

Van Eck Merk Gold Trust  
Form FWP  
November 18, 2015

**Free Writing Prospectus**

**Van Eck Merk Gold Trust**

**Merk Gold Webinar**

**0001546652**

**Pursuant to 433/164**

**333180868**

**Merk Gold Webinar**

**What's next for gold?**

**Gold in a portfolio?**

**Merk Gold Webinar**

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**Please read important risk disclosure information towards the end of this presentation.**

**Notes**

**Indices and terms referred to in this presentation may include the following:**

**U.S. Dollar (DXY) Index and Inverse DXY: measures the value of the United States dollar relative to a static basket of currencies with Euro (EUR) 57.6% weight,**

**Japanese yen (JPY) 13.6%, Pound Sterling (GBP) 11.9%, Canadian dollar (CAD) 9.1%, Swiss franc (CHF) 3.6% and Swedish krona (SEK) 4.2% weight. The DXY is a**

**generally wellknown measure of the value of the US dollar versus major foreign currencies, and as such makes a relevant reference point for directional**

**currency strategies. The inverse of the DXY is the value of the currency basket relative to the U.S. dollar, i.e. short dollar and long foreign currencies. Because the**

**Merk Hard Currency Fund is long foreign currencies (and therefore short dollar), using the inverse DXY allows for the logical comparison of performance relative**

**to the Fund.**

**Bloomberg Dollar (BBDXY) Index:** tracks the performance of a basket of ten leading global currencies versus the U.S. dollar, weighted by the share of

international trade and FX liquidity.

**Deutsche Bank Currency Returns (DBCR) Index:** an equalweighted blend of the most widely used investment strategies among active currency managers. It

captures long term systematic returns available in the world currency markets. As a nondirectional index, the DBCR provides a useful comparison to absolute

return currency strategies like the Merk Absolute Return Currency Fund.

**BloombergJP Morgan Asian Currency (ADXY) Index:** a trade and liquidity weighted index of a basket of Asian currencies, excluding the yen, compared to the

U.S. dollar. Because the Merk Asian Currency Fund invests in a basket of Asian currencies, using the ADXY allows for a logical comparison of performance relative

to the Fund.

**JPMorgan 3Month Global Cash Index:** measures the performance of money market securities denominated in foreign currencies.

**Citigroup 3Month U.S. TBill Index:** an index that tracks the performance of U.S. Treasury bills with a remaining maturity of three months.

**S&P 500 Total Return Index (SPXT):** a broadbased measurement of changes in stock market conditions based on the average performance of 500 widely held

common stocks. Performance figures assume that all dividends are reinvested.

**MSCI EAFE (Europe Australasia Far East) Index:** a free floatadjusted market capitalization index that is designed to measure the equity market performance of

developed markets, excluding the US & Canada. As international equity investment returns are a combination of equity returns and currency returns, the MSCI

EAFE provides a useful comparison to a strategy including U.S. equities and currencies, like the Merk Currency Enhanced US Equity Fund.

**MSCI EAFE US \$ Hedged Net Index:** a currency hedged variant of the above, designed to represent the return without the currency exposure if the index.

**MSCI Emerging Markets (EM) Index:** a free floatadjusted market capitaliza7on index that is designed to measure equity market performance of emerging

markets.

**Barclays Capital Aggregate US Bond Index:** is a broadbased benchmark that measures the investment grade, U.S. dollardenominated, fixedrate taxable bond

market, including Treasuries, governmentrelated and corporate securi7es, MBS (agency fixedrate and hybrid ARM passthroughs), ABS, and CMBS.

**FTSE NAREIT US All REITs Index:** spans the commercial real estate space across the US economy. It provides exposure to all investment and property sectors.

**DJUBS Commodity Total Return Index:** a diversified benchmark for commodi7es' fully collateralized returns.

**Barclays US TIPS Index:** measures the performance of the US Treasury Infla7on Protected Securi7es ("TIPS") market.

**VIX Index:** Chicago Board Op7ons Exchange (CBOE) Vola7lity Index, which shows the market's expecta7on of 30day vola7lity.

