Mutual Fund Distributor

WHY SOVEREIGN GOLD BOND SCORES OVER OTHER GOLD INVESTMENT OPTIONS?

Parameters	Sovereign Gold Bond	Physical Gold	Gold ETF	Gold Mutual Fund
Assumed Return	As per Gold Value	As per Gold Value	As per Gold Value	As per Gold Value
Assumed Holding Period	Matures after 8 yrs.Can be reinvested.	As per investor.	As per investor.	As per investor.
Regular Income	Provides Annual Interest of 2.5% on the issue price of the bond.	No annual interest.	No annual interest.	No annual interest.
Holding Cost	No storage cost.	Locker charges if kept in the locker.	Fund Management cost of 0.50 -1.00%	Fund Management cost of 0.50 -1.00%
Taxation	No TDS on interest payment but is taxed as per applicable tax rate. Capital gain is exempted if held till maturity. Pre exit is taxed as per debt taxation rules.	Capital Gain is taxed as per debt taxation.	Capital Gain is taxed as per debt taxation.	Capital Gain is taxed as per debt taxation.
Sample Yield Illustration				
Assumed Appreciation	7%	7%	7%	7%
Interest Income (Net of Tax)#	1.75%	Nil	Nil	Nil
Assumed Fund Management Cost	Nil	Nil	0.50%	0.50%
Effective Tax Impact^	Nil	0.60%	0.60%	0.60%
Net Annual Yield	**8.75%**	**6.4%**	**5.9%**	**5.9%**

Interest of SGB is taxable at marginal rate. Here it is assumed @30%
^ Indexation assumed at 4% per year. Tax rate assumed at 20% after indexation.
*It is assumed that the investor is in the highest tax bracket of 30% and all investments will be held so as to qualify for LTCG. Holding period assumed to be 8 years in SGB. Figures are approximate and for illustrative purposes only. Mutual fund investments are subject to market risks. Please read the offer document before investing.

From the above chart, one can notice the advantage of investing in gold through Sovereign Gold Bonds. The returns in SGB can be 2-3% better than other options and that too, post tax.

CALL US TO INVEST IN SOVEREIGN GOLD BOND

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