins (1 lot)



## Canadian silver maple leaf coin (1 troy ounce)

Description	25 x Canadian Silver Maple Leaf 1 troy ounce minted silver coins, of a minimum fineness of 999.
Contract Size	25 Troy Ounces
Fineness	Min. 999
Price Quotation Currency	AUD & USD
Price Quotation Unit	25 Troy Ounces
Tick Size	\$0.01 AUD & USD
Minimum Withdrawal Quantity	25 coins (1 lot)
Minimum Deposit Quantity	25 coins (1 lot)



## Platinum ½ ounce pooled

Description	½ ounce platinum pooled contract, consisting of platinum cast bars of a minimum fineness of 999.5, and bearing a serial number and identifying stamp of an Approved Refiner.
Contract Size	½ Fine Troy Ounce
Fineness	Min 999.5
Price Quotation Currency	AUD & USD
Price Quotation Unit	1 Troy Ounce
Tick Size	\$0.01 AUD & USD
Minimum Withdrawal Quantity	200 troy ounces (400 lots)
Minimum Deposit Quantity	200 troy ounces (400 lots)



## Platinum 1kg cast bar

Description	1 kilogram (32.151 troy ounces) platinum cast bar, of a minimum fineness of 999.5, and bearing a serial number and identifying stamp of an Approved Refiner.
Contract Size	32.151 Troy Ounces
Fineness	Min. 999.5
Price Quotation Currency	AUD & USD
Price Quotation Unit	1 Troy Ounce
Tick Size	\$0.01 AUD & USD
Minimum Withdrawal Quantity	1 bar (1 lot)
Minimum Deposit Quantity	1 bar (1 lot)



## Canadian platinum maple leaf coin (1 troy ounce)

Description	Canadian Platinum Maple Leaf 1 troy ounce minted platinum coin, of a minimum fineness of 999.5.
Contract Size	1 Troy Ounce
Fineness	Min. 999.5
Price Quotation Currency	AUD & USD
Price Quotation Unit	1 Troy Ounce
Tick Size	\$0.01 AUD & USD
Minimum Withdrawal Quantity	1 coin (1 lot)
Minimum Deposit Quantity	1 coin (1 lot)



**Approved refiner list**

Source	Country	Refinery Location	Metal	Hubs
Argor-Heraeus SA	Switzerland	Mendrisio	AU, AG, PT	All Hubs
Heraeus Ltd Hong Kong)	Hong Kong	Fanling	AU, AG, PT	All Hubs*
Heraeus Metal Processing LLC	USA	Wartburg/Santa Fe Springs	PT	All Hubs*
Heraeus Precious Metals GmbH & Co. KG	Germany	Hanau	AU, AG, PT	All Hubs*
Heraus Refinery SA (Pty) Ltd.	South Africa	Port Elizabeth	PT	All Hubs*
Johnson Matthey Inc.	USA	Salt Lake City	AU, AG	All Hubs*
Johnson Matthey Inc.	USA	West Deptford	PT	All Hubs*
Johnson Matthey Ltd.	Canada	Brampton	AU, AG	All Hubs*
Johnson Matthey Plc.	United Kingdom	Royston	PT	All Hubs*
Metalor Technologies (Hong Kong Ltd)	Hong Kong	Kwai Chung	AU	All Hubs*
Metalor Technologies SA	Switzerland	Marin	AU, PT	All Hubs
Metalor USA Refining Corp.	USA	North Attleboro	AU	All Hubs*
NTR Metals	USA	Dallas	AU, AG	All Hubs*
Nyrstar Port Pirie Pty Ltd	Australia	Port Pirie	AG	All Hubs*
Ohio Precious Metals	USA	Ohio	AU, AG	All Hubs*
Pamp SA	Switzerland	Castel San Pietro	AU, AG, PT	All Hubs
Rand Refinery (Pty) Ltd	South Africa	Germiston	AU, AG	All Hubs*
The Perth Mint	Australia	Newburn	AU, AG	All Hubs*
Valcambi SA	Switzerland	Balerna	AU, AG, PT	All Hubs
Solar Applied Materials Technology Corp	Taiwan	Danong Village	AG	All Hubs*
Emirate Gold DMCC	UAE	Dubai	AU	DU
Al Etihad Gold Refinery DMCC	UAE	Dubai	AU	DU
Elemetal Refining	USA	Jackson	AU, AG	All Hubs*

\*excluding Bangkok, BK

Trading hubs

Country	City	Vault Provider	Trading Currency	Hub Ticker Code
Australia	Adelaide	Armaguard	AUD	AD
Australia	Brisbane	Armaguard	AUD	BR
Australia	Melbourne	Armaguard	AUD	ME
Australia	Perth	Armaguard	AUD	PE
Australia	Sydney	Armaguard	AUD	SY
Australia	Sydney	Malca Amit	USD	SU
China	Shanghai (FTZ)	Malca Amit	USD	SH
Hong Kong	Hong Kong	Malca Amit	USD	HK
New Zealand	Auckland	Armaguard	USD	AK
Singapore	Singapore	Malca Amit	USD	SG
Switzerland	Zurich	Malca Amit	USD	ZR
Thailand	Bangkok	Malca Amit	USD	BK
Turkey	Istanbul	Loomis	USD	IT
United Arab Emirates	Dubai	Loomis	USD	DU
United Kingdom	London	Loomis	USD	LO
United States of America	New York	Malca Amit	USD	NY

# THE SMSF CLUB

**[WWW.THESMSFCLUB.COM.AU](http://WWW.THESMSFCLUB.COM.AU)**

**[ADMIN@THESMSFCLUB.COM.AU](mailto:ADMIN@THESMSFCLUB.COM.AU)**

**1300 760 397**