

The background of the slide is a blurred image of financial market data, including stock price tables and line charts. A semi-transparent red rectangle is overlaid on the center of the image. The word "Gold" is written in large white font in the center of the red area. Below it, the names of the authors are listed in a smaller white font. At the bottom of the red area, the title "The Big Shorties" and the date "4-06-2026" are displayed in white font.

Gold

Maddy Hadwick, Briana Bradley, Kenny Mark, Vivek Anandh

The Big Shorties

4-06-2026

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Thesis: There are increasing structural pressures on the U.S. dollar with rising debt, declining safe-haven dominance, and global reserve diversification. With an increasing demand for non-dollar stores of value, gold is a primary beneficiary.

What to Buy: Goldman Sachs Physical Gold ETF (AAAU)

Provides low-cost, direct exposure to physical gold

Time Horizon: 2-5 years

Effects on Portfolio: Increases Beta by 0.0029 but increases sharpe by 0.04 or 6.62%



Thesis/Proof: Macroeconomic Trend

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What macro trend(s) are you recognizing?

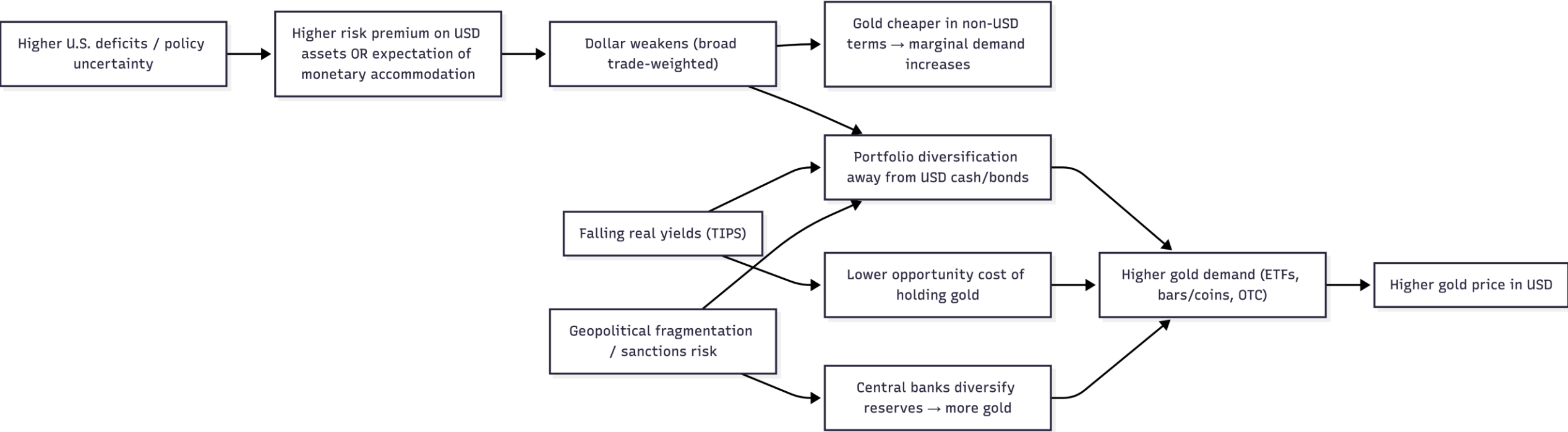
- *Dollar Weakness*
- *Falling (or capped) Real Yields*
- *More Banks Diversifying into gold*

What indicators reflect these trends?

- *USA spending \$1.9T more than collecting in tax*
 - *Economic growth slows*
- *Banks are diversifying to protect against geopolitical events*



How Gold Prices Go Up



Identified Opportunity

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What sectors/companies will be directly and indirectly affected by these trends?

Directly:

- *Physical gold vehicles*
- *Custody/Storage*
- *Reserve currency dynamics*

Indirectly:

- *Real asset/inflation hedges*
- *Alternative stores of value*
- *Dollar funding markets*

What is the most profitable investment opportunity considering this information and why?

