

Passive Speak

Golden Glow, Silver Spark:
What Lies Ahead for Gold
and Silver Investors

October 2025





- ◆ **Gold and silver prices have been supported by continuing trade frictions, geopolitical risks, Central Bank purchases and expectations around US Federal Reserve further cutting interest rates**
- ◆ **The Gold-Silver Ratio recently reached 82.4 (as on Sep 30, 2025), slightly above its 10y average of 81.4**
- ◆ **Going forward gold and silver can continue to benefit from:**
 - ✓ Trade frictions and geopolitical tensions remaining high in an increasingly multipolar world
 - ✓ Central Bank buying as they diversify their reserves and reduce USD exposure
 - ✓ Increasing concerns around weakening fiscal positions across large global economies
 - ✓ Recovery in global gold ETF inflows leading to additional demand for physical gold
 - ✓ Anticipation of further interest rate cuts from the Fed
 - ✓ Long-term drivers of silver demand including in electric vehicles, solar panels etc. remain intact

Trade friction & geopolitical risks remain high

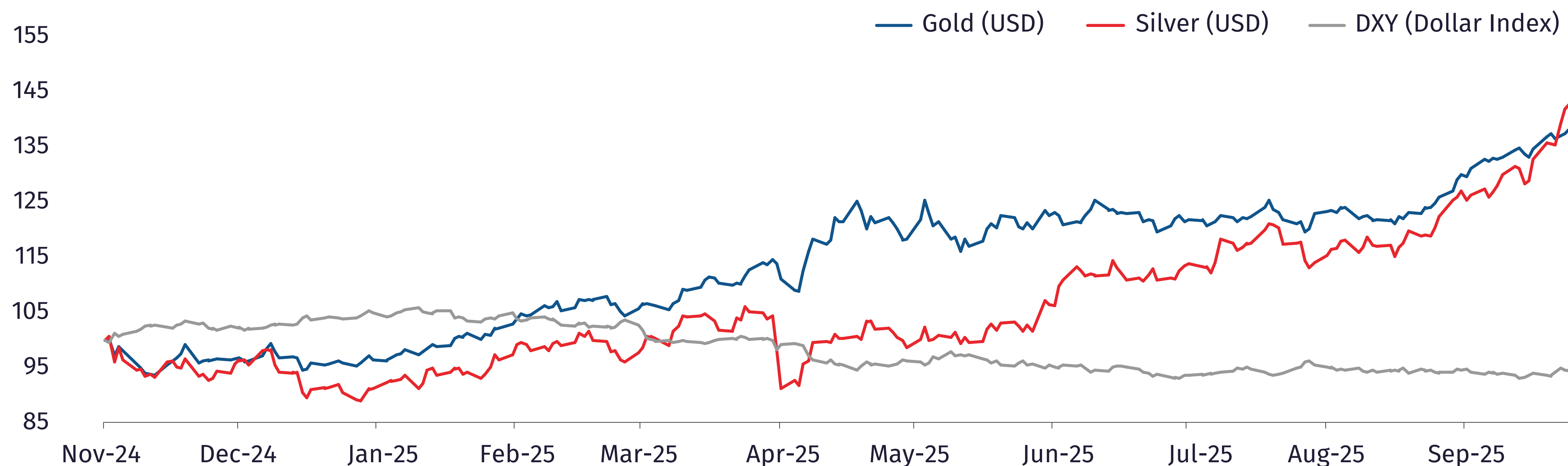
- Ongoing trade war and geopolitical uncertainties have led investors to turn to gold as a hedge to protect their portfolios due to:
 - ✓ Increased risk of world splitting into fragmented trade and financial blocs
 - ✓ Russia - Ukraine conflict continues despite attempts to mediate a peaceful solution
 - ✓ Tensions in the Middle East remain with uncertainty around the Hamas-Israel conflict

50% tariffs applied to select Indian imports and H-1B visa rule changes by the US government has created uncertainty, leading to downward pressure on the rupee



Gold – safe haven during tariff uncertainty

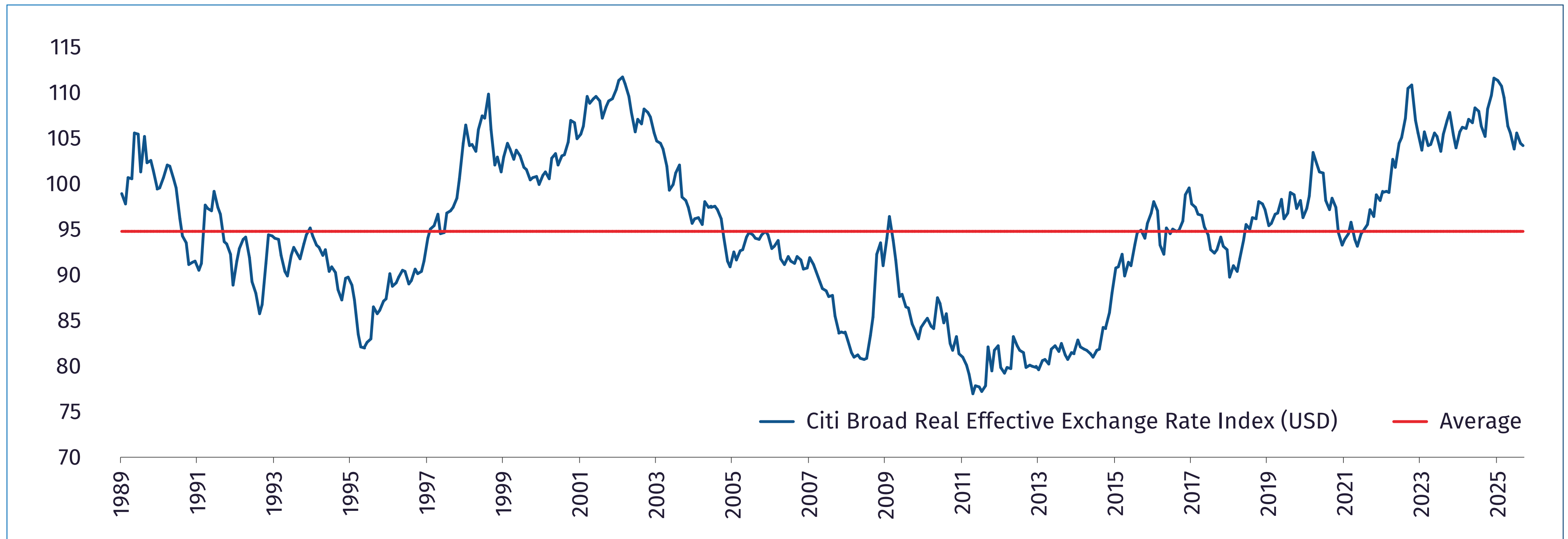
Indices rebased to 100



Source: Bloomberg. Data from Nov 4, 2024 (US Elections) to Sep 30, 2025

While overall tariffs are lower than those proposed on Liberation Day (Apr 2, 2025), uncertainty and unpredictability have led to gold and silver rising against a weaker USD

US Dollar is above it's long term average

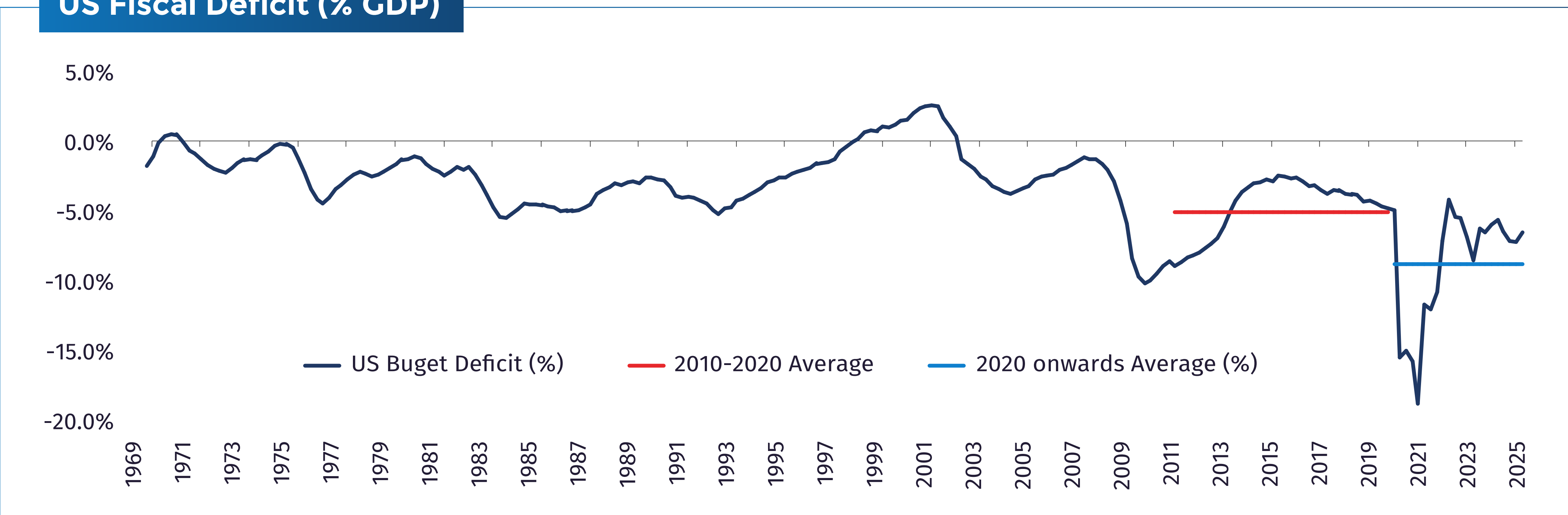


*[REER](#) = Real Effective Exchange Rate. It is the inflation-adjusted FX rate vs. a basket of major trading partners. Source: Bloomberg. Data as of Sep 30, 2025

