

INVEST TODAY. FOR TOMORROW.

The Purest Form  
of Investment  
“GOLD”

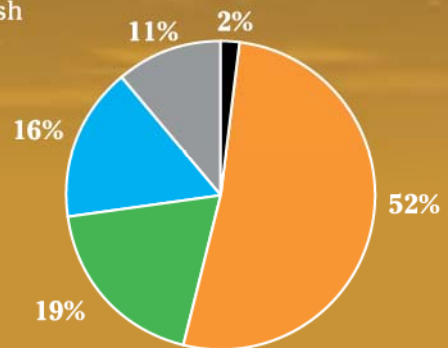


‘THE GOLD FUNDS’

# INDIA IS THE WORLD'S LARGEST GOLD CONSUMER

## IMPORTANCE OF GOLD IN INDIAN CULTURE

- ▶ Gold is considered an equivalent for liquid cash
- ▶ Gold is considered as status symbol
- ▶ Gold is a very good investment
- ▶ Gold is considered as a good gift item
- ▶ Gold has great religious significance
- ▶ Great ornamental value
- ▶ Great value as heirloom



■ Jewellery 
 ■ Private Investment 
 ■ Official Holding 
 ■ Other Fabrication 
 ■ Others

Source: World Gold Council, Data as on June 30, 2011



## FUTURE DEMAND OF GOLD IN INDIA

**World Gold Council says**, "About 50% of India's 1.2 billion population is below 25 years of age. Going by the numbers, it is estimated that over the next decade, every year there would be about 1.5 crores weddings in the country. And since gold is an integral part of most Indian weddings, this itself, will create an additional demand of about 500 tonnes of gold annually".

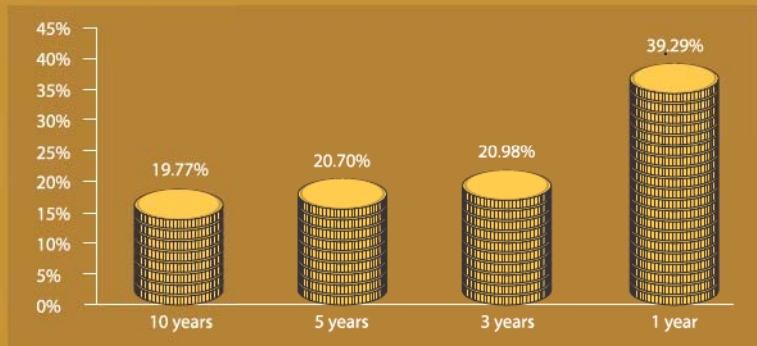
And this is over and above an estimated 500 tonnes of gold that would be transferred between the families involved in each wedding.

India, potentially, has perennial demand for Gold.

## THAT IS WHY PEOPLE SAY GOLD IS FOREVER!



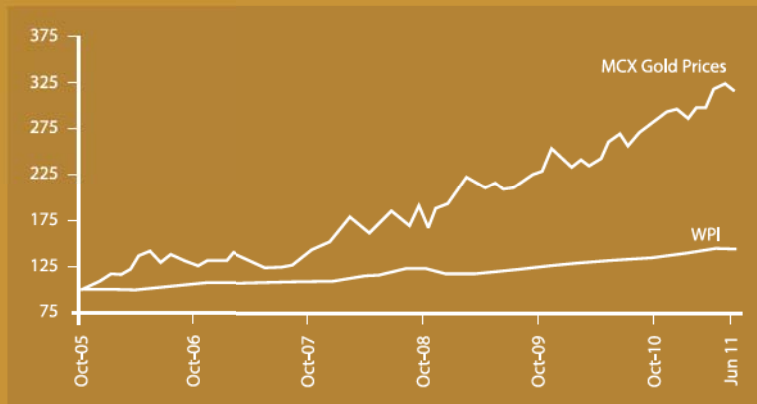
Gold has performed consistently over different time periods in last 10 years.



Source: Bloomberg; Data in USD; Data as on July 29, 2011; Returns are CAGR

## Hedge against inflation

The purchasing power of gold has remained stable over a longer time period.



# UNKNOWN PROBLEMS WITH INVESTING IN GOLD IN INDIA

- ▶ **Purity and Quality:** The average purity of the gold sold in the market is 19.43 karat as opposed to 22 karat claimed by most jewellers.

Source: Times of India, June 20 , 2006, March 21, 2008. The Telegraph

- ▶ **Storage and Safety:** Clerk 'cleans up' bank locker. Jewellery worth Rs. 24 lacs goes missing after customer forgets key.

Source: Times of India, Dec 13, 2008

- ▶ **Trust and faith on Jeweller:** The gold you wear may not be gold. Jewellers fleece customer by mixing Iridium, Ruthenium with yellow metal.

Source: paperarticles.com/2009, 30 Jan , 2009. Times of India, Aug 30 2008

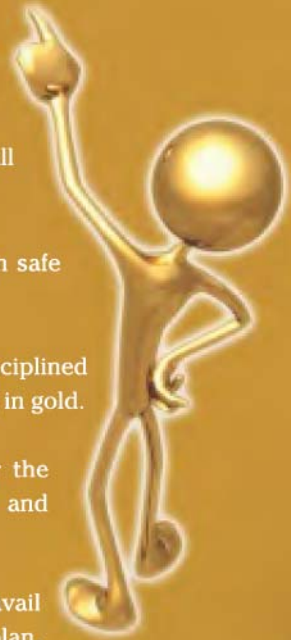


# 'THE GOLD FUNDS'

A "Fund of Fund" (FOF) is an investment strategy of holding a portfolio of other investment funds rather than investing directly in shares, bonds or other securities.

