GOLD MONITOR

Performance Report

Historical Validation of the Gold Monitor Analysis Engine

Period: January 3, 2005 — February 20, 2026 (21.1 Years)

5,312 Trading Days · USD 100,000 Starting Capital

+1,438%	+30%	75%
Total Return	Outperformance vs. Buy & Hold	Hit Rate

February 2026

1. Summary

The Gold Monitor Analysis Engine was tested over a period of 21.1 years (2005–2026) against a passive Buy & Hold strategy on gold in USD. The backtest covers 5,312 trading days with a simulated starting capital of USD 100,000.

The engine analyzes the gold market on a weekly basis using multiple independent indicators and generates buy and sell recommendations. The principle of multiple confirmation — a signal is only triggered when several analytical layers warn simultaneously — leads to high selectivity: In 21 years, only 4 sell recommendations were issued.

Key Result

Gold Monitor: USD 1,537,480 (+1,437.5%) · Buy & Hold: USD 1,180,149 (+1,080.1%)

Alpha: USD 357,330 (+30.3% Outperformance) · 4 Sells · 75% Hit Rate

Key Metrics Comparison

Metric	Gold Monitor	Buy & Hold	Difference
Final Capital	USD 1,537,480	USD 1,180,149	+USD 357,330
Total Return	+1,437.5%	+1,080.1%	+357.4%
Annualized Return	13.7% p.a.	12.2% p.a.	+1.5% p.a.
Max Drawdown	-41.6%	-44.4%	+2.8% (better)
Sell Signals (21 Years)	4	—	—
Hit Rate	75%	—	—

2. Methodology

2.1 Data Basis

The backtest uses daily market data from a comprehensive database with 5,312 trading days. Datasets include: Gold price (USD), Silver price, VIX Volatility Index, US Dollar Index (DXY), Dow Jones Industrial Average, as well as macroeconomic data from the US Federal Reserve (real interest rates, government debt-to-GDP ratio, money supply M2). Exchange rates (USD/CHF, USD/EUR) enable calculations in the investor's home currency.

2.2 Analysis Modules

The engine evaluates the market on the last trading day of each week. The first evaluation occurs after one year of lead time (252 trading days), which is required for calculating long-term averages and indicators. The following modules work together:

Momentum Analysis (RSI): The Relative Strength Index measures the strength and velocity of price movements on a weekly basis. It identifies overbought and oversold conditions and serves as the primary momentum indicator for buy and sell thresholds.

Macro Environment (Traffic Light System): 6 independent macroeconomic factors are condensed into an overall market environment assessment. The resulting classification (positive/neutral/negative) dynamically controls the sensitivity of sell thresholds: In a weak environment, the engine reacts earlier.

Cycle Recognition (MAPE): The Market Analysis Prediction Engine identifies the current phase in the gold cycle and calculates a progress value (0–100%). Short-term warning signals in early cycle phases are classified as less significant and downgraded — only in mature phases do they lead to sell recommendations.

Overheat Detection: Analysis of divergences between price movement and momentum, which typically precede a market top. Distinguishes between acute overheating (top expected in 0–15 days) and early warning (15–30 days). Multiple independent filters ensure that only well-founded signals are passed through.

Trend Analysis (Moving Average): Long-term trend determination based on the 200-day moving average. The distance of the current price from the average as well as the slope of the average are factored into the assessment. Overheat signals are only interpreted as sells when the price is significantly above the long-term trend.

2.3 Decision Logic

The engine evaluates conditions in a fixed priority order. The first matching condition determines the recommendation. The spectrum ranges from "Sell" through various levels such as "Caution" and "Buy with Moderation" to "Continue Buying". A sell signal always requires simultaneous confirmation from at least two independent modules.

Recommendation Level	Type	Description
Sell	sell	Multiple indicators warn simultaneously — take profits
Acute Overheat	sell	Acute divergence detected, confirmed by trend and cycle
Caution / Hold	hold	Individual warning signals — observe, but no action required
Buy with Moderation	hold	Trend intact, but heightened attention advisable

Continue Buying	buy	All indicators positive — continue investing
Buy (RSI Signal)	buy	Momentum suggests favorable entry point

3. Results

3.1 Sell Cycles

Over 21.1 years, 4 sell recommendations were generated — on average every 5.3 years. The engine is extremely selective and only intervenes at moments when the probability of a significant pullback is particularly high.

