

Chartbook of the *In Gold We Trust* Report 2022

Stagflation 2.0

Ronald-Peter Stöferle
Mark J. Valek

September 2022

In Our Partners We Trust



About the *In Gold We Trust* Report

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

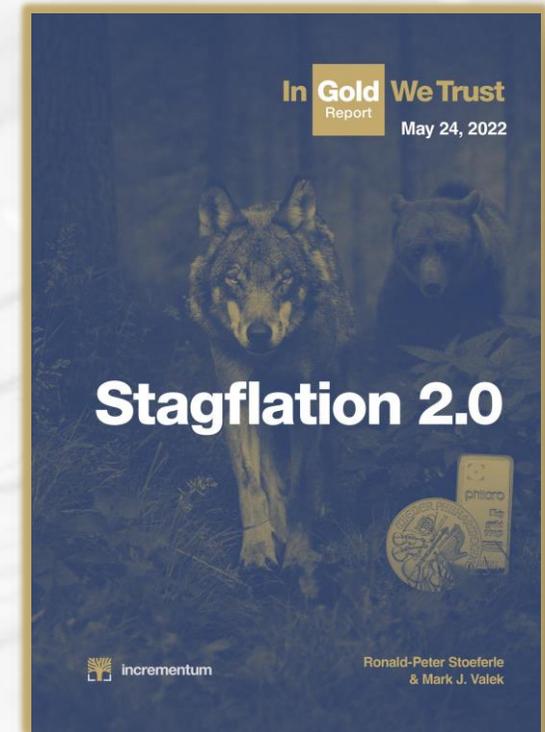


Mark Valek & Ronald Peter Stöferle

Executive Summary

In Gold We Trust Report 2022

- **Status Quo of Gold: Most Important Influencing Factors And Trends**
- **Central Banks with Their Backs to the Wall**
- **After the Everything Bubble, Now the Everything Crash?**
- **Stagflation 2.0 – A New Challenge for Investors**
- **Gold, the only Neutral International Reserve Currency**
- **The Commodity Bull Market Is in Full Swing**
- **Traditional Investment Strategies not Suitable for this Investment Environment**
- **Fundamental and Technical Status Quo of Mining Stocks**
- **Royalty and Streaming Companies: An Interesting Alternative**
- **Quo Vadis, Aurum?**



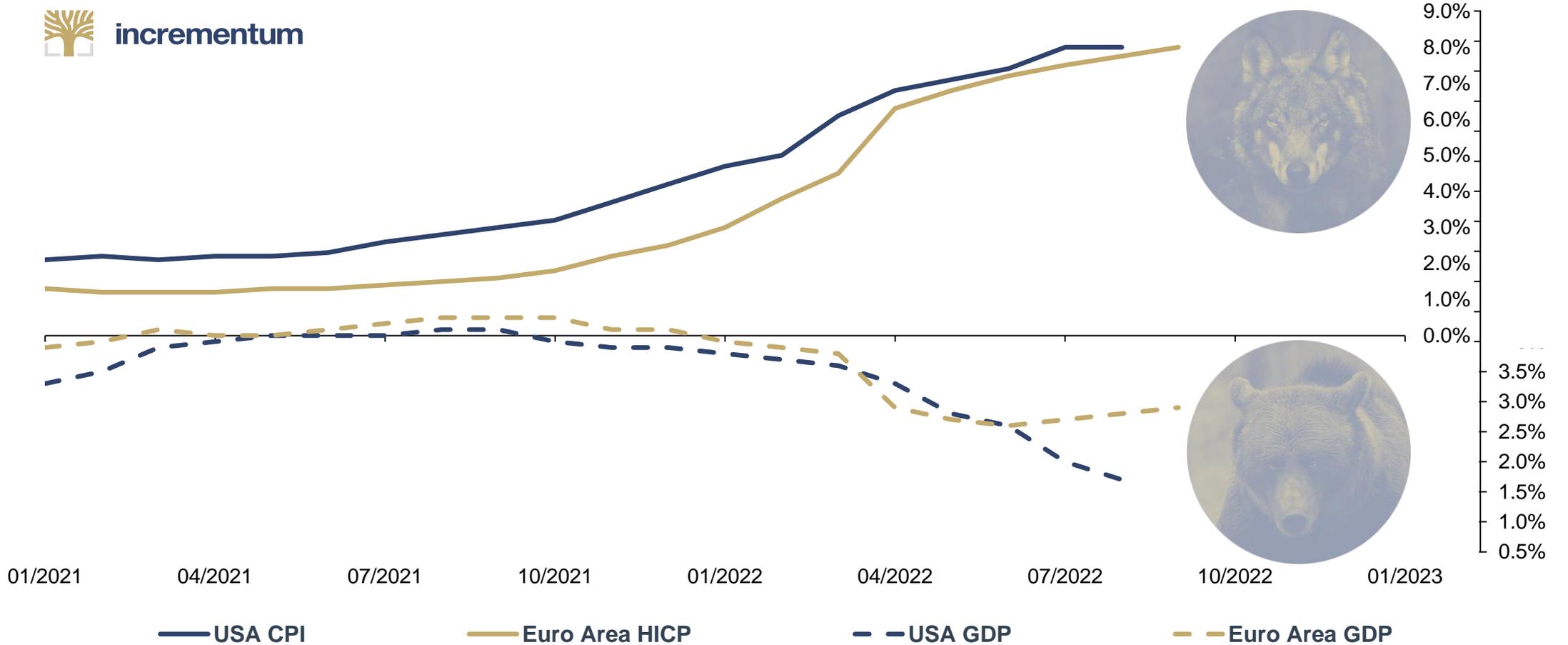
Stagflation 2.0

“We are beginning a paradigm shift. A paradigm shift is a shift from one mindset and positioning of that mindset to another mindset and another positioning of that.”

Ray Dalio

The Wolf (High Inflation) and the Bear (Low Growth)

Monthly Inflation and GDP Polls for 2022, USA and Euro Area, 01/2021-09/2022



Source: Reuters Eikon, Incrementum AG

Our Proprietary Definition of Stagflation

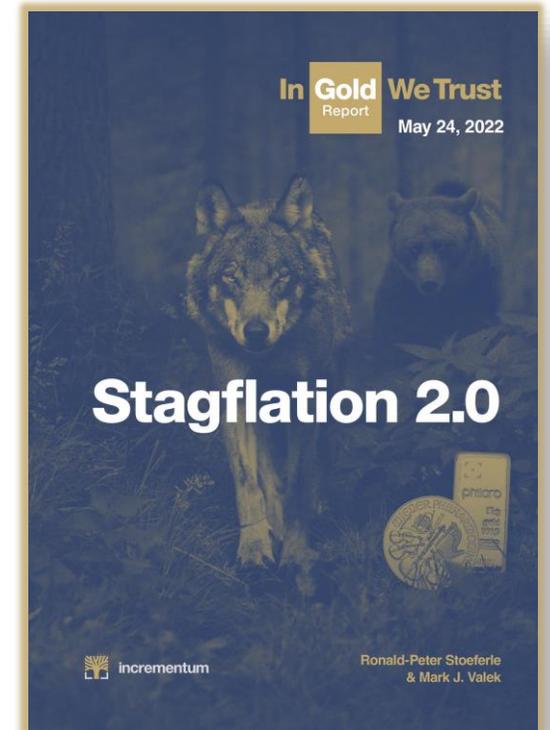
See [IGWT 2022 p. 108](#) for More Information Regarding Our Definition of Stagflation

Definition:

Stagflation occurs when an economy has two consecutive quarters of less than 1% year-on-year real economic growth and above 3% year-on-year inflation.

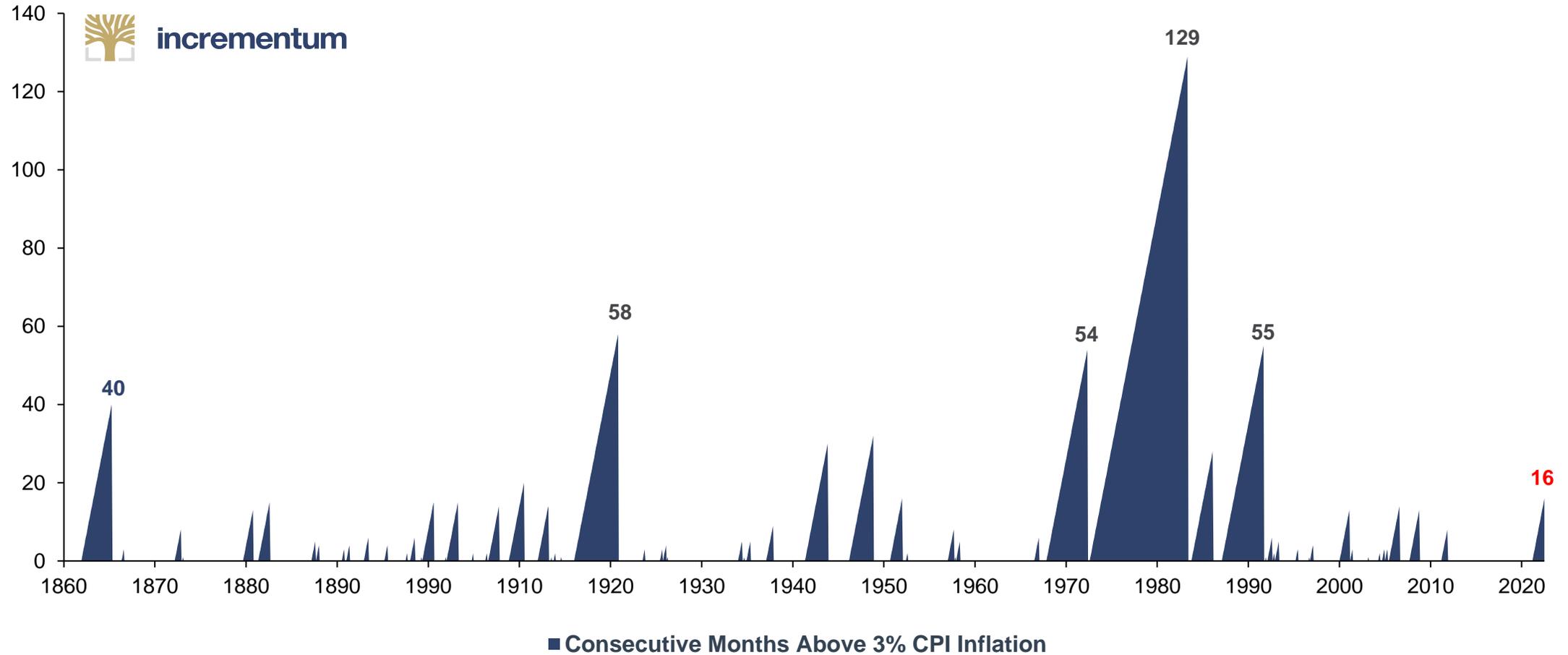
Stagflation Strength:

Stagflation strength is measured as the sum of inflation and real GDP deviation from their respective targets (real GDP yoy < 1%; CPI/HICP yoy > 3%), with the scale normalized so that the maximum value of stagflation strength is 1.



Longest +3% Inflation Period Since the Early 1990s

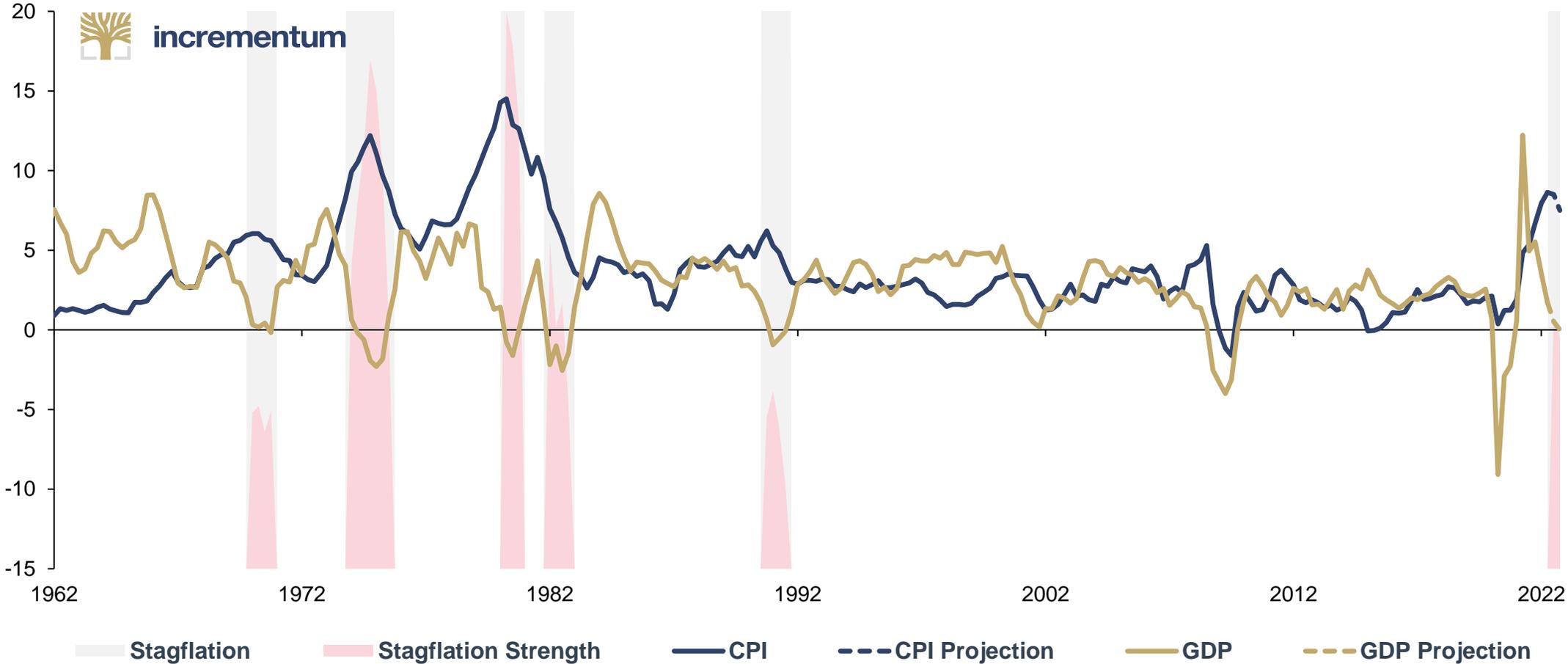
Consecutive Months Above 3% CPI Inflation, 01/1860-07/2022



Source: Crescat Capital LLC, Reuters Eikon, goldchartsrus.com, Incrementum AG

Projections Hint at the Sixth US Stagflationary Phase Since 1962

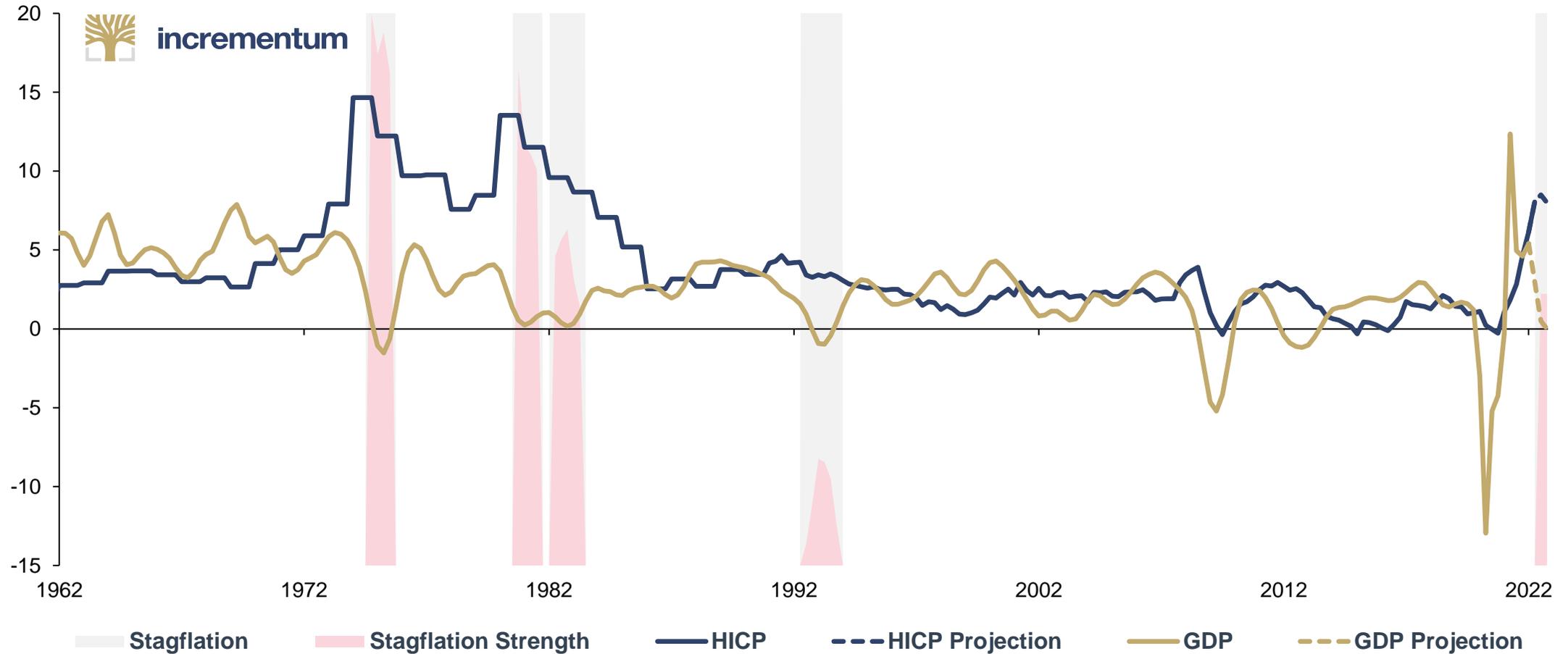
US GDP, US CPI, and Projections, yoy%, and Stagflation Periods, Q1/1962-Q4/2022e



Source: Reuters Eikon, Incrementum AG

In the Euro Area too, Stagflation Is Knocking on the Door

Euro Area GDP, Euro Area HICP*, and Projections, yoy%, and Stagflation Periods, Q1/1962-Q4/2022e



Source: Reuters Eikon, Incrementum AG

*Quarterly data available since 1991



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Stagflation 1.0 vs. Stagflation 2.0

