

HOW TO SECURE AND MAINTAIN YOUR DREAM

PORTFOLIO IN PRECIOUS METALS



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Introduction



BUILDING YOUR DREAM PRECIOUS METALS PORTFOLIO

Building your dream precious metals portfolio doesn't have to be a stab in the dark, wishful thinking or a high-risk proposition. With the right preparation, you can build a truly balanced and profitable portfolio to save for your future, fund new investments, send your kids to college or pursue a variety of financial goals.

To build your dream precious metals portfolio, you should start by identifying your objectives and timeframe. From there, it becomes a simple question of which types of precious metals investments are right to help you reach your financial goals.

Once you've identified your objectives, all you need to do to build your dream precious metals portfolio is:

- Watch for Opportunities
- Decide How to Buy
- Select the Appropriate Investment Vehicle
- Buy from a Trusted Partner

Watch for Opportunities



To really make the most of your precious metals portfolio, you have to watch for the best opportunities to invest. Buying and selling based on market performance, expected trends, changes in the political climate and developments in technology and manufacturing can help turn your modest profit into a substantial return. Watch for the best opportunities to buy and sell.

PAY ATTENTION TO RELEVANT MARKETS

The value of precious metals depends heavily on activity within many markets. In some cases, the value of precious metals has a negative correlation with the corresponding market. In other cases, market activity directly affects the value of precious metals. If you watch the relevant markets carefully, you can find out about upcoming trends before they develop, and capitalize on potential returns by investing heavily before a spike in value.

Currency Markets

Currency markets tend to have a negative correlation to precious metal values. Weakness in the currency market generally translates to rising precious metal prices, and vice versa. This can work to your advantage if you pay attention to currency markets and sell or invest based on relevant activity. This can be particularly advantageous as international currency markets struggle.

Precious metal investing based on currency markets does carry a higher risk. Currency market fluctuation tends to bring on a period of high volatility in precious metal investing. You must be extremely careful with any short-term investment activity around currency market fluctuation. However, changes in the currency market tend to favor long-term investment.

Inflation

Inflation is another element of the economy that tends to correlate with the precious metals market, but inflation tends to carry a positive correlation. Inflation drives up the value of precious metals far beyond the simple supply and demand curve. If you sink your cash into precious metals, you'll outpace inflation - sometimes by as much as two to one, or more. This is a win-win investment strategy; you protect your wealth from inflation, and you realize great gains as precious metal values climb exponentially, outpacing the Consumer Price Index.

Mining

Mining activity plays an important role in the short-term and long-term values of precious metals. It's important to pay attention to activity in the mining industry. The most noteworthy mining activities are new mines or new finds, which can result in a surplus of precious metals flooding the market. Equally important are the exhaustion of mines or veins, as this can signal a period where supply is unable to meet demand.

This is an important consideration in terms of overall, global supply and demand, too. Look at the worldwide precious metals market as a whole to judge the real effect of changes in supply and demand due to mining activity. Short-term supply shortfalls can drive up the value of precious metals temporarily, making it a good time to invest. Changes in demand also influence the value of precious metals; a decrease in demand means values drop, but this could also result in a cessation of mining activities, creating a shortfall in supply that could shore up the value of the metal in question.

It's also important to pay attention to mining by-products when you're following the news of new mining operations, changes in existing mining operations, or new finds. For example, platinum is typically obtained as a by-product of nickel and copper mining and processing. Palladium is sometimes produced as a by-product of platinum mining, as in some mines in South Africa. Watch for industrial mining activity which could also influence the precious metals market by producing valuable metals as a by-product.

Technology and Manufacturing

Technology and manufacturing have become increasingly substantial players in the precious metals market. Platinum, palladium and silver have a wide array of uses ranging from automotive to electronics and even medical devices. As technology and manufacturing uses for precious metals increase, so too will their value.

One classic example of the demand for precious metals as industrial commodities affecting their value is the run on palladium up to 2000. In the late 90s and up to 2000, the Russian supply of palladium was repeatedly disrupted and delayed, leading to a market panic that drove up the price to an all-time high of \$1100 per troy ounce in January 2001. Ford Motor Company feared disruption to its automotive production because of a possible palladium shortage, and stockpiled large amounts purchased near the height of this market peak. When palladium prices fell later in 2001, Ford lost nearly \$1 billion. To prevent a manufacturing disaster by running out of this precious metal, they instead lost a fortune stocking up at high prices.

Be alert to changes in the market due to technology and manufacturing demands. Shortfalls can provide particularly profitable precious metal investment opportunities, but the key is in knowing when to buy and when to sell. Follow a trusted source for advice.

How do you know who to listen to?