An aggressive US monetary and fiscal policy mix may cause further USD weakness from historically high levels, supporting gold and silver prices

US fiscal position has been weakening

US Fiscal Deficit (% GDP)

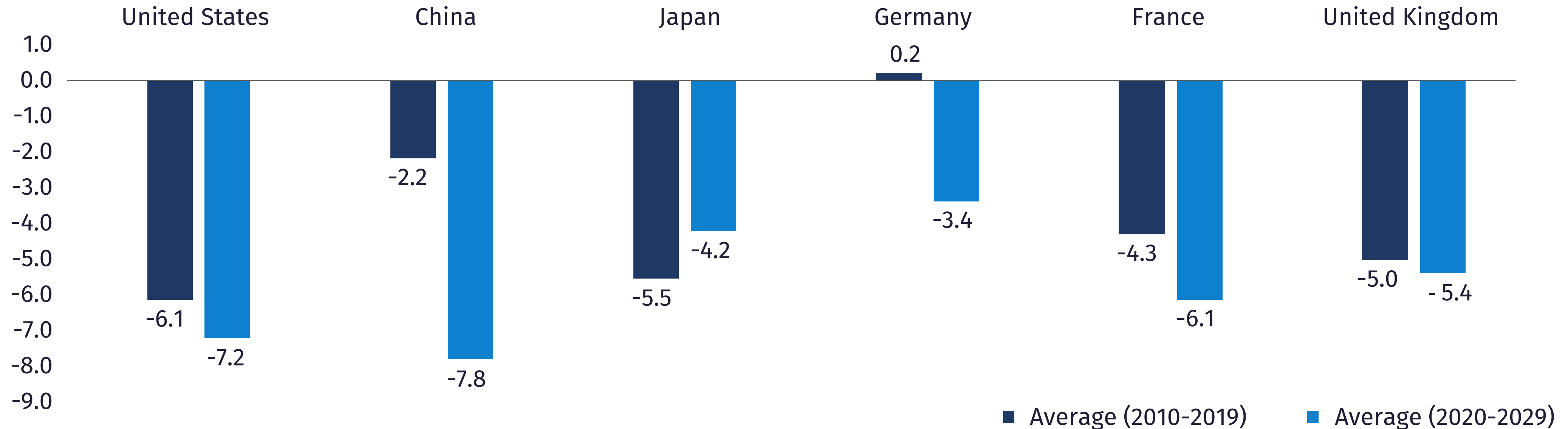


Source: Bloomberg

Investors are diversifying away from the USD as US fiscal health deteriorates

Weakening fiscal position – not just a US problem (1)

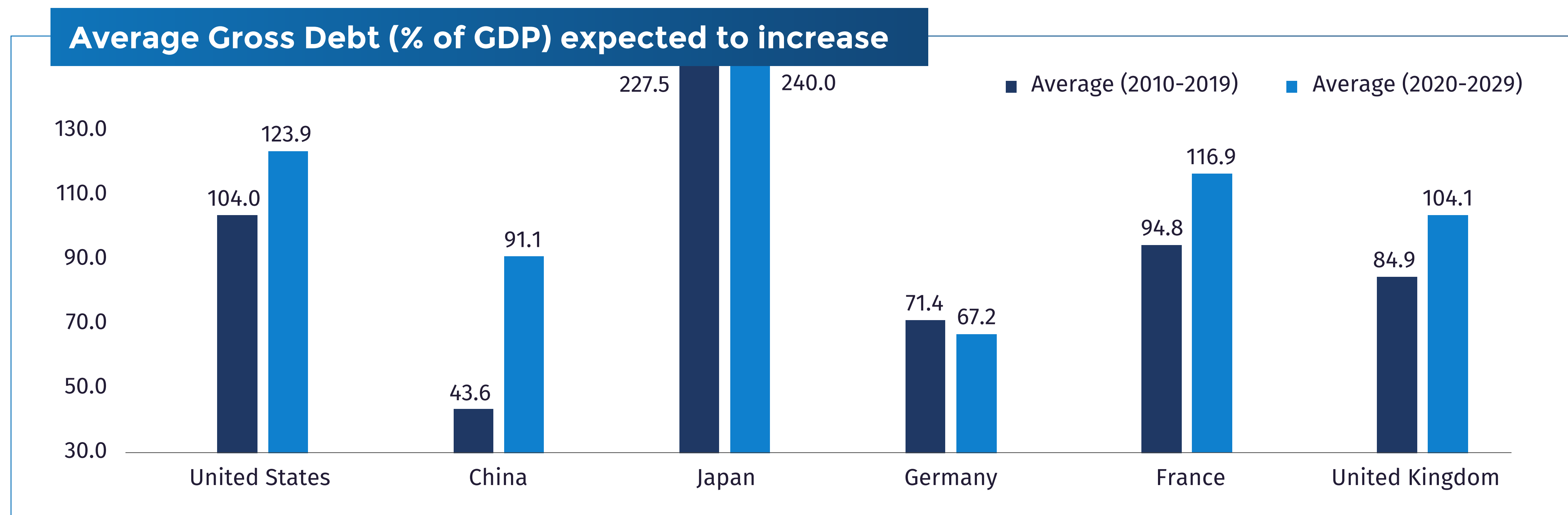
Average deficit (% of GDP)



Source: IMF WEO. Estimates for deficits start after 2024 for US, China, Germany, UK and after 2023 for France and Japan

Deficits for large global economies are expected to increase on average this decade compared to last decade

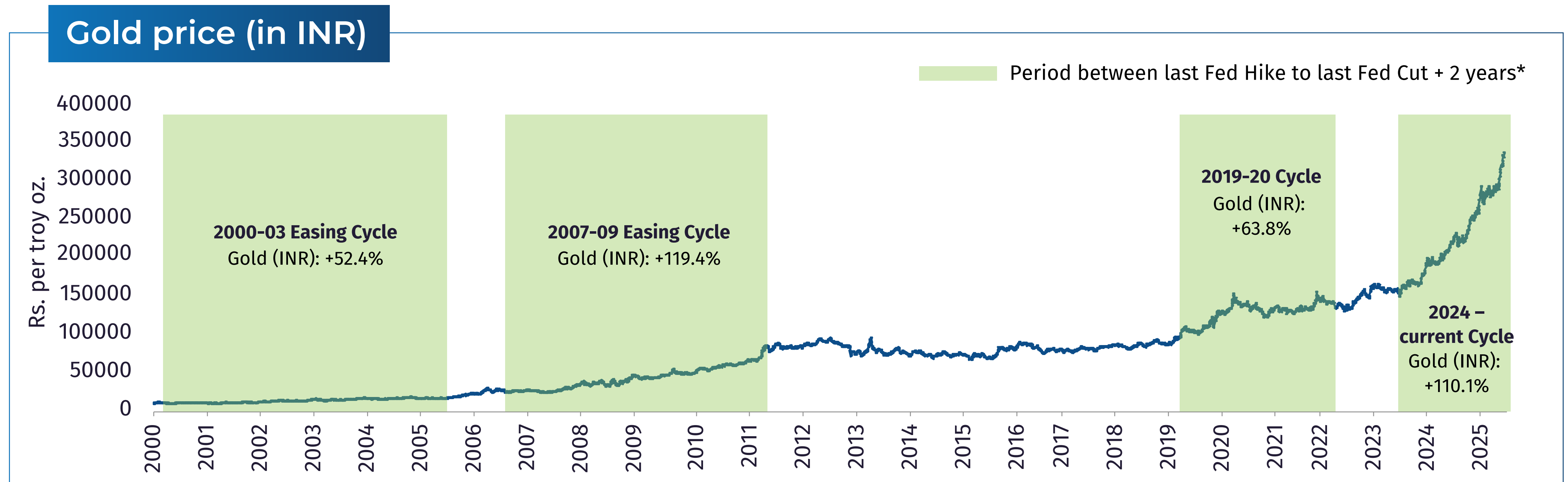
Weakening fiscal position - not just a US problem (2)



Source: IMF WEO. Estimates for deficits start after 2024 for US, China, Germany, UK and after 2023 for France and Japan

**Persistently high deficits can lead to elevated government debt levels =>
debt sustainability concerns may cause investors to diversify away from government
bonds to scarce precious metals**

Gold & Interest Rates - Performance of gold during US easing cycles



Source: Bloomberg, internal calculations. Gold prices in INR do not include any customs duties, local taxes etc. Returns are simple ie. not annualized. **Past performance may or may not be sustained in the future and is not a guarantee of any future returns. HDFC AMC/Mutual Fund is not guaranteeing or promising or forecasting any returns.** *For example, the shaded period for the 2019-20 easing cycle refers to the period between Dec 2018 to Mar 2022. The breakup is as follows - for 2019-20 cycle, the last Fed hike was in Dec 2018, the last Fed cut of the following easing cycle was March 2020 and 2-year period after the last Fed cut ended in Mar 2022.

