

## Newsletter – May 2025

With the gold price at \$ 3,380 (12 June 2025) I am asked when would be a good time to sell and take profits. The price has risen by 26% in dollar terms this year and by 26% in 2024 (14% and 34% in Euro terms and 17% and 28% in GP Pounds terms respectively). Since allocations were made before 2024 total gains are even higher. Here is a decision map which might be helpful.

1. Do you need the money today?

Has the roof of your house blown off and you need the money to repair it and maintain your living standard.

Yes



Go to Para.6

No



Go to Para.2

2. Have the fundamentals of the global investment world changed such that gold does not look an attractive investment in a portfolio?

My view is that the concerns that have driven the price gain over the last 2 years are still strong, if not more so, with the growing threat of expanding wars and financial instability.

Yes



Go to Para.6

No



Go to Para.3

3. Can you identify a better place to invest the money allocated to gold?

Alternatives are equities, bonds, property etc. and while some hold promise is the risk and potential reward interesting. Clearly a mix of investments makes sense.

Yes



Go to Para.6

No



Go to Para.4

4. Has the gold allocation in your portfolio grown so large as to lose all diversification?

Clearly 100% in gold is a high risk strategy but large global funds often have a gold allocation of just 2 to 3% which seem very modest if not meaningless.

Yes



Go to Para. 6

No



Go to Para.5

5. Does the gold allocation keep you awake at night?

It is important to be comfortable with investments and that they pass the "sleep test"

Yes

No



Go to Para.6



Go to Para.7

6. Trim the allocation to gold

7. At the end of 2001 the price was \$ 300 and ten years later in 2011 it was \$ 1,700 a gain of over 5 times. It then dropped lower and took 10 years to 2021 break out higher and continue moving ahead. View gold as a longer term investment that is now in a strong growth phase.

Best wishes

Tim Underwood

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