

An Efficient Approach to Access Gold

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Key Takeaways

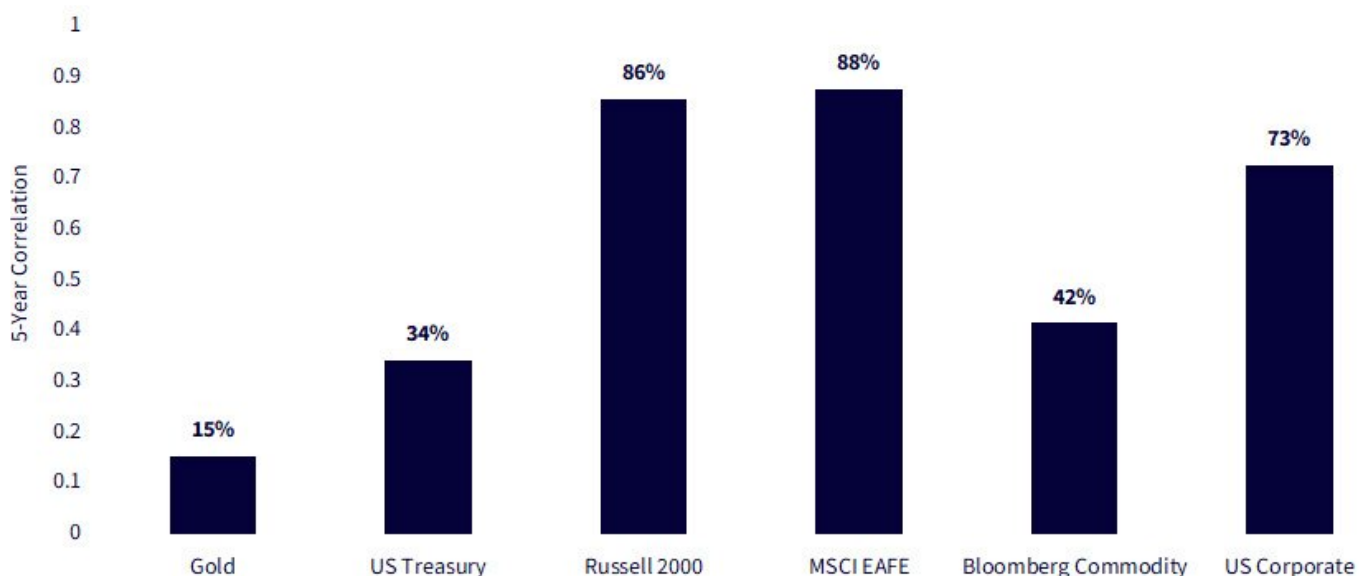
- Gold's historically low correlation with equities makes it more than just a crisis hedge—it can serve as a long-term portfolio diversifier with sustained demand drivers.
- The [WisdomTree Efficient Gold Plus Equity Strategy Fund \(GDE\)](#) offers 90% U.S. equity exposure alongside 90% gold futures exposure, providing capital efficiency and enhancing diversification.
- In 2024, [GDE](#) outperformed major equity and gold ETFs, benefiting from record gold prices and strong equity markets, making it a compelling choice for investors seeking balanced exposure.

"Gold is a permanent fixture in the financial system—it has outlasted every paper currency and stands as the ultimate form of wealth preservation." – Ray Dalio

Gold: More Than Just a Tactical Hedge

Investors have long turned to gold as a tactical asset, seeking its protection during periods of uncertainty, geopolitical tensions and dollar weakness. However, beyond its role as a "safe haven" hedge, gold's historically low correlation with most other asset classes suggests it can offer far more than just short-term crisis protection. Gold has historically been a strong diversifier. The five-year correlation between gold and U.S. equities has remained below 20% for well over the last 33 years.¹

Figure 1: Five-Year Correlation with the S&P 500 Index



Sources: WisdomTree, Bloomberg, as of 12/31/24, using monthly data. Gold is proxied by the [LBMA Gold Price PM Index](#). U.S. Treasury is proxied by the [Bloomberg US Treasury Index](#). Bloomberg Commodity is the [Bloomberg Commodity Index](#). U.S. Corporate is proxied by the [Bloomberg US Corporate Index](#). For definitions of indexes in the chart above, please visit the [glossary](#).

