

SPDR® Gold ETF Dashboard

Insights
**SPDR Gold
Strategy Team**

January 2020

What Happened to Gold in the Fourth Quarter

of 2019? Gold traded around the \$1,475/oz to \$1,515/oz range for most of Q4. We believe this reinforces gold potentially establishing a new, higher support level after breaking through \$1,350/oz during Q2 2019; the well-established upper boundary of gold's trading range for the previous 6 years.¹ Gold appreciated 18.4% in 2019, providing its highest calendar year return since 2010. The yellow metal also posted positive gains during all four quarters of 2019, driven by an increasingly uncertain geopolitical and economic environment, as well as falling interest rates pushing negative yielding debt globally to record highs² — a force that has helped lower gold's opportunity cost relative to many other asset classes.

According to the World Gold Council's *Gold Demand Trends Q3'2019*, a total of fourteen central banks have reported adding to their gold reserves by one metric ton (t) or more for a total of 547.5t through the first three quarters. But gold demand was not limited to central banks. Global investors bought 400t of gold through physically-backed ETFs in 2019, bringing their collective holdings to a record high of 2,881t³ surpassing the previous peak set in 2012 when the price of gold was almost \$200/oz higher than recent levels. Cumulative gold-backed ETF holdings currently represent the 3rd largest known gold stock, trailing behind US and German central bank holdings. With gold at all-time highs in every major G10⁴ currency apart from the US

Key Facts

Ticker	Fund Size*	30-Day Bid/Ask Spread	30-Day Average Daily Volume
GLD*	\$44.7B	\$0.01	\$800M
GLDM SM	\$1.1B	\$0.01	\$14M

*As of December 31, 2019.

Source: Bloomberg Financial L.P. & State Street Global Advisors.

dollar and Swiss franc, we believe these statistics highlight how both central banks and global investors may be utilizing gold's unique characteristics to navigate market volatility and potentially diversify their portfolios.

Looking Ahead, we see an opportunity for the positive price momentum to continue for gold as the current-and-longest-US market expansion enters a second decade and both stock and bond valuations look expensive today versus their own history. In addition, there is no shortage of uncertainty; from an increasingly divisive political environment in the US ahead of the presidential election, to the impact of the Brexit process on European economies and the political situations in Iran and North Korea that could continue to deteriorate and affect asset markets. Lastly, while the US and China on going trade conflict took a positive step forward with both parties signaling a likely agreement on a phase one trade deal, more challenging issues remain on the table, like trade surpluses, currency manipulation, intellectual-property theft or subsidies to state-owned corporations.

As we enter a new decade — one where stock and bond valuations sit considerably higher than the past — the margin for error is much narrower for investors, with far less room to maneuver when volatility strikes. In 2020, consider gold as a potential diversification as investors seek to mitigate the impact of idiosyncratic macro

shocks on portfolios amid elevated valuations for traditional assets.

¹ Bloomberg Finance L.P. and State Street Global Advisors, date as of 12/31/2019.

² Global negative yielding debt is estimated at \$11.3B as of 12/31/2019. Source: Bloomberg Finance L.P. and State Street Global Advisors.

³ Source: World Gold Council — Global gold-backed ETF flows 2019 Summary, date as of January 8, 2020.

⁴ G10 currencies include United States dollar, Euro, Pound Sterling, Japanese yen, Australian dollar, New Zealand dollar, Canadian dollar, Swiss franc, Norwegian krone and Swedish Krona, date as of 12/31/2019.

Gold Vitals

Factors	Trend*	Potential Impact**	31-Dec-2019	52 Week High	52 Week Low
Gold Price (USD/oz)	^	^	1514.8	1546.1	1269.5
Citi Macro Risk Index	>	>	0.3	0.9	0.2
Stock Market Volatility	>	>	13.8	25.5	11.5
Gold Spec. Interest (moz)	^	^	34.0	34.5	5.7
US Dollar Index	v	^	96.4	99.4	95.2
*Gold ETP Holdings (moz)	^	^	92.6	93.3	78.6
10-Year TIPS Yields %	v	^	0.13	0.97	-0.10

*We define Trend as a comparison between end-of-month; 50-day; and 200-day readings for each factor. A positive trend is identified if either the end-of month reading is greater than the 50-day reading or if the 50-day reading is greater than the 200-day reading. We identify a negative trend when either the end-of month reading is less than the 50-day reading or when the 50-day reading is less than the 200-day reading. We define a flat trend as instances when the prevailing movement is neither positive nor negative.

