

A close-up photograph of a gold bar and a US dollar bill. The gold bar is in the foreground, showing its textured surface and embossed numbers. The dollar bill is in the background, slightly out of focus.

The Role of Gold in a De-Dollarized World

HUBBIS PHILIPPINES WEALTH MANAGEMENT FORUM 2024

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Managing Partner



J. ROTBART & CO.

P R E C I O U S M E T A L S

De-Dollarization

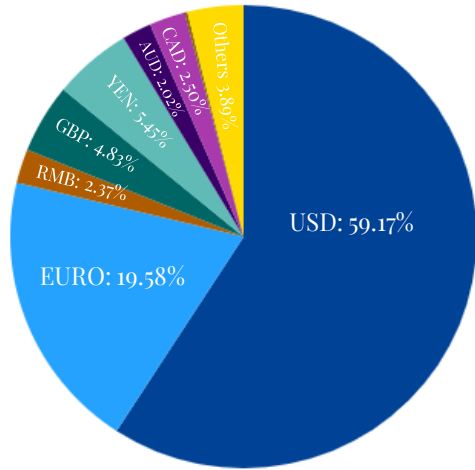
Reducing reliance on the US dollar

Reasons

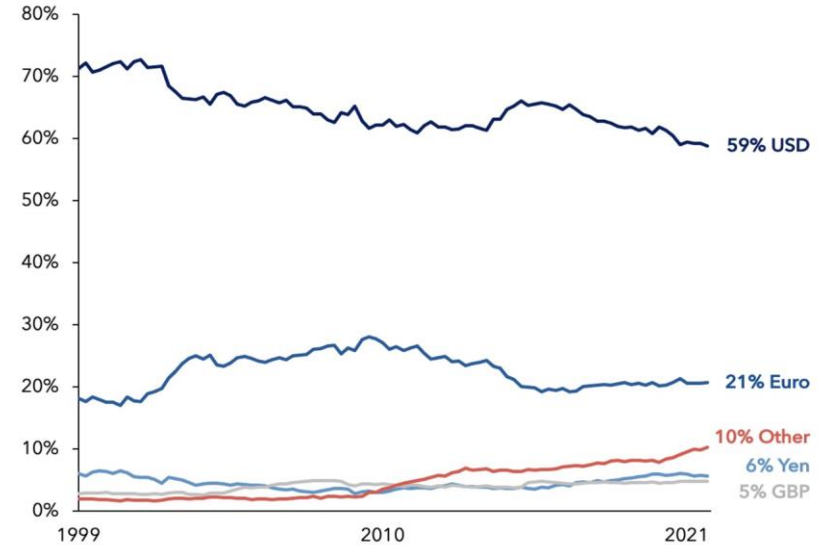
- Geopolitics – “weaponization of US dollar”
- US ballooning debt
- Diversification
- Trade Agreements and new regional currencies
- Rising alternatives – RMB, EUR, digital currencies



20% Drop in USD Share in Foreign Exchange Reserves



- U.S. dollars
- Euro
- Chinese renminbi
- Pounds sterling
- Japanese yen
- Australian dollars
- Canadian dollars
- Swiss francs
- Other currencies



Sources: IMF Currency Composition of Official Foreign Exchange Reserves (COFER).
 Note: The "other" category contains the Australian dollar, the Canadian dollar, the Chinese renminbi, the Swiss franc and other currencies not separately identified in the COFER survey. China became a COFER reporter between 2015 and 2018.

Source: IMF



What is the Reserve Currency of the Future?

Is gold the answer?



What is the Reserve Currency of the Future?

- Open and liquid markets
- Track record, trust
- Can be converted to other currencies
- Geopolitically neutral



Why Gold?