- *Direct exposure to gold*
- *No execution risk; we are focusing on purest exposure to current gold pricing*
- *Reduction of USD centrality*
- *Collapse of Petrodollar system considering recent developments*



Supporting Evidence for Identified Opportunity

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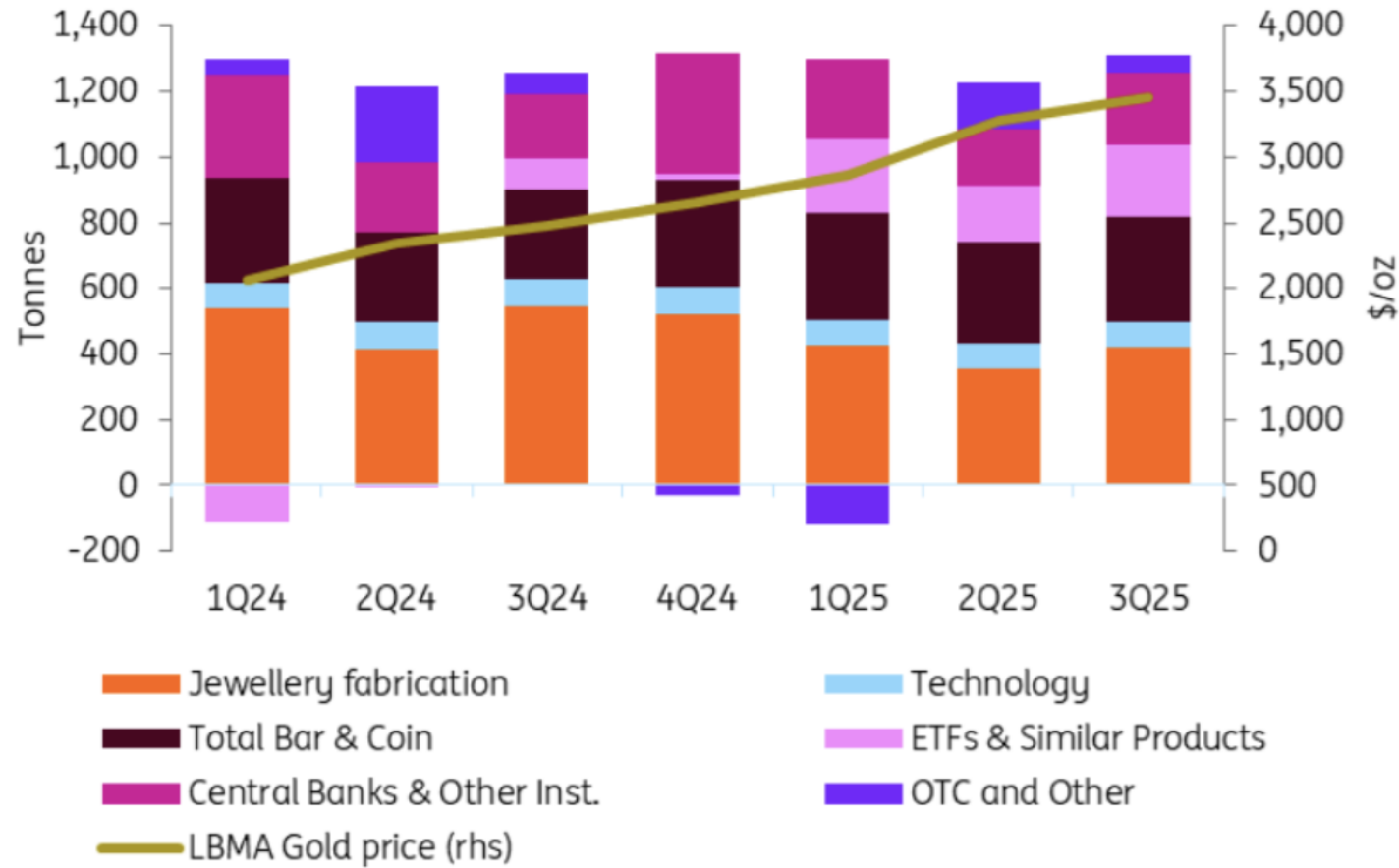
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Gold investment demand 2025 (Source: World Gold Council)



