



**HGGG**

# Harvest Global Gold Giants Index ETF

High Quality Gold Companies as a  
wealth Protection Strategy

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September 2024

# Gold As a Wealth Protection Strategy

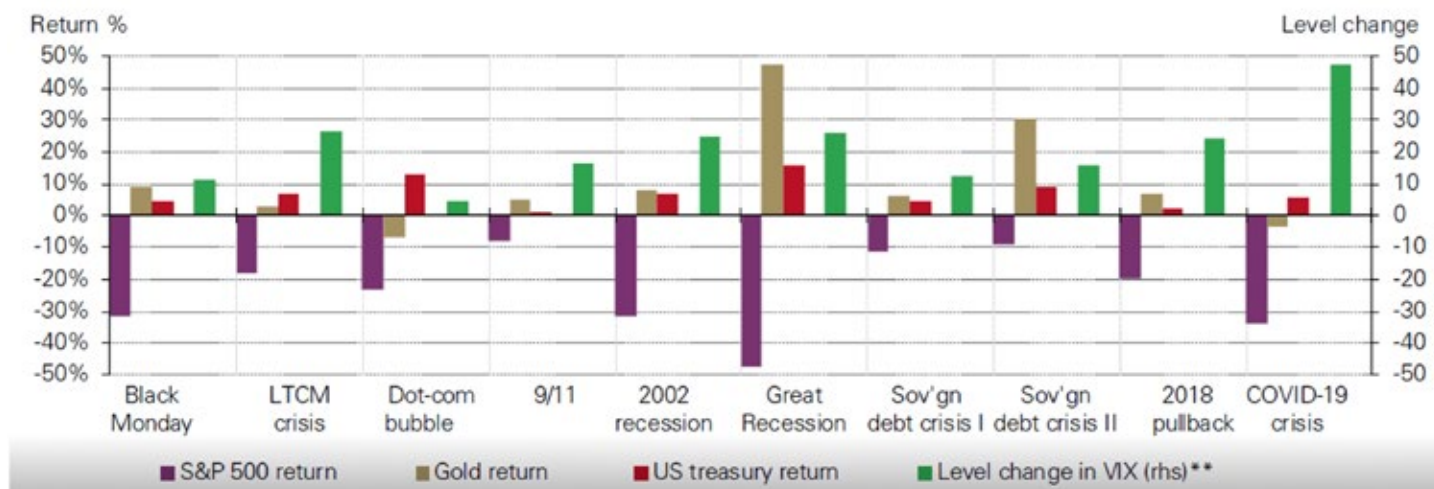
One of the key underlying uses of Gold as an investment has been to provide diversification and defensive positioning to preserve wealth in times of market corrections, inflationary pressures, a weakening US dollar and regional or global conflict.

As highlighted by World Gold Council in their report “The Relevance of Gold as a Strategic Asset (2019)”, the inverse correlation also becomes more apparent as downside market volatility increases.

## Gold versus other asset classes during tail-risk

Sometimes even the hint of a potential regional conflict can send the price of Gold spiraling upward in a very short time. Though these short bursts can be driven by speculative trading, the negative or low correlation to stock markets can help preserve wealth or lower market volatility in a portfolio.

### Return during Systemic Risks



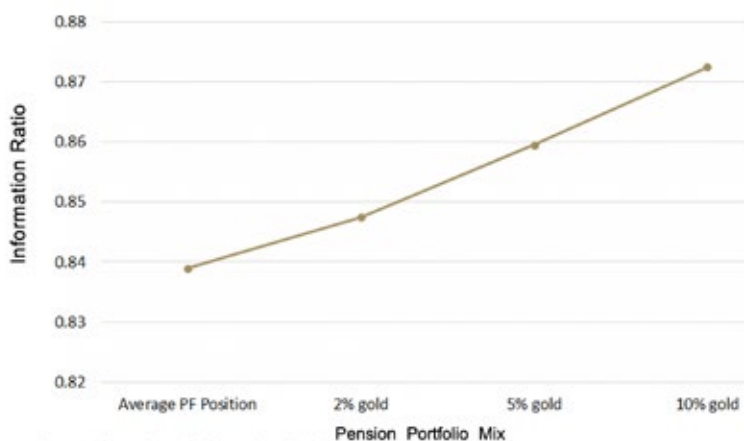
Source: Bloomberg, Wold Gold Council

## Gold as a Diversifier

The investment appetite for Gold can ebb and flow depending on economic circumstances, but Gold provides stability for a portfolio, like a hedge, since it has a low correlation to the equity markets. As the chart highlights, historically having a position in Gold has been beneficial for portfolio's risk adjusted return metrics.

Source: Bloomberg, ICE Benchmark Admin, World Gold Council

### Average Pension Fund Allocation to Gold Risk Adjusted Returns Improve with an Allocation



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**“Gold has special properties that no other currency...-  
can claim. For more than two millennia, gold has had  
virtually unquestioned acceptance as payment.”**

**ALAN GREENSPAN**

Former Federal Reserve Chairman

## **Different ways to get exposure to Gold**

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To get exposure towards Gold, you can hold: bullion directly (wafers and bars in a safety deposit box), Gold futures contracts, Gold mining shares, Gold ETFs and Mutual Funds which can hold a variety of stocks and metal contracts or the bullion physically, and other structured and derivative based products. The number and variety of products around the world and trading on major markets is overwhelming and the choice of investment can be daunting for an individual investor.