Comparison of Stagflation Phases 1970-1983 and Stagflation 2.0

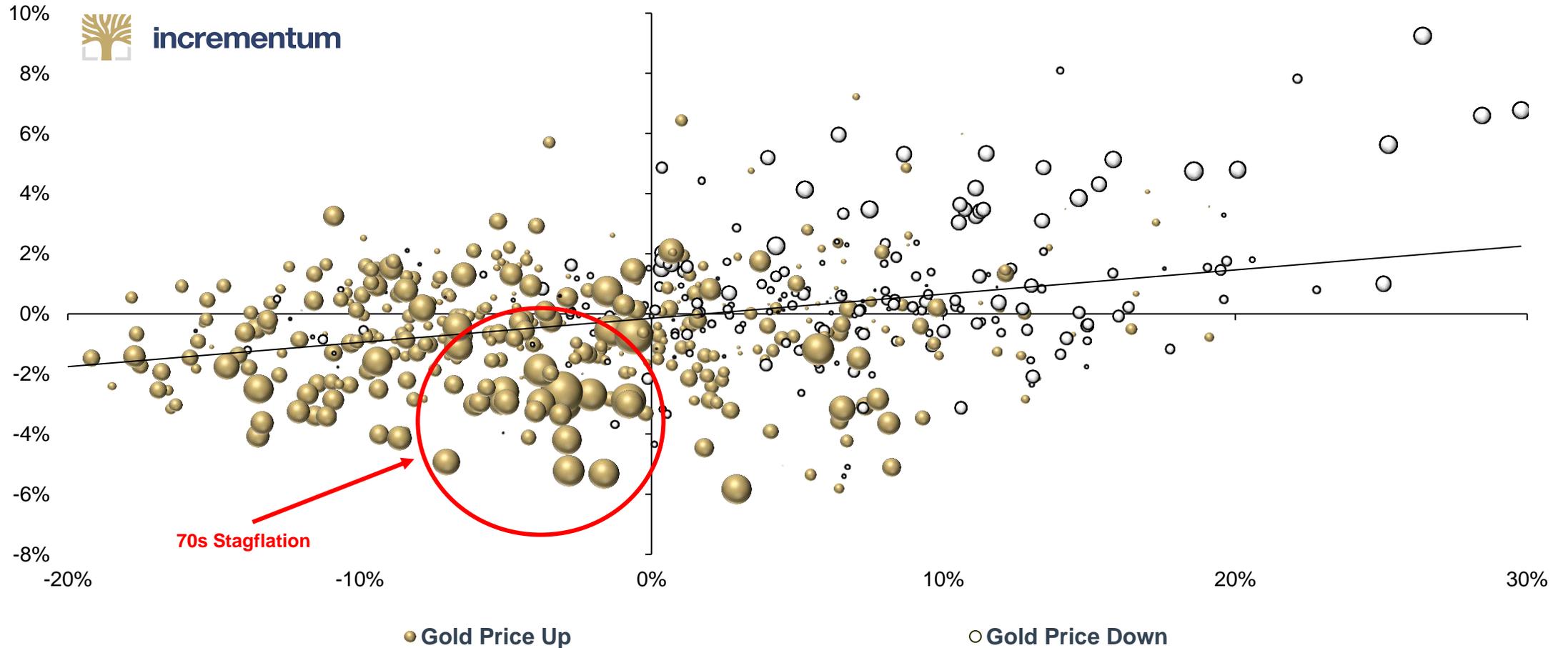
Factor	Stagflation phases 1970–1983	Stagflation 2.0
Trigger	Oil embargo 1973 Yom Kippur War 1979 Iranian Revolution	Covid-19 pandemic & lockdowns/massive stimulus measures. Supply chain issues War in Ukraine
Duration	4 phases between 1970 and 1983	?
Annual monetary overhang	Up to 4.9% (1982)	Up to 21.3% (2020)
Real interest rate	Partly positive, partly negative, mostly within a range of +5%/-5%; Strong increase in early 1980s to just under +10%.	Currently, strongly negative Positive real interest rates not conceivable
Budget deficit	Max. 5.7% (1983)	Max. 15.0% (2020)
Debt	Low (data 1970 and 1982) - State: 35.7%; 35.2% - Company: 47.0%; 53.1% - Private households: 44.0%;47.9%	High (data 2021) - State: 123.4% - Company: 77.2% - Private households: 76.4%
Labor market	High degree of organization Growing workforce potential	Low degree of organization Declining workforce potential as a result of demographic change
International division of labor / geopolitics	Division of labor largely stable Geopolitics: Cold War	After decades of globalization, now deglobalization Slipping into Cold War 2.0
Food prices	Poor harvest in 1972 led to a sharp rise in food prices in the US	Fertilizer crisis due to price increase Sanctions against Belarus and Russia. Impending food crisis due to the Ukraine war
Oil price development (WTI)	Jun 1973–Feb 1974: +184% Dec 1978–May 1980: +166%	Dec 2020–Apr 2022: 116%
Price controls	Wage and price controls ended in 1974 and triggered catch-up effects	In some countries, introduction of price controls, especially for energy but also for food prices, as well as massive subsidies to compensate for inflation
Currency regime	Exchange of gold currency standard for system of flexible exchange rates	Increasing departure from the unipolar monetary system with the US dollar as an anchor currency
End	Interest rate hikes, Volcker shock recessions	Potential debt crises due to high debt levels

Source: Incrementum AG



How Does Gold Fare During Stagflation?

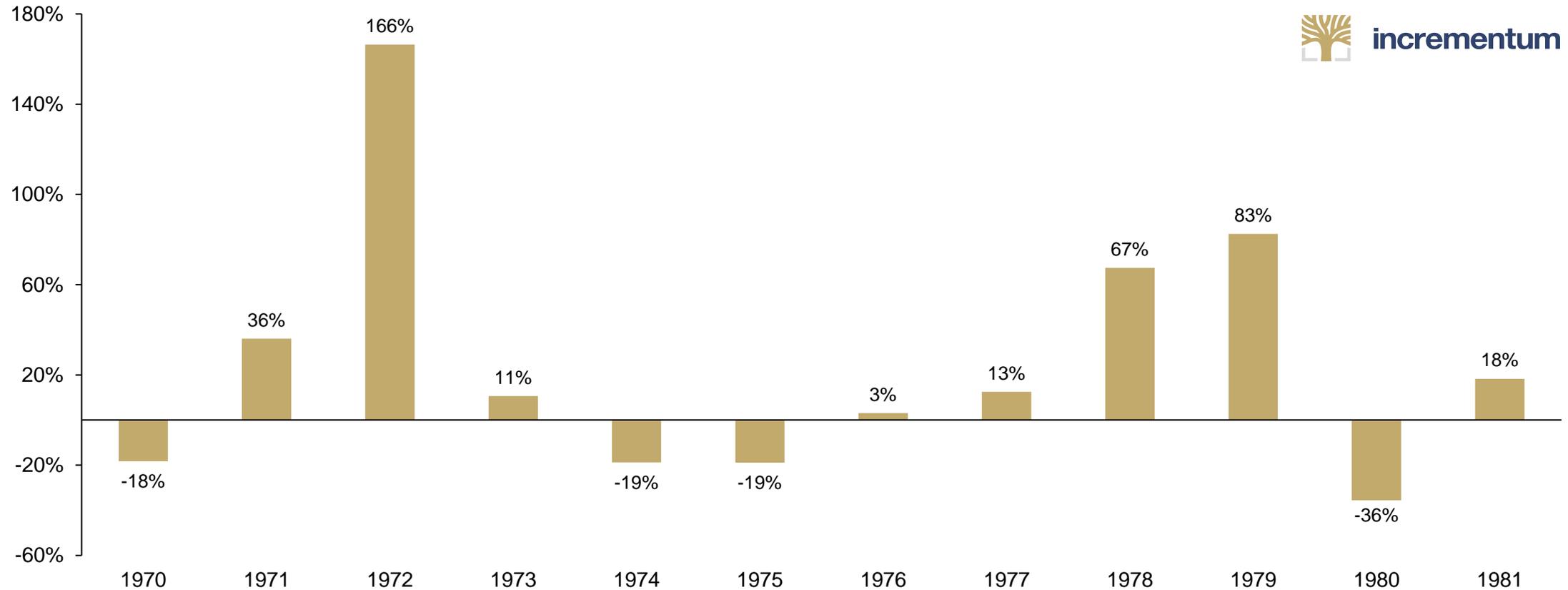
US Dollar Index (x-axis), yoy, US Real 10Y Bond Yield (y-axis), yoy, and Gold Performance (Bubble Size), yoy, 01/1972-07/2022



Source: Reuters Eikon, Incrementum AG

Gold Mining Stocks Did Well During Stagflation 1.0

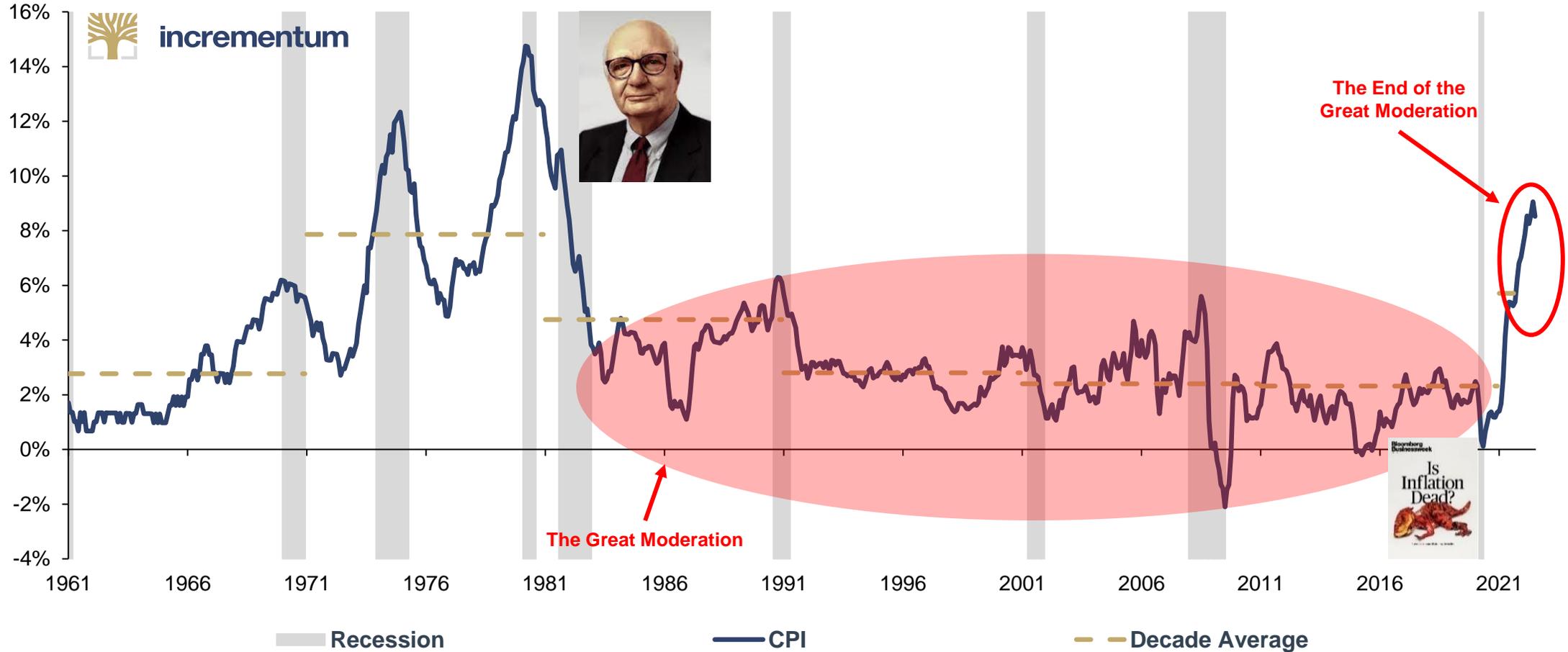
BGMI Performance, 1970-1981



Source: Nick Laird, Incrementum AG

The Inflation Wolf Is Slowing Down

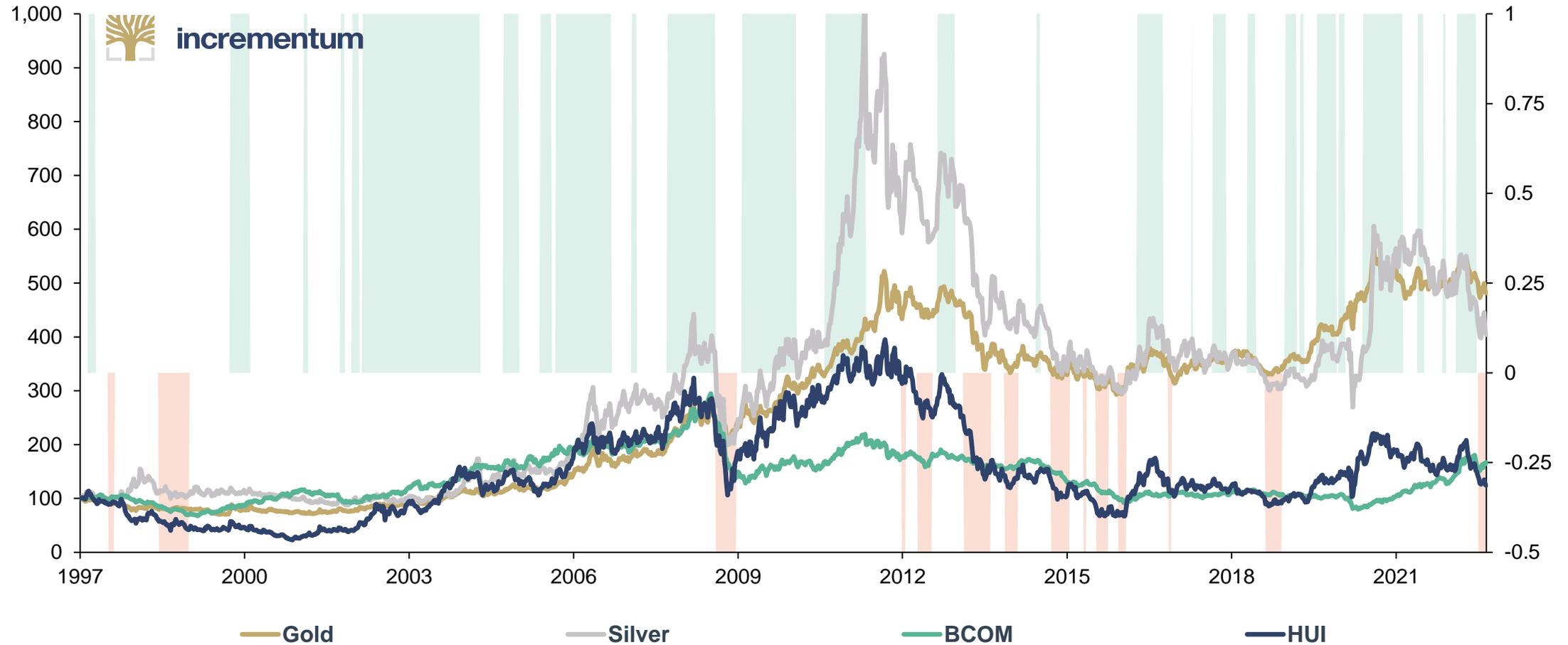
CPI, yoy, 01/1961-07/2022



Source: Reuters Eikon, Incrementum AG

Our Proprietary Inflation Model Shows that Disinflationary Pressure Is Rising

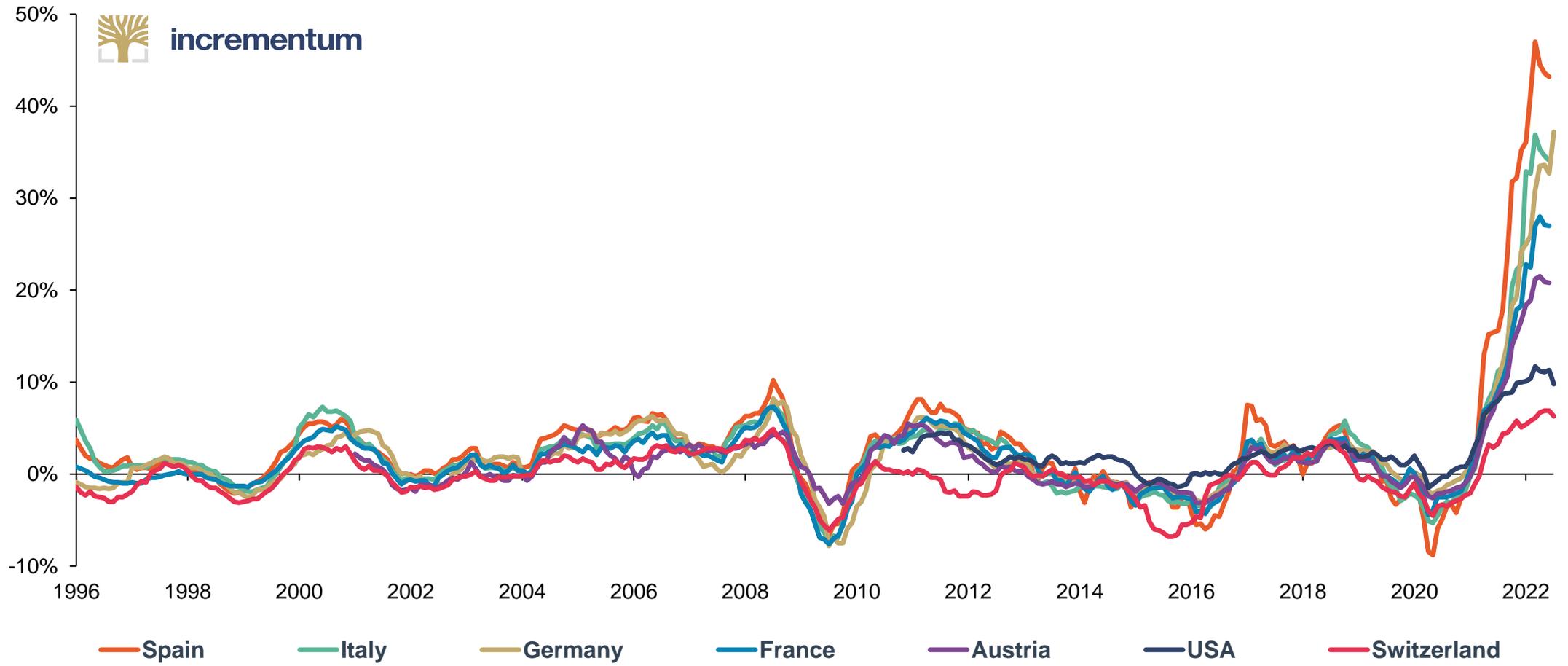
Inflation-Sensitive Assets (lhs), 100 = 01/1997, and Incrementum Inflation Signal (rhs), 01/1997-08/2022