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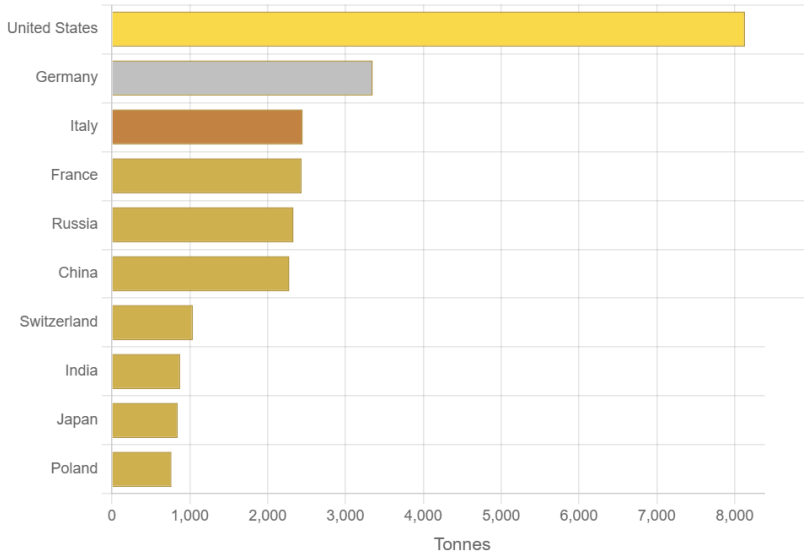
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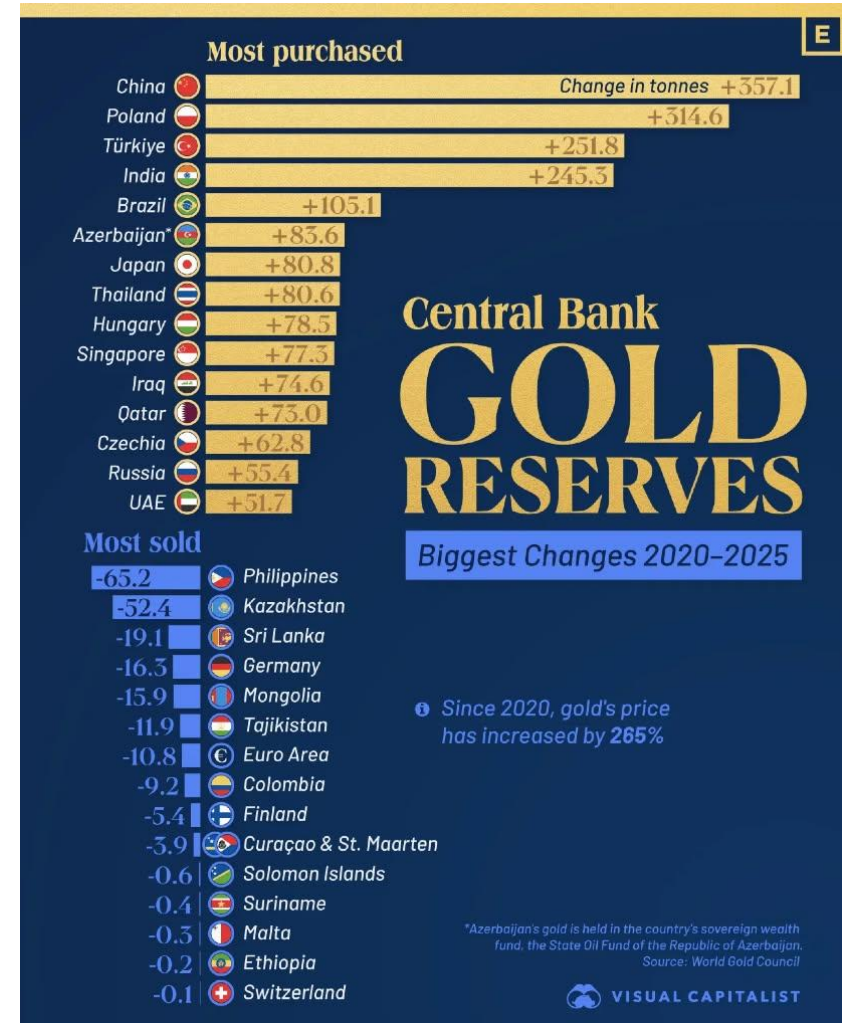
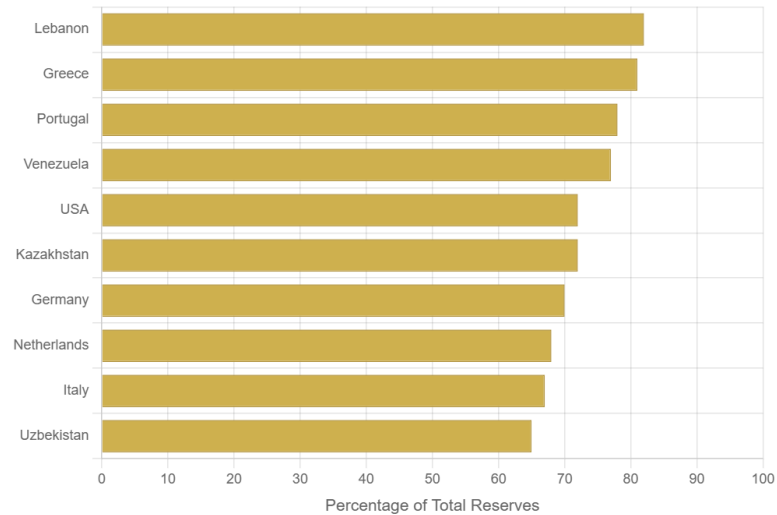
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Top 10 Countries by Gold Holdings



