

Why We Own Gold

The old money in a new world

Is it too late to own gold?

Money can be created at will. Trust cannot. That one idea explains why gold sits near record highs, why central banks have been steady buyers, and why it holds a permanent place in the portfolios we build. The question we hear most is whether it is too late. Our answer: the case for gold was never about catching a move. It is about what gold does for a portfolio that nothing else can.

In the simplest terms, gold is the one form of money that cannot be printed, defaulted on, or politically manipulated. In a world of rising government debt, geopolitical fragmentation, and highly active central banks, it continues to serve its oldest purpose: a store of value that endures when confidence in paper promises wavers.

Money that cannot be printed

Every monetary system falls into one of two camps. Hard-asset money, historically tied to gold. And fiat money, backed only by government credibility. History shows that when debt grows faster than income, governments face a choice: default and deflation, or devaluation and inflation. In 1933, 1971, 2008, and 2020, the response was the same. Create more money and credit. Each time, gold responded in kind.

That relationship is durable. As faith in paper money weakens, gold strengthens. This is not a prediction. It is a pattern, and it is why we treat gold as strategic money rather than a speculative asset.

What is driving demand now

Gold has been trading near record levels, around US\$4,400 per ounce in mid-August 2026. The headline price matters less to us than who is buying and why.

- **Central banks** have been consistent net buyers, diversifying reserves away from any single currency. That is structural demand, not speculation.
- **Investor flows** into gold funds have absorbed supply at a strong pace, supported by geopolitical tension and questions around monetary policy.
- **The macro backdrop** reinforces the case. Global debt sits at historic highs relative to GDP, real yields remain compressed, and central bank independence is being tested politically.

In our view, this is not a mania. It is a reallocation of reserves, official and private, toward an asset with no counterparty risk.

The diversification case

Gold's most underrated quality is how differently it behaves. In 2024, gold rose 26% while equities gained and long-duration bonds lagged. That kind of divergence is rare, and it shows why gold can earn its place even when markets are doing well.

Its low correlation with both stocks and bonds makes it one of the few assets that can rally when other assets fall, or hold their ground when everything else is rising. In a multi-asset portfolio, gold behaves like an insurance policy that occasionally pays for itself.

How we hold it

Gold is no longer a tactical line item for us. What began as a tilt has been promoted to a core allocation, and that shift is deliberate: we believe we are in a durable structural bull market for the metal, not a cyclical spike to be rented and returned. Central bank accumulation, sovereign debt dynamics, and the steady erosion of confidence in fiat alternatives are not fast-moving variables. They are multi-year forces, and they argue for owning gold as a permanent piece of the portfolio rather than an occasional hedge.

A long-term strategic weight typically ranges between 5% and 15%, depending on structure, liquidity needs, and risk tolerance. Within that band, we are positioned with intent. Tactical adjustments still happen around the edges during periods of monetary or geopolitical stress, but the core stays.

Where accounts permit, we prefer gold equities and miners to bullion. Bullion is the purest expression of the thesis and the cleanest ballast, but it has no cash flow and no operating leverage. Producers and developers do. In a sustained bull market, the equities carry the torque. Margins expand faster than the metal price, free cash flow builds, and capital returns follow. That torque cuts both ways, which is why this is a suitability decision, not a blanket one: miners bring equity beta, jurisdictional risk, and single-name execution risk that physical does not.

That is where the work is. We trade the beta and pursue the alpha: sizing exposure against the cycle, rotating between royalty names, senior producers, and developers as valuations and capital discipline shift, and pruning positions that stop earning their place. Gold is volatile and will have down years; that is precisely why sizing and discipline matter more than conviction.

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The metal is the easy part. The real work is in sizing it, funding it tax-efficiently, expressing it through the right vehicle for the right account, and knowing when to tilt.

The bottom line

Gold's value is not in its lustre. It is in what it represents: discipline, scarcity, and credibility in a system built on elasticity, politics, and promises. It comes back to where we started. Money can be created at will, but trust cannot, and gold remains a foundation for portfolios built to endure.

This is about discipline, not prediction. If you want a second set of eyes on how your current allocation would hold up, a short conversation will tell you whether it is worth a deeper look.

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