

Investing in Precious Metals



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Introduction & Key Facts

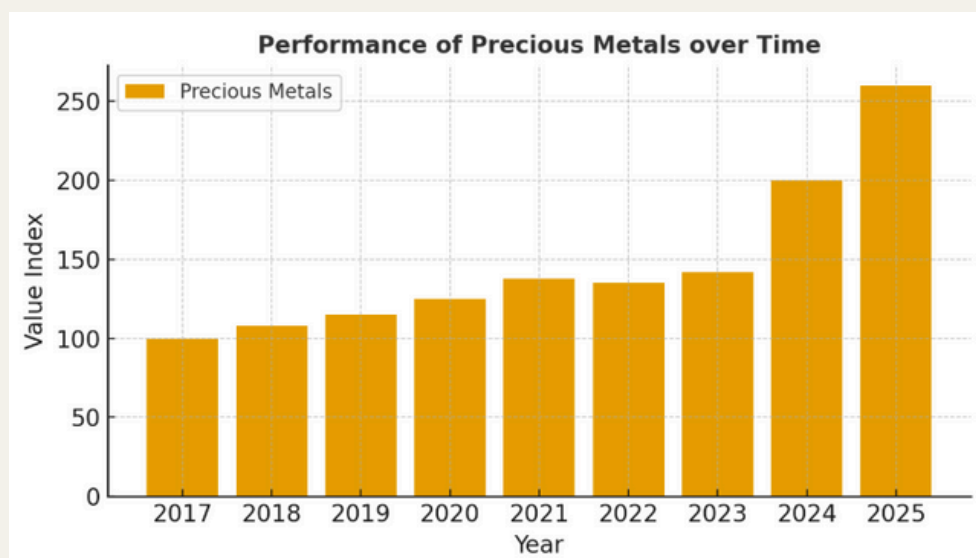
Precious metals have been among the most value-stable asset classes for centuries and have now developed into a firmly established component of diversified portfolios.

Gold, silver, platinum, and palladium in particular are considered blue-chip commodities, offering investors not only protection against inflation and economic uncertainty but also long-term attractive return potential.

The market benefits from limited availability, consistently high global demand, and increasing institutional participation. Especially in times of geopolitical tension and economic volatility, precious metals experience increased investor demand.

Key Facts & Market Data

- The global precious metals market records an annual trading volume of over USD 200 billion.
- Gold is the most important investment metal and has achieved an average annual value increase of approx. 8.1% over the last 20 years.
- Silver additionally benefits from growing industrial demand, particularly from electromobility, solar energy, and medical technology.
- Demand is further supported by central banks, which are continuously expanding their gold reserves.



Subcategories & Their Specifics

Gold - Humanity's Store of Value

Gold has been regarded for millennia as the ultimate store of value and today ranks among the most sought-after investment assets worldwide. Its value is supported by three key factors:



- Limited availability: Global gold reserves are finite, and new mines are being developed only slowly.
- Macroeconomic hedge: In times of inflation, geopolitical uncertainty, and market volatility, investors seek stability in gold.
- Central bank demand: Central banks worldwide continue to expand their gold reserves, which further supports prices.

Silver - Industrial Precious Metal with Investment Potential

Silver is a hybrid precious metal: it functions both as a store of value and as an industrial raw material. Demand is particularly driven by future-oriented industries (solar energy, electromobility, and medical technology).

- Silver's strong industrial use leads to higher price volatility compared to gold, while at the same time offering above-average growth potential.
- Investors value silver as a complement to portfolios, serving as protection against inflation while simultaneously benefiting from technological progress.



Subcategories & Their Specifics

Platinum - Rarity and Industrial Relevance

Platinum is one of the rarest precious metals in the world, with a significantly smaller supply than gold or silver. The combination of strong industrial demand and very limited supply makes platinum a precious metal with long-term price potential, though with higher volatility. Its importance mainly stems from:



- Automotive industry: Platinum is used in catalytic converters for combustion and hybrid vehicles.
- Hydrogen economy: Platinum plays a key role in the production and storage of hydrogen.
- Exclusivity in jewelry: Platinum is highly sought after for its distinctive color and durability.

Palladium - Driver of the Mobility Transition

Palladium's price performance has shown strong momentum in recent years, making it attractive for investors seeking to benefit from structural supply shortages. Over the past decade, palladium has developed into one of the most dynamic precious metals. The market is particularly driven by:

- Stricter emission standards: Palladium is heavily used in catalytic converters, especially for gasoline-powered vehicles.
- Limited supply: More than 80% of global production comes from just two countries (Russia and South Africa).
- Technological demand: Usage in electronics, medical technology, and hydrogen systems continues to grow.