**Alpha:** measures riskadjusted return. The excess return of the fund rela7ve to the return of the benchmark is the fund's alpha.

**Beta:** measures systema7c risk based on the covariance of the porholio's return with the return of the overall market. By defini7on the market has a beta of 1.

**Sharpe RaJo:** measures the excess return per unit of risk in an investment asset or a trading strategy.

**CorrelaJon:** is a measure of how assets move in rela7on to each other. Low or nega7ve correla7on indicates returns are less likely to move in tandem. This may

smooth out overall returns of a porholio, a poten7al diversifica7on benefit.

**Standard DeviaJon:** a measure of vola7lity.

**OUNZ Disure**

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**This material must be preceded or accompanied by the prospectus. Before invesJng you should carefully consider the Fund's**

**investment objecJves, risks, charges and expenses. This and other informaJon is in the prospectus, a copy of which is available**

**at www.merkgold.com/prospectus. Please read the prospectus carefully before you invest.**

**Investing involves risk, including possible loss of principal. The Trust is not an investment company registered under the**

**investment Company act of 1940 or a commodity pool for the purposes of the Commodity Exchange Act. Shares of the Trust are**

**not subject to the same regulatory requirements as mutual funds. Because shares of the Trust are intended to reflect the price of**

**the gold held in the Trust, the market price of the shares is subject to fluctua1ons similar to those affec1ng gold prices.**

**Additionally, shares of the Trust are bought and sold at market price, not at net asset value ("NAV"). Brokerage commissions will**

**reduce returns.**

**Commodi7es and commodityindex linked securi7es may be affected by changes in overall market movements and other factors**

**such as weather, disease, embargoes, or poli7cal and regulatory developments, as well as trading ac7vity of speculators and**

**arbitrageurs in the underlying commodi7es.**

**Trust shares trade like stocks, are subject to investment risk and will fluctuate in market value. The value of Trust shares relates**

**directly to the value of the gold held by the Trust (less its expenses), and fluctua7ons in the price of gold could materially and**

**adversely affect an investment in the shares. The price received upon the sale of the shares, which trade at market price, may be**

**more or less than the value of the gold represented by them. The Trust does not generate any income, and as the Trust regularly**

**issues shares to pay for the Sponsor's ongoing expenses, the amount of gold represented by each Share will decline over 7me.**

**Investing involves risk, and you could lose money on an investment in the Trust.**

The request for redemption of shares for gold is subject to a number of risks including but not limited to the potential for the price

of gold to decline during the time between the submission of the request and delivery. Delivery may take considerable time

depending on your location.

For a more complete discussion of the risk factors relative to the trust, carefully read the prospectus. The sponsor of the Trust is

Merk Investments LLC (the "Sponsor"). Van Eck Global and Foreside Fund Services, LLC, provides marketing services to the Trust.

\$0

\$200

\$400

\$600

\$800

\$1,000

\$1,200

\$1,400

\$1,600

\$1,800

\$2,000

Gold Price

Gold Price

(1/1/1970 9/30/15)

Source: Merk Investments, Bloomberg

Annualized Return: 7.86%

**Correlation to Equities: 0.00**

**Gold...**

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**Gold's average annual return since 1970 was 7.86%,  
even including 2013's major correction.**