Countries with Highest Gold % in Reserves



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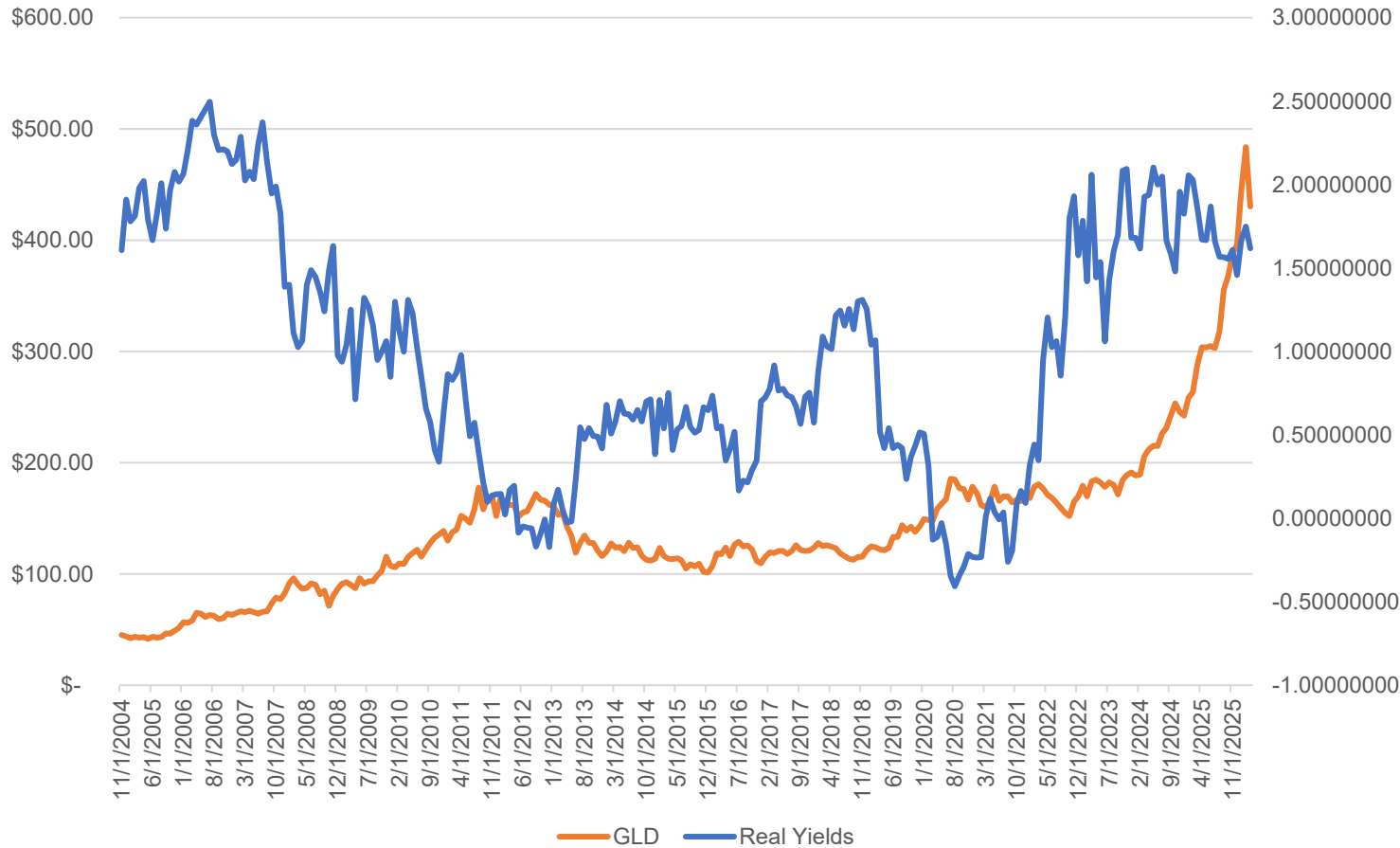
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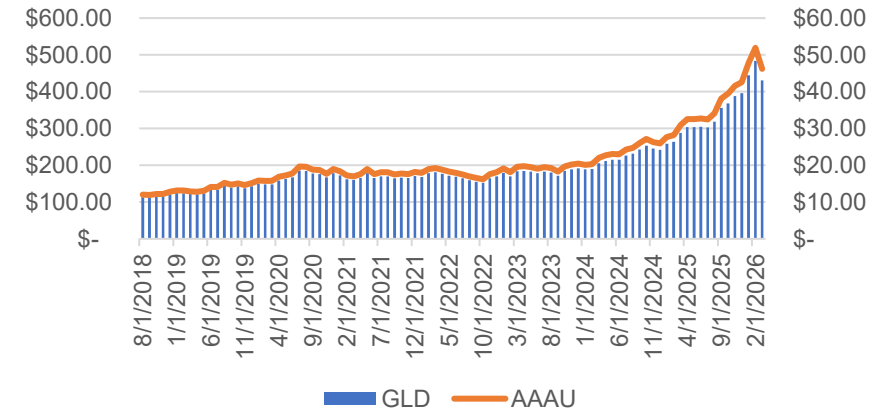
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Yield vs GLD Price



AAAU vs. GLD



Why now?