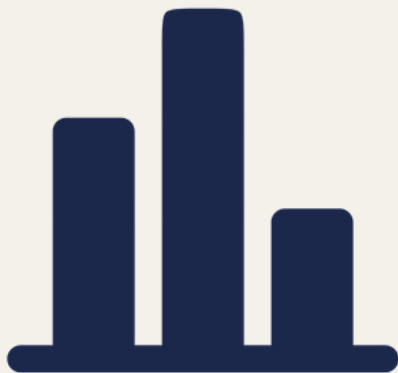
The Value Drivers of Precious Metals

Scarcity and Supply Dynamics

The precious metals market is strongly shaped by natural scarcity. Global deposits of gold, silver, platinum, and palladium are limited and difficult to access.

This limited availability ensures stable long-term demand and has made precious metals a reliable store of value for centuries.

- Gold: Historically established as a safe haven, especially in times of geopolitical and economic uncertainty
- Platinum & Palladium: High supply concentration, mainly in Russia and South Africa, increases price volatility.
- Silver: Larger deposits, but heavily tied to industrial use, which influences the price.



Macroeconomic Hedge

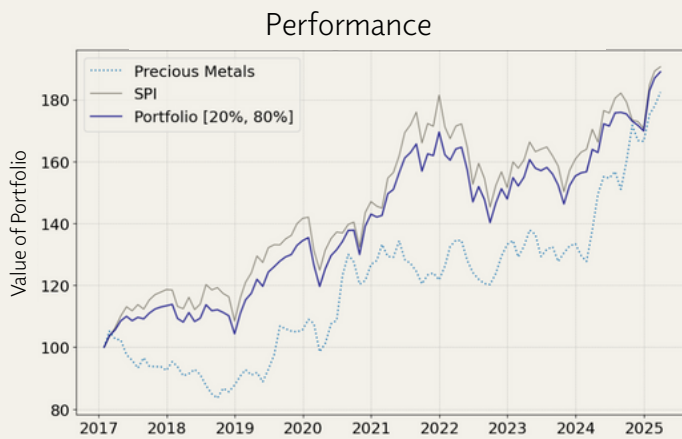
- Precious metals have been regarded for centuries as protection against inflation and currency depreciation. Particularly in times of monetary expansion and geopolitical tensions, demand rises for physical assets that are independent of government monetary policy
- Increasing uncertainty in capital markets leads to growing capital inflows into gold and silver ETFs.
- Precious metals serve as a diversification tool with low correlation to equity and bond markets.

In Depth View: Return & Risk 1/3

Opportunities (Quantitative)

Three major benefits can be observed by including High End Cards as an asset in the portfolio:

- Reduced overall portfolio risk
- Higher average annual returns
- Consistent track record



(1) Portfolio represents 80% SPI and 20% Precious Metals

Geringeres Gesamtportfoliorisiko

The less-than-perfect correlation between Precious Metals and SPI (SXGE) results in a combined portfolio with lower risk compared to traditional assets alone. By analyzing the combined portfolio, this is captured by the following metrics:

- Lower standard deviation
- Lower beta

Assets	Std Dev	Beta	Drawdown
Precious Metals	0.12	0.14	0.21
SPI	0.12	1.00	0.20
Portfolio (1)	0.10	0.86	0.17

(1) Portfolio represents 80% SPI and 20% Precious Metals

Higher Average Annual Returns

The positive effect of compounded returns is captured by the higher compound annual growth rate (CAGR) from 2000 to 2025.

Assets	CAGR
Precious Metals	8.1%
SPI	7.3%
Portfolio (1)	7.5%

(1) Portfolio represents 80% SPI and 20% Precious Metals

Consistent Track Record

The combined portfolio has consistently outperformed the SPI benchmark, with a historical return of 84% compared to 92% over the past 8 years.

Other Opportunities

- Wealth preservation
- Increasing demand, limited supply
- Cultural value

High expected return with lower risk?

Short answer: Well, it is possible.

This can be explained by the low correlation (R= 0.14) between SPI and High End Cards. Correlation(R) measures the strength and direction of the relationship between two variables:

- R = 1, assets move together
- R = -1, move in opposite directions
- R = 0, no relationship

In Depth View: Return & Risk 2/3

Sharpe Ratio (SR)

All these benefits can be captured by a single metric. The Sharpe Ratio measures how much excess return a portfolio generates per unit of risk. It is calculated as:

$$SR = \frac{\text{Portfolio Return} - \text{Risk-Free Rate (Rf)}}{\text{Std Dev}}$$

- Best used for comparing investment on a risk-adjusted basis
- A higher Sharpe Ratio is better, as it indicates more return per unit of risk taken