We believe that gold is not merely a reactive play but a strategic portfolio cornerstone, capable of enhancing long-term diversification and resilience in an ever-evolving financial landscape.

Adopting WisdomTree's Capital-Efficient Approach to Gold and Equities

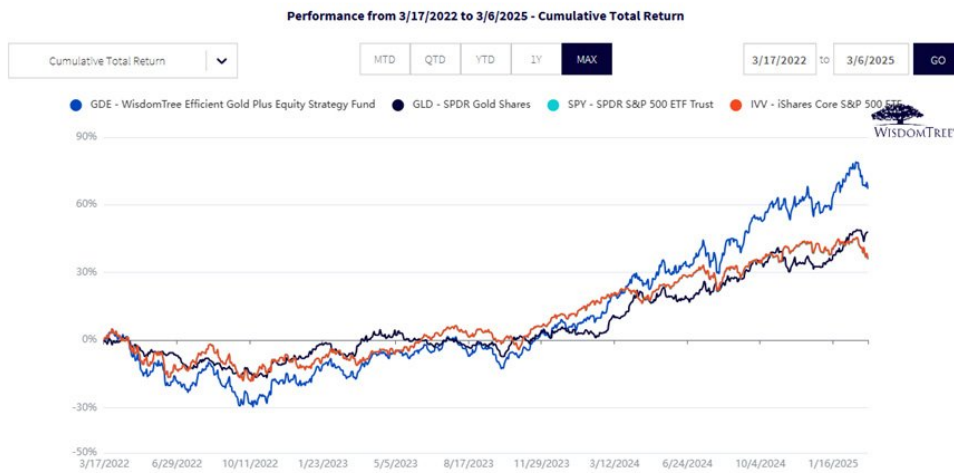
The [WisdomTree Efficient Gold Plus Equity Strategy Fund \(GDE\)](#) capitalizes on a capital-efficient design by combining U.S. large-cap equities with gold futures exposure. Traditionally, investors seeking exposure to both gold and equities would need to allocate separately, requiring additional capital. [GDE](#), however, combines these asset classes, providing 90% exposure to U.S. equities and a 90% notional exposure to gold futures by using the remaining 10% in an unfunded gold futures position (thus providing leverage), effectively delivering a \$180 total notional exposure per \$100 invested.

GDE's Outperformance in 2024: Beating the Largest ETFs

In 2024, a year marked by strong U.S. equity performance and gold reaching record highs, [GDE](#) outshined the two largest ETFs in its Morningstar category,² delivering superior returns amidst a dynamic market environment, as seen in figure 2.

- **SPDR S&P 500 ETF Trust (SPY):** This strategy is designed to track the total return performance, after fees and expenses, of the S&P 500 Index.
- **iShares Core S&P 500 ETF (IVV):** This strategy is designed to track the total return performance, after fees and expenses, of the S&P 500 Index.

Figure 2: Comparison of Historical Performance of GDE vs. Largest ETFs in Its Category



CUMULATIVE PERFORMANCE as of 3/6/2025			Cumulative Returns			Average Annual Total Returns					
Ticker	Fund	Inception Date	1-Month	3-Month	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception	Common Period 3/16/2022 - 3/6/2025
GDE	WisdomTree Efficient Gold Plus Equity Strategy Fund (NAV)	3/17/2022	-3.98%	3.22%	6.56%	42.93%	-	-	-	19.94%	19.94%
GLD	SPDR Gold Shares (NAV)	11/18/2004	1.75%	10.58%	11.85%	36.26%	14.03%	11.52%	8.85%	9.27%	14.84%
SPY	SPDR S&P 500 ETF Trust (NAV)	1/22/1993	-5.20%	-5.25%	-2.23%	14.35%	11.42%	15.35%	12.47%	10.33%	11.29%
IVV	iShares Core S&P 500 ETF (NAV)	5/15/2000	-5.21%	-5.25%	-2.22%	14.43%	11.49%	15.40%	12.52%	7.59%	11.35%