READ THE BEST SOURCES

Most precious metal investors don't have the time or the inclination to follow the market closely enough to capitalize on every little market swing. Fortunately, there are people who do have the resources to track important market data, and those sources offer advice on investment.

To make the best investment decisions, read the best sources. Following are some of the most reputable sources for various segments of the precious metals market:

Where to Look for Data on Gold Investment

Gold is one of the most popular precious metals from an investment standpoint, and it has a good following of reputable sources. If you want to track gold's performance and would like help deciding when to buy or sell, follow one or more of these sources:

Gold Fields Mineral Services (GFMS)

Gold Fields Mineral Services Ltd (GFMS) is a leading, global consulting firm that conducts specialized research on worldwide precious metals markets. GFMS specializes in gold, but also provides reports on silver, platinum and palladium.

GFMS is best known for its Annual Gold Survey. The Gold Survey has been called by some "the world's most comprehensive and authoritative source of information and data

on the global gold market.” This report includes graphs, independent global coverage of the worldwide gold market, and a detailed analysis of market trends and corporate activity in the mining industry. GFMS supplements the Annual Gold Survey with updates published in September and January, which provide interim analysis of recent developments in the gold market, and looks forward to the expected trends for the coming six months. These updates analyze the most important economic, socio-political and market-specific issues facing the gold market.

GFMS also offers mid-term and long-term forecasts, which can be extremely useful if you’re planning for a long-term investment strategy.

You can get more information about these annual publications, as well as ordering them or reviewing relevant market news, at the [Gold Fields Mineral Services website](#).

CPM Group

CPM Group is a commodities research, consulting, financial advisory and asset management firm based on the UK. CPM offers a monthly Precious Metals Advisory, which contains 1-month, 3-month and 2-year price targets, in addition to information, commentary, analysis and projections for precious metals prices. CPM covers gold, silver, platinum, palladium and rhodium. These monthly advisories also cover economic and financial markets as they affect precious metal values.

CPM is also well-known for their Precious Metals Yearbooks: The Gold Yearbook, The Silver Yearbook and The Platinum Group Metals Yearbook. These Yearbooks provide extensive data on price, supply and demand projections, as well as current statistics and analysis of market conditions. The Yearbooks are typically around 225-250 pages.

Finally, CPM releases Long-Term Outlooks annually for the Gold, Silver and Platinum Group Metals. These Long-Term Outlooks address a 10-year timeframe, with detailed projection of supply and demand, as well as prices for each market. These reports also feature a review of the background and history of each market, as well as projections under alternate scenarios. This report represents another good option for long-term portfolio development.

For more information about CPM, or to buy one of the reports or yearbooks, visit the [CPM Group website](#).

Gold Anti-Trust Action Committee (GATA)

The Gold Anti-Trust Action Committee (GATA) advocates and litigates against illegal collusion between financial institutions that intervene in an attempt to manipulate the world gold market. GATA aims to prevent central banks and large brokerage firms from exercising undue influence over the gold market. While GATA’s allegations have been called “fringe” by some analysts, GATA’s sources have been able to correctly predict specific price manipulations.

For more information on the price manipulation GATA alleges, as well as general information about investing in the gold market, visit [the GATA website](#).

World Gold Council (WGC)

The World Gold Council is a non-profit association established by the world's leading gold mining companies. Its mission is to promote the use of gold, and stimulate demand from investors, industry, consumers and central banks. The organization represents approximately 60% of global corporate gold production, with offices in the UK, India, the Far East, Europe and the USA. The WGC provides reports and market intelligence to help make gold investment decisions, including regular reports documenting gold demand trends, investment statistics and commentary.

For more information from the World Gold Council, or to order a report, visit [the WGC website](#).

National Mining Association (NMA)

The National Mining Association, or NMA, is a trade organization that lists itself as “the voice of the mining industry” in the United States. This organization was formed by a merger between the National Coal Association (NCA) and the American Mining Congress (AMC). The mission of the NMA is to influence public policy in ways that are advantageous to the mining industry, including promoting the use of mineral resources, establishing a political presence in the nation's capital, serving as an information center for the U.S. mining industry, and addressing the needs of the industry.

The NMA is a useful source for information on mining operations in the United States, and can provide important statistics on supply and demand that can help you make investment decisions.

For more information on the American mining industry, [visit the NMA website](#).

Websites to Stay Informed about Gold Investment

The resources above provide good analysis, as well as short-term and long-term investment advice relative to your gold portfolio. However, for up-to-the minute gold prices and breaking news that affects the gold industry, a few industry websites are key to staying current on your investment:

- [Kitco](#)
- [The Bullion Desk](#)
- [INO.com](#)

Visit these sites for live or reasonably current information on spot prices of precious metals, as well as relevant news stories related to the precious metals industry.