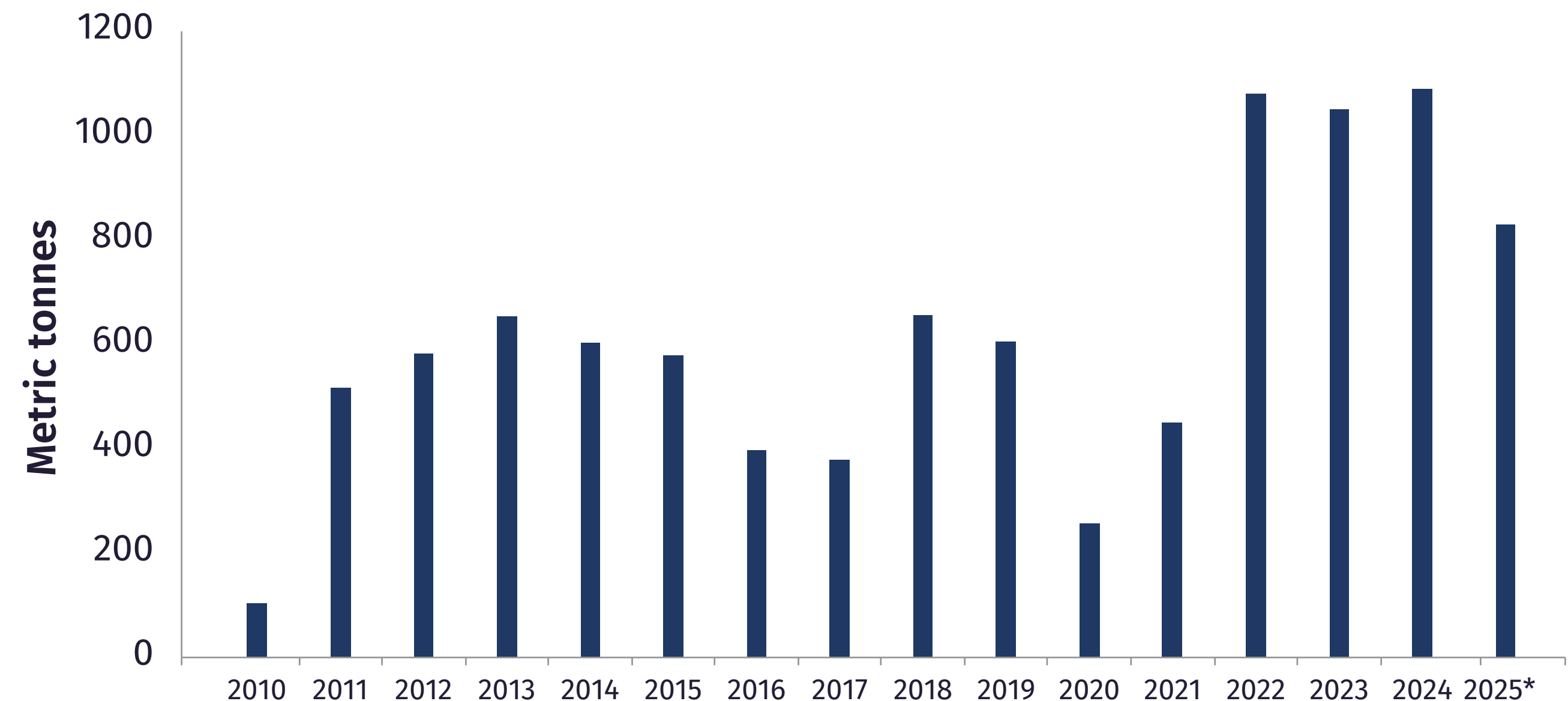
Historically, Gold has generally performed well in monetary easing environments

Central banks have been increasing gold purchases

■ Gold has particularly benefitted from Central Bank purchases. Most notably-

- Largest buyers till H2 2025 have been the central banks of Poland, Azerbaijan and Turkey
- RBI purchased 3.8 tonnes (t) till August 2025, which is slower than the pace last year. RBI gold holdings totalled 880t, accounting for 12.5% of total Foreign Exchange (FX) reserves, up from 9% a year ago
- The People's Bank of China (PBoC) purchases have also moderated through 2025. Total gold held is 2302t, accounting for about 7% of China's FX reserves

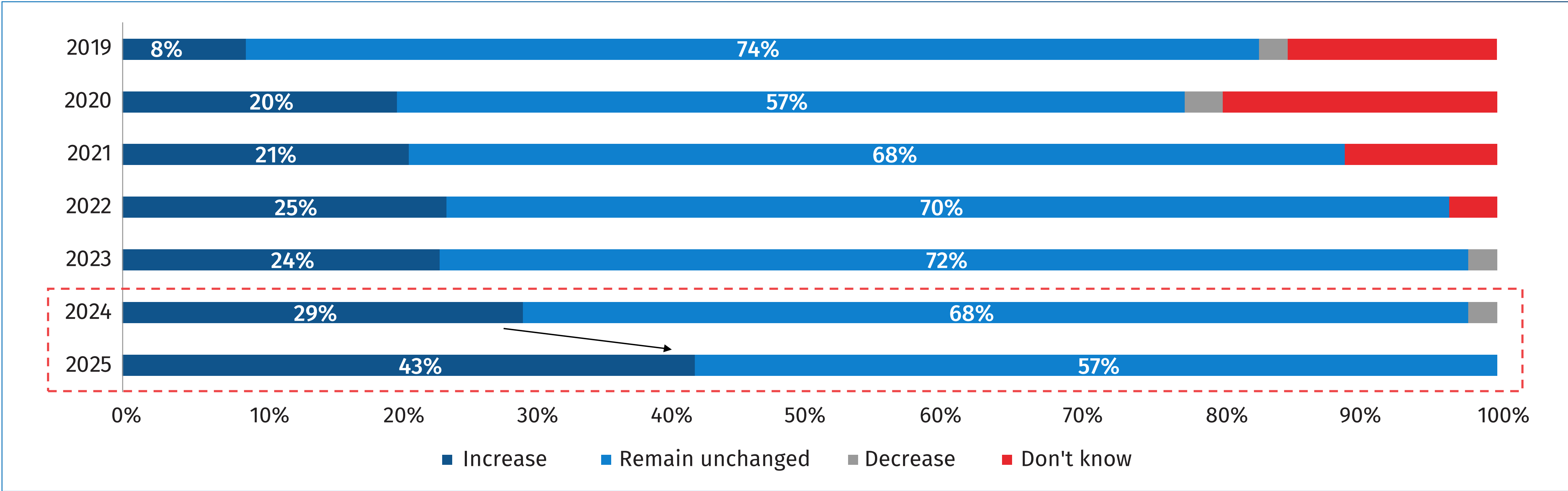
Net Purchases by Global Central Banks (metric tonnes)



Source: Bloomberg, World Gold Council. * Data for 2025 annualized based on YTD data available till Jun 2025

Net purchases of gold by global central banks increased sharply in 2022, 2023 and 2024, as they seek to diversify their Forex Reserves

◆ How do you expect your institution’s gold reserves to change over the next 12 months?

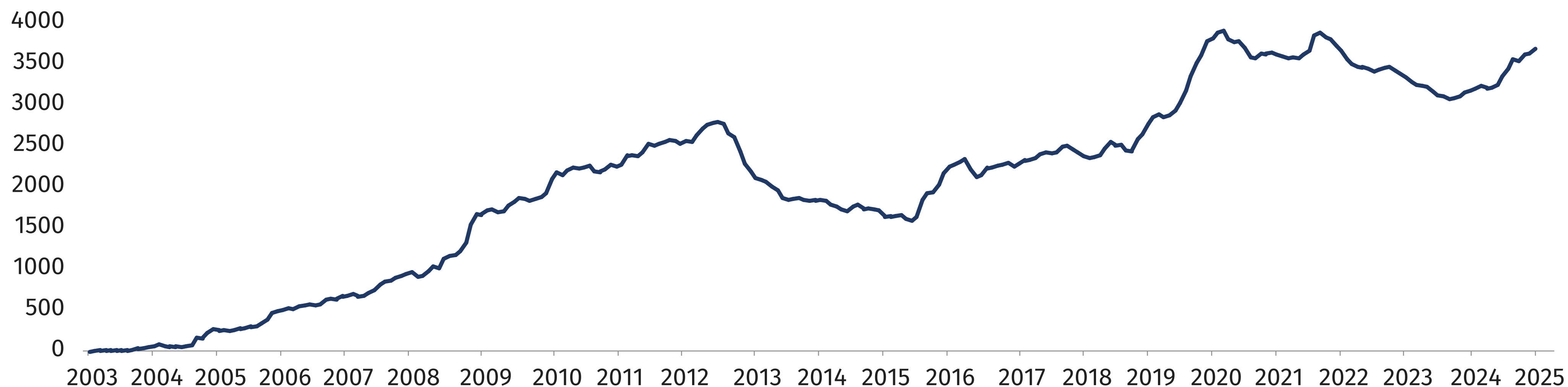


Source: World Gold Council, YouGov. 2025 base: all central banks (72); advanced economy (14); EMDE (58). 2024 base: all central banks (69); advanced economy (24); EMDE (45). “Don’t know” was removed as an option from the 2023 survey onwards. Totals may not sum to 100% due to rounding.

