

OUNZ

VanEck Merk Gold Trust

Fund Description

OUNZ tracks the gold spot price, less expenses, using gold bars and coins held in London vaults. Investors can redeem their shares for gold in increments of 1 troy oz.

FactSet Analyst Report

OUNZ, unlike other gold funds that hold physical bullion, the fund allows individual investors to redeem shares in exchange for 1 ounce coins. Like most gold funds, OUNZ should hew closely to the price of gold, lagging only by its fee, making it an excellent way to get exposure to the price of gold. OUNZ's NAV is set by the London PM fix, so apparent premiums and discounts may simply reflect a stale NAV. While the ability to redeem for actual gold is unique, it's important to note that large minimum fees do make it impractical to redeem smaller quantities. While long-term gains are taxable at the 28% rate, redeeming shares for gold is not a taxable event until the coins or bars are sold.