Source: Reuters Eikon, Incrementum AG

Production Prices Seem to Have Peaked ... for Now

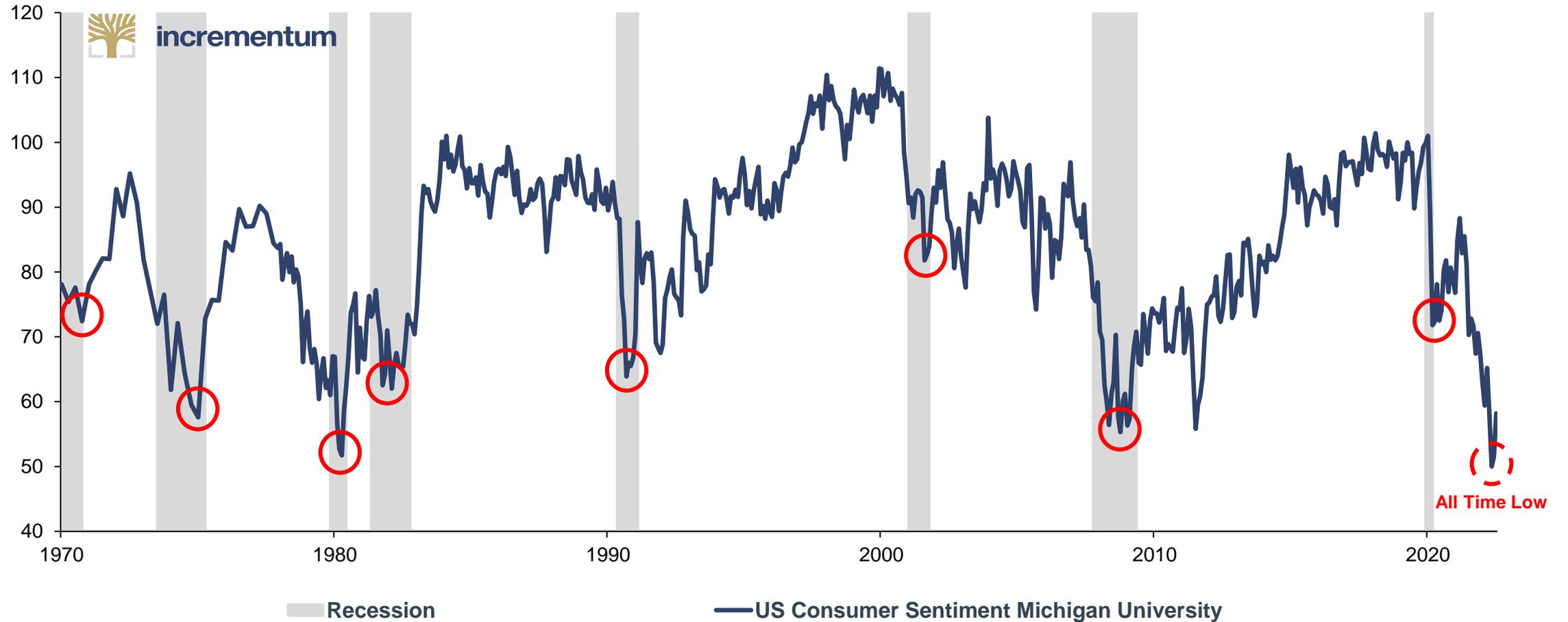
PPI, yoy, 01/1996-07/2022



Source: Reuters Eikon, Incrementum AG

The Consumer Is Feeling the Heat! Is the Consumer Seeing the Recession Bear Approaching?

US Consumer Sentiment Michigan University, 01/1970-08/2022



Source: Reuters Eikon, Incrementum AG

Our Inflation Strategy Performed Very Well

Incrementum Inflation Strategy, and GSCI TR EUR*, 100 = 21.02.2014, 02/2014-09/2022



Source: Reuters Eikon, Incrementum AG

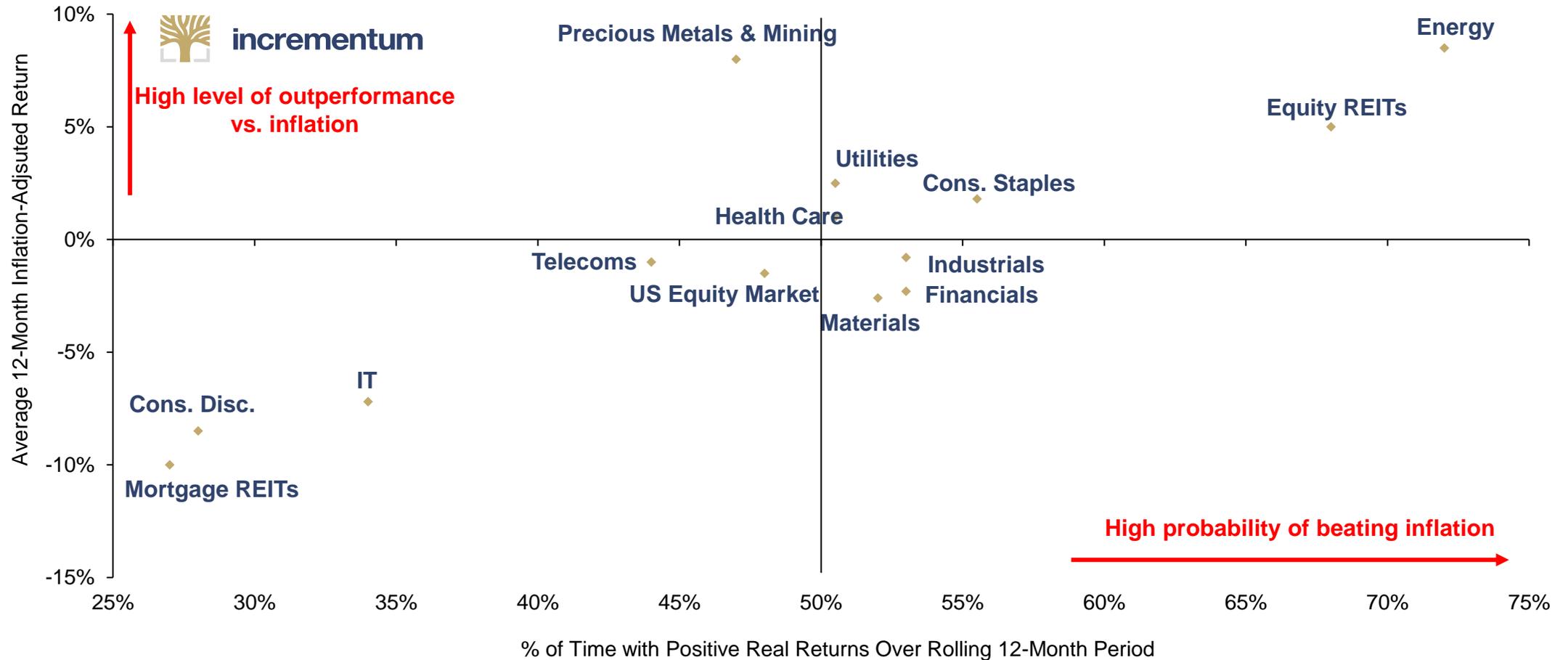
*Calculation incl. 1% p.a. TER



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Which Equity Sectors Work During Inflation?

US Equity Sector Performance in High (+3% on Average) and Rising Inflation Environments, 1973-2020



Source: Schroders, Incrementum AG

Advantages and Disadvantages of Inflation-Sensitive Assets

Inflation-Sensitive Assets	Advantages	Disadvantages
Precious metals	Liquid, no counterparty risk	Inflation protection only over long periods
Mining stocks	Productive assets, dividends	Equity market risk
Commodities	High correlation with inflation trend	High storage costs or negative return due to rolling losses
Commodity stocks	Productive assets, dividends	Equity market risk
Commodity currencies	Correlation to raw materials without storage costs	No productive capital
Bonds: Emerging markets & commodity exporters	Yield	Interest rate risk, issuer risk
Inflation-indexed bonds	Direct hedge against the official inflation rate	Counterparty risk, inflation rate underreported, hedges only over the maturity period
Real estate	Yield	Credit cycle, vulnerable to regulation in the event of inflation

Source: Reuters Eikon, Incrementum AG



Status Quo of Gold

“Selling gold because UST yields are rising sharply is 100% right in the short term but 100% wrong in the intermediate term.”

Luke Gromen

Gold Performance Since 2000 in Various Currencies

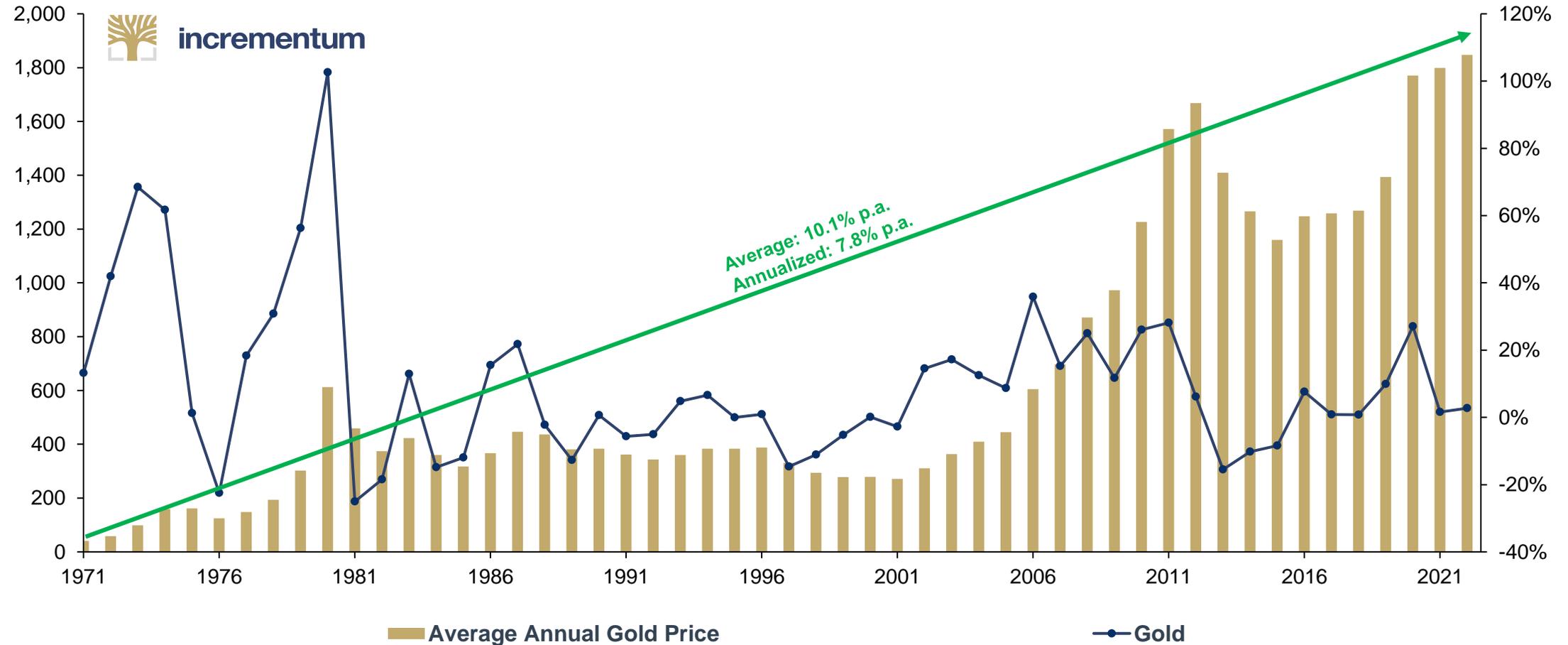
Annual Gold Performance, 2000-2022 YTD

Year	USD	EUR	GBP	AUD	CAD	CNY	JPY	CHF	INR	Average
2000	-5.3%	1.2%	2.4%	11.2%	-1.9%	-5.4%	5.8%	-4.2%	1.4%	0.6%
2001	2.4%	8.4%	5.3%	12.0%	8.8%	2.4%	18.0%	5.5%	5.8%	7.6%
2002	24.4%	5.5%	12.3%	13.2%	22.9%	24.4%	12.2%	3.5%	23.7%	15.8%
2003	19.6%	-0.2%	8.0%	-10.7%	-1.3%	19.6%	8.1%	7.4%	13.9%	7.2%
2004	5.6%	-2.0%	-1.7%	1.5%	-2.0%	5.6%	0.8%	-3.1%	0.1%	0.5%
2005	18.1%	35.2%	31.6%	25.9%	14.1%	15.1%	35.9%	36.3%	22.8%	26.1%
2006	23.0%	10.4%	8.1%	14.3%	23.3%	19.0%	24.2%	14.1%	20.7%	17.5%
2007	30.9%	18.4%	29.2%	18.0%	12.0%	22.5%	22.5%	21.8%	16.9%	21.4%
2008	5.4%	10.0%	43.0%	30.5%	28.7%	-1.5%	-14.2%	-0.8%	30.0%	14.6%
2009	24.8%	21.8%	13.0%	-1.6%	7.9%	24.8%	27.9%	21.1%	19.2%	17.6%
2010	29.5%	38.6%	34.2%	13.9%	22.8%	25.1%	13.2%	16.8%	24.8%	24.3%
2011	10.2%	13.8%	10.6%	9.9%	12.7%	5.2%	4.5%	10.7%	30.7%	12.0%
2012	7.1%	5.0%	2.4%	5.3%	4.2%	6.0%	20.7%	4.5%	11.1%	7.4%
2013	-28.0%	-30.9%	-29.4%	-16.1%	-23.0%	-30.1%	-12.6%	-29.8%	-19.1%	-24.3%
2014	-1.8%	11.6%	4.4%	7.2%	7.5%	0.7%	11.6%	9.4%	0.2%	5.6%
2015	-10.4%	-0.2%	-5.3%	0.6%	6.8%	-6.2%	-9.9%	-9.7%	-5.9%	-4.4%
2016	8.5%	12.1%	29.7%	9.4%	5.3%	16.1%	5.4%	10.3%	11.4%	12.0%
2017	13.1%	-0.9%	3.3%	4.6%	5.9%	6.0%	9.0%	8.3%	6.3%	6.2%
2018	-1.5%	3.0%	4.3%	9.0%	6.8%	4.1%	-4.2%	-0.8%	7.3%	3.1%
2019	18.3%	21.0%	13.8%	18.7%	12.6%	19.7%	17.2%	16.6%	21.3%	17.7%
2020	25.0%	14.7%	21.2%	14.1%	22.6%	17.2%	18.8%	14.3%	28.0%	19.5%
2021	-3.6%	3.6%	-2.6%	2.2%	-4.3%	-6.1%	7.5%	-0.6%	-1.7%	-0.6%
2022 YTD	-5.7%	5.9%	9.2%	-0.6%	-3.0%	2.8%	17.0%	-1.4%	0.5%	2.7%
Average	9.1%	9.0%	10.7%	8.4%	8.2%	8.1%	10.4%	6.5%	11.7%	9.1%

Source: Reuters Eikon (as of September 12th, 2022), Incrementum AG

Average Annual Gold Price Still at All-Time-Highs!

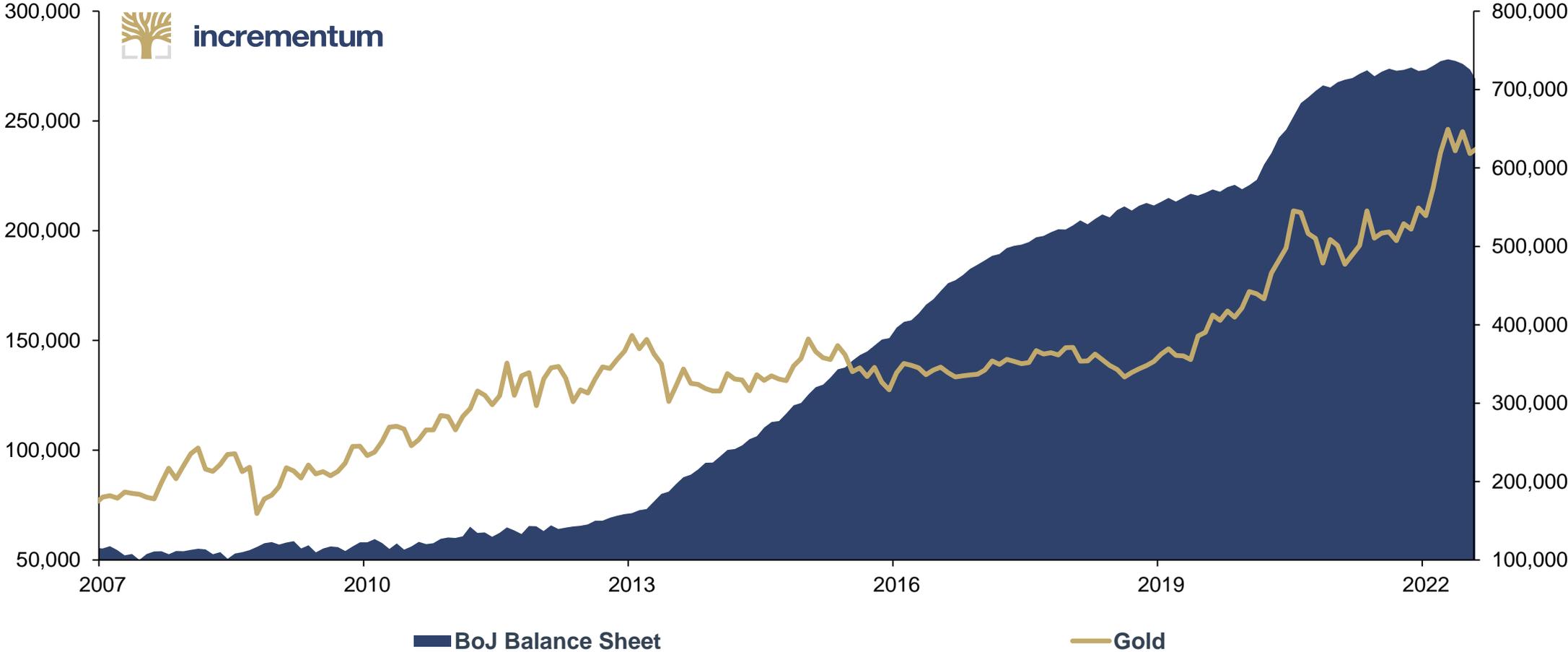
Annual Average Gold Price (lhs), in USD, and Gold (rhs), yoy, 1971-08/2022



Source: Reuters Eikon, Incrementum AG

Gold in JPY at New All-Time Highs...