Where to Look for Data on Silver Investment

As the slightly-less-illustrious little brother of gold, silver investment has fewer noteworthy information sources. However, silver is still an extremely popular vehicle for precious metal investment, so some of the sources that follow gold also follow silver. As a more affordable investment option, silver has gained its own followers and advocates, too.

If you're looking to build your silver portfolio, here are a few sources you should definitely pay attention to:

The CPM Group

Much like gold, the CPM Group provides detailed analysis for silver investors. The most noteworthy publication for silver enthusiasts is the annual Silver Yearbook. In addition, the monthly Precious Metals Advisory contains 1-month, 3-month and 2-year price targets, as well as information, commentary, and analysis - on silver, in addition to the gold and platinum group metals it covers.

In short, the CPM Group recognizes the investment value of silver, and covers it with nearly the same attention it focuses on gold investment.

For more information on silver investment options, including the opportunity to purchase The Silver Yearbook or the monthly Precious Metals Advisory, visit [the CPM Group website](#).

The Silver Institute

The Silver Institute is a non-profit organization that tracks sources and uses of silver worldwide. The Silver Institute produces an annual World Silver Survey, which looks at worldwide supply and demand. Additionally, The Silver Institute tracks information about specific, significant markets, such as the Chinese Silver Market, and produces reports with relevant information that can help investors make savvy investment decisions.

You can also subscribe to a Silver Institute newsletter that follows trends in the silver industry, and provides quarterly updates that are particularly germane for silver investors.

The Silver Institute is particularly useful in that it tracks an increase in industrial, commercial and consumer demand, by looking at new uses for silver and conducting detailed tracking and research on supply and demand sources and uses. The Silver Institute uncovered an increase in silver-based biocide products coming onto the market, and the organization has conducted a study of silver stockpiles around the world. Savvy silver investors would do well to pay attention to The Silver Institute updates.

For more information on silver investment, or to review relevant publications, visit [The Silver Institute website](#).

Gold Fields Mineral Services (GFMS)

While its name might lead you to think this organization has no information to offer silver investors, it's a bit of a misnomer. In addition to its annual gold survey and 10-year outlook, Gold Fields Mineral Services provides silver investment data and analysis, too. GFMS conducts an annual World Silver Survey, with graphs, independent global coverage of the worldwide silver market, and a detailed analysis of market trends and corporate activity in the mining industry. This is a very useful report for silver investors, and like the Gold Survey, GFMS does provide periodic updates.

GFMS also provides a Ten-Year Outlook for Silver, with bi-annual updates featuring a Base Case analysis, as well as two alternative scenarios, and a weighted percentage probability that incorporates potential supply or demand 'shocks' that could affect the forecast.

For more information, or to purchase the World Silver Survey or Ten-Year Outlook for Silver, visit [the GFMS website](#).

Websites with Information on Silver Investment

In addition to the medium-term and long-term review and analysis provided by the services above, the savvy silver investor should stay up-to-date with current silver prices, supply and demand issues. Some of the same gold sites also provide information on silver, but silver has a few unique followers of its own, too:

- [Kitco](#)
- [The Bullion Desk](#)
- [The Morgan Report](#)

Where to Look for Data on Platinum Investment

Platinum is an extremely valuable and relatively sparse resource. It's a good investment vehicle for a variety of reasons, but because the price is so high, it's less popular among investors. However, a few sources do give platinum the focus it deserves, although they frequently list it among "Platinum Group Metals" that include palladium and rhodium. The savvy platinum investor will look for information at:

CPM Group

Like the other precious metals, CPM group releases an annual yearbook that features a detailed analysis of Platinum Group Metals. The Platinum Group Metals Yearbook provides extensive data about price, supply and demand projections, current statistics and market analysis for platinum group metals.

CPM Group's monthly Precious Metals Advisory also covers the platinum group metals, with 1-month, 3-month and 2-year price targets, as well as information, commentary, and analysis.

And finally, CPM Group features a Platinum Group Metals Long-Term Outlook that analyzes the platinum, palladium and rhodium markets in great detail, and offers long-term investment advice.

For more information, or to purchase one of these reports, visit [the CPM Group website](#).

Gold Fields Mineral Services (GFMS)

Similar to gold and silver precious metals, Gold Fields Mineral Services offers reports and investment advice on platinum group metals. GFMS conducts an annual Platinum & Palladium Survey which analyzes supply and demand data, as well as trends and pricing, to produce a report giving platinum investors a snapshot of the market.

