On The Mark

CENTER FOR ASSET MANAGEMENT
Plan Today. Protect Tomorrow.®

April 2025

Gold: Safe Haven or Risky Glimmer?

Key Takeaways

- Gold has continued to set **new records in 2025**.
- **Gold can provide diversification during crises,** but it is **not a cure-all**; it does not pay a dividend and, over the long term, has delivered half the returns of stocks with higher volatility.
- Before rushing to buy gold, investors should ensure the **reason for owning gold is well understood**.

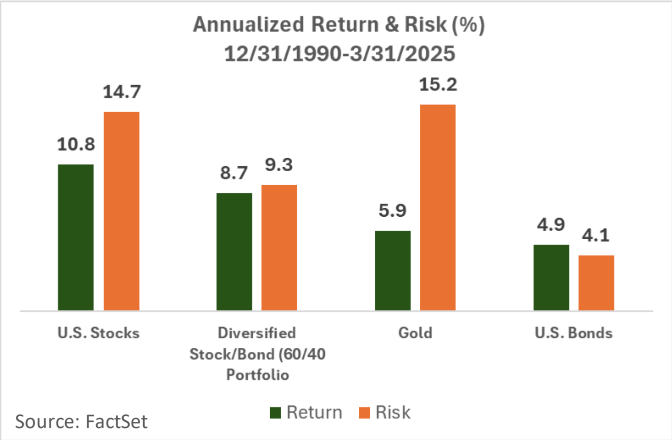
Gold is up roughly 18% in 2025[i], hovering near $3,123 per ounce. This follows an impressive 25% return in 2024. Gold has also been in the headlines after Costco members could buy gold bars along with $1.50 hot dogs and bulk toilet paper.

What's Driving Gold Higher?

Often seen as a safe haven asset in times of uncertainty, fears of a global trade war, a weaker U.S. dollar, and rising inflation have recently sent gold prices to record new highs. Additionally, increased demand from global central banks has been a key driver for rising gold prices. Central banks, particularly in countries like Russia, China, India, and Turkey, have increased their gold purchases to diversify away from the U.S. dollar.

Should Investors Buy Gold?

While central banks have stepped up their gold purchases to address their specific needs, gold is not a cure-all for everyday investors. Gold is volatile, and its track record as an investment is far from perfect. It has delivered roughly half the returns of the S&P 500 with greater risk over the last 35 years. In addition, gold also does not pay a dividend or coupon like stocks or bonds. Lastly, it's not clear what transaction costs would be incurred or how easy it would be for an individual to sell physical gold at full value. However, gold can be a diversifier during periods of crisis. This was illustrated during periods like the COVID crash and 2022 when soaring inflation sent global stocks down -20%, global bonds lost -16%, and gold rose 3%.



For investors, there are several ways to add gold to portfolios beyond owning the physical asset through gold mining stocks or exchange-traded funds, which can potentially lower transaction costs. With higher interest rates available today, investors also have access to fixed income investments, which not only reduce portfolio risk but also provide yield. Before tipping the golden scale to favor gold, investors should ensure the reason for owning gold is balanced relative to their personal risk-reward by partnering with their trusted financial advisor.

[i] As of 3/31/2025
US Stocks: S&P 500 Total Return Index
US Bonds: Bloomberg US Aggregate Index
Gold: Bloomberg Gold Subindex
Moderately diversified 60/40: 60% in the S&P 500 and 40% in the Bloomberg US Aggregate Index

AssetMark, Inc.

1655 Grant Street
10th Floor
Concord, CA 94520-2445
800-664-5345

IMPORTANT INFORMATION

This is for informational purposes only, is not a solicitation, and should not be considered investment, legal or tax advice. The information in this report has been drawn from sources believed to be reliable, but its accuracy is not guaranteed and is subject to change. Investors seeking more information should contact their financial advisor. Financial advisors may seek more information by contacting AssetMark at 800-664-5345.

Investing involves risk, including the possible loss of principal. Past performance does not guarantee future results. Asset allocation cannot eliminate the risk of fluctuating prices and uncertain returns. There is no guarantee that a diversified portfolio will outperform a non-diversified portfolio. No investment strategy, such as asset allocation, can guarantee a profit or protect against loss. Actual client results will vary based on investment selection, timing, market conditions, and tax situation.

It is not possible to invest directly in an index. Indexes are unmanaged, do not incur management fees, costs and expenses and cannot be invested in directly. Index performance assumes the reinvestment of dividends.

Investments in equities, bonds, options, and other securities, whether held individually or through mutual funds and exchange-traded funds, can decline significantly in response to adverse market conditions, company-specific events, changes in exchange rates, and domestic, international, economic, and political developments.

Bloomberg® and the referenced Bloomberg Index are service marks of Bloomberg Finance L.P. and its affiliates (collectively, “Bloomberg”) and are used under license. Bloomberg does not approve or endorse this material, nor guarantees the accuracy or completeness of any information herein. Bloomberg and AssetMark, Inc. are separate and unaffiliated companies.

The exclusion of investments based on industry or ESG factors reduces the number of available investment choices and can impact overall investment performance.

AssetMark, Inc. is an investment adviser registered with the U.S. Securities and Exchange Commission.

7809292.1 | 04/2025 | EXP 04/30/2027