**We define "Potential Impact" as the possible impact each of the trends may have on the price of gold.

† Gold holdings in exchange traded-products (ETPs) are represented by the securities tracked by Bloomberg Financial L.P.; Company Filings & World Gold Council as of December 31, 2019. We only tracked funds that are fully backed by gold, including: 1) open-end gold-backed ETFs whose shares are 100% backed by gold 2) closed-end funds that are not technically ETFs, but trade on exchanges and whose shares are 100% backed by physical gold. 3) gold-backed ETFs that may hold a small portion of cash or derivatives, as long as their assets include at least 90% in physical gold at all times. 4) ETFs holding precious metal baskets, as long as their shares are backed by physical gold.

Source: World Gold Council, Gold Demand Trends, Central Bank Statistics, December 31, 2019. Indices representing the above asset classes are as follows: Gold = LBMA Afternoon Gold Price as tracked by ICE Benchmark Administration Ltd., Citi Macro Risk Index = Citi Macro Risk Index, Stock Market Volatility: SPX Volatility Index, Gold Spec. Interest = Gold Net Speculative Long Positions from the Commitment of Traders Report released by the CFTC, US Dollar Index = The US Dollar Index. 10-Year TIPS Yields = Bloomberg Generic Government 10 Year TIPS Yield Index. (See "Glossary" for details on indices or benchmarks). MOZ represent Million Ounces.

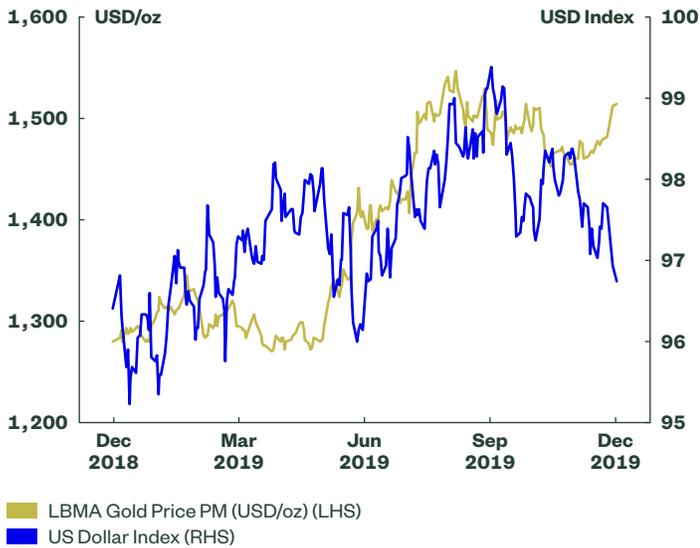
Asset Class Returns and Correlations***

	Returns			Correlation to Gold				
	December	Trailing 3-Mo. (%)	Trailing 12-Mo. (%)	December Correlation	Correlation Over Past 3 Months	December	Trailing 3-Mo.	Trailing 12-Mo.
USD	-1.56	-2.56	0.59	Strong Negative	Strengthening	-0.65	-0.25	-0.30
10-Yr TIPS	0.43	0.34	10.56	Weak Positive	Weakening	0.19	0.30	0.31
Commodities	7.43	8.91	17.43	Weak Negative	Strengthening	-0.25	-0.22	-0.05
Equities	2.56	8.22	28.50	Moderate Negative	Strengthening	-0.37	-0.26	-0.17
Gold	3.74	1.98	18.35	—	—	—	—	—

***The correlation coefficient is a metric that measures the strength and direction of a linear relationship between two variables. It measures the degree to which the deviations of one variable from its mean are related to those of a different variable from its respective mean. Correlations between -1.0 to -0.5 or 0.5 to 1.0 are considered "strong;" correlations between -0.5 to -0.3 or 0.3 to 0.5 are considered to be "moderate;" and correlations between -0.3 to -0.1 or 0.1 to 0.3 to be "weak." We view a correlation coefficient between -0.1 to 0.1 as having "no correlation" or a "very weak" correlation.