**Gold price measured in U.S. dollars per Ounce.**

**Correlation: a measure of how two securities or asset classes move in relation to each other.**

**Gold...**

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**Where is the Gold ?**

**5.7 billion ounces above ground**

**– Could fit in 2 Olympic size swimming pools**

**Jewelry**

**– About half of all above ground gold held as jewelry**

**Industrial, Medical Use**

**– 8.3% above ground stock in industrial, dental use**

**Investment**

**– About 36.9% of above ground gold as investment**

**– 17.3% official sector versus 19.5% by private sector**

**Source: CPM Yearbook 2013, Thomson Reuters GFMS Gold Survey 2014**

**Gold...**



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**Supply & Demand**

**Jewelry, Industrial, Medical Use**

**Investment**

**– Public sector**

**– Private sector**

**Mining**

**– About 1.7% of global stock produced in 2013**

**Recycled Gold**

**Source: CPM Yearbook 2013, Thomson Reuters GFMS Gold Survey 2014**

**Gold...**

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**Gold doesn't change, but value of U.S. dollar ?**

**Supply & Demand of U.S. dollar driven by outlook on**

**– Monetary policy**

**– Fiscal policy**

**– Economy, balance of trade**

**– ...**

### **Fishing for Gold?**

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**Axel Merk:**

“Gold may perform well if investors don’t get a positive real rate return on cash”

### **Financial Repression?**

**Holding cash yields negative real returns**

**Gold paying no interest a competitor?**

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**A Fed’s “promise”?**

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**A “promise” to be “behind the curve” ?**

“The Commisee currently anticipates that, even after employment and inflation are near mandateconsistent levels, economic conditions may, for some time, warrant keeping the target federal funds rate below levels the Commisee views as normal in the longer run.”

Since the spring of 2014, the Federal Reserve Open Market Commisee (FOMC) has included the above paragraph in its Statement. We interpret this to be a commitment by the Fed to be “behind the curve,” meaning that rate hikes may not keep up with up7cks in infla7on, poten7ally leading to lower real interest rates. Real interest rates are interest rates net of infla7on.

### **Fiscal Outlook**

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“A Government in debt does not have

interests aligned with citizens that

are savers” – Axel Merk

Existing debt burden Entitlement obligations of an ageing population

Consequences of climate change (really??)

LongTerm Fiscal Challenges Facing the U.S. ? Financing...

Fiscal Outlook

Can we afford positive real interest rates?

Gold paying no interest a competitor?

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20%

10%

0%

10%

20%

30%

40%

2015

2020

2025

2030

2035

2040

2045

2050

Federal Revenue, Spending and Deficit as Percentage of GDP

**Spending as % of GDP**

**Revenue as % of GDP**

**Deficits as % of GDP**

**Source: Merk Investments, Congressional Budget Office (CBO) !**

**Data from CBO July 2014 Projection (Alternative Fiscal Scenario)! Merk Investments, LLC!**

**Forecasts are inherently limited**

**Fed independence ?**

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**Purchasing Power of the US Dollar 1970-2014**

**Value of the Dollar**

Source: Merk Investments, Bureau of Labor Statistics ~ Merk Investments LLC

Calculation based on consumer price index; December 1970 = 100%. Data as of September 2014.

**Cash a Diversifier?**

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**Why Diversify?**

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An investment may be a good portfolio diversifier, if it...

...helps preserve or enhance purchasing power

...is expected to have a low correlation to portfolio

**Bear Market**

**Diversifier?**

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**Gold a Diversifier for Bear Markets ?**

Gold price measured in U.S. dollars per Ounce.

**0%**

**1000%**

**2000%**

**3000%**

**4000%**

**5000%**

**6000%**

**0%**

**1000%**

2000%

3000%

4000%

5000%

6000%

7000%

8000%

9000%

**S&P 500 v.s. Gold**

**S&P 500 (LHS) Gold (RHS)**

**Source: Merk Investments, Bloomberg, Shiller**

**Period: 01/01/1971 09/30/2015 (Monthly**

**Data)**

**?**

**Merk Investments, LLC**

**Personal Gold**

**Standard**

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**What is a personal gold standard?**

**Recognizing cash is not a “safe” asset**

**Considering gold in investment allocation**



**Gold in Porholio**

**Optimal Portfolio of Gold and S&P 500**

**7/31/1971 – 2/28/2014**

**Optimal Portfolio**

**Gold ?**

**100%**

**S&P 500 ?**

**Gold 100%**

**29%**

**S&P 500**

71%

Annualized Return 9.89% 8.53% 10.29%

Annualized Risk ?