43% of Central Banks surveyed expect their institution’s gold reserves to increase over the next 12 months, up from 29% last period

Potential increase in gold ETF demand can push prices higher

Physical Gold held by global ETFs (tonnes)



Source: World Gold Council. Data as of Aug 31, 2025

Despite the rally in gold price, physical gold held by global ETFs is still below 2020 levels => increased ETF inflows could potentially boost prices



- ◆ **Gold has served as a store of value across millennia**
- ◆ **Why invest in Gold?**
 - ✓ **Portfolio diversification:**
Gold is considered to balance portfolios against the volatility of other asset classes
 - ✓ **Buffer against currency depreciation:**
Being a globally priced metal, it acts as a hedge against currency depreciation
 - ✓ **Buffer against geopolitical shocks:**
Gold has been perceived as a safe haven since ancient times. Investors generally turn towards gold when adverse geopolitical events occur
 - ✓ **Demand from Central Banks could support prices:**
Central Banks have increased gold purchases to diversify their Foreign Forex Reserve holdings

Gold & Equities -

Historically, Gold has performed well or fallen less when Equity markets struggled



MUTUAL FUND

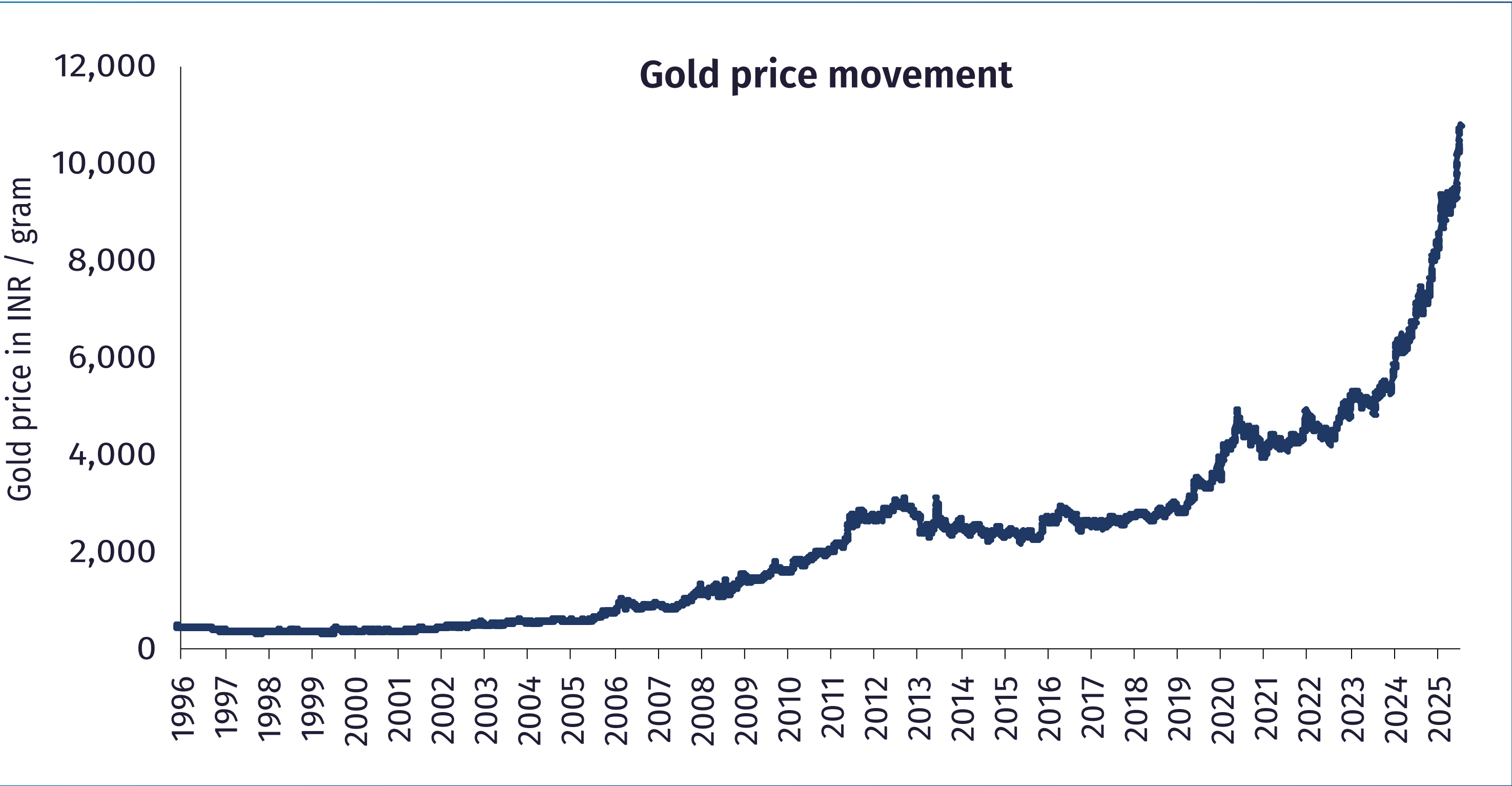
BHAROSA APNO KA

Financial Year	Gold (in INR)	NIFTY 50 TRI	Financial Year	Gold (in INR)	NIFTY 50 TRI
FY00	-3.2%	-3.8%	FY13	2.3%	8.7%
FY01	-1.2%	-24.2%	FY14	-10.8%	19.3%
FY02	22.9%	-0.1%	FY15	-4.9%	28.3%
FY03	8.4%	-11.7%	FY16	10.6%	-7.8%
FY04	16.1%	86.3%	FY17	-0.7%	20.2%
FY05	0.8%	17.3%	FY18	6.7%	11.8%
FY06	39.0%	70.0%	FY19	3.8%	16.4%
FY07	10.8%	14.3%	FY20	32.5%	-25.0%
FY08	27.5%	25.1%	FY21	5.3%	72.5%
FY09	26.8%	-35.4%	FY22	17.6%	20.3%
FY10	7.0%	75.3%	FY23	10.4%	0.6%
FY11	28.0%	12.4%	FY24	13.2%	30.1%
FY12	33.1%	-8.2%	FY25	43.1%	6.7%

Source: Bloomberg, internal calculations. Gold prices in INR do not include any customs duties, local taxes etc. **Past performance may or may not be sustained in the future and is not a guarantee of any future returns. HDFC AMC/Mutual Fund is not guaranteeing or promising or forecasting any returns**

Since FY2000, Gold outperformed or fell less than Equities in every FY that Equities had a negative return

Gold has given healthy returns over the last 25+ years



CAGR* returns	
Period	Gold (INR/gm)
20 Years	14.8%
15 Years	11.6%
10 Years	14.9%
5 Years	15.8%
3 Years	29.9%
1 Year	41.4%

Source: Bloomberg, Data as on Sep 30, 2025. Gold prices in INR do not include any customs duties, local taxes etc.

*CAGR: Compounded Annualized Growth Rate.

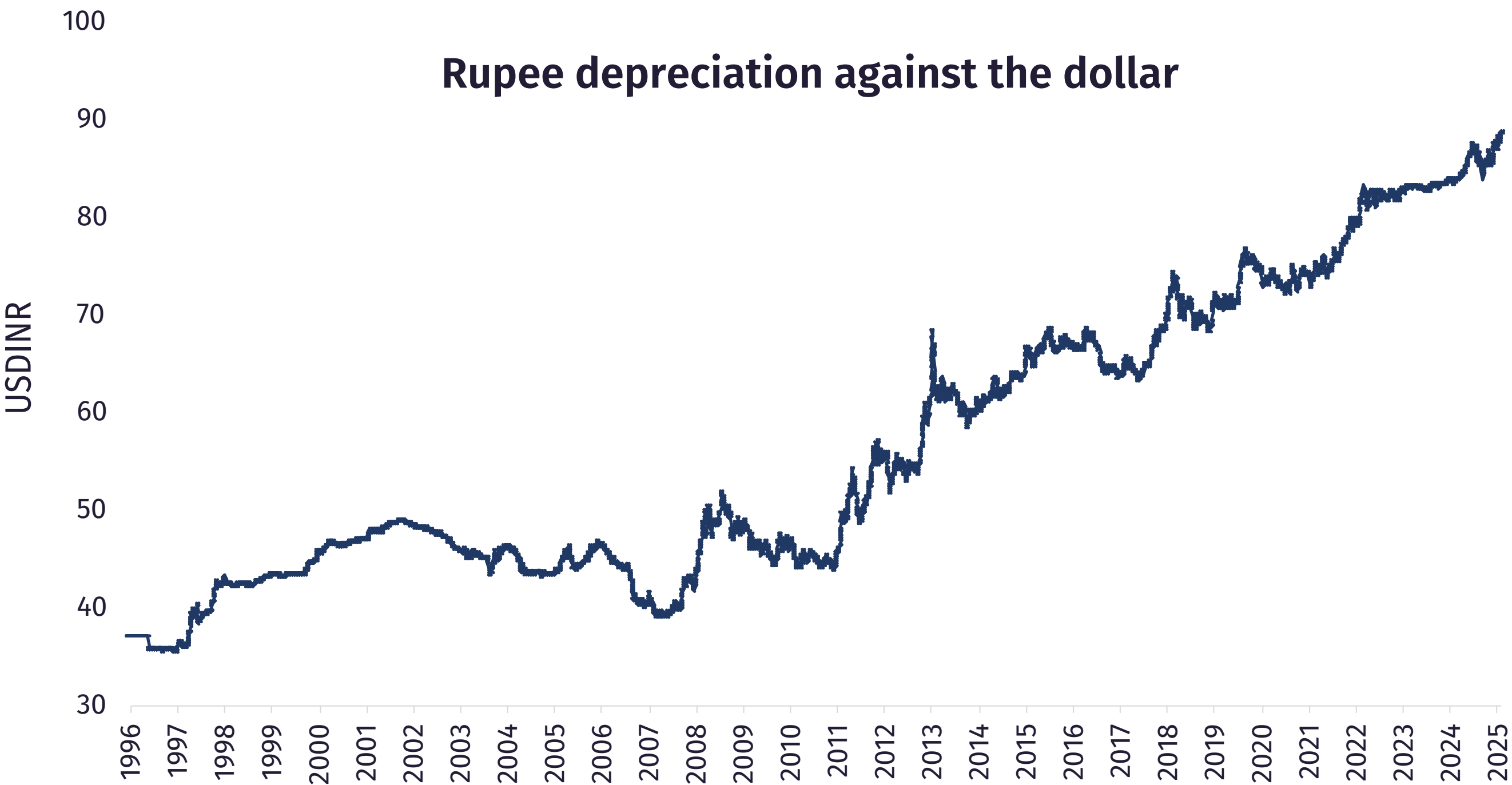
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HDFC AMC/Mutual Fund is not guaranteeing or promising or forecasting any returns

Data as of Sep 30, 2025

Gold has served as a buffer against INR depreciation

Rupee has depreciated over the longer term



Source: Bloomberg, Data as on Sep 30, 2025. Gold prices in INR do not include any customs duties, local taxes etc.