Sources: WisdomTree and FactSet, specifically data from the Fund Comparison Tool in the PATH suite of tools, accessed 3/7/25. The Common Period (3/16/2022 - 3/6/2025) provides a standardized timeframe for comparing fund performance on an equal basis. While GDE was officially launched on 3/17/2022, performance calculations may reference the prior market close (3/16/2022) to ensure consistency in reporting. This approach aligns with industry standards for evaluating investment performance across multiple funds. Performance based on NAV. **Past performance is not indicative of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For the most recent month-end and standardized performances, click the relevant ticker: [GDE](#), [GLD](#), [SPY](#), [IVV](#).**

Long-Term Gold Drivers: Sustained Demand beyond 2024

The performance of gold is central to the discussion of the ongoing drivers of [GDE](#). Gold's recent breakout at US\$2,877 an ounce marks an important turning point amid indications that the upcycle is backed by long-term demand trends. Despite the resurgence in real rates, and against the backdrop of a stronger U.S. dollar, the gold price continues to move higher. The demand for gold continues to be driven by tariff threats alongside central banks' strategic shift toward buying gold bullion as part of their reserve management.

The largest ETF option for investors seeking exposure to gold is the SPDR Gold Shares (GLD). As mentioned previously, typically investors have to allocate to U.S. equities and gold separately. When comparing [GDE's](#) performance versus GLD and SPY, as shown in figure 3, [GDE](#) delivered superior results by leveraging the strengths of both asset classes at half the cost.

Figure 3: Comparison of Key Metrics

KEY METRICS with Common Period of Fund(s) 3/16/2022 - 3/6/2025		GDE	GLD	SPY	IVV
Performance	Avg Annual Returns over Common Period (%)	19.9%	14.8%	11.3%	11.4%
Income	Trailing 12M Dividend Yields (%) as of 1/31/2025	6.6%	-	1.2%	1.3%
Risk	Avg Annual Volatility as of 1/31/2025	21.6%	13.4%	17.3%	17.1%
Risk-Adj. Returns	Avg Annual Sharpe Ratio as of 1/31/2025	0.89	0.99	0.69	0.71
Fees	Net Expense Ratio as of 1/31/2025	0.20%	0.40%	0.09%	0.03%

Sources: WisdomTree and FactSet, specifically data from the Fund Comparison Tool in the PATH suite of tools, accessed 3/7/25. The Common Period (3/16/2022 - 3/6/2025) provides a standardized timeframe for comparing fund performance on an equal basis. While [GDE](#) was officially launched on 3/17/2022, performance calculations may reference the prior market close (3/16/2022) to ensure consistency in reporting. This approach aligns with industry standards for evaluating investment performance across multiple funds. For definitions of terms in the table above, please visit the [glossary](#). **Past performance is not indicative of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For the most recent month-end and standardized performances, click the relevant ticker: [SPY](#), [GDE](#), [GLD](#), [IVV](#).**

Conclusion

[GDE's](#) capital-efficient design allows investors to gain exposure to gold without having to reduce the equity allocation, we believe making it an optimal portfolio diversification tool in the current market environment. In an era of economic uncertainty, inflation concerns and stretched equity valuations, [GDE](#) provides an innovative solution for investors seeking gold exposure without sacrificing equity returns. With

capital-efficient stacking, strong historical performance and diversification benefits, we believe [GDE](#) is an attractive addition to long-term investment strategies.

