

YOUR GUIDE TO THE WISDOM, THE VALUE AND THE PRACTICALITIES OF ACQUIRING GOLD.

A TIMELESS, AND VERY TIMELY INVESTMENT

For thousands of years, gold has been prized for its rarity, its beauty, and above all, for its unique characteristics as a store of value. Nations may rise and fall, currencies come and go, but gold endures.

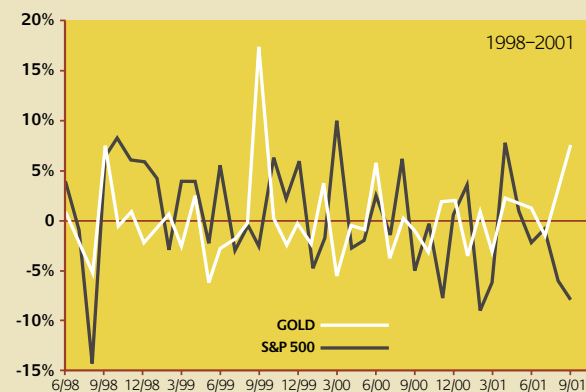
In today's uncertain climate, many investors turn to gold because it is a "currency without borders" — an important and secure asset that can be tapped at any time, under virtually any circumstances.

But there is another side to gold that is equally important, and that is its day-to-day performance as a stabilizing influence for investment portfolios. These advantages are currently attracting considerable attention from financial professionals and sophisticated investors worldwide.

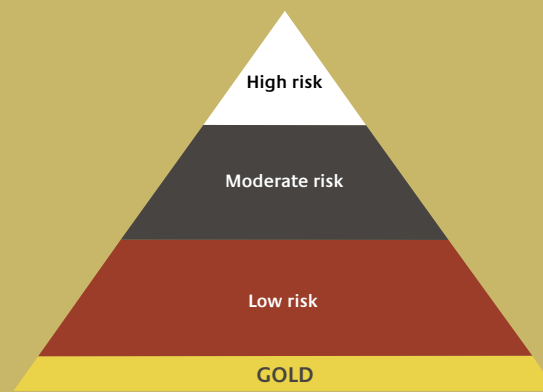
Gold is an effective diversifier

Diversification helps protect your portfolio against fluctuations in the value of any one asset class. Gold is an ideal diversifier, because the economic forces that determine the price of gold are different from, and in many cases opposed to, the forces that influence most financial assets. As the chart below indicates, gold prices tend to move in the opposite direction of stocks.

RETURNS OF GOLD AND STOCKS



GOLD IS THE FOUNDATION OF A PROPERLY BALANCED INVESTMENT PORTFOLIO



Gold responds when you need it most

Recent independent studies have revealed that traditional diversifiers often fall during times of market stress or instability. On these occasions, most asset classes (including traditional diversifiers such as bonds and alternative assets) all move together in the same direction. There is no "cushioning" effect of a diversified portfolio — leaving investors disappointed.

However, a small allocation of gold has been proven to significantly improve the consistency of portfolio performance, during both stable and unstable financial periods. Greater consistency of performance leads to a desirable outcome — an investor whose expectations are met.

Gold is highly liquid

Gold can be readily bought or sold 24 hours a day, in large denominations and at narrow spreads. This cannot be said of most other investments, including stocks of the world's largest corporations. Gold proved to be the most effective means of raising cash during the 1987 stock market crash, and again during the 1997/98 Asian debt crisis. So holding a portion of your portfolio in gold can be invaluable in moments when cash is essential, whether for margin calls or other needs.

How to buy gold

Gold is easy to buy, sell and store. It is available at coin and precious metals dealers and selected banks and brokerage firms across the U.S. and around the world. You can make purchases in virtually any amount, ranging from a fraction of an ounce upward. The weight and purity of gold coins and bars are precisely controlled and standardized by internationally-recognized refiners and mints, allowing you to buy with confidence and sell with ease.

Gold bullion products are based on the underlying price of gold bullion, plus a small premium. As with any investment, it is always advisable to check the terms of the purchase agreement, procedures and prices offered by the dealer. Prospective investors should consult their financial advisor regarding tax laws or other circumstances.

Buying gold bars

International refiners make it convenient for investors to own bullion by offering gold bars in a variety of weights and sizes, ranging from one troy ounce to 400 troy ounces, the size of an internationally-traded "London good delivery" bar. (One troy ounce equals 1.09714 regular or avoirdupois ounces.)



Broker commissions on buying and selling gold bars are minimal, and in most cases, purchasing bars is the most cost-efficient means of owning gold. Bars bearing the "hallmark" (logo) of internationally recognized refiners are the easiest to sell. These refiners "assay" or test the metal for its purity or fineness.



The bars are generally stamped .995 (99.5% pure gold) or higher purity, along with the individual bar's weight. Gold bullion bars can be purchased from selected commercial banks, brokerage houses, and precious metals dealers.

Buying gold coins

Gold bullion coins are popular with investors because they combine intrinsic value with artistic beauty. The bullion coin represents an investment in pure gold, and because it is legal tender, the country of origin guarantees its authenticity. The bullion coin bears a face value that is largely symbolic; its true value depends on its gold content and the daily price of gold.