## THE BENEFITS OF INVESTING IN GOLD FUND:

- ▶ **Purity:** Gold will be bought in the purest form. All gold bullion in the Gold ETF would be of fineness (purity) of 995 parts per 1000.
- ▶ **Liquidity:** Investor can subscribe and redeem gold fund on all business days.
- ▶ **Custody:** Gold held by the underlying scheme i.e. GETS will be in safe custody of custodians. Hence no locker is required.
- ▶ **Systematic Investment Plan (SIP):** A long term disciplined investment technique, which provides a systematic way of investing in gold.
- ▶ **No DEMAT account:** Gold Fund provides an opportunity for the investor, to take exposure into gold as an asset class, in smaller and convenient investment amount without having a demat account.
- ▶ **Availability of add on facility:** The fund allows investors to avail add on facility like systematic transfer plan, systematic investment plan, and systematic withdrawal plan.





**COMPARISON OF GOLD FUND VIS A VIS OTHER GOLD INSTRUMENTS**

Benefit	Physical Gold	Commodity Exchange	Gold ETF	Gold Fund
Good control on quality of gold	No	Yes	Yes	Yes
Lower cost of holding	Yes	High Brokerage Cost	Yes	Yes
Risk of theft	Yes	No	No	No
Availability in smaller denomination	Yes	Yes	Yes	Yes
Wealth Tax	Yes	No	No	No
Long term investment	Yes	Speculation or Trading	Yes	Yes
Long term capital gain tax	After 3 years	No	After 1 year	After 1 year
Auto SIP facility	No	No	No	Yes
Fragment holdings	Yes	No	No	Yes
Purchase price	Dealer price	Stock ex. price	Stock ex. price	NAV price

Gold Fund is one of the most economic and efficient ways of investing in Gold.

# SYSTEMATIC INVESTMENT PLAN (SIP) IN GOLD

Invest in gold through Systematic Investment Plan (SIP), thus inculcating a regular saving habit to your investments. This ensures that you can reap the benefits of investing in gold through a small but regular amount. The following table shows the SIP returns in Gold for the past 10 years. It is seen that Gold has displayed a consistency in performance.

	1 Year	3 Years	5 Years	7 Years	10 Years
Amount Invested (In Rs.)	60,000	180,000	300,000	420,000	600,000
SIP Start Date	01/08/2010	01/08/2008	01/08/2006	01/08/2004	01/08/2001
Gold Value per gram (as on July 29, 2011) (In Rs.)	2,292.98	2,292.98	2,292.98	2,292.98	2,292.98
Units Accumulated (in grams)	30.00	110.98	233.55	411.97	767.04
Investment Value (as on July 29, 2011) (In Rs.)	68,797	254,483	535,535	944,640	1,758,806
Returns	28.63%	23.94%	23.44%	22.80%	20.41%



- ▶ A long term disciplined investment technique which allows you to accumulate gold in small amounts regularly from a long term perspective
- ▶ Gold Savings Fund endeavours to inculcate this habit to your investments to enable you to accumulate the returns of gold

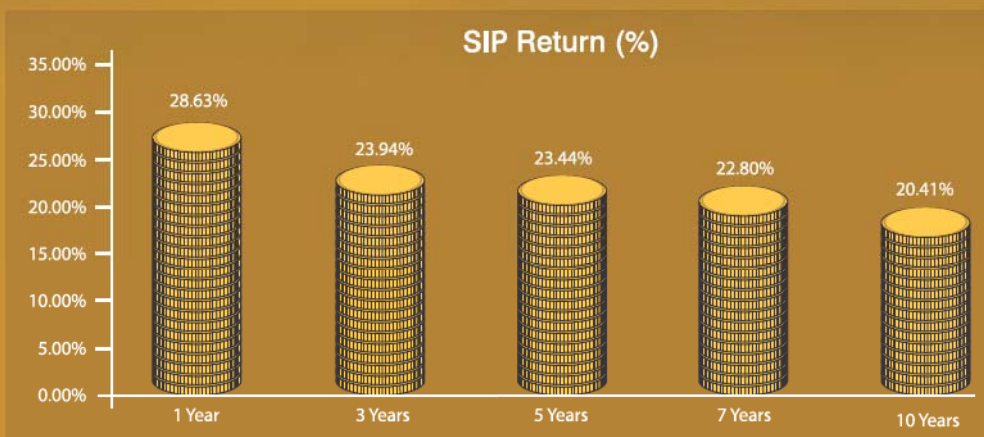
Returns are as on 29/07/2011 with SIP being done on 1st of every month. Returns are CAGR & have been calculated for cash flows at different points of time using XIRR function in excel spreadsheet for LBMA AM Fix closing prices converted into INR.

Past performance may or may not be sustained in the future.

Example given above is for illustration purpose only and for understanding the concept of SIP. Mutual Fund/AMC does not assure any safeguard of capital, promise, guarantee or forecast any minimum returns and the illustration should not be construed as indicative of future results.



## SIP – THE WEALTH CREATOR



Returns are as on 29/07/2011 with SIP being done on 1st of every month. Returns are CAGR & have been calculated for cash flows at different point of time using XIRR function in excel spreadsheet for LBMA AM Fix closing prices converted into INR.

Past performance may or may not be sustained in the future

Source: Bloomberg

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