Gold (lhs), in JPY, and BoJ Balance Sheet (rhs), in JPY bn, 01/2007-08/2022



Source: Reuters Eikon, Incrementum AG

Gold Works Well as a Hedge Against the Weakening Euro

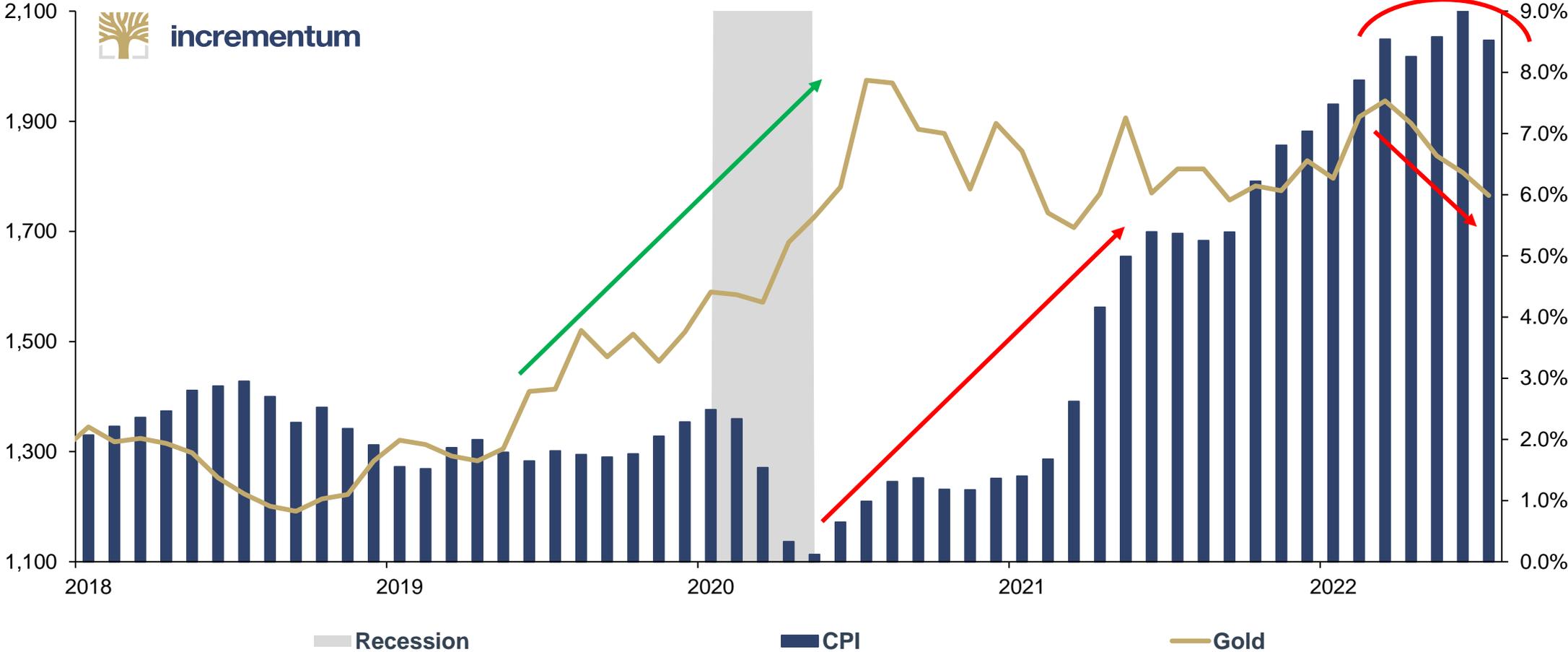
Gold (lhs), in EUR, and ECB Balance Sheet (rhs), in EUR bn, 01/2002–08/2022



Source: Reuters Eikon, Incrementum AG

Gold as a Leading Indicator of Inflation

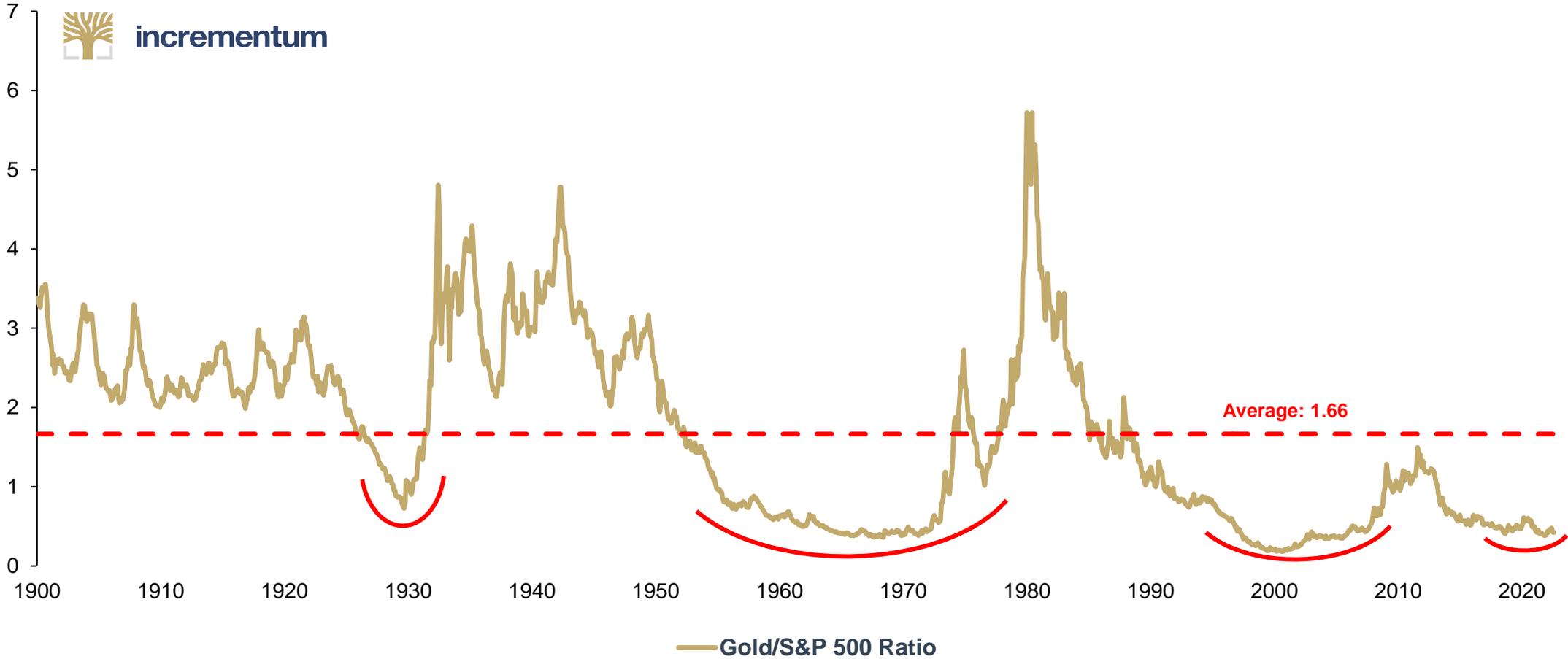
Gold (lhs), in USD, and CPI (rhs), yoy, 01/1970-07/2022



Source: Reuters Eikon, Incrementum AG

Gold/Equities Ratio Could Bottom Soon

Gold/S&P 500 Ratio, 01/1900-08/2022



Source: Reuters Eikon, Incrementum AG

Gold Acts Countercyclically During Stock Market Crashes

S&P 500 vs. Gold

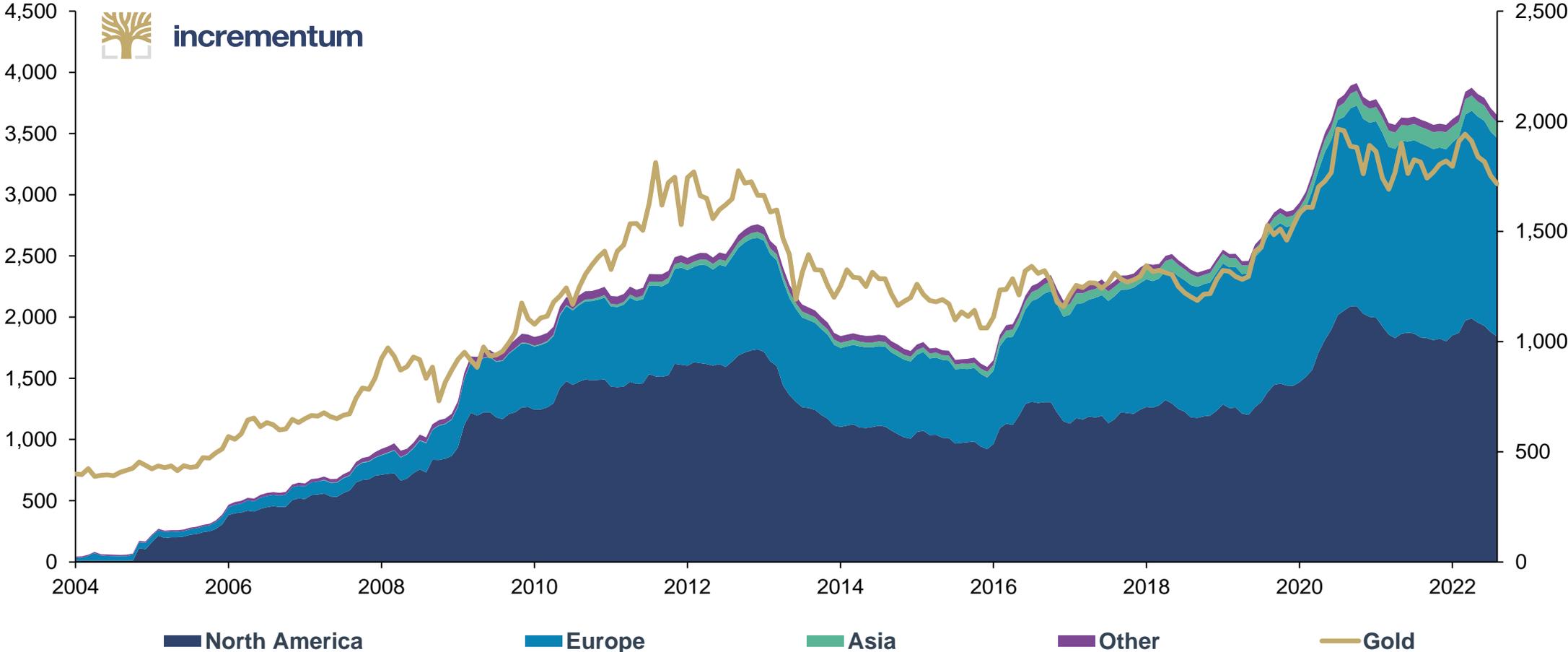
Date of the Market High	Date of the Market Low	S&P 500 Return	Gold Return	Gold Relative to S&P 500
09/16/1929	06/01/1932	-86.19%	0.29%	86.48%
08/02/1956	10/22/1957	-21.63%	-0.11%	21.52%
12/12/1961	06/26/1962	-27.97%	-0.06%	27.91%
02/09/1966	10/07/1966	-22.18%	0.00%	22.18%
11/29/1968	05/26/1970	-36.06%	-10.50%	25.56%
01/11/1973	10/03/1974	-48.20%	137.47%	185.67%
11/28/1980	08/09/1982	-27.27%	-45.78%	-18.51%
08/25/1987	10/20/1987	-35.94%	1.38%	37.32%
07/16/1990	10/11/1990	-20.36%	6.81%	27.17%
07/17/1998	10/08/1998	-22.29%	1.71%	24.00%
03/24/2000	10/10/2002	-50.50%	11.18%	61.68%
10/11/2007	03/06/2009	-57.69%	25.61%	83.30%
09/21/2018	12/26/2018	-20.21%	5.59%	25.80%
02/19/2020	03/23/2020	-35.41%	-3.63%	31.78%
01/03/2022	06/16/2022*	-23.55%	3.12%	26.68%
	Mean	-35.70%	8.87%	44.57%
	Median	-27.97%	1.38%	29.35%

Source: Cornerstone Macro, Bloomberg, Reuters Eikon (*Lowest closing price since January 3rd 2022), Incrementum AG



Global ETF Holdings Remain Well Above Pre-Pandemic Levels

Accumulated Gold ETF Holdings by Region (lhs), in Tonnes, and Gold (rhs), in USD, 01/2004-08/2022



Source: World Gold Council, Incrementum AG

Since Late 2018 Gold Has Grown as a Share of US Portfolios

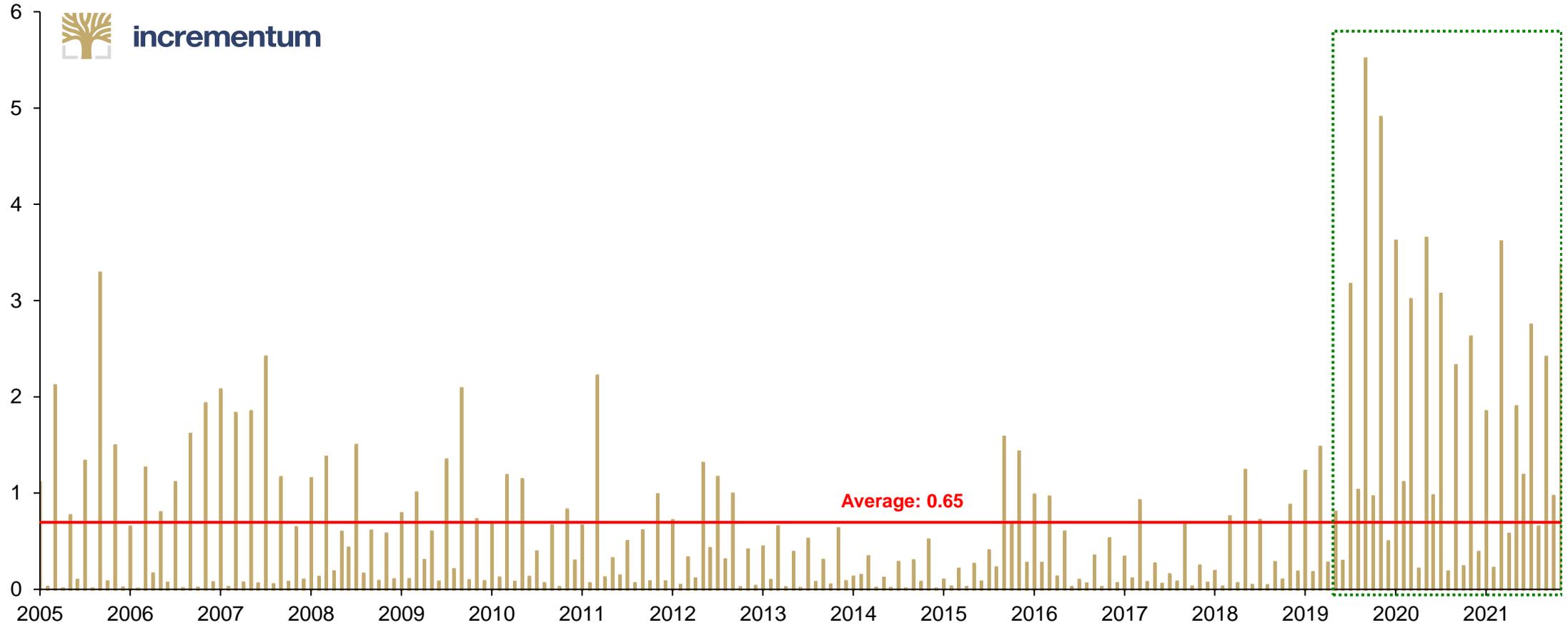
US Gold ETFs, in % of US Equities (Wilshire 5000), 01/2008-08/2022



Source: Atlas Pulse, World Gold Council, Reuters Eikon, Incrementum AG

“I Wanna Get Physical”: Physical Deliveries Soared from 2020 Onwards

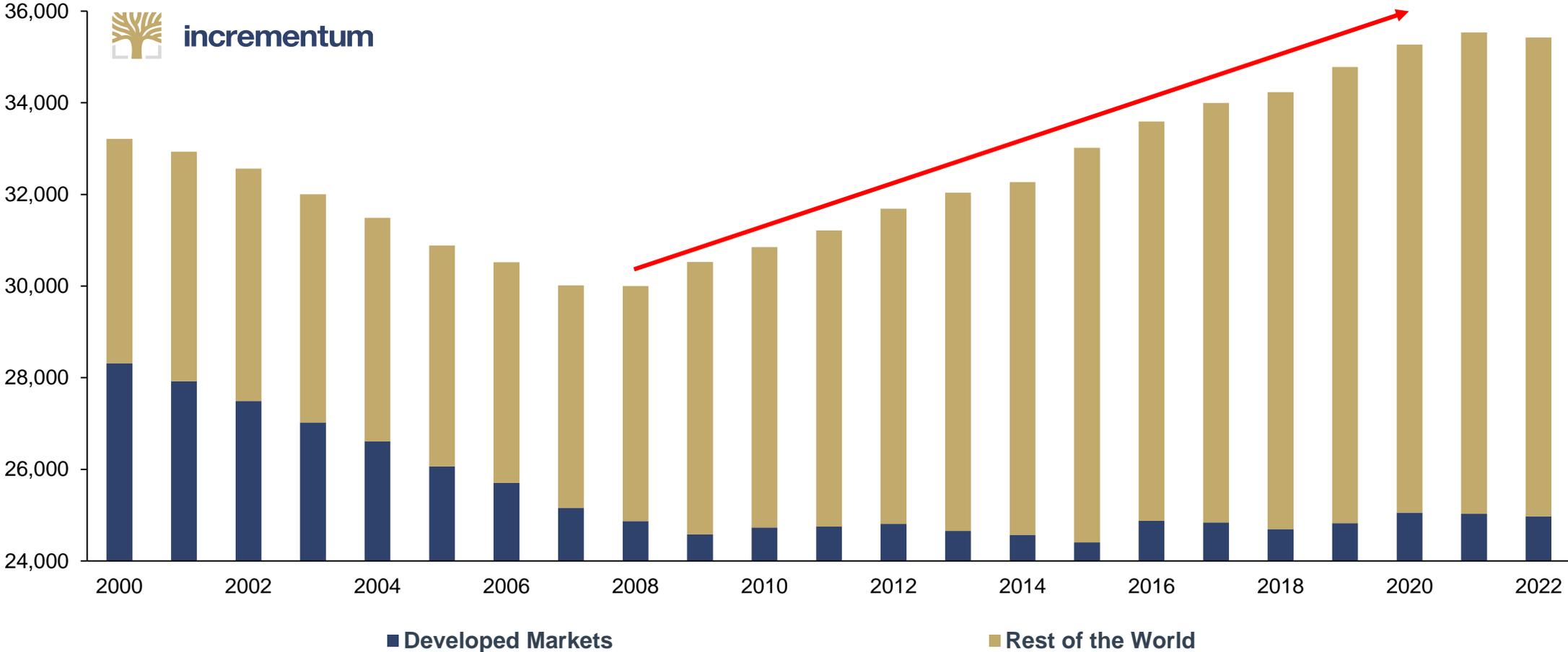
Comex Gold Deliveries, in Millions of Troy Ounces, 01/2006-08/2022



Source: CME Group, Goldchartsrus.com, Incrementum AG

Central Banks Are Stockpiling Gold

Global Central Bank Gold Reserves, in Tonnes, Q4/2000-Q2/2022



Source: World Gold Council, Incrementum AG

Inflation-Adjusted, Gold Is Still Very Cheap

Gold (Nominal), and Gold (Inflation-Adjusted – July 2022), in USD, 01/1971-07/2022



Source: Reuters Eikon, Incrementum AG

Silver

“Never invest on the basis of a story on page one. Invest on the basis of a story on page sixteen that’s headed to page one.”