## **What is the Harvest Global Gold Giants Index ETF**

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Harvest's designed an Index product that would track the performance of the **top 20 global Gold producers** by market capitalization. As an adjunct to the Harvest Investment Philosophy, which is to own quality long running businesses, this approach to the Gold market made the most sense.

We don't want to own the commodity directly, store it, and insure it while it generates zero earnings for the ETF. We don't want to own the smaller and mid cap names where speculation can run rampant, we wanted to own the large cap established names which have production exposure, have the ability to generate cash flows, and their market dominance will provide opportunities for M&A activity.

## Reasons to Own Global Gold Equities

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Investing in gold-mining stocks captures organic growth in demand and provides greater leverage than investing in gold bullion. This is because as the price of gold goes up, the profit margins of gold mining companies increases which can boost earnings exponentially. Gold stocks are highly liquid.

- Hedge against inflation or volatile market
- Tangible asset with trading liquidity
- Uncorrelated to equity investments
- Earnings momentum has turned positive
- Gold stocks play a different role to bullion
- Portfolio diversification to dampen volatility
- Miners with strong balance sheets can potentially benefit from higher profit margins
- Potential M&A's can create required scale for growth
- Can offer safe harbor

## Harvest Global Gold Giants Index ETF

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The Harvest Global Gold Giants Index ETF has been designed to replicate, to the extent possible, the performance of the Solactive Global Gold Giants Index TR, net of expenses. The ETF invests in and holds the Constituent Securities of the Index in the same proportion as they are reflected in the Index.

The benchmark used is the Solactive Global Gold Giants Index TR, which includes global securities in the gold industry. Constituents are subject to minimum market capitalization and liquidity screens. Plus, each security in the index is allocated an equal weight.

### Benefits include:

- Cost effective access to a portfolio of high quality gold companies
- Globally diversified fund
- Global exposure provides some inflation protection
- Equal weighting to lessen concentration/risk toward top index holdings
- Highly liquid underlying securities



# About Harvest

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Founded in 2009, Harvest Portfolios Group Inc. is an independent Canadian Investment Fund Manager. At Harvest, our guiding principles are premised on building wealth for our clients through ownership of strong businesses that have the potential to grow & generate income over the long term. Harvest has an established track record with its stable of Equity ETFs and Fixed Income ETFs. In 2024, Harvest has expanded its income philosophy to introduce Balanced Income ETFs to our innovative lineup. These portfolios are invested in ETFs listed on a recognized North American stock exchange that provide exposure towards large capitalization equity securities, investment grade bonds or money market instruments issued by corporations or governments and will include ETFs that engage in covered call strategies.

To learn more about the ETF, please visit [harvestportfolios.com/hggg](https://harvestportfolios.com/hggg).

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## Disclaimer

For Information Purposes Only. Commissions, management fees and expenses all may be associated with investing in HARVEST Exchange Traded Funds managed by Harvest Portfolios Group Inc. (the "Funds" or "ETFs"). Please read the relevant prospectus before investing. The Funds are not guaranteed, their values change frequently, and past performance may not be repeated. This communication should not be considered as advice and/or a recommendation to purchase or sell the mentioned securities or used to engage in personal investment strategies. Tax, investment and all other decisions should be made with guidance from a qualified professional.

Distributions are paid to you in cash unless you request, pursuant to your participation in a distribution reinvestment plan, that they be reinvested into Class A units of the Fund. If the Fund earns less than the amounts distributed, the difference is a return of capital.

Certain statements included in this communication constitute forward-looking statements ("FLS"), including, but not limited to, those identified by the expressions "expect", "intend", "will" and similar expressions to the extent they relate to the Fund. The FLS are not historical facts but reflect Harvest's, the Manager of the Fund, current expectations regarding future results or events. These FLS statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. Although Harvest, the Manager of the Fund, believes that the assumptions inherent in the FLS are reasonable, FLS are not guarantees of future performance and, accordingly, readers are cautioned not to place undue reliance on such statements due to the inherent uncertainty therein. Harvest, the Manager of the Fund, undertakes no obligation to update publicly or otherwise revise any FLS or information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

The ETF is listed for trading on the TSX under the ticker symbol HGGG.

Please see [www.harvestportfolios.com](https://www.harvestportfolios.com) for additional information.

## Solactive Indices

The financial instrument is not sponsored, promoted, sold or supported in any other manner by Solactive AG nor does Solactive AG offer any express or implicit guarantee or assurance either with regard to the results of using the Index and/or Index trade name or the Index Price at any time or in any other respect. The Index is calculated and published by Solactive AG. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards the issuer, Solactive AG has no obligation to point out errors in the Index to third parties including but not limited to investors and/or financial intermediaries of the financial instrument. Neither publication of the Index by Solactive AG nor the licensing of the Index or Index trade name for the purpose of use in connection with the financial instrument constitutes a recommendation by Solactive AG to invest capital in said financial instrument nor does it in any way represent an assurance or opinion of Solactive AG with regard to any investment in this financial instrument.