Source: Bloomberg Finance L.P., State Street Global Advisors. **Past performance is not a guarantee of future results.** Indices representing the above asset classes are as follows: Gold = LBMA Afternoon Gold Price as tracked by ICE Benchmark Administration Ltd., USD = The US Dollar Index, 10-Year TIPS = S&P 10 Year U.S. TIPS Index Total Return, Commodities = S&P Goldman Sachs Commodity Index, Equities = S&P 500 Index. In terms of "Strengthening" and "Weakening" correlation, it's a comparison between the December correlation and the trailing 3-month correlation. It is considered "Strengthening" when the December correlation is greater than 0.2 and greater than the trailing 3-month correlation. It is considered "Weakening" when the December correlation is less than -0.2 and less than the trailing 3-month correlation. It is considered "Flat" when none of the criteria above fits.

Figure 1: US Dollar Pulled Back in Q4 Due to Better Sentiment on a Trade Deal with China and a Dovish Hold FOMC



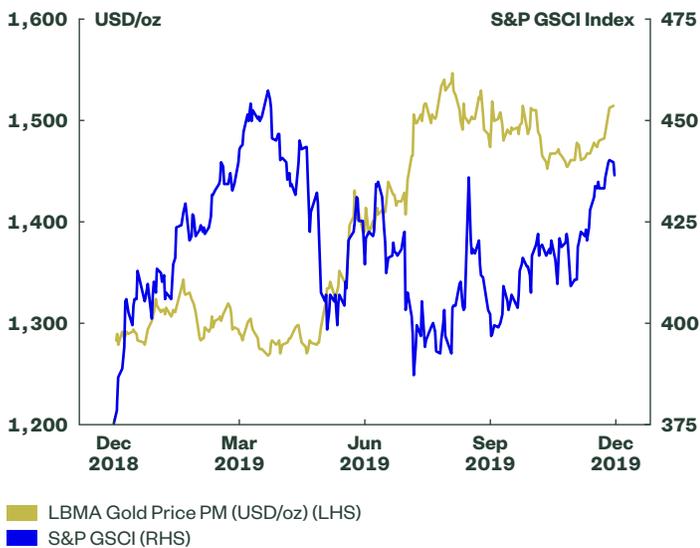
Source: Bloomberg Finance L.P., State Street Global Advisors.

Figure 2: Gold and S&P 500 Continued to Appreciate Together in 2019



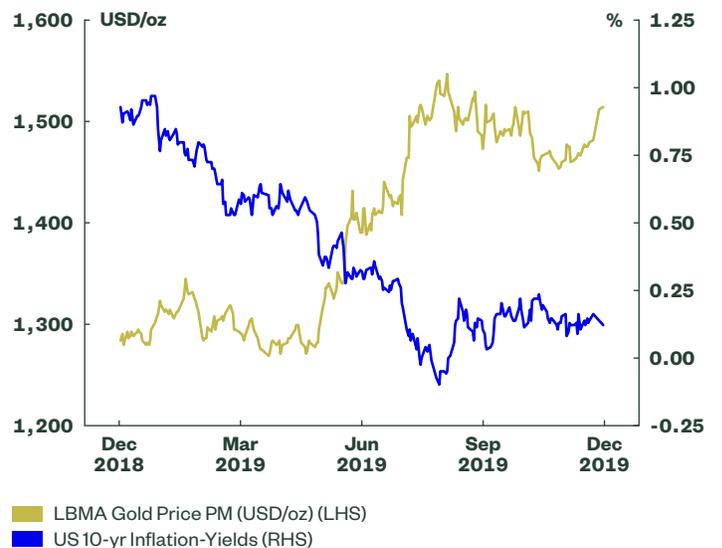
Source: Bloomberg Finance L.P., State Street Global Advisors.

Figure 3: Gold and Commodities Ended 2019 on a Positive Note as Monetary Policy Easing Improved Growth Prospects



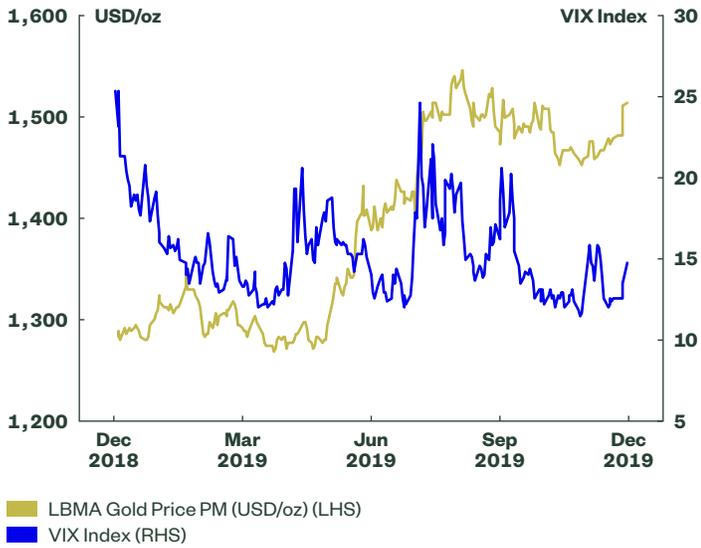
Source: Bloomberg Finance L.P., State Street Global Advisors.
Past performance is not a guarantee of future results.

Figure 4: TIPS Moderate their Decline in Q4: Gold Has Continued to Show it can Appreciate in a Deflationary Environment



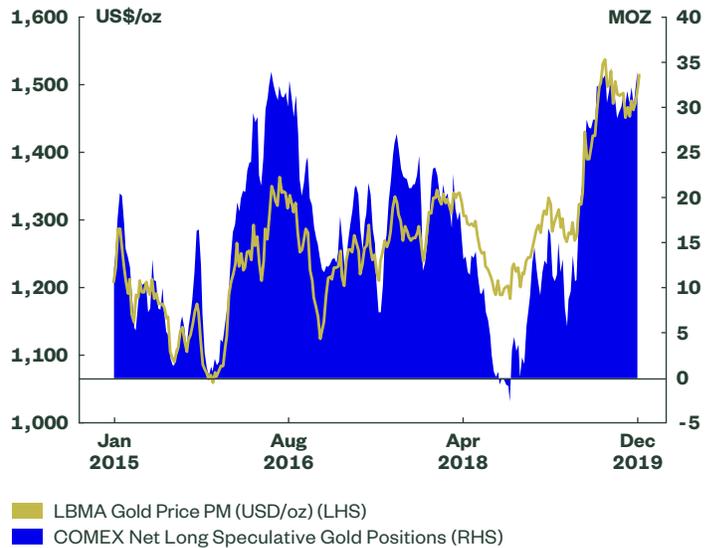
Source: Bloomberg Finance L.P., State Street Global Advisors.

Figure 5: Gold Has Increased as Volatility Continues to Trade Sideways



Source: Bloomberg Finance L.P., State Street Global Advisors.

Figure 6: Net Long Speculative Positions Has Continued to Trade Around 3-Year Highs



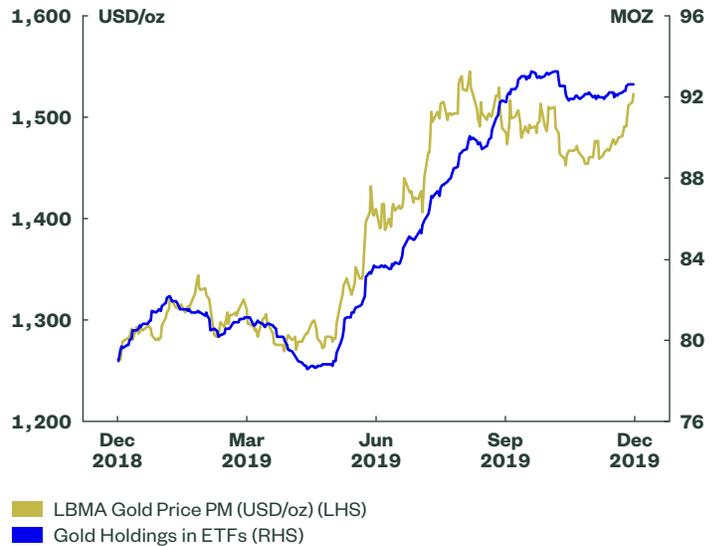
Source: Bloomberg Finance L.P., State Street Global Advisors.

Figure 7: Citi Macro Risk Index Finishes the Year Close to 2019 Lows as Stocks Around the World End the Year Strong



Source: Bloomberg Finance L.P., State Street Global Advisors.
 Past performance is not a guarantee of future results.

Figure 8: Global Gold-Backed ETF Holdings Hit Record Highs in 2019



Source: Bloomberg Finance L.P., State Street Global Advisors.

SPDR® Gold Shares Performance as of December 31, 2019

	1 Month (%)	QTD (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception 11/18/2004 (%)
NAV	4.27	2.44	18.36	18.36	9.09	4.48	2.86	8.09
Market Value	3.66	2.90	17.86	17.86	9.24	4.70	2.90	7.97
LBMA Gold Price PM	3.74	1.98	18.43	18.43	9.75	4.66	3.37	8.48

Source: spdrs.com. **Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate, so you may have a gain or loss when shares are sold. Current performance may be higher or lower than that quoted. Visit spdrs.com for most recent month-end performance. Performance returns for periods of less than one year are not annualized.** The market price used to calculate the Market Value return is the midpoint between the highest bid and the lowest offer on the exchange on which the shares of the Fund are listed for trading, as of the time that the Fund's NAV is calculated. If you trade your shares at another time, your return may differ. Gross and Net Expense Ratio: 0.40%.

SPDR® Gold MiniSharesSM Trust Performance as of December 31, 2019

	1 Month (%)	QTD (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception 06/25/2018 (%)
NAV	4.29	2.49	18.62	18.62	N/A	N/A	N/A	13.11
Market Value	3.63	2.99	18.10	18.10	N/A	N/A	N/A	13.00
LBMA Gold Price PM	3.74	1.98	18.43	18.43	N/A	N/A	N/A	12.91

Source: spdrs.com. **Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate, so you may have a gain or loss when shares are sold. Current performance may be higher or lower than that quoted. Visit spdrs.com for most recent month-end performance. Performance returns for periods of less than one year are not annualized.** The market price used to calculate the Market Value return is the midpoint between the highest bid and the lowest offer on the exchange on which the shares of the Fund are listed for trading, as of the time that the Fund's NAV is calculated. If you trade your shares at another time, your return may differ. Gross and Net Expense Ratio: 0.18%.

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Glossary

Citi Macro Risk Index measures risk aversion in global financial markets. It is an equally weighted index of emerging market sovereign spreads, US credit spreads, US swap spreads and implied FX, equity and swap rate volatility.

COMEX The main futures market for trading metals such including gold, silver, copper and aluminum.

ICE U.S. Treasury 7-10 Year Bond Index A fixed-income benchmark created by the Intercontinental Exchange, or ICE, that focuses on debt issued by the US Department of the Treasury. The index includes only US dollar denominated, fixed-rate securities that have a minimum term to maturity greater than seven years and less than Xor equal to 10 years.

LBMA Gold Price The LBMA Gold Price is determined twice each business day (10:30 a.m. and 3:00 p.m. London time) by the participants in a physically settled, electronic and tradable auction administered by the IBA using a bidding process that determines the price of gold by matching buy and sell orders submitted by the participants for the applicable auction time.

Long Gold Positions Speculative long positions on gold and other futures are recorded in the weekly Commitment of Traders Report published by the Commodities Futures Trading Commission, or CFTC, and measure the amount of gold ounces that are represented by gold futures that will be profitable should the price of gold rise.

Net Positions Net positions in gold futures and other futures markets is the difference between the number of speculative long and speculative short positions. The data, found in the weekly Commitment of Traders Report, are published by the Commodities Futures Trading Commission, or CFTC. S&P Goldman Sachs Commodity Index, or S&P GSCI A production-weighted index launched in 1992 that tracks the performance of 24 commodity futures contracts. The index, tilts to commodities that are more heavily produced globally, so its weights more heavily to crude oil than, say, to cocoa.

The S&P 500 Index is widely regarded as the best single gauge of large-cap U.S. equities and

serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

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Short Gold Positions Speculative short positions on gold and other futures are recorded in the weekly Commitment of Traders Report published by the Commodities Futures Trading Commission, or CFTC, and measure the amount of gold ounces that are represented by gold futures that will be profitable should the price of gold fall.

SPX Volatility Index VIX, or CBOE Volatility Index The SPX Volatility Index, also called the VIX or the CBOE Volatility Index, is a measure of the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options.

US Dollar Index The US Dollar Index (DXY) Index measures the performance of the US Dollar against a basket of currencies: the euro (EUR), the Japanese yen (JPY), the British pound sterling (GBP), the Canadian dollar (CAD), the Swiss Franc (CHF) and the Swedish krona (SEK).

US Generic Government 10 Year Yields Index A fixed-income index compiled by Bloomberg that measures yields of generic US, on-the-run, government notes and bond indices. Yields are yield to maturity and pre-tax, are based on the ask side of the market and are updated intraday. Yields included in the index are precise to 4 decimal places.

US 10-Year Treasury Note Yield (Used in Macro Sensitivity) The interest rate paid to holders of U.S. 10 Year Treasury Notes. The rate is comprised of Generic United States on-the-run government 10 Year Treasuries. The yield quoted is yield to maturity and on a pre-tax basis.

Important Risk Information

Investing involves risk, and you could lose money on an investment in each of SPDR® Gold Shares Trust ("GLD®") and SPDR® Gold MiniShares™ Trust ("GLDM®"), a series of the World Gold Trust (together, the "Funds").

ETFs trade like stocks, are subject to investment risk, fluctuate in market value and may trade at prices above or below the ETFs' net asset value. Brokerage commissions and

ETF expenses will reduce returns. Frequent trading of ETFs could significantly increase commissions and other costs such that they may offset any savings from low fees or costs.

Commodities and commodity-index linked securities may be affected by changes in overall market movements, changes in interest rates, and other factors such as weather, disease, embargoes, or political and regulatory developments, as well as trading activity of speculators and arbitrageurs in the underlying commodities. **Investing in commodities entails significant risk and is not appropriate for all investors.**

Diversification does not ensure a profit or guarantee against loss.

Important Information Relating to SPDR® Gold Trust ("GLD®") and SPDR® Gold MiniShares™ Trust ("GLDM®"): The SPDR Gold Trust ("GLD") and the World Gold Trust have each filed a registration statement (including a prospectus) with the Securities and Exchange Commission ("SEC") for GLD and GLDM, respectively. Before you invest, you should read the prospectus in the registration statement and other documents each Fund has filed with the SEC for more complete information about each Fund and these offerings. Please see each Fund's prospectus for a detailed discussion of the risks of investing in each Fund's shares. The GLD prospectus is available by clicking [here](#), and the GLDM prospectus is available by clicking [here](#). You may get these documents for free by visiting EDGAR on the SEC website at [sec.gov](#) or by visiting [spdrgoldshares.com](#). Alternatively, the Funds or any authorized participant will arrange to send you the prospectus if you request it by calling 866.320.4053.

None of the Funds is an investment company registered under the Investment Company Act of 1940 (the "1940 Act"). As a result, shareholders of each Fund do not have the protections associated with ownership of shares in an investment company registered under the 1940 Act. GLD and GLDM are not subject to regulation under the Commodity Exchange Act of 1936 (the "CEA"). As a result, shareholders of each of GLD and GLDM do not have the protections afforded by the CEA.

Shares of each Fund trade like stocks, are subject to investment risk and will fluctuate in market value. The values of GLD shares and GLDM shares relate directly to the value of the gold held by each Fund (less its expenses), respectively. Fluctuations in the price of gold could materially and adversely affect an investment in the shares. The price received upon the sale of the shares, which trade at market price, may be more or less than the

value of the gold represented by them. None of the Funds generate any income, and as each Fund regularly sells gold to pay for its ongoing expenses, the amount of gold represented by each Fund share will decline over time to that extent.

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For more information, please contact the Marketing Agent for GLD and GLDM: State Street Global Advisors Funds Distributors, LLC, One Iron Street, Boston, MA, 02210; T: +1 866 320 4053 [spdrgoldshares.com](#).

Before investing, consider the funds' investment objectives, risks, charges and expenses. To obtain a prospectus or summary prospectus which contains this and other information, call 866.787.2257 or visit [spdrs.com](#). Read it carefully.

**Not FDIC Insured
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May Lose Value**

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