Don Coxe

Silver Performance Since 2000 in Various Currencies

Annual Silver Performance, 2000-2022 YTD

Year	USD	EUR	GBP	AUD	CAD	CNY	JPY	CHF	INR	Average
2000	-15.0%	-9.2%	-8.1%	-0.1%	-11.9%	-15.0%	-5.0%	-13.9%	-8.9%	-9.7%
2001	0.4%	6.3%	3.3%	9.9%	6.7%	0.4%	15.7%	3.5%	3.8%	5.6%
2002	3.3%	-12.4%	-6.8%	-6.0%	2.0%	3.3%	-6.9%	-14.1%	2.7%	-3.9%
2003	24.6%	3.9%	12.4%	-7.0%	2.7%	24.6%	12.6%	11.9%	18.6%	11.6%
2004	14.5%	6.3%	6.6%	10.1%	6.2%	14.5%	9.3%	5.1%	8.6%	9.0%
2005	29.7%	48.6%	44.6%	38.3%	25.4%	26.5%	49.3%	49.8%	35.0%	38.6%
2006	46.1%	31.1%	28.4%	35.8%	46.4%	41.3%	47.4%	35.5%	43.3%	39.5%
2007	14.8%	3.8%	13.3%	3.4%	-1.8%	7.4%	7.4%	6.8%	2.5%	6.4%
2008	-23.5%	-20.1%	3.8%	-5.3%	-6.6%	-28.5%	-37.7%	-28.0%	-5.6%	-16.8%
2009	48.9%	45.4%	34.9%	17.4%	28.8%	49.0%	52.7%	44.6%	42.3%	40.4%
2010	83.4%	96.2%	89.9%	61.2%	73.8%	77.0%	60.2%	65.3%	76.6%	76.0%
2011	-10.3%	-7.3%	-9.9%	-10.5%	-8.2%	-14.3%	-14.9%	-9.9%	6.4%	-8.8%
2012	9.5%	7.4%	4.6%	7.7%	6.5%	8.4%	23.4%	6.9%	13.6%	9.8%
2013	-36.0%	-38.5%	-37.1%	-25.3%	-31.4%	-37.8%	-22.3%	-37.5%	-28.0%	-32.7%
2014	-19.3%	-8.3%	-14.2%	-12.0%	-11.7%	-17.3%	-8.3%	-10.2%	-17.7%	-13.2%
2015	-11.7%	-1.6%	-6.7%	-0.8%	5.2%	-7.6%	-11.2%	-11.0%	-7.2%	-5.9%
2016	15.2%	19.0%	37.6%	16.2%	11.8%	23.2%	11.9%	17.1%	18.3%	18.9%
2017	6.4%	-6.8%	-2.9%	-1.6%	-0.4%	-0.3%	2.5%	1.8%	-0.1%	-0.2%
2018	-8.7%	-4.5%	-3.2%	1.1%	-1.0%	-3.5%	-11.2%	-8.0%	-0.5%	-4.4%
2019	15.2%	17.8%	10.8%	15.6%	9.7%	16.6%	14.2%	13.6%	18.1%	14.6%
2020	47.8%	35.7%	43.4%	34.9%	44.9%	38.6%	40.5%	35.2%	51.3%	41.4%
2021	-11.7%	-5.2%	-10.8%	-6.4%	-12.4%	-14.1%	-1.6%	-9.0%	-10.0%	-9.0%
2022 YTD	-15.0%	-4.5%	-1.5%	-10.4%	-12.6%	-7.3%	5.5%	-11.1%	-9.4%	-7.4%
Average	9.1%	8.8%	10.1%	7.2%	7.5%	8.0%	10.2%	6.3%	11.0%	8.7%

Source: Reuters Eikon (as of September 12th, 2022), Incrementum AG



The Gold/Silver Ratio Is Approaching Historical Highs

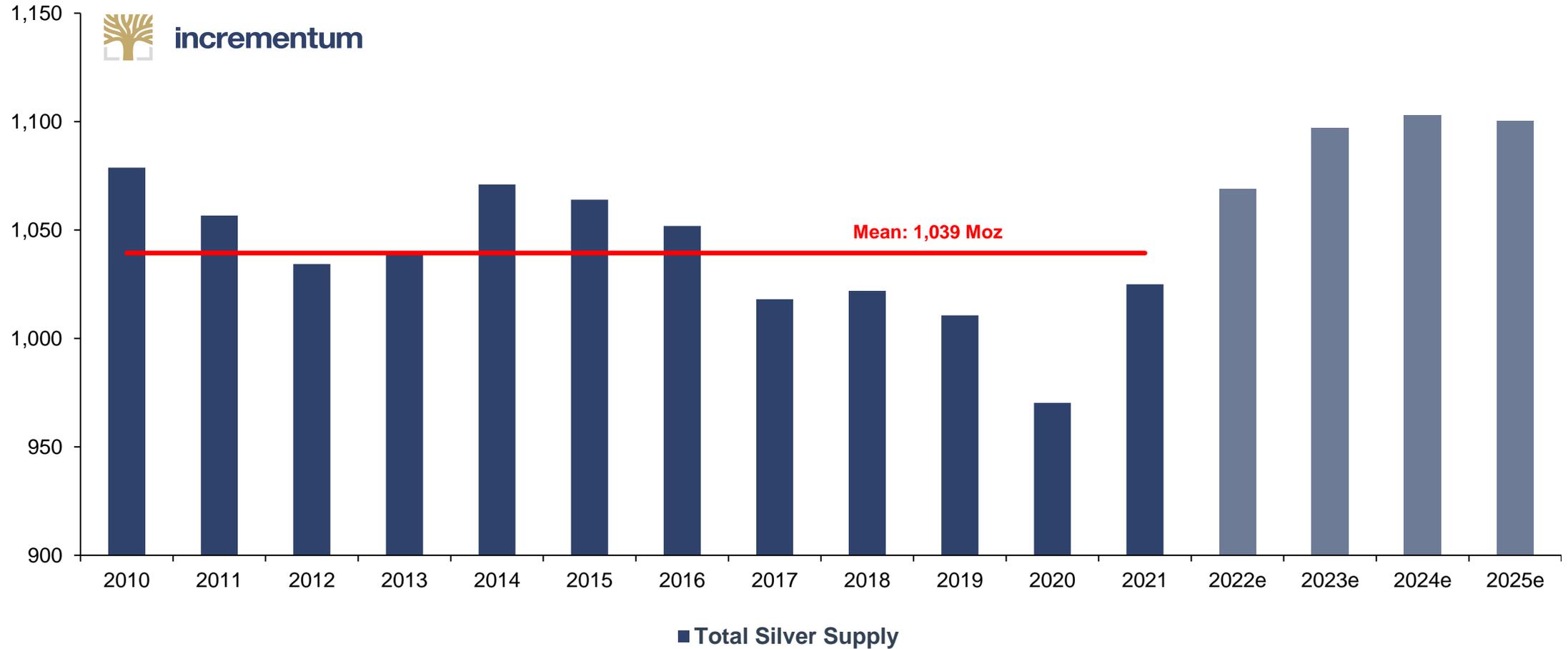
Gold/Silver Ratio, 01/1970-09/2022



Source: Reuters Eikon, Incrementum AG

Silver Supply Is Forecasted to Increase...

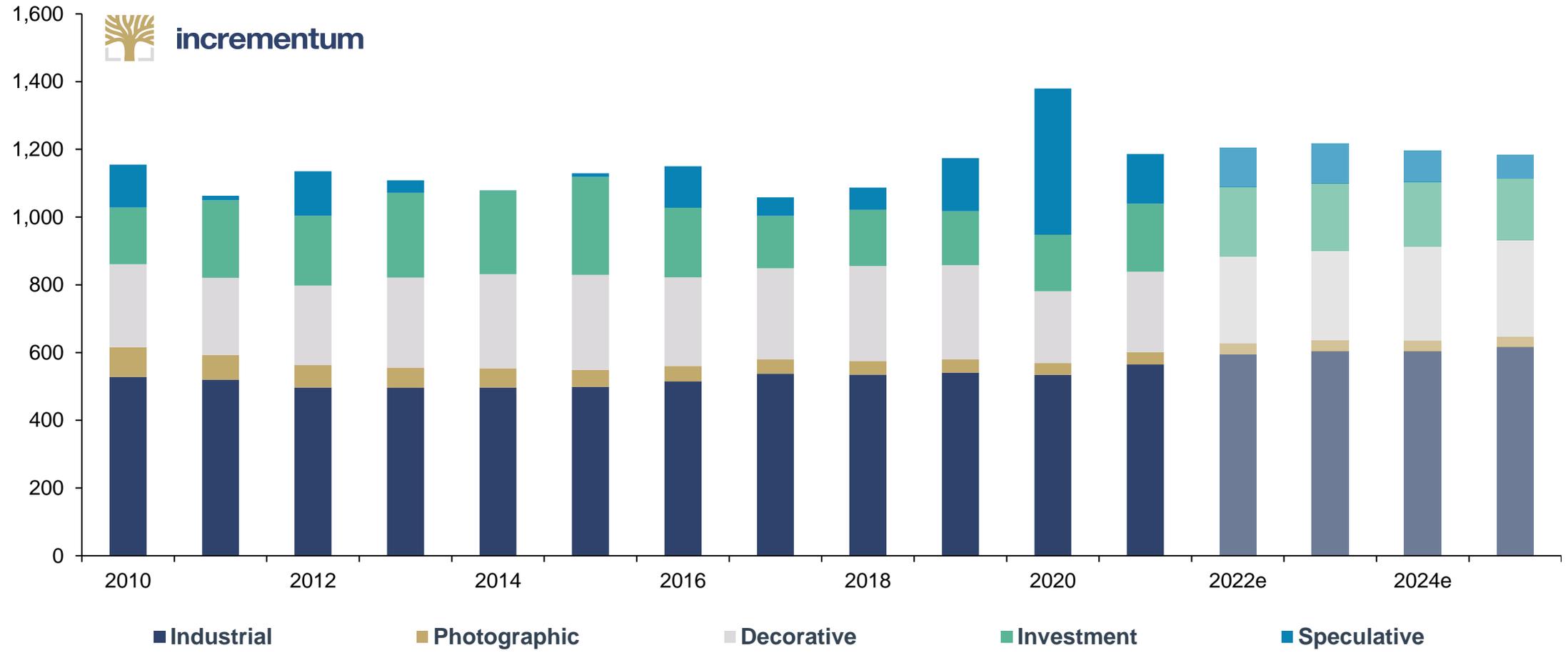
Total Silver Supply, in Moz, 2010-2025e



Source: Silver Institute, Incrementum AG

... And Silver Demand Is Expected to Remain Flat...

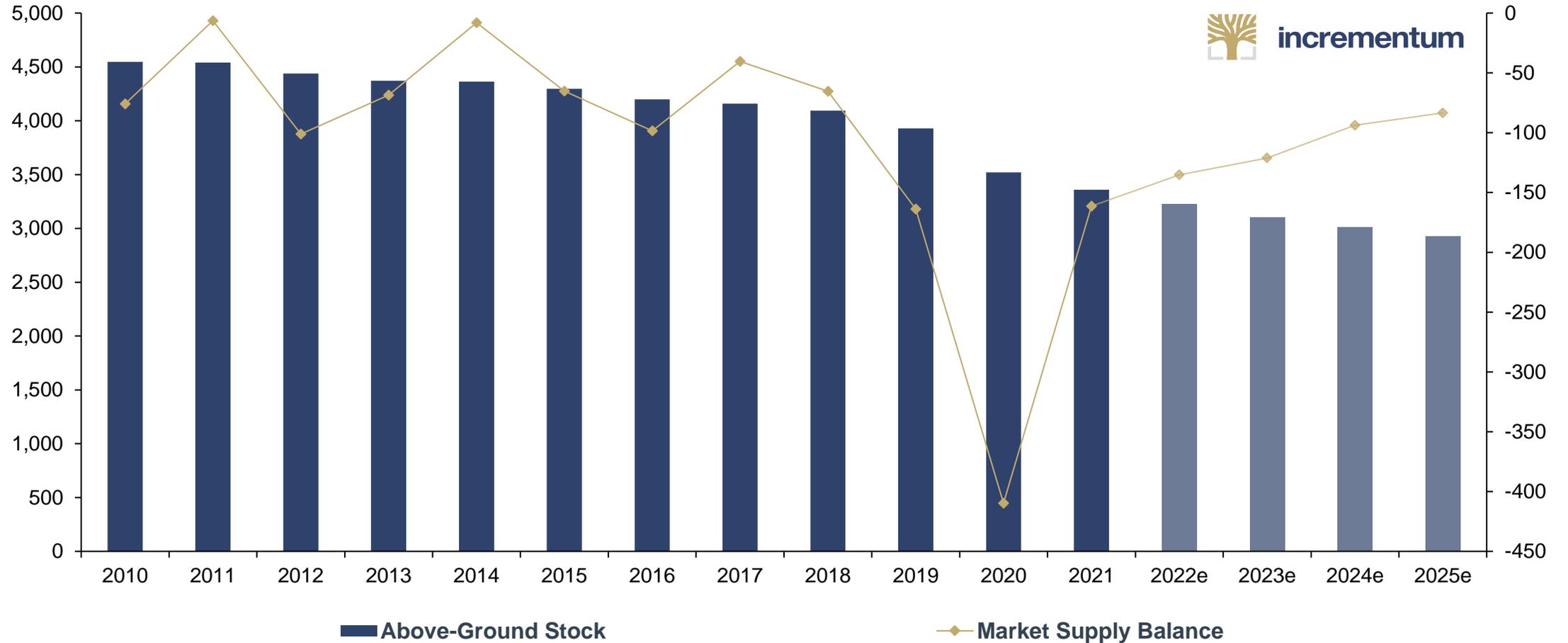
Demand by Category, in Moz, 2010-2025e



Source: Silver Institute, Incrementum AG

... But the Supply Balance Is Still Severely Negative

Above-Ground Stock (lhs), in Moz, and Market Balance (rhs), in Moz, 2010-2025e



Source: Silver Institute, Incrementum AG

Silver's Inflation-Adjusted All-Time High Is Still Light Years Away!

Silver (Nominal), and Silver (Inflation-Adjusted – July 2022), in USD 01/1971-07/2022



Source: Nick Laird, Reuters Eikon, Incrementum AG

Miners

“A speculator is a man who observes the future, and acts before it occurs.”

Bernard Baruch

Miners Are Extremely Oversold Relative to Gold!

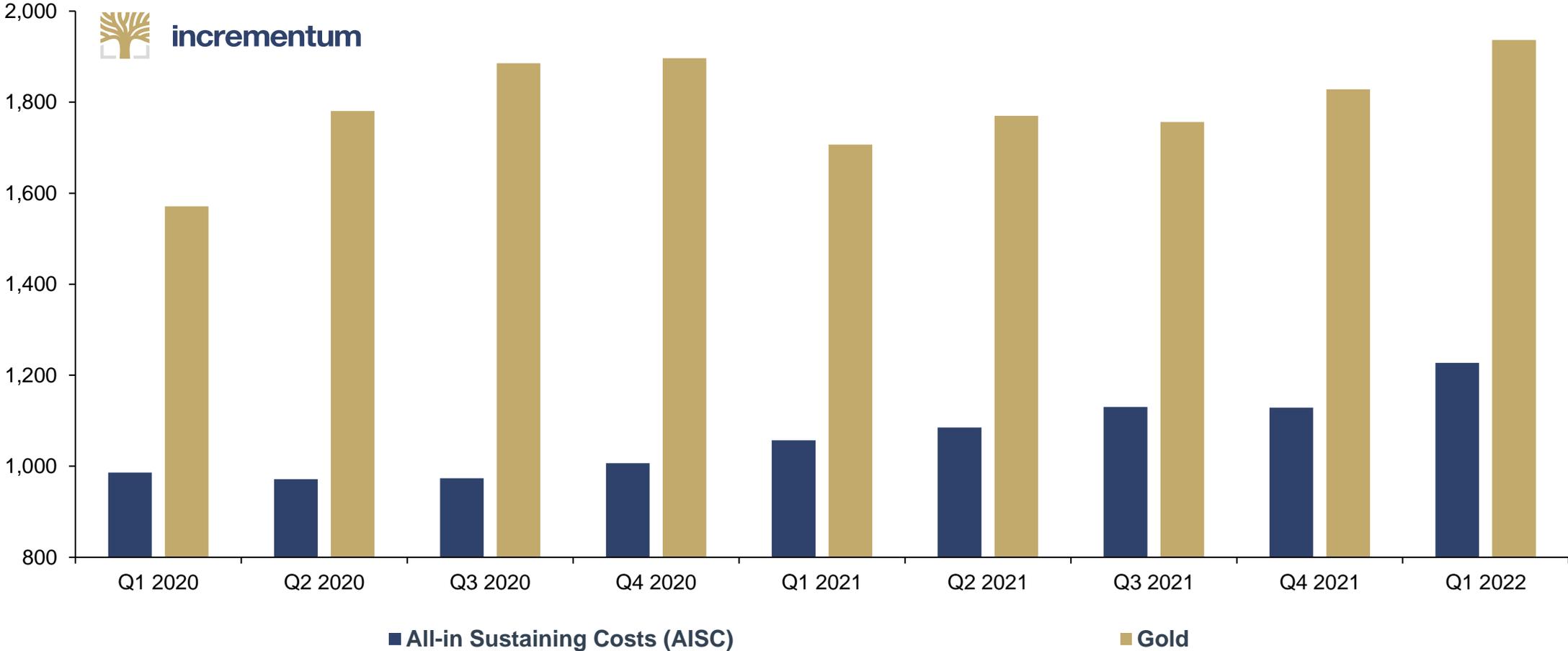
HUI/Gold Ratio, 01/1997-08/2022



Source: Reuters Eikon, Incrementum AG

Cost Inflation Continues, but Margins Remain Very Healthy

All-in Sustaining Costs (AISC), in USD per Troy Ounce, and Gold, in USD, Q1/2020-Q1/2022



Source: World Gold Council, Reuters Eikon, Incrementum AG

S&P 500 vs. Gold Stocks: Triple Top?