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- Gold accounts for a larger share of central bank reserves than U.S. Treasuries
- US debt increase due to decline in tariff-related income: More debt supply = downward pressure on dollar = upward pressure on gold
- Trump's repeated threats to replace Fed Chair Jerome Powell put the institution's independence at risk (aka Kevin Warsh)
- **Increased liquidation creates attractive exit point - entry**
- **Bear investors betting on hold/hike of rates due to inflationary pressures (upside not priced in all the way)**
- **Shift towards Gold as the world's neutral reserve asset as trust in dollar-denominated instruments erodes**



Gold / U.S. Treasuries

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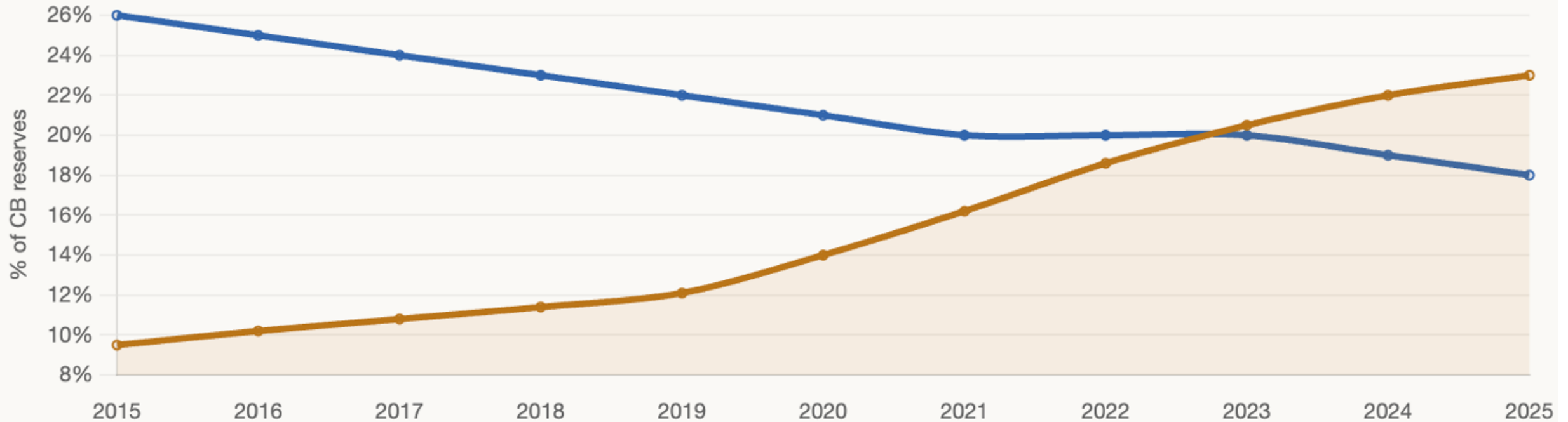
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GOLD SHARE OF CENTRAL BANK RESERVES VS. US TREASURIES