Bullion coins are minted in a variety of weights ranging from 1/100 of an ounce to 1 kilogram. Bullion coins can be easily bought and sold virtually anywhere in the world. Prices for popular one-ounce coins are quoted daily in most of the world's newspapers. Prices for bullion coins are based on the underlying price of gold bullion, plus a small premium.

BUYING GOLD BULLION: YOUR CHOICES

Where to buy gold bullion:

Available at coin and precious metals dealers and selected banks and brokerage firms across the U.S. and around the world.

Bullion Coins:

American Eagle, Australian Nugget, Austrian Philharmonic, Canadian Maple Leaf, Mexican Peso, South African Krugerrand.

Sizes: Available in 1/10, 1/20, 1/4, 1/2, one ounce and one kilogram.

Price: Based on the price of gold, plus a small premium.

Bars and Wafers:

Bars bearing the "hallmark" (logo) of internationally recognized refiners are the easiest to buy and sell. The bars are generally stamped .995 (99.95% pure gold) or higher purity, along with the individual bar's weight.

Sizes: Range from one gram to 400 ounces.

Price: Based on the price of gold, plus a small premium.



Gold is the ideal gift

In many cultures, gold serves as a family treasure or a wealth transfer vehicle that is passed on from generation to generation. Gold bullion coins make excellent gifts for birthdays, graduations, weddings, holidays and other occasions. They are appreciated as much for their intrinsic value as for their mystical appeal and beauty. And because gold is available in a wide range of sizes and denominations, you don't need to be wealthy to give the gift of gold.



GLOSSARY OF GOLD TERMS

Assay: To test a metal for purity.

Bid/Ask: "Bid" or "buy" is the price a dealer is prepared to pay for gold bullion. "Ask" or "sell" is the price offered by the seller. (See also definition of "Spread" below.)

Bullion: Refined gold that is at least 99.5% pure, usually in the form of bars, wafers or ingots.

Bullion Coin: A legal tender coin whose market price depends on its gold content, rather than its rarity or face value.

Face Value: The nominal value given to a legal tender coin or currency (for example a 1-oz. gold American Eagle coin has a face value of \$50).

Fine, Fineness, Fine Gold: The quantity of pure gold contained in 1,000 parts of an alloy. A normal "good delivery bar" of 0.995 fineness contains 995 parts of gold and 5 parts of another metal. Gold is produced in bars up to a purity of 999.9 (often referred to as "four nines").

Futures Contract: A firm commitment to make or accept delivery of a specified quantity and quality of a commodity on a specific date in the future.

Gold Standard: A monetary system based on convertibility into gold; paper money backed and interchangeable with gold.

Grain: One of the earliest weight units used for measuring gold. One grain is equivalent to 0.0648 grams.

Hallmark: Mark, or marks, which indicate the producer of a gold bar and its number, fineness, etc.

Karat: Unit of fineness, scaled from one to 24. 24 karat gold (or pure gold) has at least 999 parts pure gold per thousand; 18-karat has 750 parts pure gold and 250 parts alloy, etc.

Kilo Bar: A bar weighing one kilogram – approximately 32.1507 troy ounces.

Legal Tender: The coin or currency which the national monetary authority declares to be universally acceptable as a medium of exchange; acceptable for instance in the discharge of debts.

Liquidity: The quality possessed by a financial instrument of being readily convertible into cash without significant loss of value.

London Fix: The twice-daily bidding session in London of the five major gold traders, at which the gold price is fixed or set. The London Fix provides the basis for many gold contracts worldwide.

Numismatic: Coins that are valued for their rarity, condition and beauty beyond the intrinsic value of their gold content. Generally, premiums for numismatic coins are higher than for bullion coins.

Option: The right, (not the obligation), to buy or sell a commodity or a financial security on a specified date in the future.

Pennyweight: An American unit of weight for gold. Twenty pennyweights equal one ounce.

Premium: The amount by which the market value of a gold coin exceeds the actual spot value of its gold content. Part of the premium is recovered by the seller at resale.

Restrike: A modern replica of previously issued coins. Governments and their mints can choose to "restrike" a previous issue rather than introduce new coinage.

Spot Price: Sometimes referred to as the cash price. The current price in the physical market for immediate delivery of gold.

Spread: The difference between Bid (the price a buyer is prepared to pay for gold) and Ask (the price a seller offers) prices.

Troy Ounce: A unit of weight, equal to about 1.1 avoirdupois (ordinary) ounces. The word ounce when applied to gold, refers to a troy ounce.



gold

make an investment in gold

WORLD GOLD COUNCIL

Founded in 1987, and headquartered in London, the **WORLD GOLD COUNCIL** is a not-for-profit organization funded by the world's leading gold mining companies to promote the many uses of gold. The Council, which operates in 22 countries around the world, is an authoritative source for research on gold and its role as a portfolio diversifier. (Although the Council does not sell gold, it does facilitate informed decision-making by disseminating information to investors and portfolio managers.) The Council also encourages the use of gold in jewelry, explores new industrial applications, and advocates gold as a reserve asset for the world's central banks.

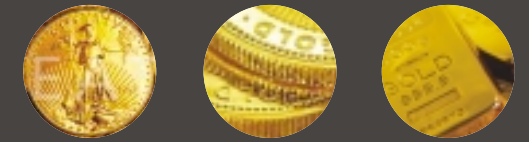
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THE GOLD GUIDE