

<b>Year</b>	<b>Shares</b>	<b>Gilts</b>	<b>Cash</b>	<b>Gold</b>	<b>Average</b>	<b>Inflation</b>
1972	16.4	-3.8	8.2	59.8	20.1	7.7
1973	-28.1	-8.9	9.7	68.8	10.4	10.6
1974	-50.1	-15.2	11.1	70.3	4.0	19.1
1975	149.3	36.8	11.0	-12.0	46.3	24.9
1976	2.3	13.7	10.7	14.3	10.2	15.1
1977	48.6	44.8	10.7	6.9	27.7	12.1
1978	8.6	1.8	9.4	21.3	10.3	8.4
1979	11.5	4.1	12.2	100.8	32.2	17.2
1980	34.8	20.9	15.0	21.5	23.1	15.1
1981	13.6	1.8	12.9	-13.6	3.7	12.0
1982	28.5	51.3	12.2	28	30.0	5.4
1983	28.8	15.9	9.6	-2.9	12.9	5.3
1984	31.6	6.8	10.0	3.3	12.9	4.6
1985	20.2	11.0	10.8	-19.4	5.7	5.7
1986	27.3	11.0	10.6	19.1	17.0	3.7
1987	8.7	16.3	9.7	-1.8	8.2	3.7
1988	11.5	9.4	8.3	-11.0	4.5	6.8
1989	35.5	5.9	10.7	10.1	15.6	7.7
1990	-9.6	5.6	12.4	-23.1	-3.8	9.3
1991	20.8	18.9	9.3	-1.5	11.9	4.5
1992	19.8	18.4	9.6	14.7	15.6	2.6
1993	27.5	28.8	4.1	16.1	19.1	1.9
1994	-5.9	-11.3	3.7	-5.7	-4.8	2.9
1995	23.0	19.0	3.9	3.1	12.3	3.2
1996	15.9	7.7	2.6	-13.0	3.3	2.5
1997	23.6	19.4	3.1	-19.0	6.8	3.6
1998	13.7	25.0	7.1	-1.0	11.2	2.8
1999	23.8	-3.5	5.1	1.0	6.6	1.8
2000	-5.9	9.2	5.5	6.0	3.7	2.9
2001	-13.2	1.3	4.7	3.0	-1.1	0.7
2002	-22.3	9.8	3.4	9.4	0.1	2.9
2003	20.2	1.6	3.3	11.1	9.1	2.8
2004	12.5	7.2	4.2	-1.6	5.6	3.5
2005	21.6	8.4	3.9	27.2	15.3	2.2
2006	16.4	-0.1	4.4	10.0	7.6	4.4
2007	5.1	5.2	4.8	23.9	9.7	4.0
2008	-29.8	12.9	0.9	39.4	5.8	1.0
<b>CAGR '72 to '08</b>	<b>11.5</b>	<b>10.2</b>	<b>7.7</b>	<b>9.9</b>	<b>11.1</b>	<b>6.5</b>
<b>Average '72 to '08</b>	<b>15.0</b>	<b>11.0</b>	<b>7.8</b>	<b>13.8</b>	<b>11.9</b>	<b>6.6</b>

So, for the period from 1972 to 2008 the Permanent Portfolio method delivered the same compound annual growth rate (CAGR) as the equity portfolio but with none of the eye-watering falls. This

assumes of course that you rebalanced your portfolio to 25% in each asset at the end of each year. In fact, this method only experienced three minor down years in 1990, 1994 and 2001.