■ Gold share of reserves ■ US Treasuries share



AAAU vs DXY

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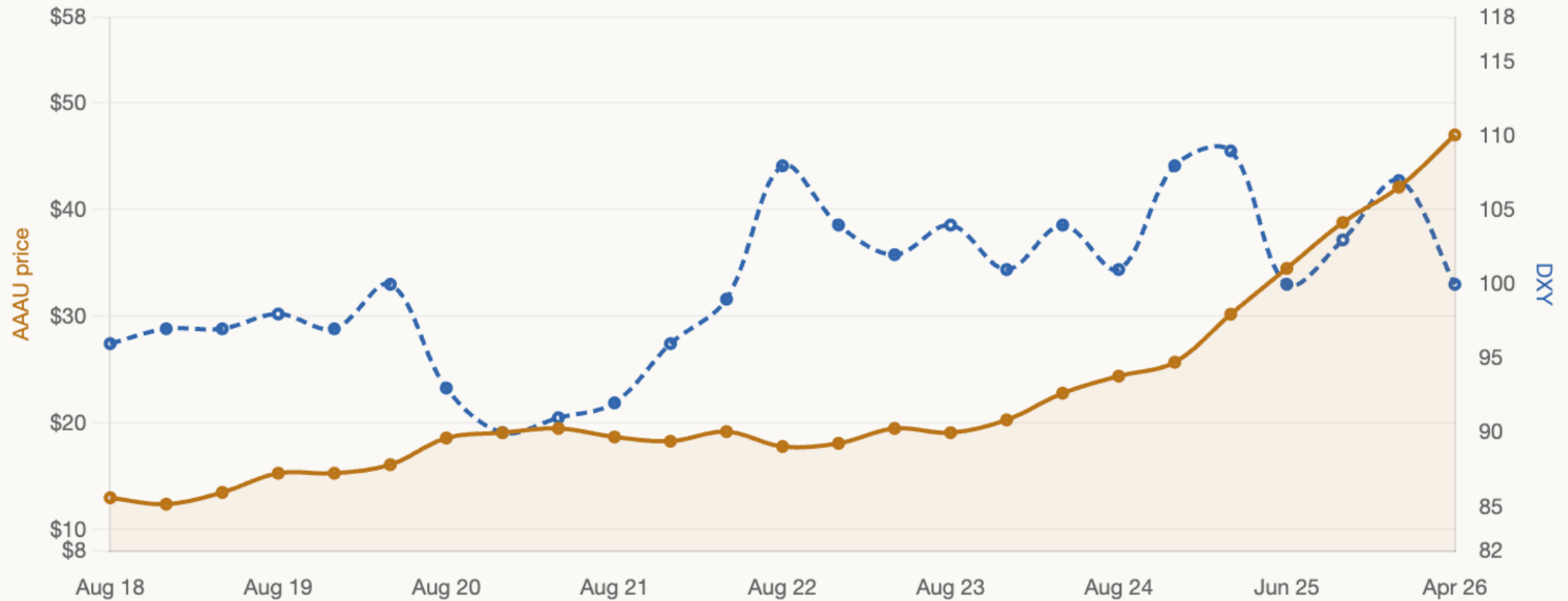
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AAAU PRICE VS. DXY — AUG 2018 TO APR 2026

■ AAAU (\$/share, left axis) ■ DXY (right axis)



Potential Error and Downside Exposure

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- **Downside is concentrated:**

Risks are:

- In crisis, USD can still strengthen temporarily
- US economy rally
- Real Rates Rising
- Strait of Hormuz reverts to petrodollar



Opportunity Costs

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- Direct yield forgone

No dividend, no coupon, no interest: Yield = 0

