

Gold as a Growth Alternative Asset in Your Portfolio

As investors seek to diversify their portfolios and mitigate risks, alternative assets have gained increasing attention. Among these, gold has long been recognized as a store of value and a hedge against inflation. However, its role as a growth asset is often overlooked. In today's uncertain economic landscape, gold can serve as a compelling alternative growth asset within a well-structured investment portfolio.

The Investment Case for Gold

Gold has historically been perceived as a safe-haven asset, primarily sought after during periods of economic instability. While this remains true, gold also possesses characteristics that make it an attractive growth asset:

1. **Long-Term Capital Appreciation**

Over the past few decades, gold has demonstrated consistent long-term growth, with prices rising due to increased demand, geopolitical uncertainties, and currency fluctuations. The scarcity of gold, coupled with ongoing mining challenges, suggests that its value could continue to appreciate over time.

2. **Diversification Benefits**

Gold exhibits low correlation with traditional asset classes such as equities and bonds. This means that when stock markets decline, gold often moves independently, providing a counterbalance and reducing overall portfolio volatility.

3. **Inflation Hedge**

Inflation erodes the purchasing power of cash and fixed-income assets. Historically, gold has retained its value and even appreciated during inflationary periods, making it an effective tool for preserving wealth.

4. **Currency Depreciation Protection**

As central banks implement monetary easing policies, fiat currencies can experience depreciation. Gold, which is globally recognized and not tied to any single currency, provides a means of safeguarding against currency devaluation.

How to Incorporate Gold into Your Portfolio

For investors considering gold as part of their growth strategy, there are several ways to gain exposure:

- **Physical Gold:** Investing in gold bullion or coins provides direct ownership but requires secure storage.
- **Gold ETFs and Mutual Funds:** These offer liquidity and convenience while tracking the price of gold without the need for physical ownership. Among these options, Gold ETFs are the most popular choice due to their ease of access, lower costs, and ability to be traded like stocks, making them an attractive option for both individual and institutional investors.

At Milestone Financial, our selection is Global X Gold Bullion ETF (GXLD), which provides investors with direct exposure to gold prices in a cost-effective and liquid manner. Notably, the price of GXLD has increased by 30% over the past year, highlighting gold's strong performance amid economic uncertainty and reinforcing its value as a growth asset.



While traditional asset classes remain essential, incorporating alternative assets like gold can enhance portfolio resilience and provide long-term growth potential. Given its historical performance, diversification benefits, and role as a hedge against economic uncertainties, gold stands out as a viable addition to a well-balanced investment strategy.

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