*CAGR: Compounded Annualized Growth Rate.

Past performance may or may not be sustained in the future and is not a guarantee of any future returns.

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CAGR* returns		
Period	USDINR (rupee depreciation)	Gold (INR/gm)
20 Years	3.5%	14.8%
15 Years	4.2%	11.6%
10 Years	2.9%	14.9%
5 Years	3.7%	15.8%
3 Years	3.3%	29.9%
1 Year	4.7%	41.4%

Data as of Sep 30, 2025

- ◆ Investor interest in Silver has surged since ETFs and FoFs were introduced in the Indian market in 2022
- ◆ A deficit in silver has been observed for the fourth consecutive year in 2024, with the shortfall amounting to around 148.9 Moz (Source: World Silver Institute)
- ◆ A backdrop of tight supply against rising demand across new age industries has kept prices supported over recent years

Quick Facts about Silver

- ◆ **As a precious metal used in jewellery, silverware**
- ◆ **As an industrial commodity, it has large industrial use – from electrical switches to solar to chemical producing catalysts.**
- ◆ **Considered as an auspicious metal in most parts of the country – bought especially around events like Dhanteras, Akshaya Tritiya, etc.**
- ◆ **Also serves as an investment tool to hedge against risks - investment demand formed 25% of global demand over 2012-2021 (Source: Silver Institute)**

Did you know?

- Silver's atomic symbol, **Ag**, is from Latin argentum, taken from the Greek ἄργυρος meaning 'shiny'
- Silver was also used as a currency till about 1930s



Why consider investing in Silver?

As a Industrial Commodity

- Play on industrial recovery – with heavy usage in portable devices, industrial equipment
- Improving demand outlook on account of higher adoption in new age and green technologies – solar panels, electronic devices, electric vehicles, new age pharmaceutical products, water purification



As a Precious Metal

- Hedge against currency depreciation
- Diversification

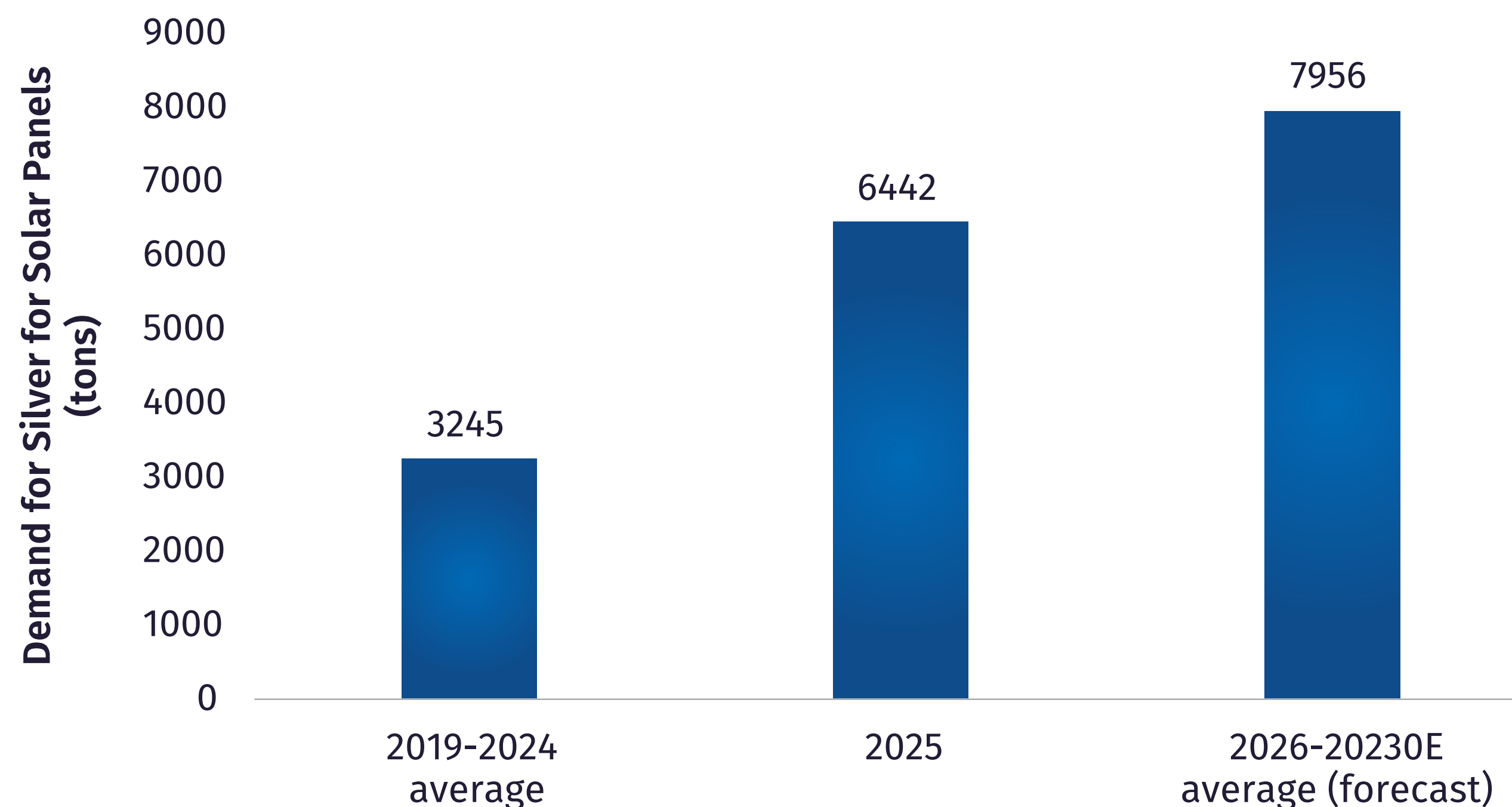
Silver – A Key Component in Solar Energy Generation



■ Did you know?

- Each solar cell uses approximately 100mg of silver
- ## ■ Aggressive goals set by other countries, including India, regarding renewable energy – Solar holding a significant share in the same

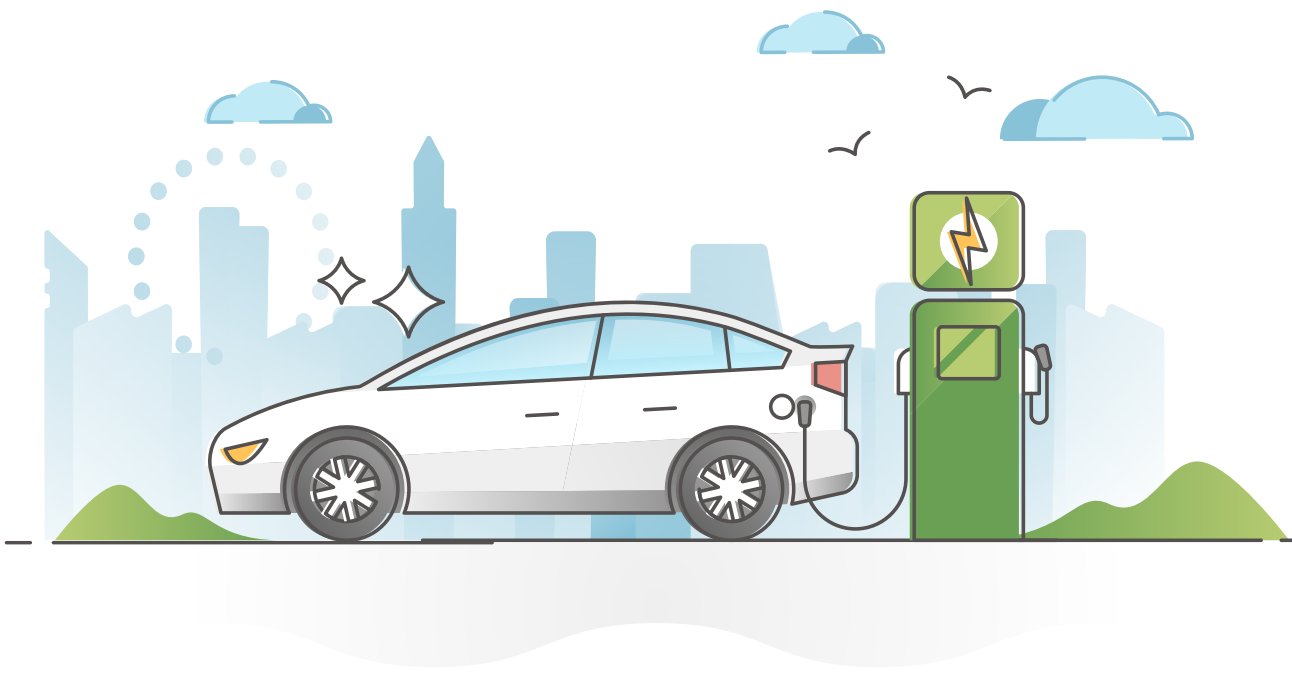
Increasing Solar Power Demand = Increasing Silver Demand



