


# Gold as a Hedge Against Economic and Geopolitical Turmoil

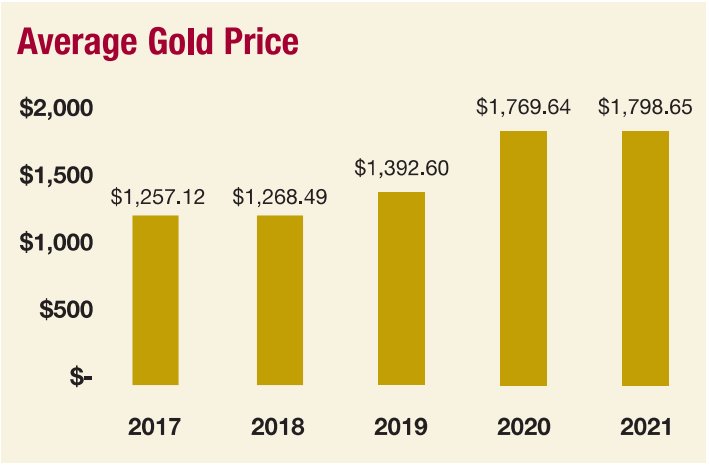
BY SCOTT SCHWARTZ

IN APRIL 2022, the annual rate of inflation surged to 8.5 percent[1]. That is the most rapid year over year increase in inflation since December 1981 when annual inflation reached 10.3 percent[2].

Rising inflation, the COVID-19 pandemic, and the Russia invasion of Ukraine have compounded the geopolitical and economic distress that surfaced since the pandemic began more than two years ago. The resilience of the U.S. economy and strength of the dollar are being tested under these difficult and unprecedented conditions. At times like this, gold investments come into focus.

Gold was viewed as a "safe haven" asset class during periods of hyperinflation (1978-1980), global financial crisis (2008-2012), and when there is an excessive amount of dollars in circulation (April 2020-present). Investing in gold is similar to having insurance since the primary objective is to hedge the risks of a decline in purchasing power and holding wealth in declining U.S. dollars. Under normal circumstances, investors acquire gold to diversify their portfolios due to its historically low or negative correlation against other asset classes, including U.S. dollars. A multi-asset portfolio with an allocation to gold may provide a better risk-adjusted return than a multi-asset portfolio without.[3]

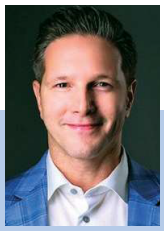
FideliTrade Incorporated offers a simple way to own gold coins and bars, including Gold and Silver American Eagle coins which are purchased directly from the United States Mint. Customers can take



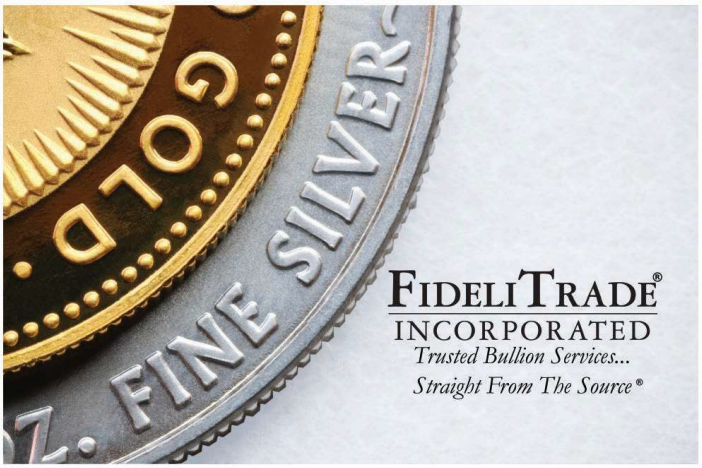
physical possession or have their gold securely held in our depository. FideliTrade assists individuals with purchasing gold in their IRA and offers a low minimum monthly purchase plan. Customers can also sell gold to FideliTrade. Our experienced staff is incentivized by good customer service, and not by sales. ■

*This article is for information purposes only. Nothing contained herein constitutes investment advice and it should not be relied upon as such. FideliTrade is not a financial advisor or tax advisor. You should consult with your financial advisor and tax advisor to discuss your investment objectives, tax status, or investment horizon.*

*1 https://www.usinflationcalculator.com/inflation/historical-inflation-rates/*
*2 Id.*
*3 Frederic Dodard and Abigail Greenway, A Case For Global Diversification: Harnessing the Global MultiAsset Market Portfolio, IQ Insights, State Street Global Advisors, ISG EMEA, 2015.*



**Scott Schwartz** is FideliTrade's executive vice president and general counsel.




**FideliTrade is a company you can trust.**

Free limit orders
Monthly Purchase Plans
Personal Appointments
Domestic and International Storage

**FideliTrade.com** **302-762-6200**