- Traditionally, equities dramatically outperform gold

During 2013–2021, gold was essentially flat while equities tripled. Every dollar in AAAU is a dollar not compounding in productive businesses

- Fixed Income

Unlike gold, bonds produce cash flow and have a contractual return of principal

- Growth and Innovation Exposure

Capital in AAAU has zero exposure to AI, biotech, energy transition, or any productivity gain. Gold doesn't benefit from human ingenuity.



Key Milestones That Increased Incentives to Diversify Reserves

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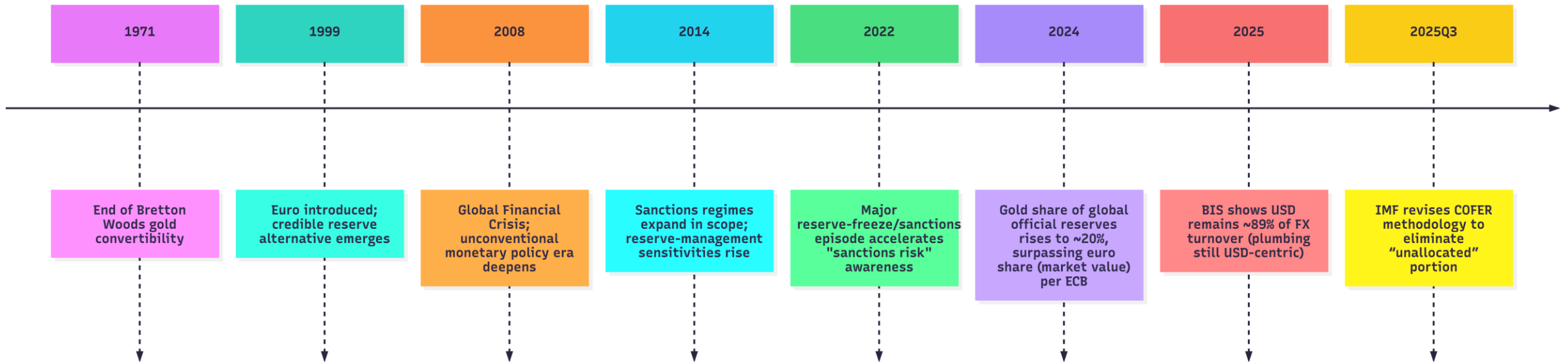
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Key milestones that increased incentives to diversify reserves