Standard Deviation of ?

Returns

12.43% 20.23% 15.40%

Sharpe Ratio ?

Highest Ratio is Optimal

Portfolio

0.39 0.17 0.34

~ 2014 Merk Investments Not investment advice

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According to Modern Portfolio Theory, what would have been the

Optimal Portfolio allocation to gold since 1971? (Aug 1971 – Feb 2014)

Historically, gold has mitigated risk and served to improve the riskreturn

profile of a traditional portfolio.

Source: Bloomberg, Merk Investments. Optimal Portfolio, as defined by Modern Portfolio Theory, is a hypothetical example for illustrative purposes, and is not indicative

of an actual product. Past performance is no indication of future performance. Not investment advice.

Modern Portfolio Theory: theory of finance that attempts to maximize portfolio expected return for a given amount of portfolio risk by optimizing the proportions of

various assets. Optimal Portfolio, as defined by the Modern Portfolio Theory, is the mix of investments that provides the highest risk-adjusted return.

Sharpe Ratio: a measure of the excess return per unit of risk in an investment asset or a trading strategy.

S&P 500 Index: a broad-based measurement of changes in stock market conditions based on the average performance of 500 widely held common stocks. Performance

figures assume that all dividends are reinvested.

Gold

? %

**Stocks**

? %

**Bonds**

? %

**Gold**

? %

**Bonds**

? %

**Stocks**

? %

**Ways to Invest in**

**Gold**

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**Gold miners**

“Juniors”

“Majors”

**Gold mutual fund**

**Paper gold**

**Openend gold trusts**

**Closedend gold trusts**

**Coins under the masress**

**OUNZ**

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**Van Eck Global. and Merk Investments.**

**Announce Marke7ng Agreement**

**OUNZ**

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**OUNZ seeks to provide investors with:**

**Convenient and costefficient way to**

**buy and hold gold through an exchange**

**traded product**

**Option to take delivery of physical gold**

**if and when desired**

**OUNZ Advantages**

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**Merk Gold Trust shares are traded on NYSE ARCA**

**under Liquidity the symbol "OUNZ"**

**OUNZ holds gold bullion as allocated London Bars**

**Investors have the option to take delivery of their**

**gold in exchange for their OUNZ shares Deliverability**

**Proprietary process for conversion of OUNZ shares**

**into gold bars and coins in denominations investors**

**may desire for delivery Convertibility**

**Taking delivery of gold is not a taxable event, as**

**investors merely take possession of what they**

**already own: their gold Tax Efficiency**

**It is expected that, if an Investor submits shares to the Trust, the exchange for physical gold will generally not be a taxable event.**

**See tax discussion in prospectus. Not tax advice; please consult with a tax professional for tax advice.**

**Invest in physical gold with ease of ETF, option to take delivery**

**Fees to Take Delivery**

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**Processing Fee = Exchange Fee + Delivery Fee**

**Exchange Fee**

**No Delivery Fee for lower 48 States**

**Merk may waive or reduce fees**

**Please refer to the prospectus for additional information regarding processing fees. Any waiver or reduction in applicable processing fees will**

**be published on the Trust's website available to any eligible Investor/Delivery Applicant.**

**Type of Gold Fee per**

**Ounce**

**Minimum**

**Fee**

**1 Ounce Bars \$30 \$1,200**

**1 Ounce Other Coins \$40\$42 \$1,600**

**1 Ounce American Eagle & Buffalo Coins \$60 \$2,500**

**10 Ounce Bars \$25 \$1,000**

**London Bars \$32 none**

**OUNZ**

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**October vault inspection in London by**

**Axel Merk**

**Upcoming fiscal year audit**

#### **Disclosure**

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