Source: Silver Institute, BofA Global Research

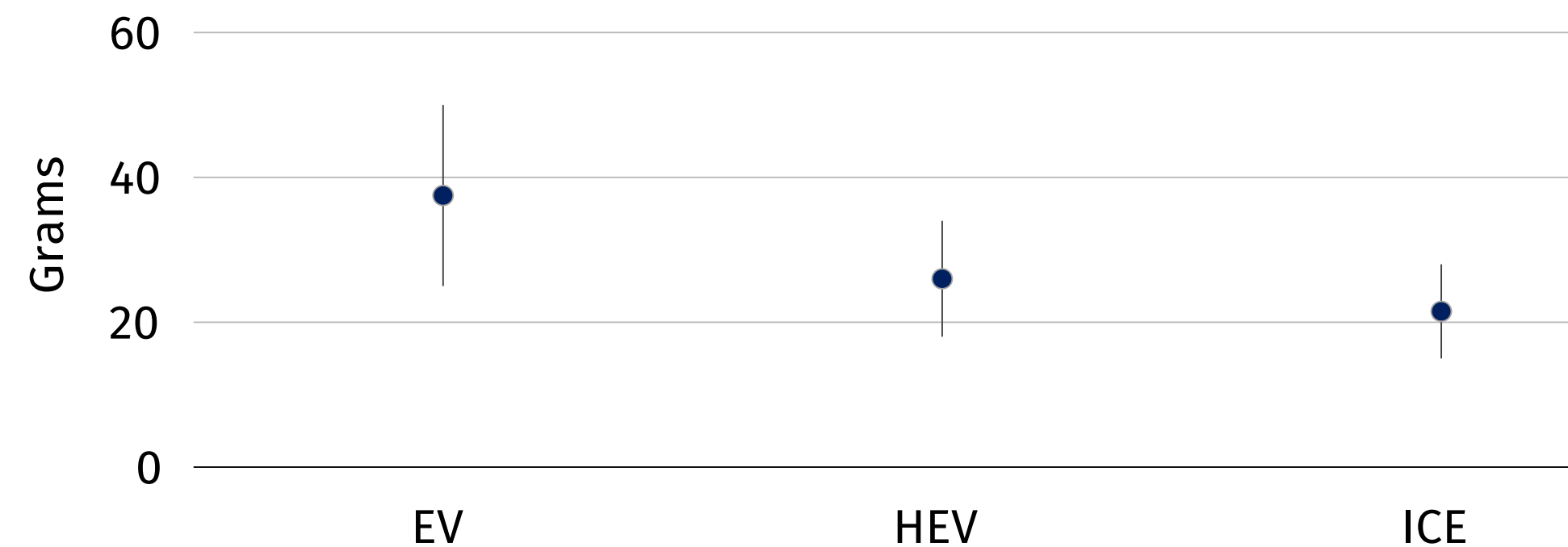
Refer disclaimers on slide 31

Silver being actively adopted in EVs*

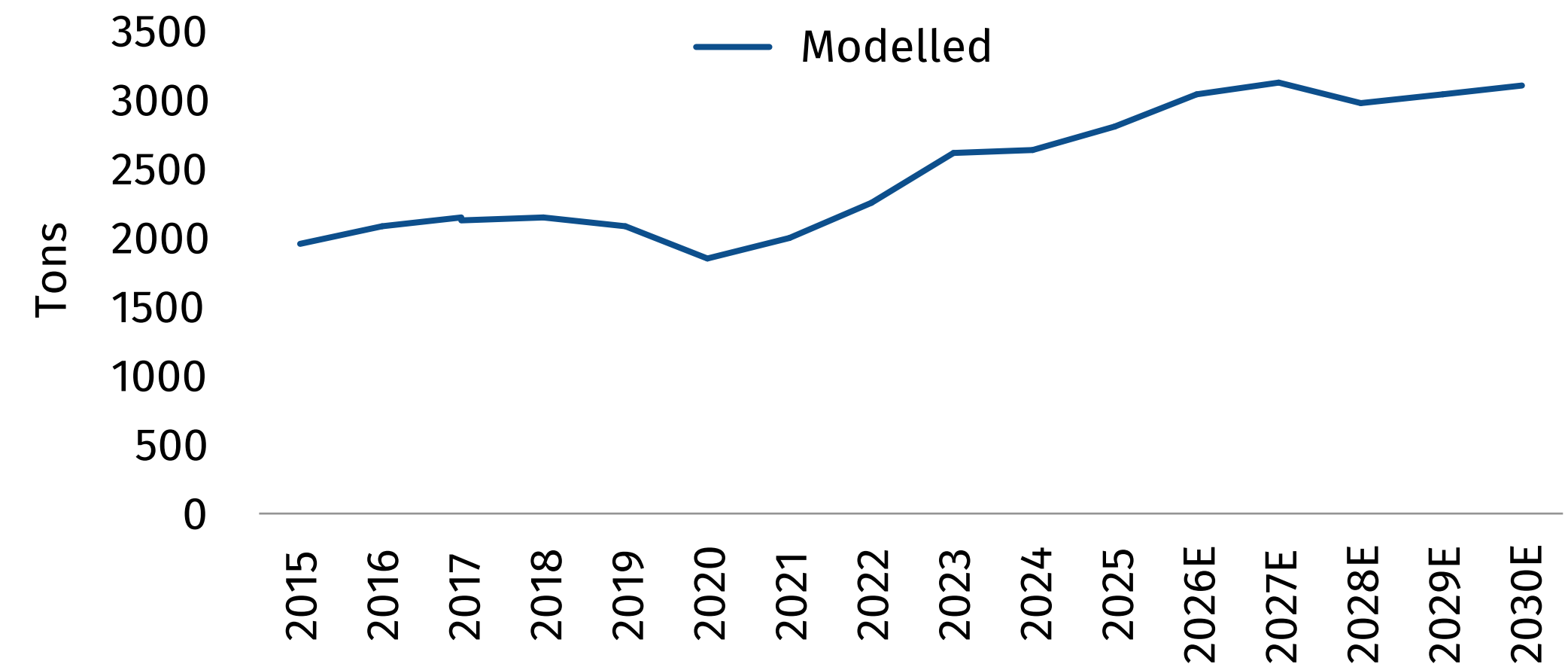


- Increasing share of EVs in the automobile market is expected to increase demand of Silver as EVs use almost twice the silver used in the traditional Internal Combustion Engine (ICE) car.
- Charging stations also expected to increase the demand for silver

Demand of Silver for Different Types of Vehicles



Overall Demand of Silver for EVs



*Note: EV – Electric Vehicle; HEV – Hybrid Electric Vehicle; ICE – Internal Combustion Engine
Source: Silver Institute, BofA Global Research

Refer disclaimers on slide 31

Silver has given robust returns over the last 25+ years



CAGR* returns	
Period	Silver (INR/gm)
20 Years	13.0%
15 Years	9.4%
10 Years	13.6%
5 Years	11.2%
3 Years	33.6%
1 Year	37.9%

Source: Bloomberg, Data as on Sep 30, 2025. Silver prices in INR do not include any customs duties, local taxes etc.

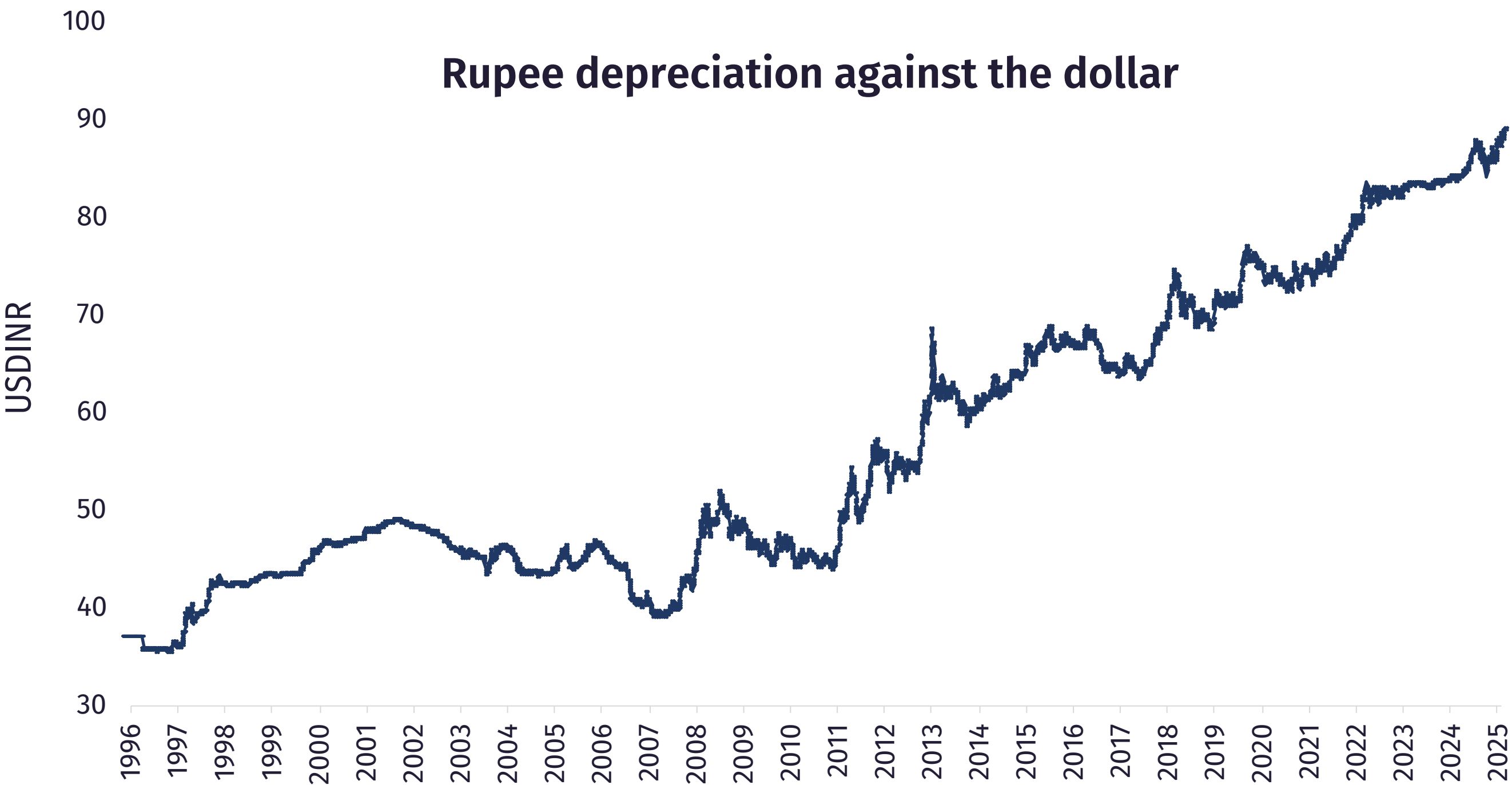
*CAGR: Compounded Annualized Growth Rate.