Unlike the other precious metals markets, GFMS only offers a Three-Year Platinum Group Metals Forecast, which offers insight into the supply, demand and price of platinum and palladium. This is in contrast with the other precious metals groups, for which GFMS conducts a 10-year outlook and forecast.

For more information about GFMS reports, or to purchase the Platinum & Palladium Survey or the Three-Year PGM Forecast, visit [the GFMS website](#).

Websites with Info on Platinum Value, Investment Advice, and Supply and Demand

While there are fewer conventional, report-generating firms that provide extensive insight into platinum investment, there are a number of websites that provide up-to-the minute info about the spot price of platinum and palladium, as well as offer market analysis, supply and demand insights and investment advice. The sites to watch if you're considering platinum investment are:

- [The Bullion Desk](#)
- [London Platinum & Palladium Market](#)
- [Platinum Metals Review](#)
- [Platinum Today](#)

Remember: no matter what source you use, a savvy investor will read up on the factors that influence the precious metals market in order to make wise investment decisions.

How to Buy



Precious metals come in many forms. The right type of precious metal vehicle for your portfolio may vary depending on your objectives, your timeframe, your investment capital and your inclinations as an investor. Which type of investment vehicle is right for you?

BULLION

Bullion, typically produced in coin form, is one of the purest ways of investing in precious metals. Bullion is not sold for the face value of the coin, but is instead valued for its precious metal content. However, bullion produced in coin form by official mints are easy to buy and sell, and their veracity easily verified. Bullion can also be purchased in the form of rounds, which resemble coins but aren't minted by a government mint. These tokens are typically stamped with the weight and purity of the metal they contain for easy verification and tracking of value.

As an investment vehicle, bullion offers a lot of flexibility and value. It's easy to buy and sell, so it's relatively liquid, and bullion is the preferred investment vehicle for many precious metal investors.

Is bullion the right precious metal investment vehicle for your dream portfolio?

The Benefits of Owning Bullion

Bullion is one of the easiest forms of precious metals investment. Bullion is readily available from a number of sources, and as a common investment option, it's also one of the most liquid vehicles for investing in precious metals. With so many people dealing in bullion, it's relatively efficient to liquidate bullion if you have short-term or immediate cash needs.

More importantly, though, as a form of investment with no other ties, bullion gives you a 100% correlation with the asset itself. This makes bullion as an investment easy to track. Numismatics can get quite complicated because of the additional collectible value of the coin; a number of other factors such as grade, mint, rarity and metal content go into determining the value of a numismatic coin. But bullion is easy to track; you simply check the spot price for the type of precious metal bullion you hold, and you have a good idea of the value of your assets.

Finally, bullion comes with a relatively low premium. The premium on bullion coins tends to range from 2% to 10%, depending on the source and the coin. This is a significant reduction in premium compared to a numismatic coin, where the premium can range as high as 30% or more over the dealer cost.

For all of these reasons, bullion is a suitable vehicle for short- and mid-term investment. It's relatively easy to liquidate; the lower premium means the metal doesn't have to appreciate as much to provide a return on your investment, and value of the coins are higher relative to the premium.

Gold Bullion: Know Your Carat

With bullion, you only have two significant factors: how much metal does it contain, and how pure is the metal. For gold, the purity is typically measured in karats (or carats).

- **24 Karat:** Pure 100% gold
- **22 Karat:** 11/12 gold and 1/12 other, translating to roughly 92% gold
- **18 Karat:** 18/24 gold and 6/24 other, making it roughly 75% gold
- **14 Karat:** 14/24 gold and 10/24 other, making it roughly 58.3% gold

Gold is a relatively soft metal, so 24 karat gold is soft and is easily damaged. If you purchase 24 karat gold, you'll want to store it in a protective case to ensure it doesn't get marred. The lower karat gold is typically alloyed with harder metals, so it's more durable - but also worth less if your objective is pure investment value.

Bottom line: know what you're getting when you buy gold so you can make an accurate determination as to its value, and can maintain reasonable expectations when the time comes to sell.

NUMISMATICS

Numismatics are collectible coins that have value above and beyond the precious metal content of the coins. Numismatic coins can be very tricky for novice investors, because they require investors to consider a wide variety of factors when making buying decisions, and they're much more volatile from a value standpoint. However, numismatic coins also come with the opportunity of netting far more than the base metal value of the coin, which means numismatic coins represent a truly dramatic earning potential.

Are numismatic coins the right investment vehicle for your portfolio?

Pros and Cons of Numismatic Coins

The biggest benefit of numismatic coins is the potential to earn far more than the base value of the coin's precious metal content. Collectible coins can dramatically appreciate in value.