- Intrinsic and historical value

- Stable price appreciation

8% per annum

- High global liquidity

US\$ 6T per year volume

- Hedge in times of crisis

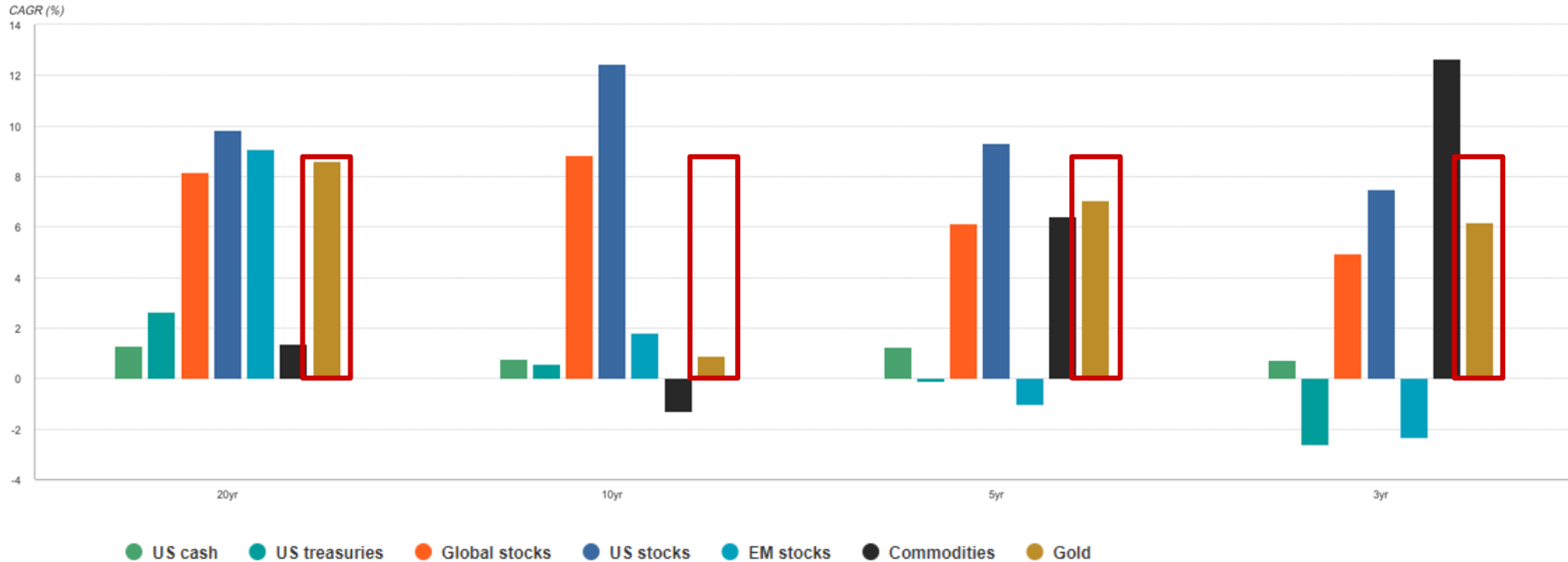
- Maintains purchasing power

- The asset central banks hold

Record High Demand



Returns in past 3, 5, 10 and 20 Years



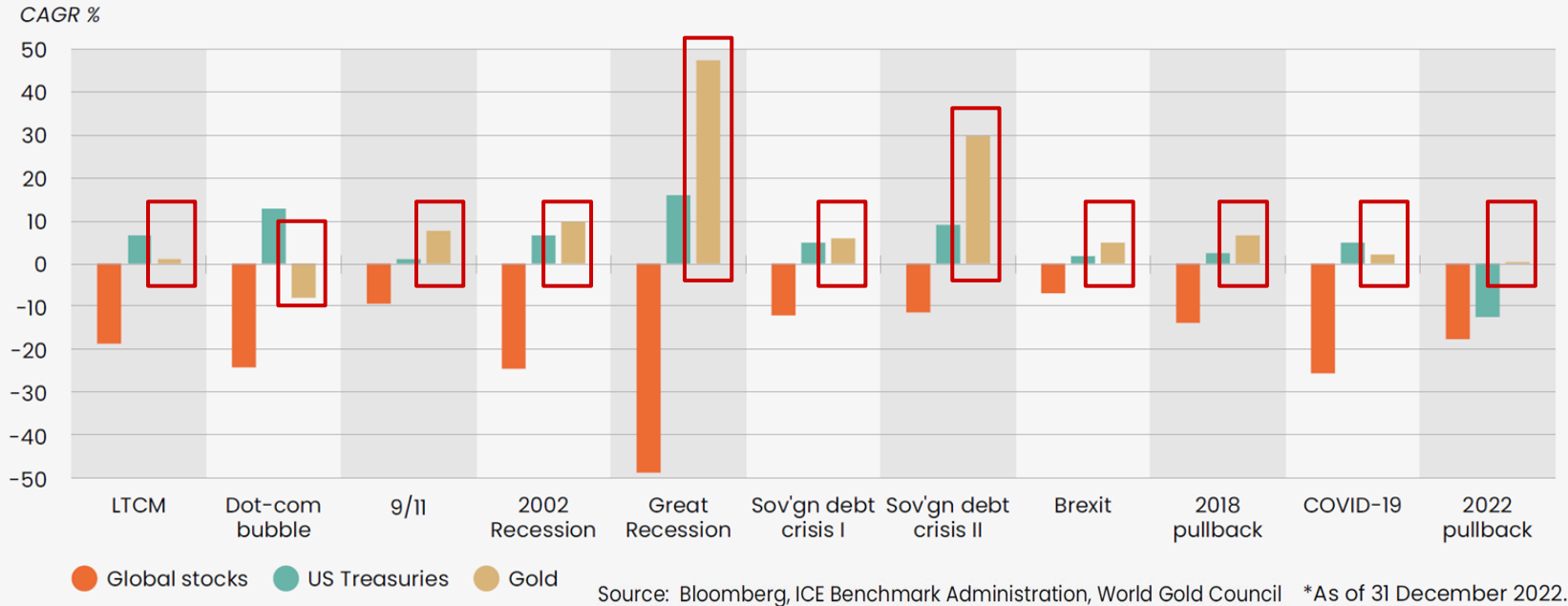
Sources: Bloomberg, ICE Benchmark Administration, World Gold Council; Disclaimer

*Returns from 31 December 2002 to 31 December 2022



Gold Shines During Crises

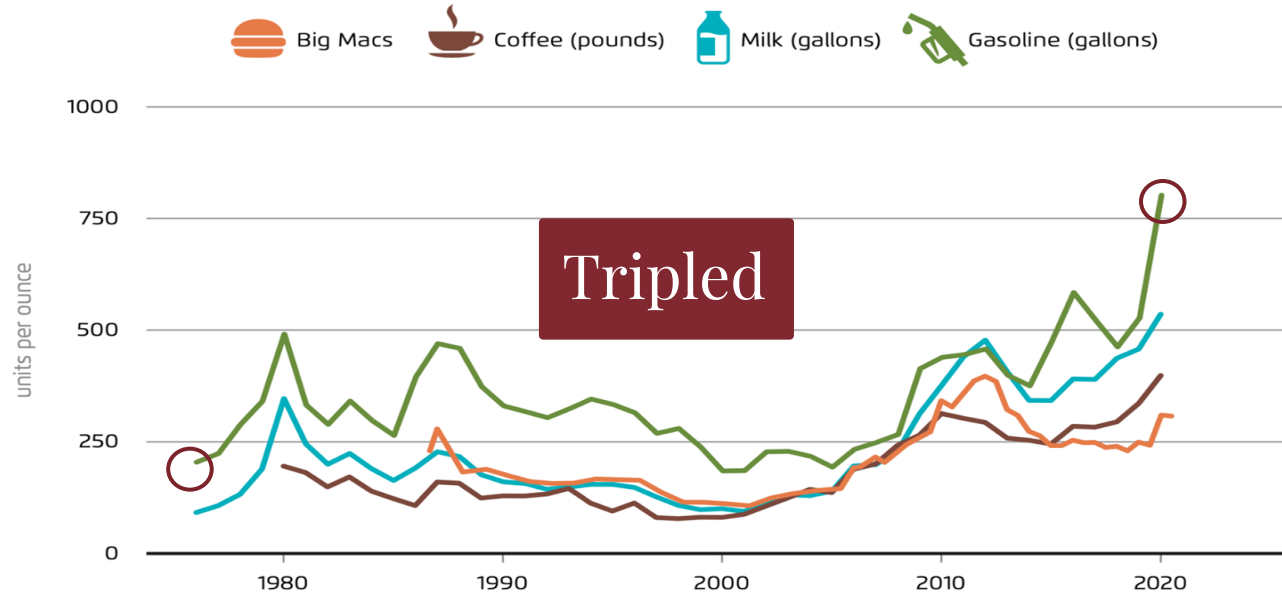
Global stocks, US treasuries and gold during various crises



Gold is a “Store of Value”

WHAT COULD AN OUNCE OF GOLD BUY?

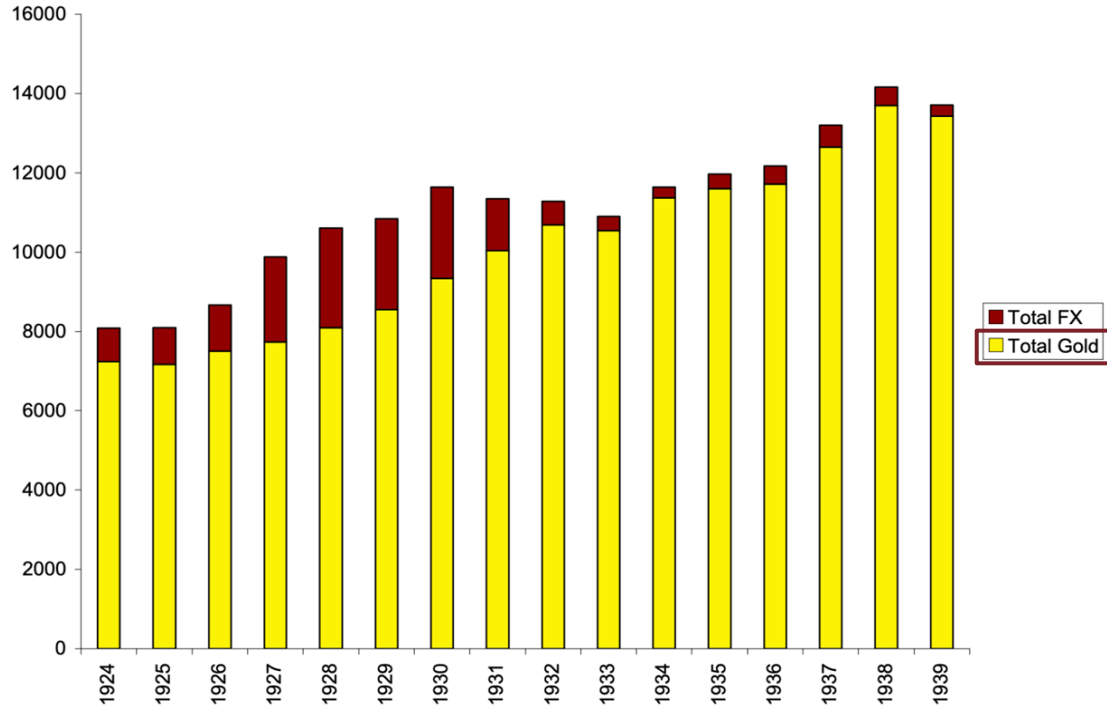
the purchasing power of an ounce of gold in the United States over the years



data: BLS, Federal Reserve



Gold & FX Reserves - 1939



Source: Authors' estimates, based on Nurkse 1944 (gold and foreign exchange reserves pre-1932), Board of Governors of the Federal Reserve System (gold post 1932) and League of Nations *Memoranda on Central Banks* (foreign exchange reserves post 1932).



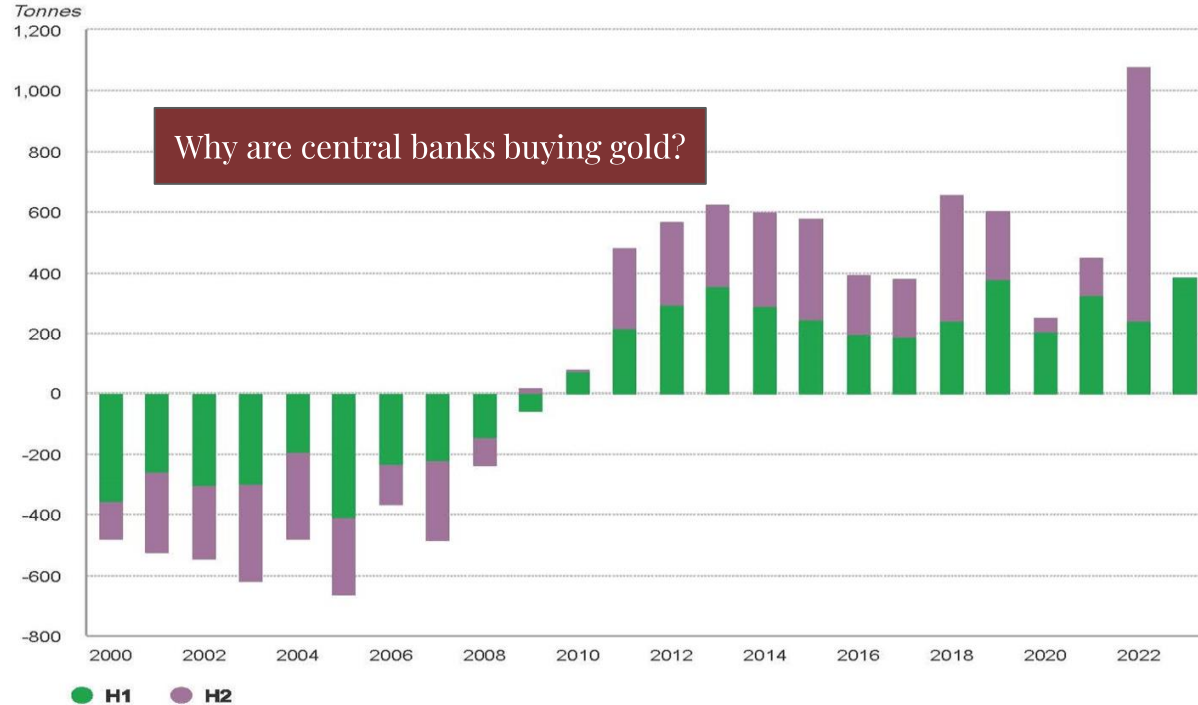
Top 10 Reported Official Gold Holdings

Top 10 Countries by Gold Reserves			
		Tonnes	% of Reserves
1	United States	8,133.50	69.90%
2	Germany	3,352.60	68.60%
3	Italy	2,451.80	65.80%
4	France	2,437.00	67.10%
5	Russian Federation	2,332.70	26.00%
6	China	2,235.40	4.30%
7	Switzerland	1,040.00	8.10%
8	Japan	846.00	4.40%
9	India	803.60	8.70%
10	Netherlands	612.50	57.90%
...28	Philippines	164.80	10.07%

Source: World Gold Council, as of February 2024




Central Banks Buy Tons of Gold



*Data as of 30 June 2023. Quarterly data available from Q1 2000.
Source: Metals Focus, Refinitiv GFMS, World Gold Council



Use of Gold as a Currency



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World

Muslim nations consider gold, barter trade to beat sanctions

Bloomberg US Edition

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Markets

Ghana in Talks With Dubai Oil Refiner to Barter Gold for Fuel

- Ghana spends about \$4.8 billion annually to buy fuel
- West African nation's reserves have fallen 38% to \$6.7 billion

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African nations offer India barter deal: Copper, gold for infra projects

Struck by liquidity crunch, low foreign exchange, African nations want to swap copper, gold for infra projects



Iran's Turkish Gold Rush

This "gas-for-gold" scheme allowed the Iranians to replenish their dwindling foreign exchange reserves, which had been hit hard by the international sanctions placed on their banking system.



Physical Gold Vs. "Paper" Gold / Gold ETF

Physical Gold

100% underlying assets. Ownership is with the client.

No counterparty risk / No default risk.

Held confidentially and privately.

Secure holdings for medium to long term.
Tool to pass wealth and succession planning.

"Paper" gold / Gold ETF

Not fully backed with physical gold. Ownership is with counterparty.

Counterparty risk with the issuer.

Regulated product, part of the financial system - subjected to reporting.

Good for short term trading.

The J. Rotbart & Co. Solution

- Buy, sell gold, silver, platinum and palladium bars and coins

Access to globally recognised refiners

- Secure storage and transportation

Insurance. Safety. Efficiency

- Lombard loans

Get more out of your investments

- Crypto to gold



One-Stop Service





12 Secure Storage Locations
Mitigate risk with geographical diversification





“Gold is money.
Everything else is credit.”

– J.P. Morgan

Testifying to congress in 1912





J.ROTBART & CO.
P R E C I O U S M E T A L S

Thank you

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