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HDFC AMC/Mutual Fund is not guaranteeing or promising or forecasting any returns**

Data as of Sep 30, 2025

Silver has served as a buffer against INR depreciation

Rupee has depreciated over the longer term



CAGR* returns		
Period	USDINR (rupee depreciation)	Silver (INR/gm)
20 Years	3.5%	13.0%
15 Years	4.2%	9.4%
10 Years	2.9%	13.6%
5 Years	3.7%	11.2%
3 Years	3.3%	33.6%
1 Year	4.7%	37.9%

Source: Bloomberg, Data as on Sep 30, 2025. Silver prices in INR do not include any customs duties, local taxes etc.

*CAGR: Compounded Annualized Growth Rate.

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Data as of Sep 30, 2025

Gold / Silver Ratio



Source: Bloomberg, Data as on Sep 30, 2025

The Gold-Silver Price Ratio shows the relative price movement of gold versus silver

Rolling Return Period	Average Rolling Returns				Standard Deviation			
	Gold	Silver	NIFTY 50 TRI	Debt	Gold	Silver	NIFTY 50 TRI	Debt
1 year	14.0%	13.8%	16.2%	7.9%	15.9%	28.3%	25.5%	7.6%
3 year	12.8%	11.6%	15.2%	7.3%	9.0%	14.7%	12.5%	4.8%
5 year	12.6%	11.5%	15.5%	6.8%	7.3%	10.5%	8.7%	2.5%

Source: Bloomberg, Data as on Sep 30, 2025. Data from June 1999 has been considered for the above analysis. For Debt, we have used the NIFTY 10 yr Benchmark G-Sec Index (TRI). For Gold and Silver, we have used international prices converted to INR without considering taxes, duties and charges. **Past performance may or may not be sustained in the future and is not a guarantee of any future returns. HDFC AMC/Mutual Fund is not guaranteeing or promising or forecasting any returns**



Consider investing in Gold & Silver Digitally through:

HDFC Gold ETF

BSE Scrip code: 533230
NSE Symbol: HDFCGOLD

HDFC Silver ETF

BSE Scrip Code: 543592
NSE Symbol: HDFCSILVER

HDFC Gold ETF Fund of Fund

HDFC Silver ETF Fund of Fund

Silver is a Voluminous Metal

- Investing INR 20 lakh involves buying **~14kg of silver***
- Density of silver is **10g/cm³**; roughly half of gold
- Storing silver physically in a safe manner could be difficult for an individual



*Source: Bloomberg, internal calculations. As of Sep 30, 2025.
Refer disclaimers on slide 31

Why invest in Gold and Silver digitally?



Convenience & Safety

Respective ETFs invest in physical Gold and Silver – investors saved from the hassle of physical storage



Purity

Physical Gold and Silver held with 99.5% fineness or above for Gold, and 99.9% fineness or above for Silver[^]



Liquidity

ETF - Market Makers provide liquidity on Stock Exchange
FoF - Investors can invest / redeem units on a daily basis



Lower Cost

Suitable vehicle for long-term investment due to lower expense ratios

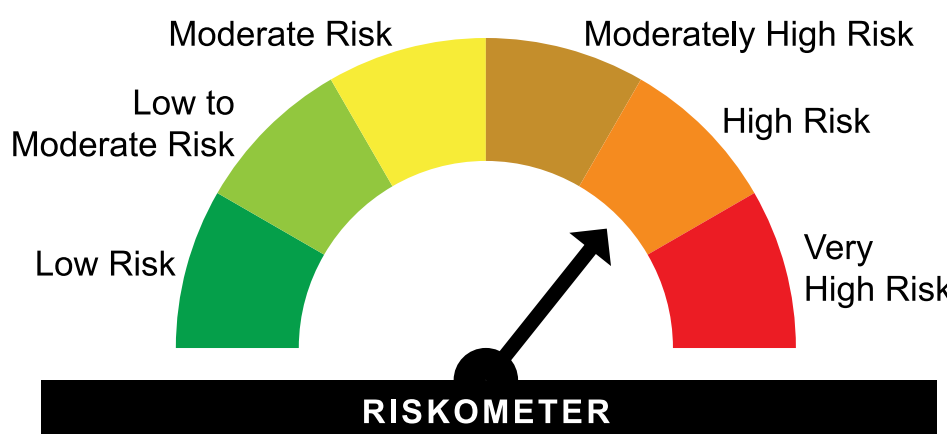
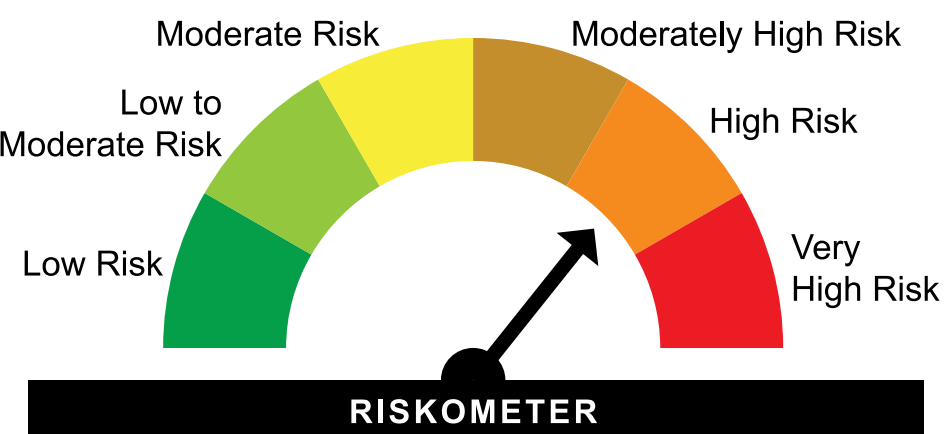
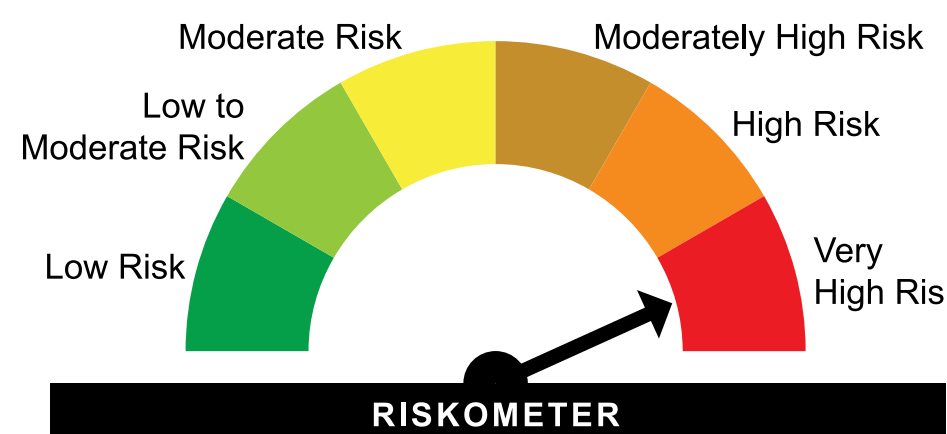
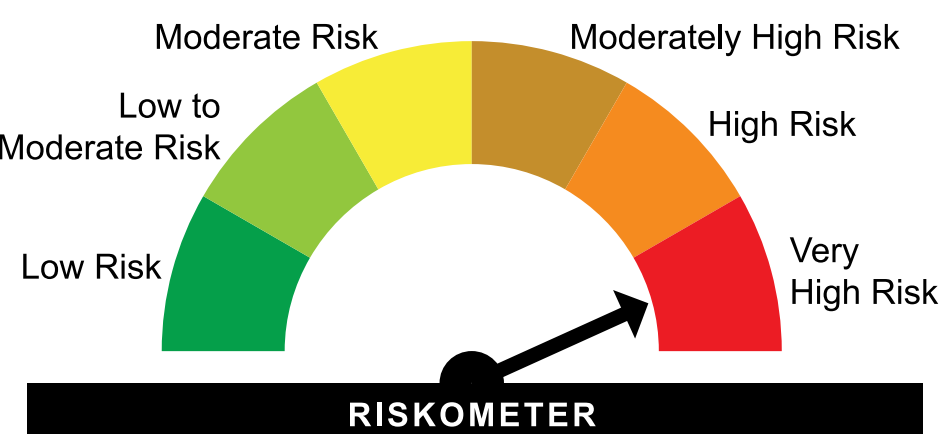
FoF investors also enjoy these benefits as the FoF invests in the respective ETF units
[^] complies with Good Delivery norms as specified by SEBI Regulations