One of the most famous cases of a dramatic increase in value is the 1933 double gold eagle coin, which was worth around \$26 in base metal at the time of its purchase, that sold for \$7.5 million in 2002. In terms of precious metal content, the coin would have been worth only around \$300 at the time it was sold. This is a great illustration of the earning potential of numismatic coins.

However, numismatic coins come with a number of cons that make them somewhat of a gamble for novice investors. For example, numismatic coins come with a high premium - sometimes as much as 30% over the dealer cost. This means you must hang onto a numismatic coin longer to realize a profit from its appreciation, and the coin is worth less relative to its premium than bullion coins.

Additionally, numismatic coins are less liquid than bullion coins. They only sell if there's demand for the coin. If no-one wants it, you'll have a difficult time selling it. You can occasionally sell numismatics to dealers if you can't find an interested buyer, but dealers will give you less than a direct buyer because they want to make a profit on the coin.

And finally, making a shrewd purchase when it comes to numismatic coins requires the investor to have a good understanding of the factors that go into determining the value of a numismatic. Novice investors often fail to correctly evaluate these factors when buying a numismatic coin, which can lead to paying too much or making a poor investment that doesn't provide great returns.

Ultimately, numismatic coins are a fun hobby, and they can yield fantastic returns for long-term investment options. But numismatics aren't the best short-term investment option, and the risk involved in buying numismatic coins means they aren't right for every precious metals investor.

The Basics of Numismatics

A number of factors go into determining the value of numismatic coins, and making a good purchase that will yield a good return. While it's impossible to give these factors the consideration they deserve in a short publication like this, you can at least get an idea of the types of things you should be considering before you buy numismatic coins. These factors include:

Metal Content

Metal content is a major consideration when selecting a numismatic coin. From a value standpoint, you'll want to look for numismatic coins in gold or silver. The base metals can provide numismatic value, but they don't fall into the realm of precious metals and have no real inherent value. Numismatic precious metal coins can also be sold for their metal content if they fail to gain value as numismatics.

Rarity

The rarity of a numismatic is a factor in the coin gaining value. The fewer there are of a particular coin, the greater the potential value. Many of the older coins are valuable not because of their age, but their rarity. However, there is such a thing as being too rare - numismatics that are impossible to find tend not to be collected, so they never gain substantial numismatic value.

Grade

The grade is a measure of the condition of the coin. The better the condition, or grade, the more valuable the coin. Grade is a crucial factor in determining a coin's value, and many third-party services have arisen to "grade" the coin based on a specific set of criteria.

Age

The age of a coin is a relatively minor factor in its numismatic value, but it's worth noting. All things being equal, an older coin is worth more than a newer coin.

Popularity

The popularity of a coin plays a huge role in its numismatic value. More popular coins are in higher demand and can yield a higher profit. The coin's popularity may be attributed to its beauty, or to its historical significance.

Mint Mark

Coins have been minted at various facilities throughout U.S. history. Coins from foreign mints, such as the South African Krugerrand, have also gained global prominence and can carry numismatic value.

How to Purchase Numismatic Coins

For novice numismatists, there's a lot to consider. It can be difficult to make an intelligent, informed investment decision if you're new to numismatic coins and hoping to hit the jackpot. If you think numismatic coins might be the right addition for your precious metals portfolio, keep these key considerations in mind when you buy:

Grading

Grading is one of the most important components of selecting coins for their numismatic value. Today, numismatic coins are graded using the Sheldon Scale, named after William Sheldon who standardized coin grading in 1948. Coins are compared to the scale based on a variety of factors, and they are assigned a number from 1 to 70, with 70 being the highest and most flawless level.

Generally speaking, the better the grade, the more valuable the coin. If you want to buy numismatic coins as a legitimate option for your investment portfolio, you'll want to look for coins graded MS - 60 to MS - 70.

It's important to use top-tier coin grading organizations, and be alert for counterfeiting or falsifying the slab. For more information on coin grading, see our publication: [Some Interesting Options for Your Precious Metals Portfolio](#).

Information Sources

Making smart purchases for numismatic investment relies, in part, on a good grasp of reputable information sources. To become a truly savvy numismatic investor, you'll need to do background research before you buy any coins, and you'll want to learn more about numismatic collecting in general. Some of the top sources for information on numismatic coins are:

- [Krause Publications](#): A variety of coin-related publications, including coin value publications, *World Coin News*, *Numismatic News*, and *Coins Magazine*
- [Coin World](#): Articles, values and a coin marketplace - great for news and background research
- [Coin Resource](#): A site that features rare coin news and articles, with links to forums, books and resources
- [Daily Numismatic & