



A GOVERNMENT
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INITIATIVE

Mutual Fund
Distributor



GOLDEN OPPORTUNITY

SECURE SYMBOL OF WEALTH



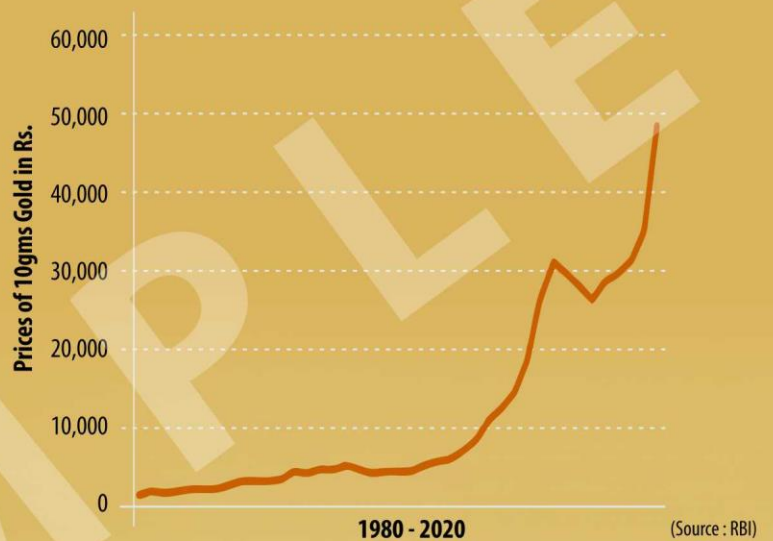
MFD NAME | MFD COMPANY NAME | 9876543210
AMFI-registered Mutual Fund Distributor

Investment market has evolved over the decades and dozens of new instruments have been introduced, but Gold remains a preferred choice.

What makes gold attractive?

- ➔ Traditional indicator of wealth
- ➔ Easy to understand
- ➔ Stable returns
- ➔ Can be invested in small amounts
- ➔ Financial hedge during economic/ market uncertainty

GOLD PRICES FROM 1980



Annual average gold price from 1980-2020
In the past 40 years, annual returns from gold has been negative only on 8 occasions



Investor Expectation



SAFETY



STABLE RETURNS



LIQUIDITY



TAX EFFICIENCY



SOVEREIGN GUARANTEE



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What is Sovereign Gold Bond?

Sovereign gold bonds are RBI mandated certificates issued against gold. The RBI issues SGBs in multiple tranches every 2-3 months through the year

- SGB is issued by RBI on behalf of the Government of India
- SGB allows investment in gold without worrying over its safekeeping
- SGB carries sovereign guarantee on payment of interest
- SGB is the only gold investment which offers a fixed annual return
- SGB is easy to store and easy to liquidate
- SGB assures quality, is transparent to deal with and the returns are linked to gold prices

Sovereign Gold Bond Features



ELIGIBILITY

Any resident Indian entity including HUFs, Individuals, Trusts, Universities and Charitable institutions can invest in the sovereign gold bond



KYC

Investor should be KYC compliant with mandatory PAN number



MINIMUM INVESTMENT

Equivalent to 1 gram of gold



MAXIMUM INVESTMENT

- Individuals and HUFs can invest a maximum of 4kg worth of gold bonds in a financial year
- Trusts and other similar entities can invest up to 20kg worth of gold bonds in a financial year

**The limit is periodically revised
by the Govt. of India*

Sovereign Gold Bond Features



INTEREST RATE

- Guaranteed 2.5% p.a. on the face value of the bond
- Interest is paid semi-annually



TENURE

- SGB has tenure of 8 years
- Exit option available from end of 5th year
- The exit option can only be exercised on the day the interest is payable



REDEMPTION

- Redemption price of the SGB is equal to the simple average of the closing price of 999 purity gold of the previous 3 business days to the date of redemption
- The price published by the Indian Bullion and Jewellers Association Limits is used for this

Why you should invest in Sovereign Gold Bond

SAFETY

- Issued by Government of India
- Assured Purity and Safety
- Easy to store and liquidate

RETURNS

- Assured 2.5% p.a. interest on the face value of the bond

LIQUIDITY

- Tradable on exchanges
- Can be used as collateral for loans
- Exit option available from end of 5th year



Why you should invest in Sovereign Gold Bond

TAX EFFICIENT

- No TDS on interest
- Interest is taxed at applicable slab rates
- Capital gains is exempt if held till maturity and taxed if redeemed early for individuals
- Indexation benefits is provided to long term capital gains arising to any person on transfer of bond

COST EFFECTIVE

- You can invest with a minimum 1 gram equivalent of gold
- ₹50 per gram discount on the nominal value when investing online or with digital payment
- No storage cost



“How they stack up”

Physical gold, Gold ETF and Sovereign Gold Bond

	Sovereign Gold Bond	Physical Gold	Gold ETF
Holding form	Physical certificate or Demat	Physical	Demat or physical certificate
Purity of Gold	999 as mentioned in the gold bullion standard	No guarantee	0.995 or as high as stated
Lock-in	<ul style="list-style-type: none"> 8 years (5-years mandatory) if held till maturity Can be traded 2 weeks from issuance on stock exchanges 	None	None
Regular income	2.5% p.a. on face value of bond	Nil	Nil
Taxation	<ul style="list-style-type: none"> No TDS on interest and redemption proceeds Interest: Taxed at applicable slab rates Capital gains: Exempt if held till maturity Capital gains: Taxed if redeemed early or sold in secondary market 	<ul style="list-style-type: none"> Within 3 years: Realised gains are taxed at applicable slab rates After 3 years: Realised gains taxed at 20% after indexation 	<ul style="list-style-type: none"> Within 3 years: Realised gains are taxed at applicable slab rates After 3 years: Realised gains taxed at 20% after indexation
Redemption value	Average of closing price of gold of 999 purity of previous 3 business days from the date of repayment	Prevailing gold price	Gold ETFs are represented by 99.5% pure physical gold bars
Collateral against Loan	Yes	Yes	No
Holding cost	Nil	Storage cost	Fund management cost of 0.5-1.0%
Liquidity	<ul style="list-style-type: none"> Tradable on Exchange Redemption when held in Demat form or from end of 5th year onwards 	Fairly liquid	Tradable on Exchange

10 Advantages of investing in Sovereign Gold Bond

SGB is a good alternate to holding physical gold

No
Physical
holding of
gold

No
need for
Demat
account

No
TDS
applicable
on interest

₹50 per gram
discount on the
nominal value when
investing online
or with digital
payment

Bond tenor
8 years

Invest up to
₹20,000
by cash

Bond can be
Gifted
or transferred as long as
the eligibility criteria
is met

Can be
used as
Collateral
for loans

Can be
Traded
in the secondary
market two weeks
from the issuance
date

**Indexation
benefit**
available if an
investor transfers
the bonds before
maturity