Proposed Purchase

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Name	Ticker	P/E Ratio	Net Assets (M)	Share Price	# of Shares	Total Value	Proposed Time Horizon
<i>Goldman Sachs Physical Gold ETF</i>	<i>AAAU</i>	<i>-----</i>	<i>3,230</i>	<i>\$46.09</i>	<i>650</i>	<i>\$29,958.5</i>	<i>2-5 years</i>



Sector Exposure

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- AAAU is a Grantor Trust with 100% of its assets in gold, providing investors with the financial benefit of holding the Gold Bullion minus a small management fee
- No exposure to traditional management risks or risks associated with an equity-based metal related ETF
- No exposure to any other asset besides pure Gold Bullion
- Expense Ratio: 0.18%



Effect on the Portfolio

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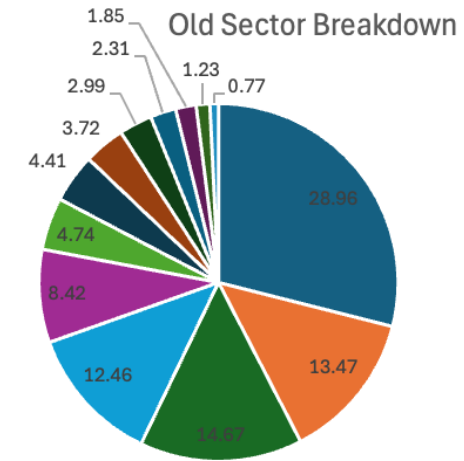
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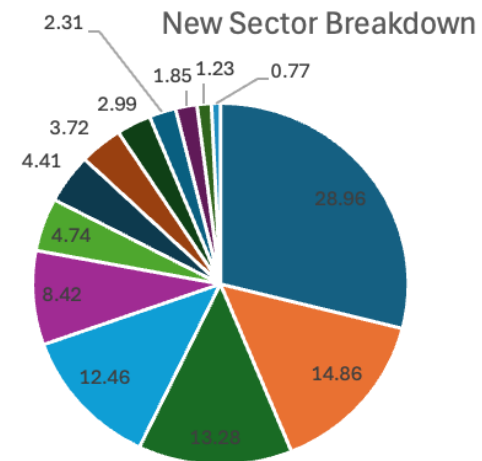
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	Existing Portfolio	New Portfolio
Beta	1.0115	1.0144
SMB	0.2688	0.2773
HML	-0.1083	-0.1132
Standard Deviation	12.46	12.6
Backtest Return	6.95	7.68
Idiosyncratic Risk	3.4	3.48

Old Sector Breakdown



New Sector Breakdown



- Technology
- ETF
- Cash
- Industrials
- Cons. Staples
- Healthcare
- Cons. Disc.
- Financials
- Comm. Services
- Materials



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Thesis: Gain exposure to physically backed gold holdings due to expectations of rate decrease and overall dollar weakness

Strategy: Invest directly in a physical gold ETF (AAAU)

What to Buy: \$30,000 AAAU in the School Fund

Time Horizon: 2-5 Years

Effects on Portfolio: Increased diversification, direct exposure to metals



Exhibits



Relevant Tools For You!

Bryan's Bloomberg Toolkit

**Best Region-Specific ETFs for
International Exposure Analysis**



Opportunity Costs

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