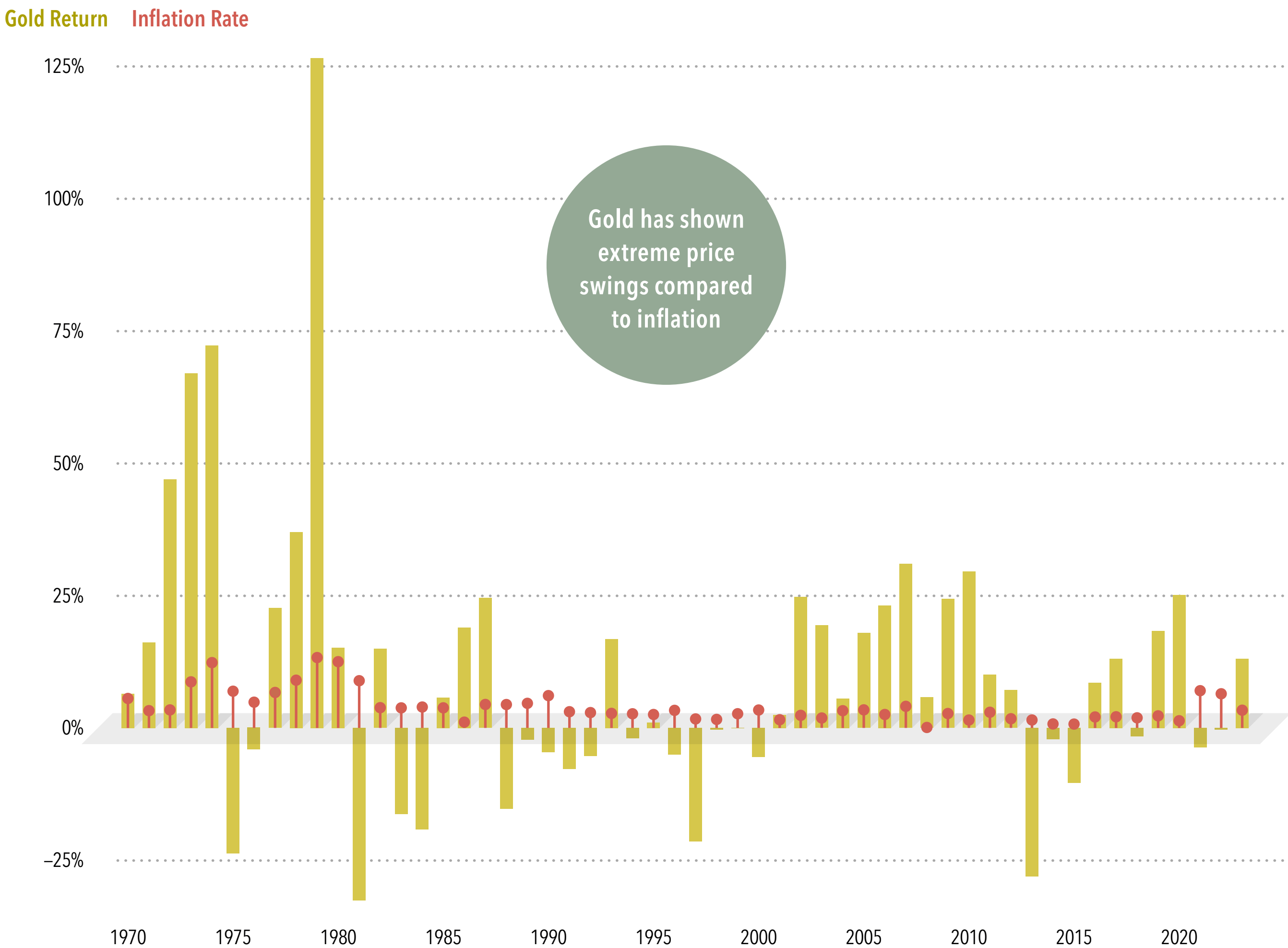
Dimensional

Gold Hasn't Been Effective at Tracking Inflation

ANNUAL US INFLATION RATE VS. CHANGE IN GOLD PRICE
1970–2023



Gold is sometimes touted as an effective tool for protecting wealth from rising prices. But history shows the challenges of using gold to offset the impact of inflation.

- Since 1970, gold has experienced extreme price swings when compared with changes in the rate of inflation.
- An effective inflation-hedging tool should have return volatility that is more on par with changes in consumer prices.
- If your goal is to hedge against inflation, using Treasury Inflation-Protected Securities (TIPS), whose values adjust with inflation, may be a more reliable approach.

It's reasonable to be concerned about rising prices, but investors who want to hedge against inflation may find gold to be the wrong tool for the job.

Past performance is not a guarantee of future results.

US inflation is the annual rate of change in the Consumer Price Index for All Urban Consumers (CPI-U, not seasonally adjusted) from the Bureau of Labor Statistics. Returns are in USD. Gold spot price returns are provided by Bloomberg. Bloomberg data provided by Bloomberg. Indices are not available for direct investment.

Dimensional Fund Advisors LP is an investment advisor registered with the Securities and Exchange Commission.

Investment products: • Not FDIC Insured • Not Bank Guaranteed • May Lose Value
Dimensional Fund Advisors does not have any bank affiliates.

AMERICAS
Austin, Charlotte, Santa Monica, Toronto, Vancouver

EUROPE
Amsterdam, Berlin, Dublin, London, Munich

ASIA PACIFIC
Hong Kong, Melbourne, Singapore, Sydney, Tokyo

dimensional.com

Dimensional

MKT-35502 04/24 3396006