Assets	Sharpe
Precious Metals	0.50
SPI	0.57
Portfolio (1)	0.63

- (1) Portfolio represents 80% SPI and 20% Precious Metals
 (2) Risk-free rate of 1% for the sharpe ratio calculation

Risks Management

The previously mentioned risk metrics are useful for evaluating volatility and downside capital risk. A further step in risk management would be the calculation of:

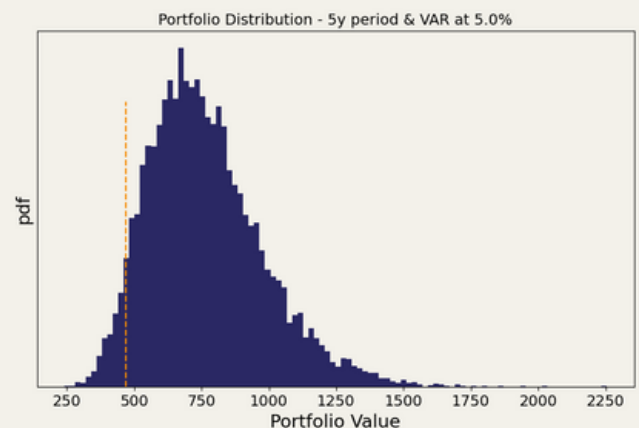
- Value at Risk (VaR)
- Skewness and Kurtosis

Value At Risk (VaR)

What is the maximum amount that could be lost over a period, given a specific probability? VaR attempts to answer this question.

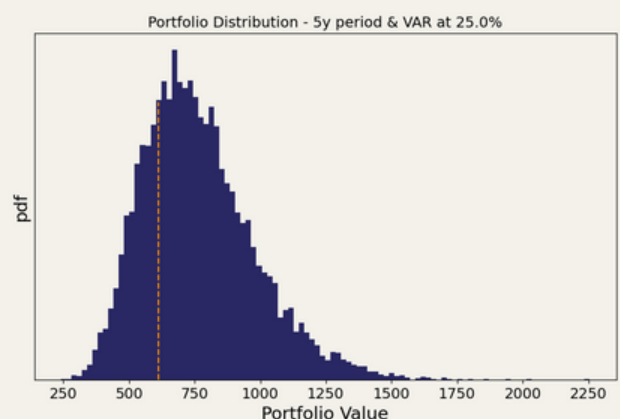
5% VaR

By investing EUR 500 in High End Cards Index as a standalone investment, there is a 95% chance that the initial investment will exceed EUR 470 after 5 years.



25 %-VaR

In the case of a 25% VaR, there is a 75% chance that the initial investment of EUR 500 will exceed EUR 612.



In Depth View: Return & Risk 2/3

Skewness and Kurtosis

Skewness and kurtosis describe the shape of a probability distribution.

Skewness

- skewness > 0.5 , more extreme positive values
- skewness < -0.5 , extreme negative values
- otherwise, approximately symmetrical

The skewness of $+0.5$ for the annual returns of Precious Metals over the past 8 years indicates a higher likelihood of positive returns.

Kurtosis

Kurtosis quantifies the presence of more extreme values. For this study, excess kurtosis was used to evaluate it.

Hence for:

- kurtosis > 0.5 , higher risk of extreme returns
- kurtosis < -0.5 , lower risk of extreme returns
- otherwise, low risk of extreme returns
-

The excess kurtosis of $+0.63$ for the annual returns of Precious Metals over the past 8 years indicates a high risk of extreme returns.

Other Relevant Risks for High End Cards

- Authenticity
- Conservation and Storage
- Illiquidity Risk
- Subjectivity Risk
- Concentration Risk

Authenticity

Mitigated by rigorous due diligence and partnerships with leading experts.

Illiquidity Risk

Mitigated by a long-term approach, the focus on highly desirable Precious Metals and a strong demand by Central Banks enhance exit opportunities.

Subjectivity Risk

Reliable historical data, market trends, and expert insights are used to identify Precious Metals with enduring value.

Concentration Risk

Reduced through diversification across different precious metals, thereby lowering the dependence on a single segment or trend.

Assumptions

For the quantitative calculation:

- Average risk-free of 1% for the past 25y
- 99 monthly data-points (2017-2025)
- Thresholds for kurtosis and skewness are provided as guidance. Different investors may have different orientations.
- VaR considers historical CAGR and standard deviation as parameters.

Market Trend & Developments


Market Trends 2025: Precious Metals

The precious metals market has long been considered one of the most stable stores of value and is gaining increasing importance in times of economic uncertainty. While gold traditionally serves as a safe haven, silver, platinum, and palladium also benefit from industrial future trends and technological innovations. The market is currently experiencing structural change, driven by digitalization, ESG criteria, and the stronger involvement of institutional investors.

