

Gold May Hit \$1,500 an Ounce, Superfund Financial's Smith Says

By Quah Chin Chin and Catherine Yang

July 8 (Bloomberg) -- **Aaron Smith**, director at **Superfund Financial Singapore**, comments on the outlook for commodities and the company's investment strategies. He spoke in an interview with Bloomberg Television.

Superfund Financial Singapore is part of the Superfund group of investment companies, which manage some \$1.6 billion worth of assets for more than 50,000 investors worldwide.

On gold prices:

``In 2005, our founder **Christian Baha** was calling for \$1,000 an ounce for gold; today we believe that gold can achieve at least \$1,500 per ounce in the medium term. In the long run, we think it can actually go much higher because of the prevailing weakness in the U.S. dollar."

On alternative assets:

``We believe fundamentally, we're shifting into a period where real assets like commodities are more valued than paper assets like stocks, bonds and paper currencies.

``We expect Asia and most of the world to see double-digit inflation, we think that this would be a theme going forward. We've found that investors are increasingly looking at alternative assets like managed futures, together with commodities like gold, as a great inflation hedge over the long run."

On Superfund's asset allocation:

``We've a broad diversification between energies, metals, agricultural products, grains on the commodities side, but also on the financial futures, we're trading stock indices, interest rates and foreign currency pairs. This is quite important because there are also strong trends on the financial side.

``In the past month, we've been long and taking advantage of crude oil, corn, various grain markets; soy has had a nice uptrend."

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