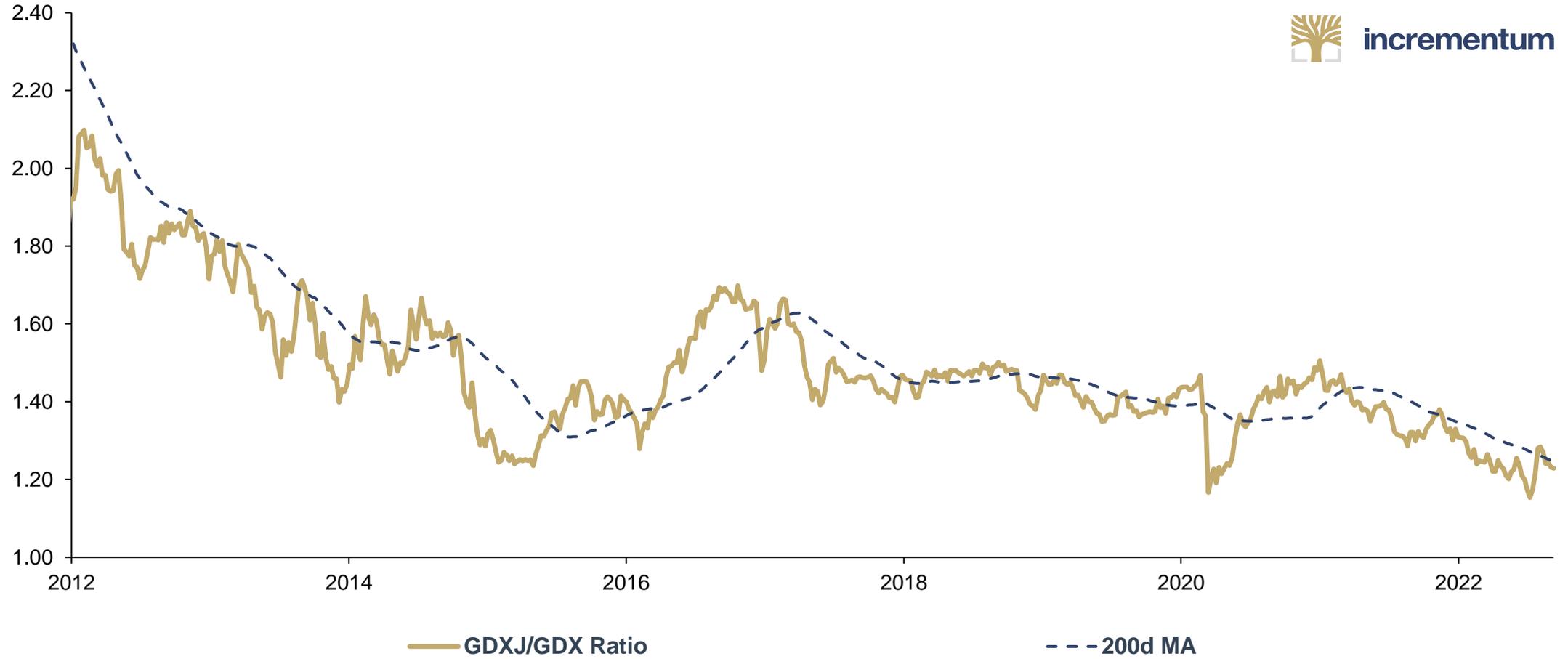
S&P 500/GDX Ratio, 01/2012-08/2022



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

Ratio Between Juniors and Seniors Confirms Risk Aversion

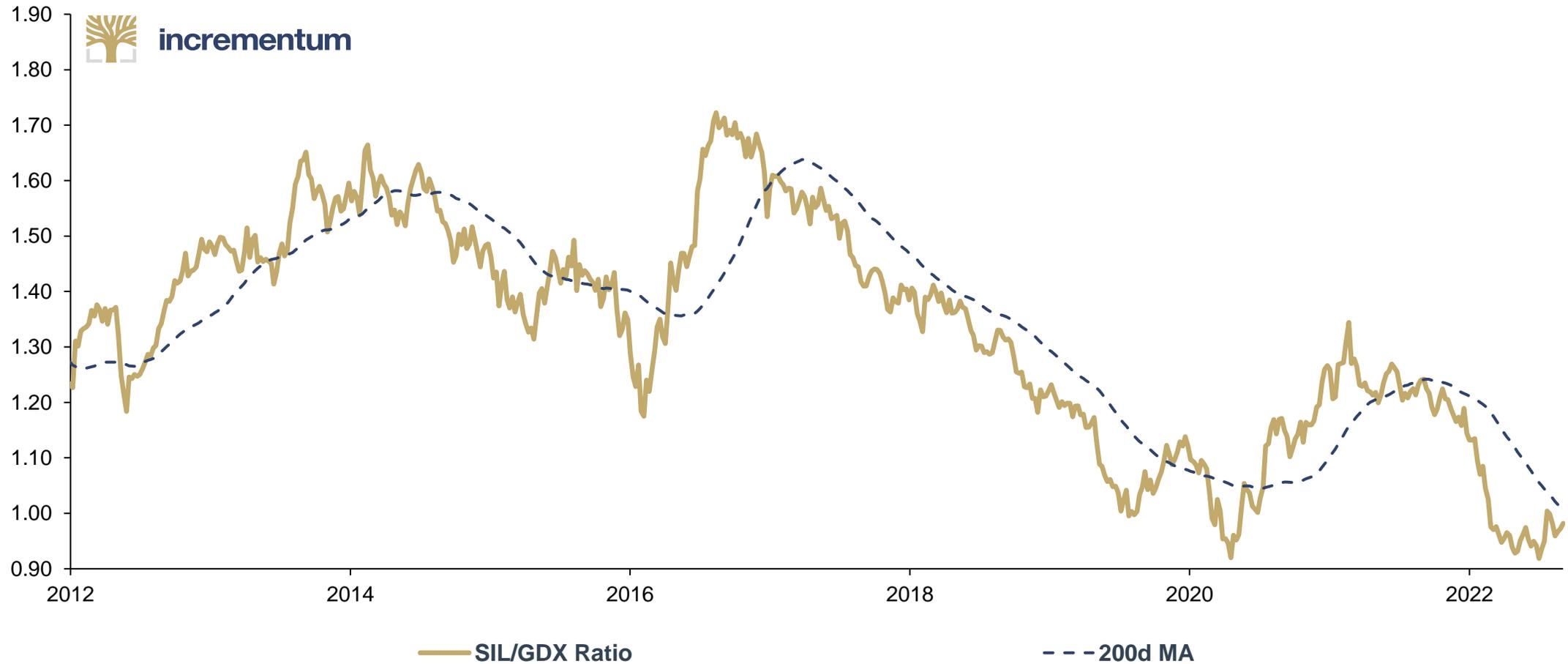
GDXJ/GDX Ratio, 01/2012-08/2022



Source: Reuters Eikon, Incrementum AG

Can Silver Miners Start Outperforming Gold Miners?

SIL/GDX Ratio, 01/2012-08/2022



Source: Reuters Eikon, Incrementum AG

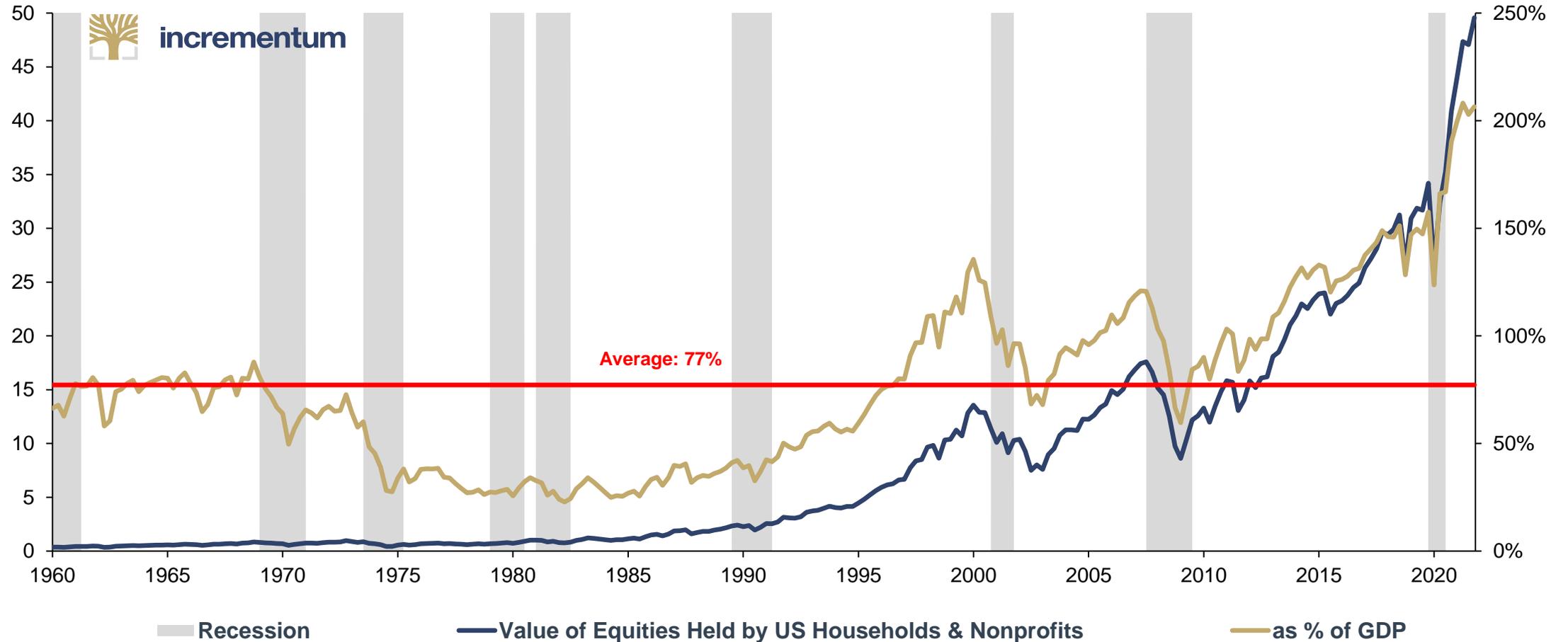
Quo Vadis?

“Gold’s properties as a portfolio diversifier have been institutionally forgotten by those who have spent a lifetime confusing the declining cost of money with investment genius.”

Charlie Erith

Household Wealth Was at All-Time Highs in the Beginning of 2022!

Value of Equities Held by Households and Nonprofits (lhs), in USD trn, and as % of GDP (rhs), Q1/1960-Q1/2022



Source: Federal Reserve St. Louis, Incrementum AG

2021, Everything Up – 2022, Everything Down (Crash?)...

Wilshire 5000/US GDP, 01/1971-08/2022



Source: Reuters Eikon, Incrementum AG

Only 3 Out of 20 Rate Hike Cycles Did Not Lead to a Recession

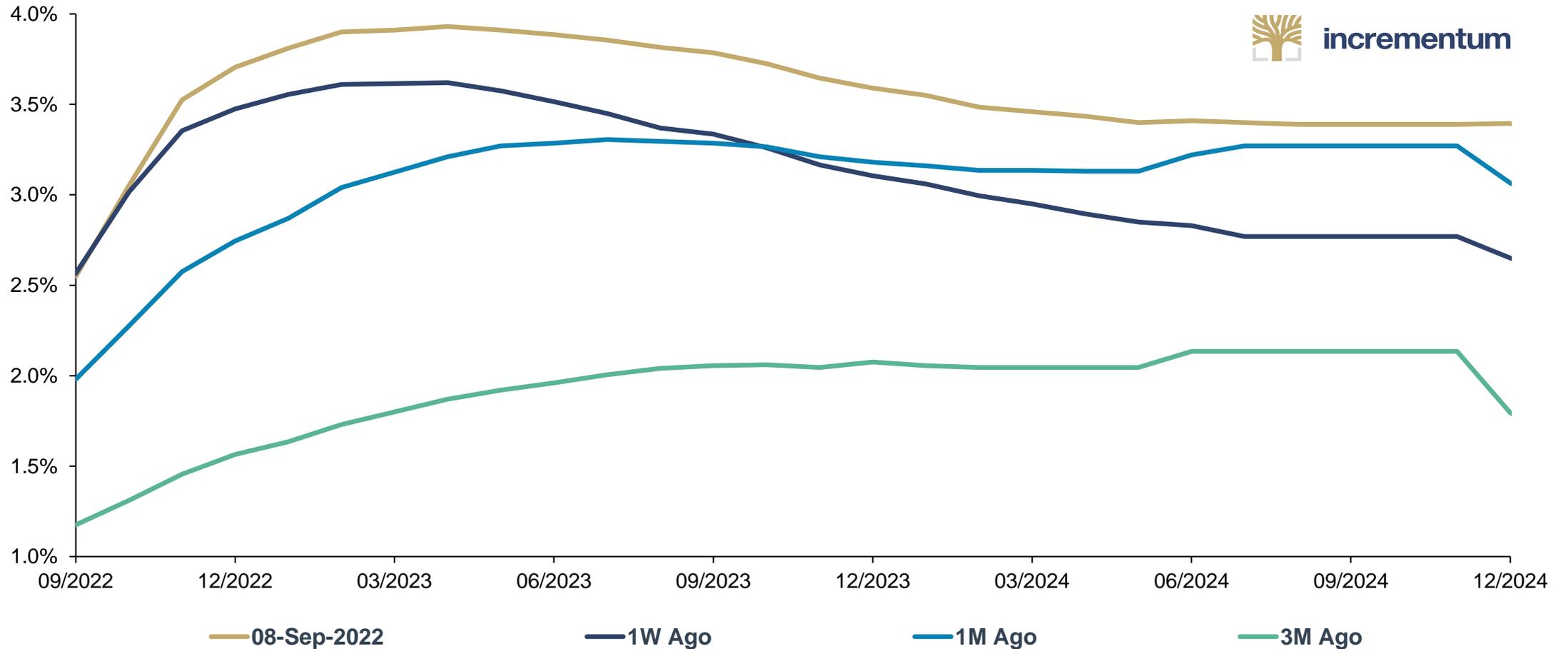
Federal Funds Rate, 01/1915-08/2022



Source: Reuters Eikon, Incrementum AG

The Fed Is NOT Done Raising Rates! And Might Cut Again in 2023...

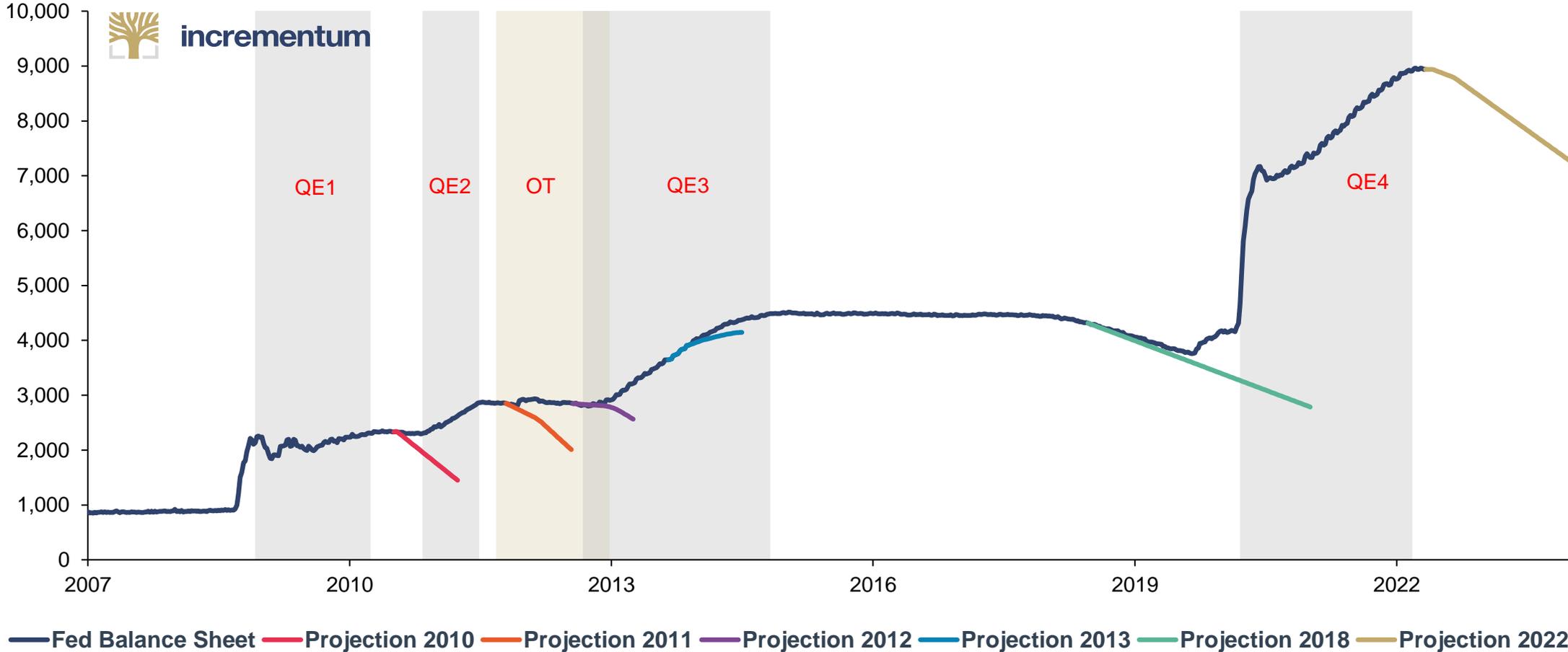
Federal Funds Futures Curve (Implied Rate), in %



Source: Reuters Eikon, Incrementum AG

Since September 1st QT increased to USD 95 Billion per Month!

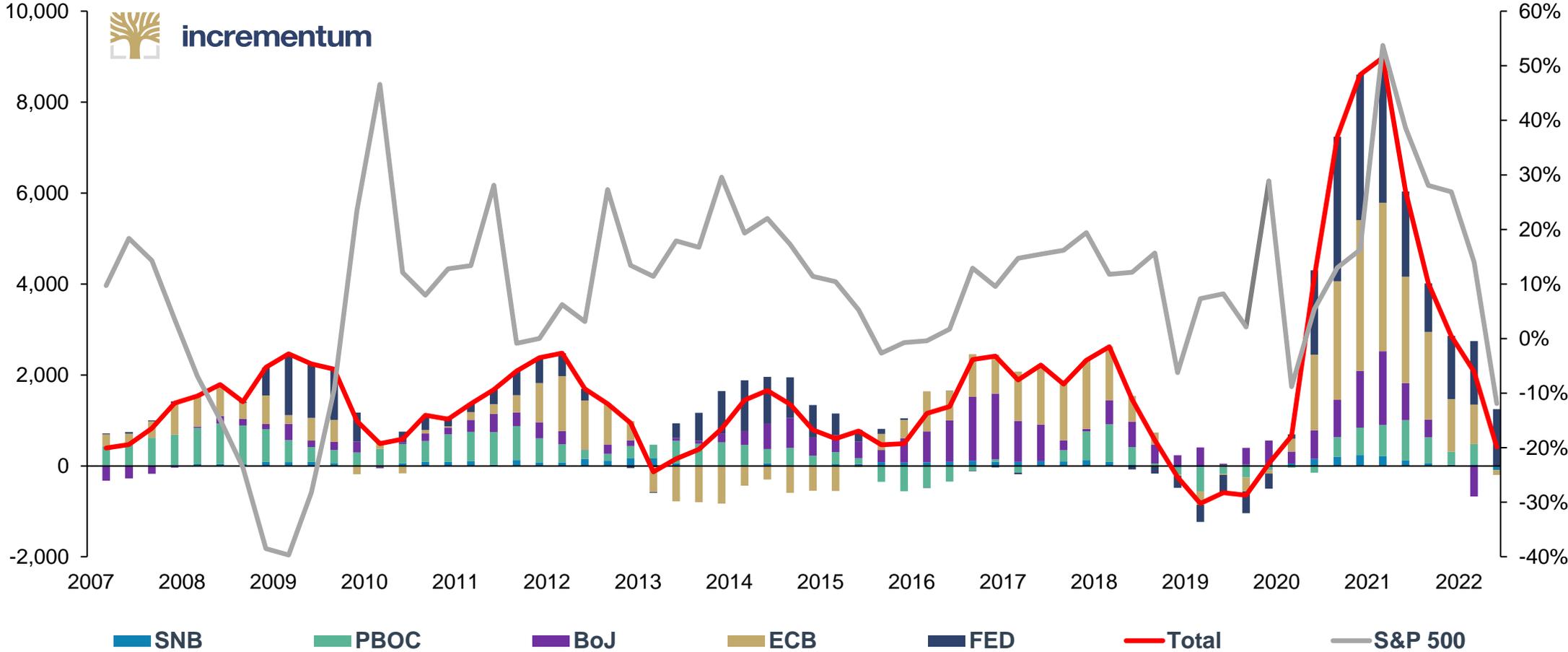
Fed Balance Sheet Path, in USD bn, 01/2007-01/2024e



Source: Reuters Eikon, Federal Reserve, Incrementum AG

Global Central Bank Flows Are Going NEGATIVE!

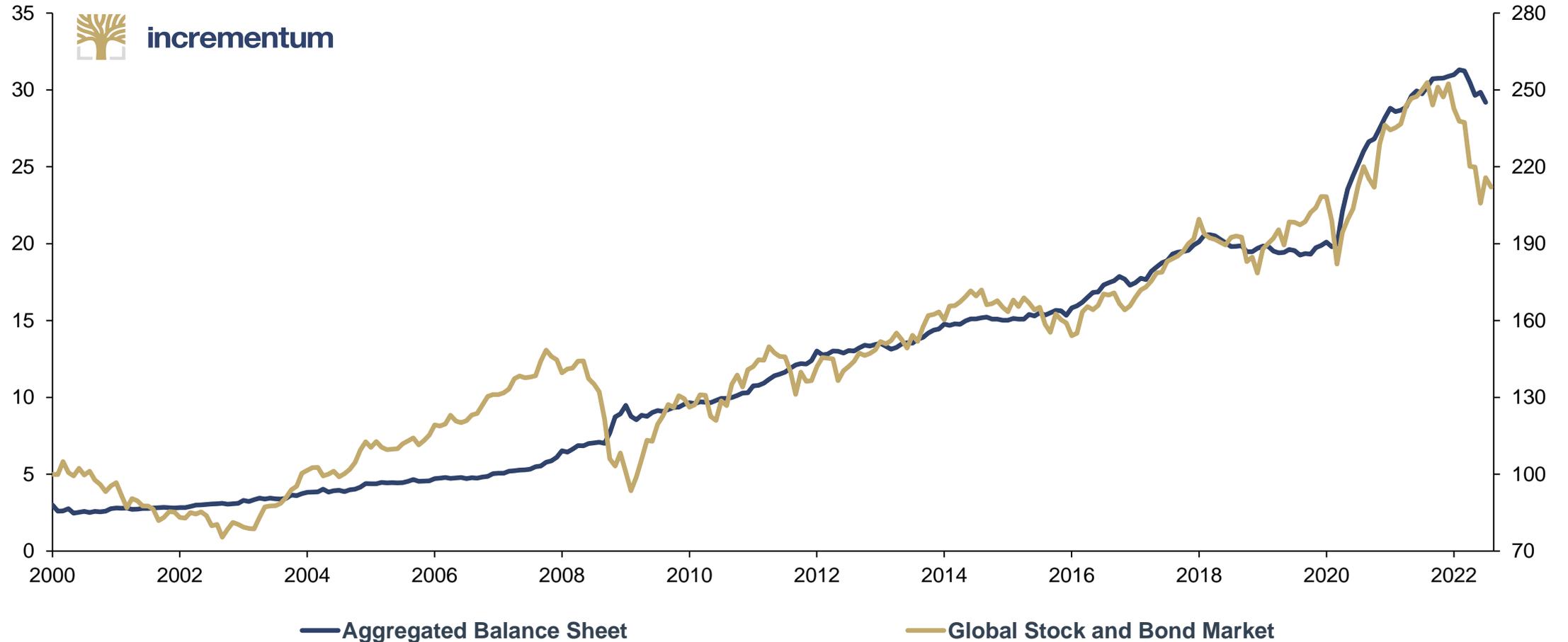
Yearly Central Bank Flows (lhs), in USD bn, and S&P 500 yoy (rhs), Q1/2007-Q2/2022



Source: Reuters Eikon, Incrementum AG

Hawkish Central Banks Popping the Everything Bubble

Aggregated Balance Sheet of Fed, ECB, BoJ, and PBoC (lhs), in USD trn, and Global Stock and Bond Market Price Development* (rhs), 01/2000-08/2022



Source: Reuters Eikon, Incrementum AG
*consisting of 60% MSCI ACWI and 40% FTSE Global Gov. Bond Index

As Mortgage Rates Have Doubled in 18 Months...

US 30-Year Fixed Rate Mortgage, in %, 01/1991-09/2022



Source: Reuters Eikon, Incrementum AG

... Sentiment in the Housing Market Is Collapsing!

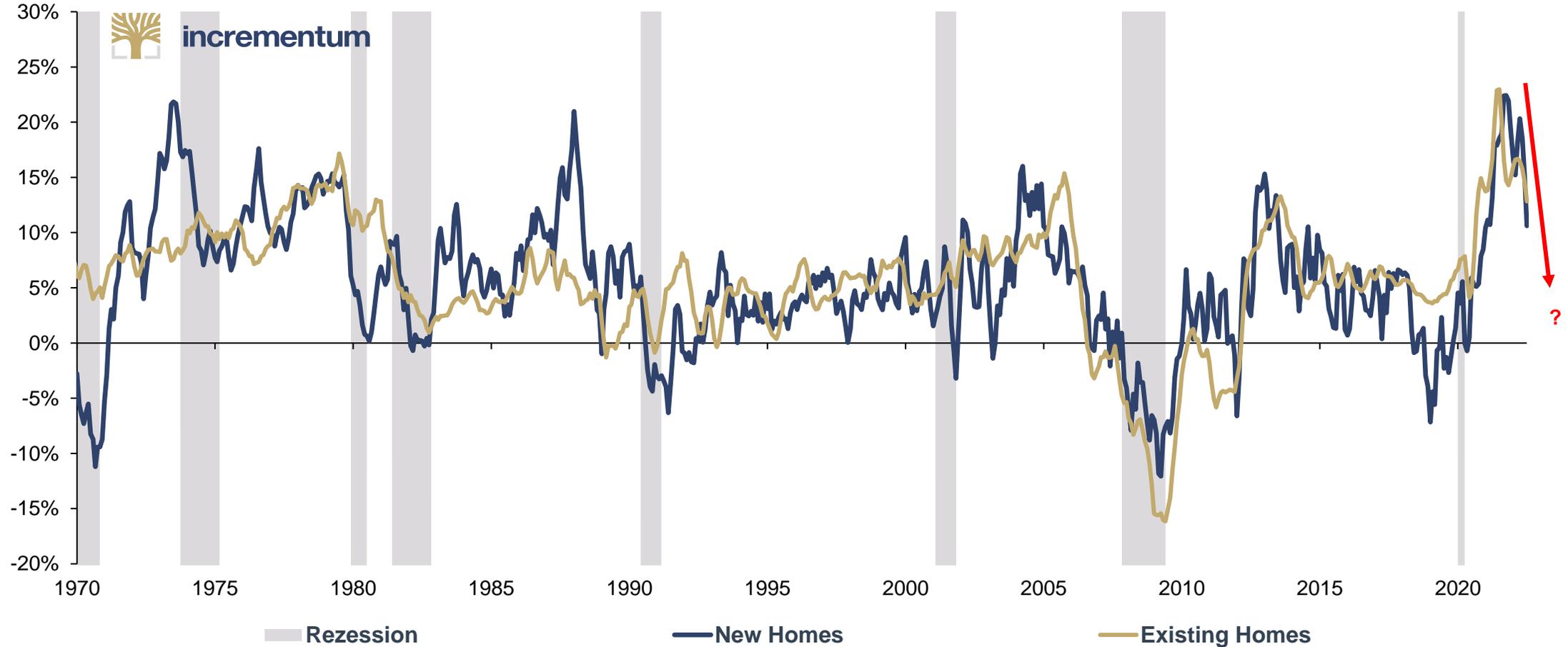
NAHB Housing Market Index, 01/2000-08/2022



Source: Reuters Eikon, Incrementum AG

Home Price Appreciation Is Slowing ... FAST!

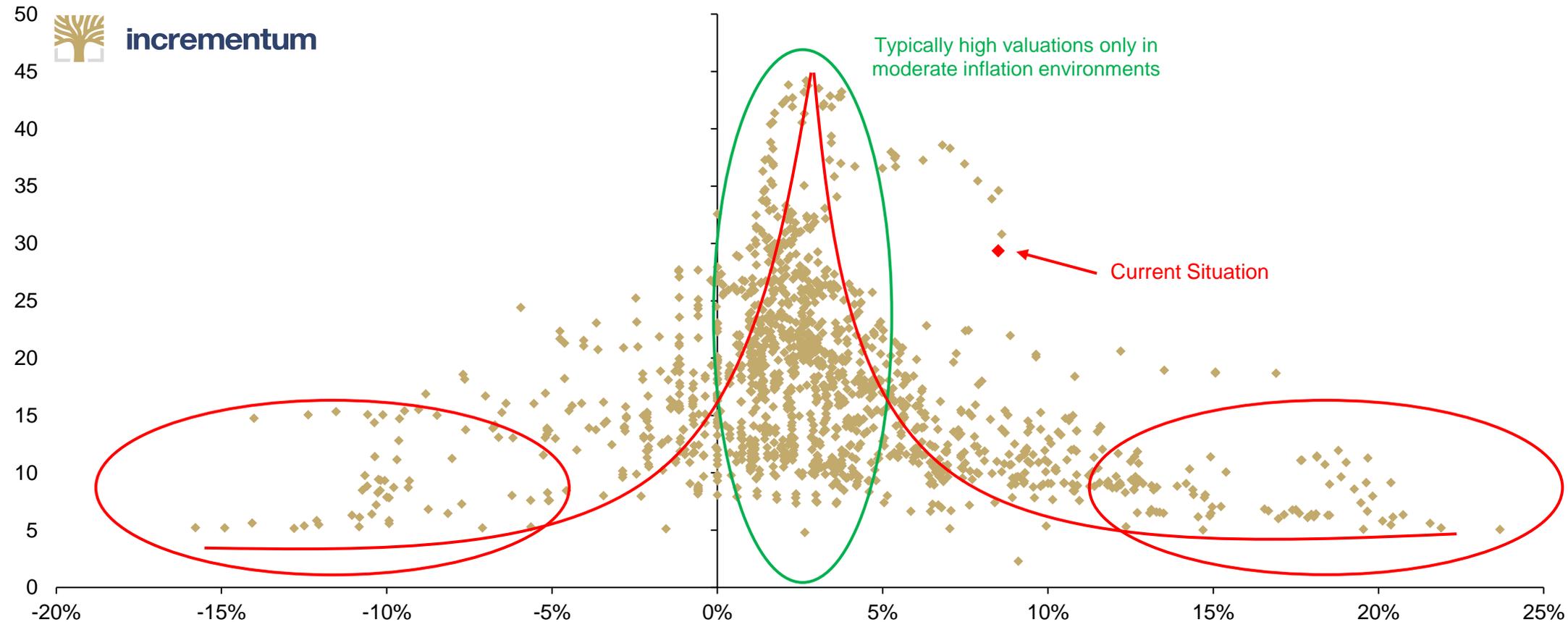
US Median Home Sales Price, yoy (3 Mo. Avg.), 01/1970-07/2022



Source: Reuters Eikon, Incrementum AG

Equities Tend to Perform Poorly in Highly Deflationary and Highly Inflationary Environments

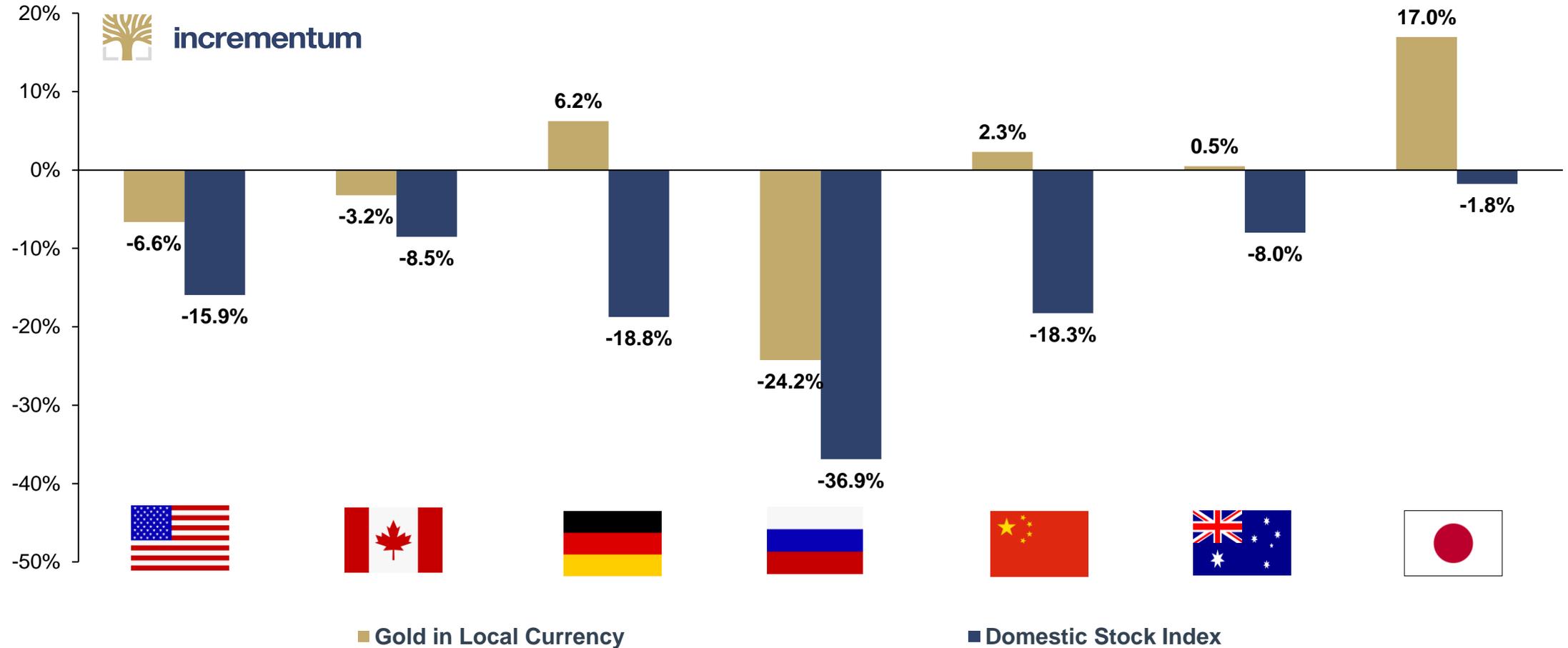
CPI Inflation Rate (x-axis), and Shiller P/E Ratio (y-axis), 01/1900-07/2022



Source: Robert J. Shiller, Incrementum AG

Gold as a Defensive and Stabilizing Portfolio Component

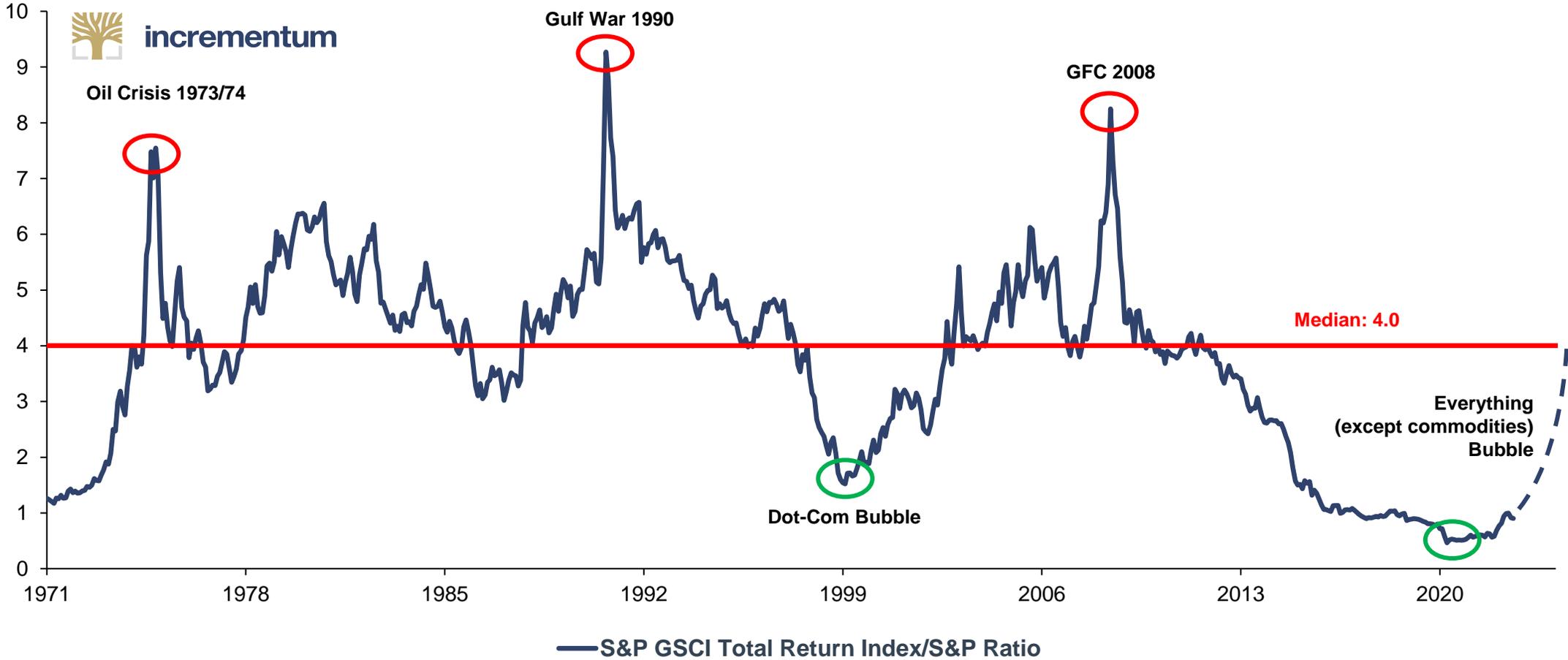
Gold in Local Currency, and Domestic Stock Index, Annual Performance in %, 2022 YTD



