A CLOSER LOOK

THERE ARE MANY WAYS TO GAIN EXPOSURE TO THE GOLD MARKET

Gold exposure can be accessed via equities, futures and options-based indexes.

Gold has not had a good year. Among the most widely followed and heavily traded commodities in the world, gold is down –25% over the last 12 months through September 30. But, gold is not out. It has still seen increases of 1.6% and 52.6% over the last three years and five years, respectively.

Beyond physical ownership, there are many ways to gain exposure to the gold market through the use of equities, futures and options, each of which have been assembled and delivered to investors through indexes.

EQUITIES-BASED GOLD INDEXES

Equities-based gold indexes typically include companies that are involved in the mining or processing of gold. For example, the NASDAQ OMX Global Gold & Precious Metals Index (Ticker: QGLD) is designed to track the performance of the largest and most liquid companies engaged in the gold, silver, and other precious metals mining industries. This index had 65 securities as of 9/30/2013, the largest of which were Barrick Gold Corp, Newmont Mining Corp, and Goldcorp Inc.

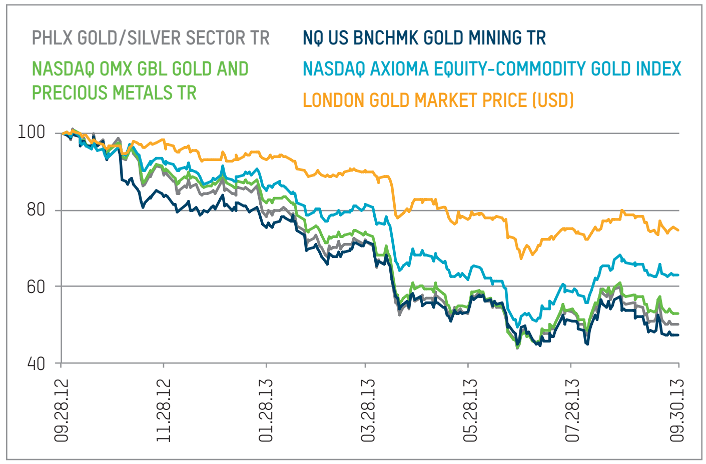
Also, the NASDAQ Global Index family offers ICB subsector indexes, one of which is based on the subsector Gold Mining in the U.S. The NASDAQ U.S. Benchmark Gold Mining Index (Ticker: NQUSB1777) had just 6 securities as of 9/30/2013.

Further, the PHLX Gold/Silver Sector Index (Ticker: XAU) is a specialized index that tracks 30 securities that are involved in gold and silver mining. Launched in 1979, it is among the first sector indexes to be focused on this market.

Finally, the NASDAQ Axioma Equity-Commodity Gold Index (Ticker: NQAXGLD) is designed to track the spot price of gold through the use of equity securities. This index included 23 securities as of 9/30/2013.

The 1-year index performance for these indexes, along with the spot price of gold, is shown in Figure 1.

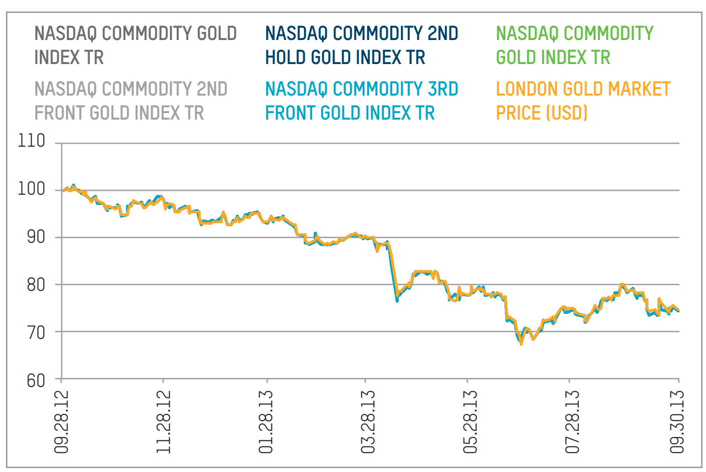
FIGURE 1: EQUITY-BASED GOLD INDEXES



FUTURES-BASED GOLD INDEXES

The NASDAQ Commodity Index incorporates 32 different futures contracts listed in the US or UK. The NASDAQ Commodity Gold Index is based on gold futures contracts traded on the COMEX, and rolls from one contract to another based on a predetermined schedule. This index very closely and very consistently tracks the price of gold over time, as shown in Figure 2.

FIGURE 2: FUTURES-BASED GOLD INDEXES

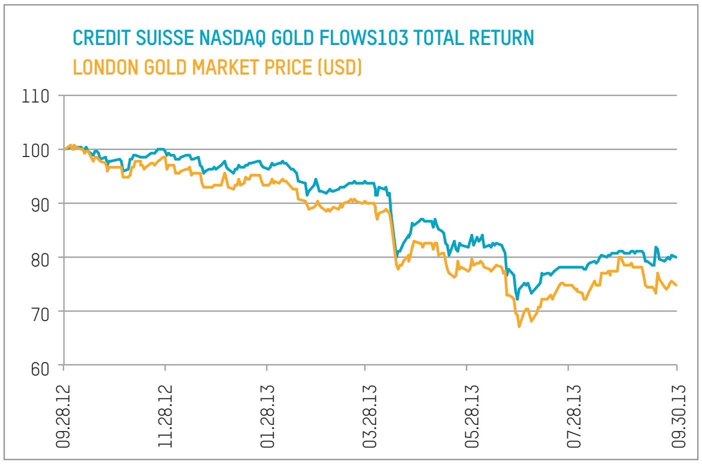


OPTIONS-BASED GOLD INDEXES

ETFs have become a very popular vehicle for gaining exposure to gold. To mitigate some of the risk associated with that exposure, the Credit Suisse NASDAQ Gold FLOWS103 Total Return Index (Ticker: QGLDITR) was designed to track a portfolio consisting of a long position in SPDR Gold Shares (Ticker: GLD), which is the largest and most liquid of the gold ETFs, and a monthly rolling short position in call options against that same ETF.

This indexed "buy-write" approach typically results in lower volatility than GLD itself, and converts some of the option premium into a payout stream. Figure 3 illustrates the downside protection afforded by the index against the price of gold.

FIGURE 3: OPTIONS-BASED GOLD INDEXES



Source: NASDAQ OMX Global Indexes Research. Bloomberg. FactSet.

DAVID KREIN | MANAGING DIRECTOR, GLOBAL INDEXES, RESEARCH | +1 212 231 5813 | DAVID.KREIN@NASDAQOMX.COM
EFRAM SLEN | RESEARCH SPECIALIST, GLOBAL INDEXES, RESEARCH | +1 212 231 5174 | EFRAM.SLEN@NASDAQOMX.COM

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