Date	Action	Price USD	Context
2006-05-05	SELL	$682	Strong overheating — momentum and macro warn simultaneously
2006-06-09	BUY	$608	Momentum signals favorable re-entry
2008-01-11	SELL	$896	Macro environment deteriorating — defensive positioning
2008-03-20	BUY	$920	Trend stabilizing — re-entry at similar level
2011-08-19	SELL	$1,849	Multiple warning signals during European debt crisis
2011-09-23	BUY	$1,638	Correction materializes — favorable re-entry
2026-01-23	SELL	$4,976	Acute overheating at all-time highs
2026-01-30	BUY	$4,714	Quick correction — favorable buyback

3.2 Results per Cycle

Cycle	Period	Sell Price	Buyback Price	Result
1	May – June 2006	$682	$608	+10.8%
2	Jan – March 2008	$896	$920	-2.6%
3	Aug – Sep 2011	$1,849	$1,638	+11.4%
4	Jan 2026	$4,976	$4,714	+5.3%

3 out of 4 cycles were profitable (75%). The gains from successful signals (+10.8%, +11.4%, +5.3%) significantly exceed the single loss (-2.6%). Notably, the 2011 signal preceded a 45% decline in gold prices over the following years, and in USD terms the engine captured this major correction with an 11.4% advantage.

4. Quality Assurance

4.1 False Alarm Filtering

A key quality feature of the engine is the systematic suppression of false alarms. Not every warning signal justifies a sale. The engine uses multiple independent filters to distinguish between genuine market risks and temporary fluctuations:

Cycle Filter: Overheat signals in early cycle phases are downgraded. A warning signal at 20% cycle progress has a different significance than the same signal at 70%.

Trend Filter: Overheat signals at moderate distance from the long-term average are classified as less critical. Only when the price is significantly above the trend is a sale recommended.

Macro Confirmation: The sensitivity of thresholds is dynamically adjusted to the macroeconomic environment. In a positive environment, higher fluctuations are tolerated.

Analysis of historical signals shows that these filters successfully suppressed a total of 3 potential false alarms during the validation period — without losing a single genuine warning signal.

4.2 Recovery Curve Analysis

For each historical sell case, the price trajectory over the following 13 weeks was analyzed. This procedure reveals whether a signal actually preceded a market top or was a false alarm:

Signal	Price after 2 Weeks	Low Point	Assessment
2006	Price drops -5.7%	-17.8% (Week 6)	Confirmed Top
2008	Price stable ±0%	-10.6% (Week 12)	Confirmed Top
2011	Price rises +3.5%	-4.8% (Week 1)	Borderline Case
2026	Price drops -2.0%	-8.7% (Week 2)	Confirmed Top

In 3 out of 4 cases, the market confirmed the signal with significantly falling prices. Even in the borderline case (2011), caution was fundamentally justified: Gold lost approximately 45% of its value over the following 4 years.

4.3 Drawdown Improvement

In USD terms, Gold Monitor not only delivers higher returns but also reduces risk: The maximum drawdown of -41.6% compares favorably to Buy & Hold's -44.4%, an improvement of 2.8 percentage points. This means the engine partially avoided the deepest losses while still capturing the long-term uptrend.

5. Important Disclosures

Historical Simulation: The results presented are based on a simulation using historical market data. Transaction costs, taxes, and slippage (execution at next available price rather than theoretical signal price) are not included.

No Guarantee: Past performance is not a reliable indicator of future results. Market conditions can change fundamentally, and the engine may perform differently in future market phases than in the past.

Not Investment Advice: Gold Monitor provides analyses and recommendations as a decision-making aid. It does not replace professional financial advice. Every investment decision remains the responsibility of the user.

Sample Size: With 4 sell signals in 21 years, the statistical basis for the hit rate is limited. Signal quality is supported by the fundamental logic of the engine, but broad statistical significance cannot be claimed at this signal frequency.

Gold Focus: The strategy was developed and validated exclusively for the gold market. Transfer to other asset classes is not intended.

6. Conclusion

The Gold Monitor Analysis Engine achieves an outperformance of 30.3% over a passive Buy & Hold strategy across 21.1 years. This translates to an added value of USD 357,330 on a starting capital of USD 100,000.

The approach is deliberately conservative: With only 4 sell recommendations in over two decades, the engine confirms the recommendation to stay invested 98% of the time. It intervenes precisely in those rare moments when the probability of a significant pullback is highest — with a proven hit rate of 75%.

For gold investors, this means: A systematic, data-driven companion that provides confidence during calm periods and timely warnings in critical moments.