Source: Reuters Eikon (as of September 8th, 2022), Incrementum AG

Relative to Equities, Commodities Are Still Undervalued

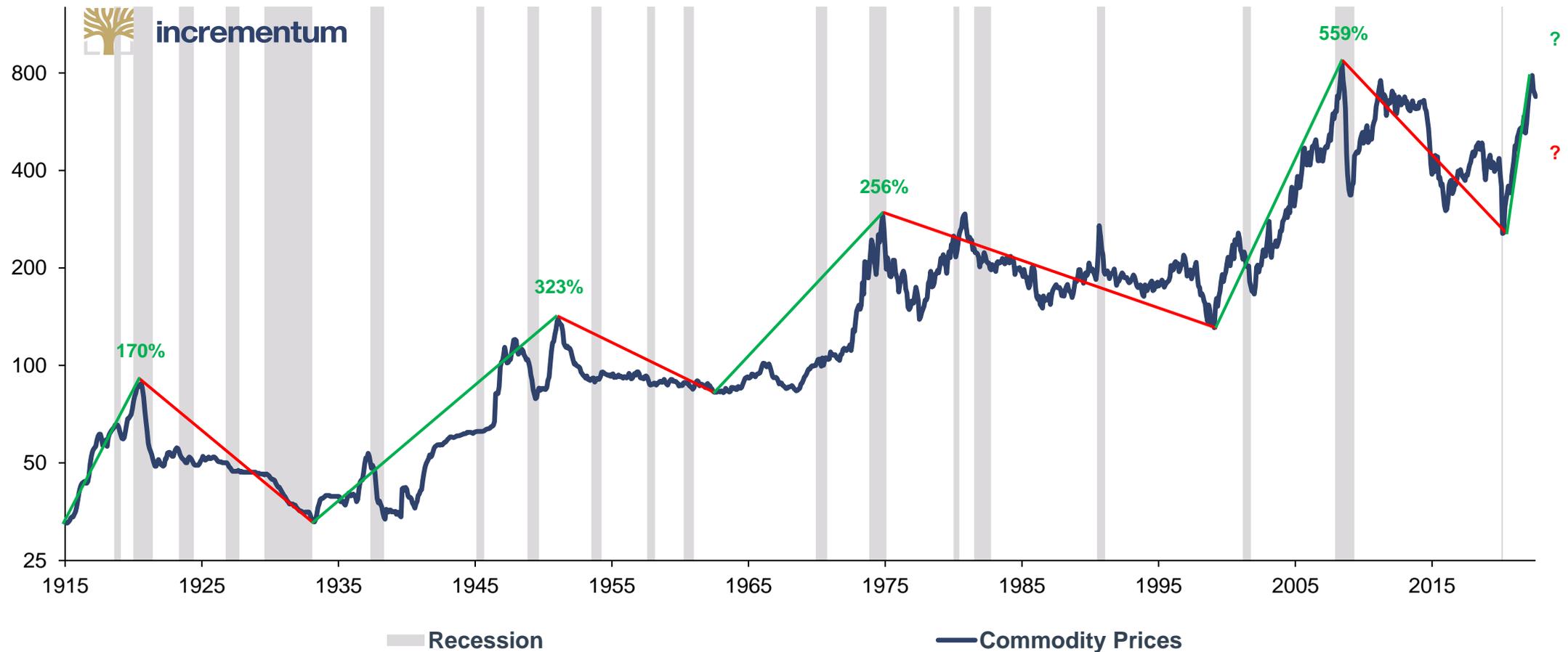
S&P GSCI Total Return Index/S&P 500 Ratio, 01/1971-08/2022



Source: Lynkeus Capital LLC, Dr. Torsten Dennin, Reuters Eikon, Incrementum AG

Geopolitical Risk Keeps Commodity Prices Elevated but Recession and Hawkish Central Banks Recently Put Pressure on Commodity Prices!

Commodity Prices*, 01/1915-08/2022



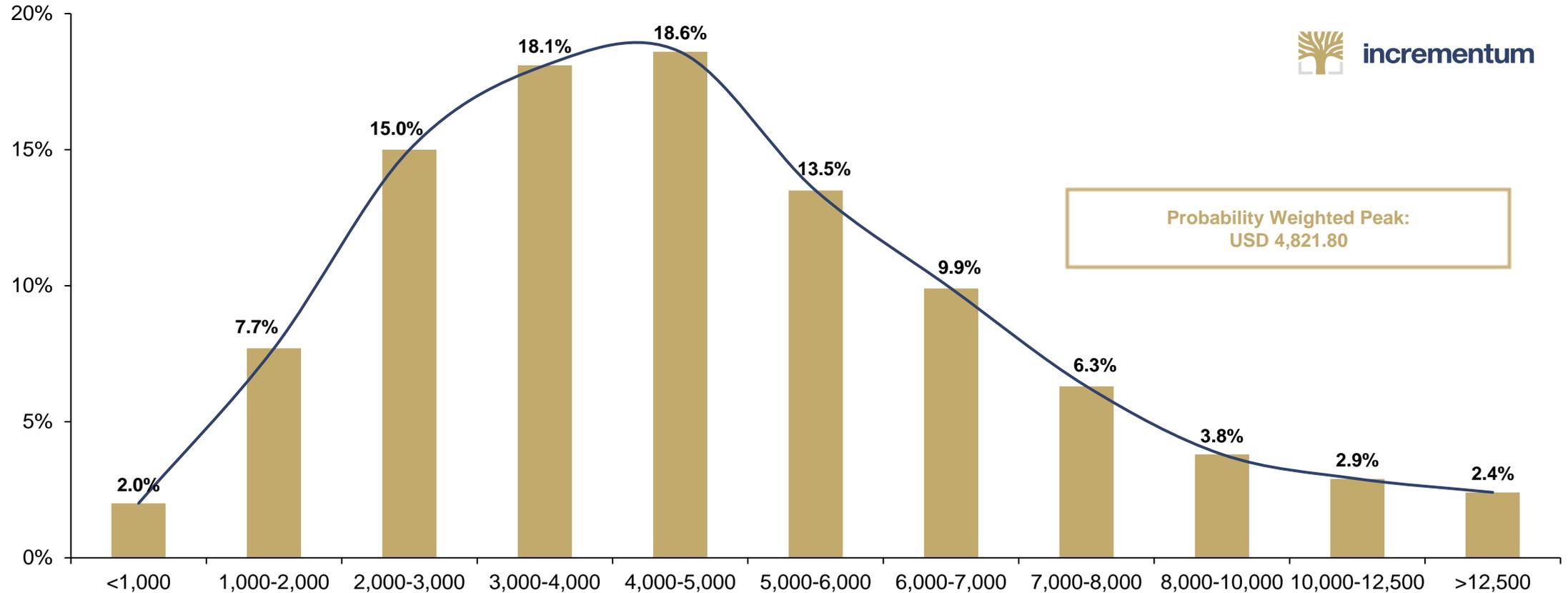
Source: Alpine Macro, Federal Reserve St. Louis, Reuters Eikon, Incrementum AG

*1913-1934 US PPI Industrial Commodities, 1935-1949 Spot Price 28 Commodities, 1950-1969 Spot Price 22 Commodities, since 1970 S&P GSCI



Our Proprietary Model Indicates a Price Target of USD 4,821 in 2030

Approximated Gold Price in 2030 by Distribution Probability



Source: Incrementum AG (For a detailed presentation of our proprietary gold price model, see [In Gold We Trust Report 2020](#), p. 348)

The Interim Target by the End of 2022 Is USD 2,187 per Troy Ounce of Gold

Intermediate Status of the Gold Price Projection until 2030: Gold, and Projected Gold Price, in USD, 01/1970–12/2030

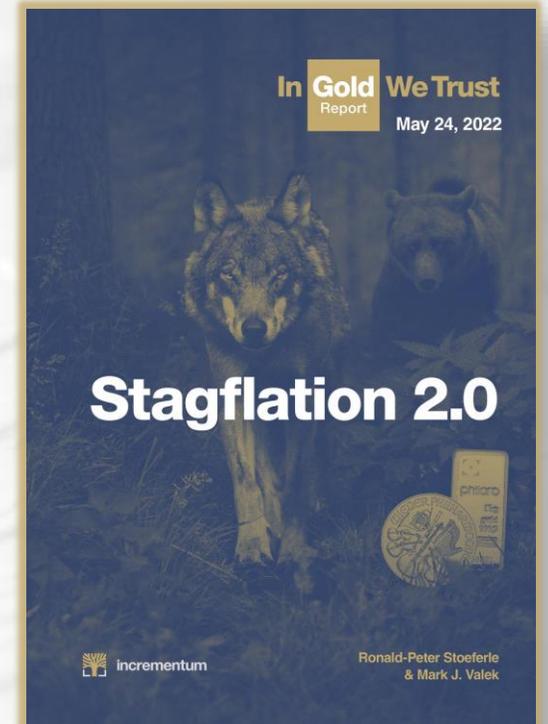


Source: Reuters Eikon, Incrementum AG

Summary

In Gold We Trust Report 2022

- **Four Decades of Disinflation (Great Moderation) Over**
- **Federal Reserve Acts Late but Decisively – at Least for Now. Other Central Banks – especially the ECB – Are Thus under Pressure.**
- **The Balancing Act of Fighting Inflation without Triggering Distortions in the Markets Is Doomed to Failure**
- **Inflation Wolf Gets Company from the Recession Bear: Stagflation**
- **Longer-term Environment of High Inflation, Inflation Occurs in Waves**
- **The Current Wave of Inflation Will Reach Its Peak this Year**
- **Crucial Question for the Gold Price: When Will Monetary Tightening Be Stopped?**
 - **By the End of 2022, Gold Price at about USD 2,200, If Central Banks Are Forced to Make a Monetary U-Turn**
 - **2030 Target confirmed: USD 4,800**



Addendum

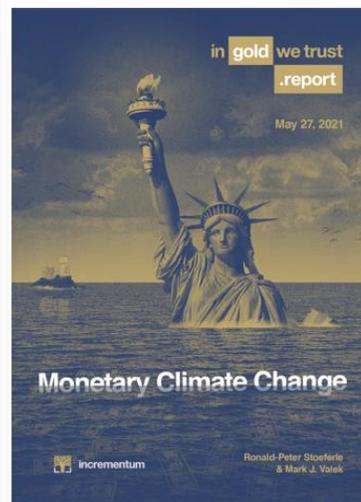
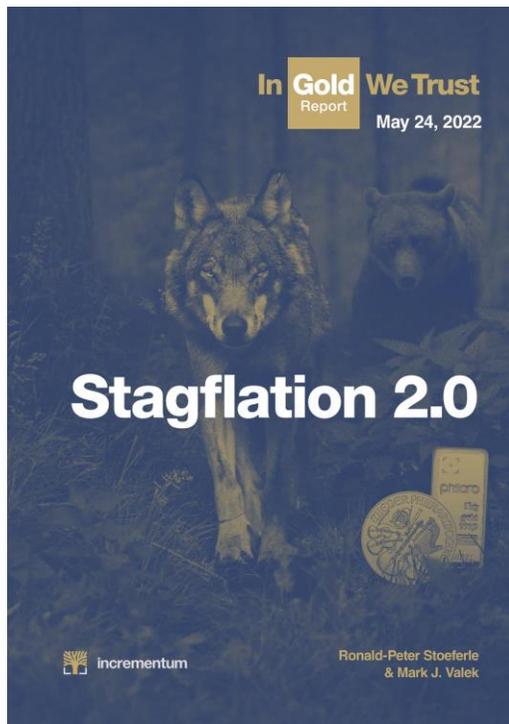
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*About our **Clients.***

*About the **Society.***

*About the **Future.***

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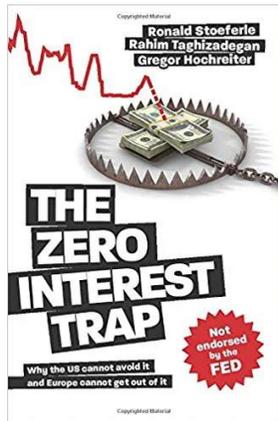
Recognized in more than 60 nations.

Key Facts

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

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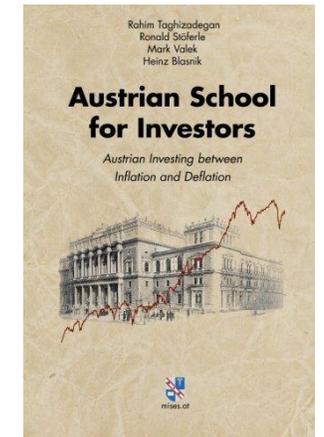
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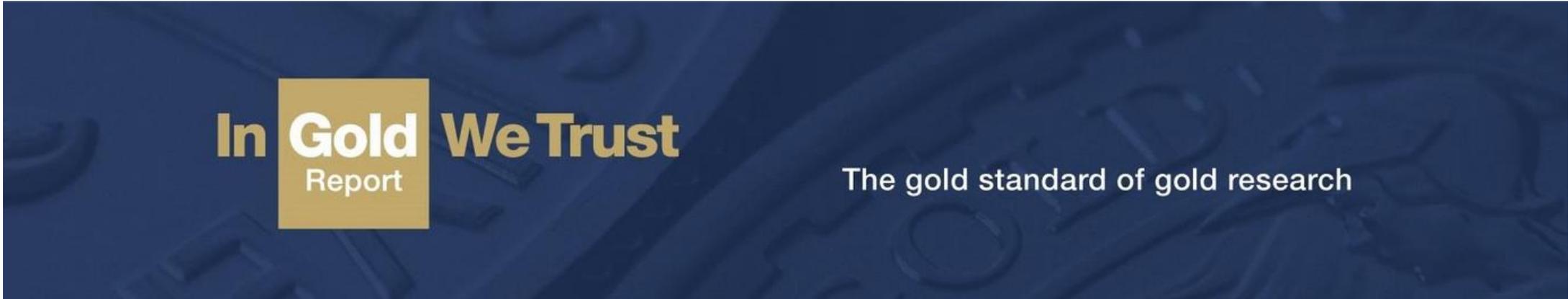


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- **Incrementum AG** is an owner-managed and fully licensed asset manager & wealth manager based in the Principality of Liechtenstein.
- Independence is the cornerstone of our philosophy. The partners own 100% of the company.
- Our goal is to offer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

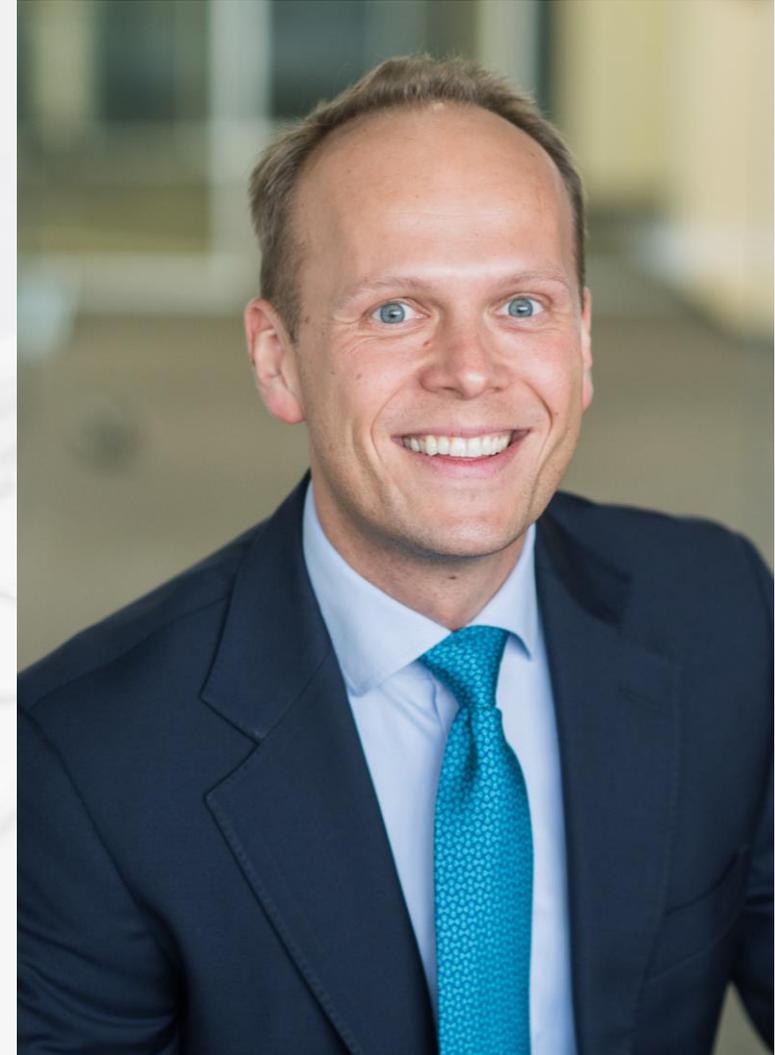


The 5 partners of Incrementum AG

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

About Ronald-Peter Stöferle

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



About Mark Valek

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





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