- With the professionalization of the market, benchmarks such as the LBMA gold price or the S&P GSCI Precious Metals Index have become established. These indices provide investors with better data on price movements, liquidity, and volatility, enabling more informed buy and sell decisions.
- Central banks have increased their gold reserves by over 3% in recent years. Particularly active are China, India, Russia, and Turkey. These purchases stabilize the gold price and reinforce gold's role as a global reserve currency and safe haven.
- Investors increasingly value conflict-free supply chains and transparent origin. The LBMA Responsible Gold Standards set new benchmarks for sustainable extraction and strengthen acceptance among institutional investors.
- Digital platforms such as Tether Gold (XAUT) or Paxos Gold (PAXG) enable blockchain-based ownership of physical gold. Tokenization lowers entry barriers, increases liquidity, and makes investments more tradable.



Recent successful Exits



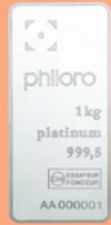
Platinum bar, 1 kg, 999.5

Exited on	09/7/2025
Holding period	23 months
Exit price	36.380 €
Realized net return	+20.4%




Silver bars, 3x 15 kg, 999.0

Exited on	06/3/2025
Holding period	18 months
Exit price	42.729 €
Realized net return	+16.0%




Platinum bar, 1 kg, 999.5

Exited on	09/7/2025
Holding period	20 months
Exit price	36.380 €
Realized net return	+22.4%



Platinum bar, 1 kg, 999.5

Exited on	09/7/2025
Holding period	18 months
Exit price	36.380 €
Realized net return	+17.3%



Platinum bar, 1 kg, 999.5

Exited on	09/7/2025
Holding period	16 months
Exit price	36.380 €
Realized net return	+22.2%



Platinum bar, 1 kg, 999.5

Exited on	09/7/2025
Holding period	14 months
Exit price	36.380 €
Realized net return	+20.6%

These Are Our Experts

Philoro: Curating Precious Metals as an Asset Class

Philoro is a leading provider of precious metal investments, specializing in giving investors access to physical gold, silver, platinum, and palladium. Combining global market expertise, data analysis, and decades of experience, Philoro sets new standards in professional precious metal investments and offers investors direct access to one of the oldest and most enduring asset classes.

The company combines in-depth knowledge of raw materials with a clear investment perspective, focusing on precious metals as crisis-resistant and inflation-hedging stores of value that have been trusted for centuries.

Founded by experienced experts in the precious metals industry, Philoro combines international sourcing power with in-depth market knowledge. Through this expertise, Philoro creates benchmarks in transparency, security, and quality for private and institutional investors alike.

The platform provides investors with access to production costs, refining, recycling, and storage capacities. Based on these foundations, Philoro is regularly represented at the top of market observer rankings, offering investors valuable orientation.



Philoro has significantly shaped the development of the precious metals market by prioritizing quality standards, transparency, and verified supply chains. Particular emphasis is placed on purity, certification, and traceability of deliveries.

Splint Invest clients also benefit from:

- Exclusive pre-deal access to selected gold and silver bars,
- Optimized purchase conditions through bundled volumes,
- Higher liquidity thanks to Philoro's global dealer and customer network.

This strategic partnership between Splint Invest and Philoro extends the Splint Invest platform and creates a seamless bridge to professional precious metal investments.

Why Splint Invest?



Curated Investment Opportunities

Splint Invest selects only precious metals that undergo a thorough due diligence process – with a particular focus on market liquidity, provenance, purchase price, historical performance, and relevance.



Diversification without Complexity

An investment in precious metals via Splint provides direct access to a historically low-correlated asset class with proven returns – ideal for portfolio diversification.



Secure Storage & Insurance

All precious metals are stored in a bank vault to ensure asset security and preserve long-term value.



Expert Validation

We work with trusted precious metal experts to identify growth potential and ensure authenticity as well as valuation accuracy.



Data-Driven Decisions

Our investment decisions are based on comprehensive market data, trend analyses, and pricing databases. This ensures that assets are selected on the basis of objective insights rather than speculation.

Contact Us

“Gold offers investment opportunities for a wide range of investor profiles – whether one values the security and durability that have characterized gold for millennia, seeks protection against inflation, or prefers long-term value preservation as the foundation of a wealth strategy. What makes gold unique is that it serves both as a crisis-proof safe haven and remains a relevant investment asset.”

– Mario von Bergen, Head of Investments & Co-Founder

Together with our precious metal experts, we look forward to supporting you in building a resilient portfolio with gold and other precious metals.



Mario von Bergen

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 **Splint Invest**

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