Gold and Silver – Simplified Taxation

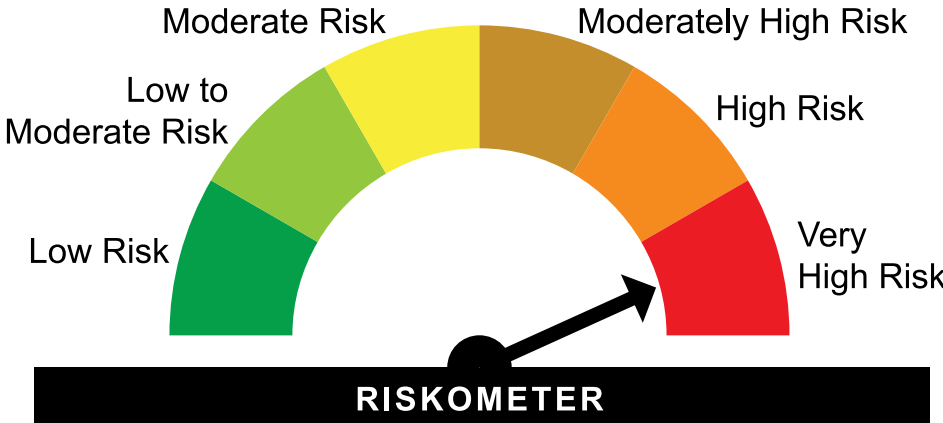
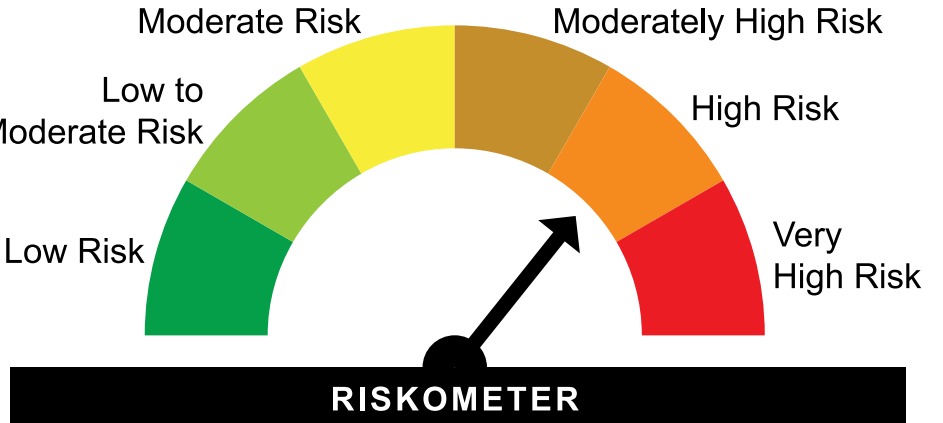
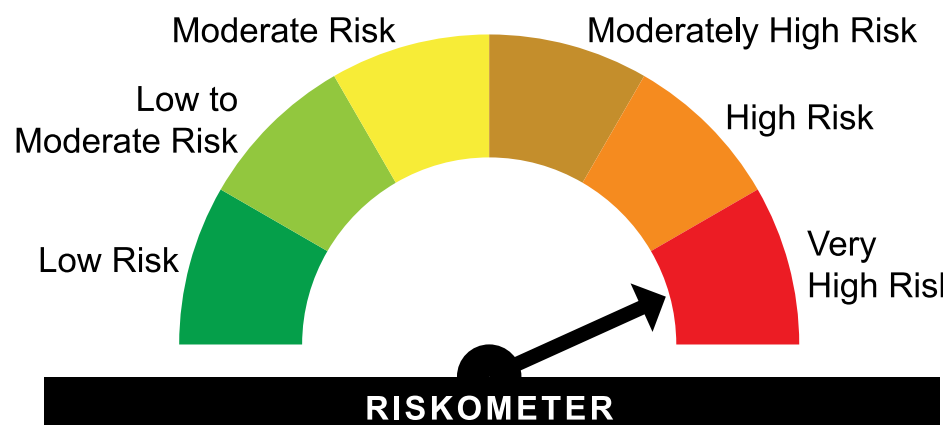
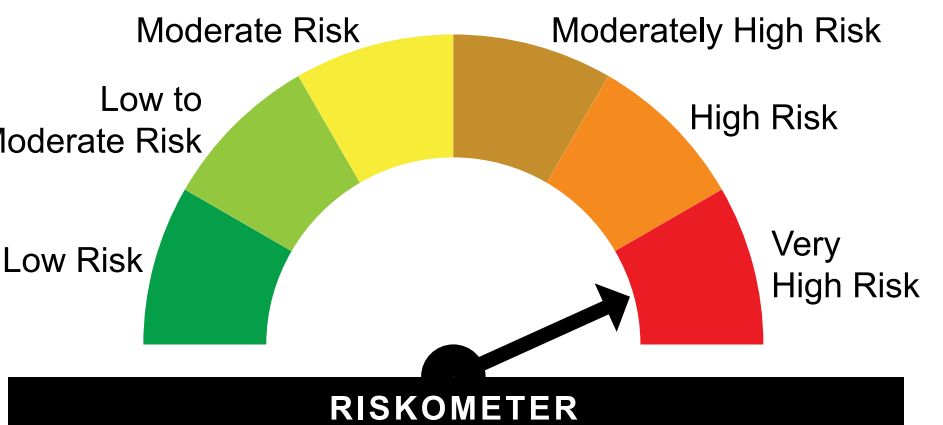
- ◆ For fresh purchases made, a 12.5% LTCG rate (> 12 months holding period for ETFs, > 24 months holding period for ETF FoFs) would be applicable

	Instrument	Holding Period	Units acquired prior to April 01, 2023		Units acquired on or after April 01, 2023	
			Short-Term Capital Gains Tax	Long-Term Capital Gains Tax	Short-Term Capital Gains Tax	Long-Term Capital Gains Tax
Units redeemed between July 23, 2024 and March 31, 2025	Gold / Silver ETF	12 months	Investor's Income Tax Slab Rate*	12.5%*	Investor's Income Tax Slab Rate*	Investor's Income Tax Slab Rate*
	Gold / Silver ETF FOF	24 months				
Units redeemed after March 31, 2025	Gold / Silver ETF	12 months	Investor's Income Tax Slab Rate*	12.5%*	Investor's Income Tax Slab Rate*	12.5%*
	Gold / Silver ETF FOF	24 months				

Source: India Budget. *Surcharge and Health & Education Cess as applicable. In view of the individual nature of the tax consequences, each investor is advised to consult his/ her own professional tax advisor.

Fund Name & Benchmark Type of Scheme	Product Labelling (This product is suitable for investors who are seeking~)	Scheme Riskometer	Benchmark Riskometer
HDFC Gold ETF An open ended scheme replicating / tracking performance of Gold BENCHMARK: Domestic Price of Physical Gold	• Returns that are commensurate with the performance of gold, subject to tracking errors, over long term • Investment predominantly in Gold bullion of 0.995 fineness	 RISKOMETER <i>The risk of the scheme is high</i>	 RISKOMETER <i>The risk of the benchmark is high</i>
HDFC Silver ETF An open ended Exchange Traded Fund (ETF) replicating/tracking performance of Silver BENCHMARK: Domestic Prices of physical Silver (derived as per regulatory norms)	• Returns that are commensurate with the performance of Silver, subject to tracking errors, over long term • Investment in Silver bullion of 0.999 fineness	 RISKOMETER <i>The risk of the scheme is very high</i>	 RISKOMETER <i>The risk of the benchmark is very high</i>

*Investors should consult their financial advisers, if in doubt whether the products is suitable for them
For latest riskometer, investors may refer to the Monthly Portfolios disclosed on the website of the Fund viz. www.hdfcfund.com
Benchmark and Scheme Riskometer as on Sep 30, 2025

Fund Name & Benchmark Type of Scheme	Product Labelling (This product is suitable for investors who are seeking~)	Scheme Riskometer	Benchmark Riskometer
HDFC Gold ETF Fund of Fund An open ended Fund of Fund scheme investing in HDFC Gold ETF BENCHMARK: Domestic Price of Physical Gold	- Capital appreciation over long term - Investment in Units of HDFC Gold ETF (HGETF). HGETF invests in gold bullion of 0.995 fineness	 The risk of the scheme is very high	 The risk of the benchmark is high
HDFC Silver ETF Fund of Fund An open ended Fund of Fund scheme investing in HDFC Silver ETF BENCHMARK: Domestic Prices of physical Silver (derived as per regulatory norms)	- Capital appreciation over long term. - Investment in Units of HDFC Silver ETF (HSETF). HSETF invests in Silver and Silver related instruments	 The risk of the scheme is very high	 The risk of the benchmark is very high

~Investors should consult their financial advisers, if in doubt whether the products is suitable for them

#For latest riskometer, investors may refer to the Monthly Portfolios disclosed on the website of the Fund viz. www.hdfcfund.com
Benchmark and Scheme Riskometer as on Sep 30, 2025.

Investors in HDFC Gold ETF Fund of Fund and HDFC Silver ETF Fund of Fund and shall bear the recurring expenses of the Scheme in addition to the recurring expenses of the respective underlying Schemes (subject to regulatory limits).

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Mission: To be the wealth creator for every Indian

Vision: To be the most respected asset manager in the world



Thank You