Figure 4: Important Information

Fundamentals	GDE	SPY	IVV	GLD
Objective	The WisdomTree Efficient Gold Plus Equity Strategy Fund (the "Fund") seeks total return.	The SPDR® S&P 500® ETF Trust seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of the S&P 500® Index (the "Index").	IVV seeks to track the S&P 500 Index, which is based on the 500 largest U.S. stocks by market capitalization.	The investment objective of the SPDR® Gold Trust (the "Trust") is for the shares to reflect the performance of the price of gold bullion, less the Trust's expenses.
SEC 30-Day Yield	0.90%	1.18%	1.20%	
Total Expense Ratio	0.20%	0.09%	0.03%	0.40%
Total Assets Under Management	\$58.94 million	\$608,621.72 million	\$575.485 billion	\$84,398.11 million

Sources: WisdomTree, iShares, State Street, as of 3/7/25. Past performance is not indicative of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For definitions of terms in the table above, please visit the [glossary](#). **Past performance is not indicative of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For the standardized performances of the Funds mentioned in the table, please click their respective tickers: [GDE](#), [GLD](#), [SPY](#), [IVV](#).**

1 WisdomTree, Bloomberg, from January 31, 1988, to December 31, 2024. Gold is proxied by the LBMA Gold Price PM Index, and S&P 500 is proxied by the S&P 500 Total Return Index. U.S. Treasury is proxied by the Bloomberg US Treasury Index.

2 GDE is in the Morningstar US Fund Large Blend Category.

3 Bloomberg, as of 2/5/25.

Important Risks Related to this Article

GDE: There are risks associated with investing, including the possible loss of principal. The Fund is actively managed and invests in U.S.-listed gold futures and U.S. equity securities. The Fund's use of U.S.-listed gold futures contracts will give rise to leverage, magnifying gains and losses and causing the Fund to be more volatile than if it had not been leveraged. Moreover, the price movements in gold and gold futures contracts may fluctuate quickly and dramatically and have a historically low correlation with the returns of the stock and bond markets. U.S. equity securities, such as common stocks, are subject to market, economic and business risks that may cause their prices to fluctuate. The Fund's investment strategy will also require it to redeem shares for cash or to otherwise include cash as part of its redemption proceeds, which may cause the Fund to recognize capital gains. Please read the Fund's prospectus for specific details regarding the Fund's risk profile.

Diversification does not ensure a profit or guarantee against loss.

SPY: Equity securities may fluctuate in value and can decline significantly in response to the activities of individual companies and general market and economic conditions. Passively managed funds invest by sampling the index, holding a range of securities that, in the aggregate, approximates the full index in terms of key risk factors and other characteristics. This may cause the fund to experience tracking errors relative to the performance of the index.

The Fund's investments are subject to changes in general economic conditions, general market fluctuations and the risks inherent in investment in securities markets. Investment markets can be volatile, and prices of investments can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest rates, changes in the actual or perceived creditworthiness of issuers and general market liquidity. The Fund is subject to the risk that geopolitical events will disrupt securities markets and adversely affect global economies and markets. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, or other events could have a significant impact on the Fund and its investments.

SPY is distributed by ALPS Distributors, Inc., not affiliated with Foreside Fund Services, LLC, or WisdomTree, Inc.

IVV: Investing involves risk, including the possible loss of principal.

The iShares Funds are distributed by BlackRock Investments, LLC (together with its affiliates, "BlackRock"), not affiliated with Foreside Fund Services, LLC, or WisdomTree, Inc.

GLD: Investing involves risk, and you could lose money on an investment in GLD.

ETFs trade like stocks, are subject to investment risk, fluctuate in market value and may trade at prices above or below the ETF's net asset value. Brokerage commissions and ETF expenses will reduce returns.

Commodities and commodity-index linked securities may be affected by changes in overall market movements, changes in interest rates and other factors such as weather, disease, embargoes, or political and

regulatory developments, as well as the trading activity of speculators and arbitrageurs in the underlying commodities.

Frequent trading of ETFs could significantly increase commissions and other costs such that they may offset any savings from low fees or costs.

Diversification does not ensure a profit or guarantee against loss.

Investing in commodities entails significant risk and is not appropriate for all investors.

Before investing, consider the Fund's investment objectives, risks, charges and expenses.

The Marketing Agent for GLD, State Street Global Advisors Funds Distributors, LLC, is not affiliated with Foreside Fund Services, LLC, or WisdomTree, Inc.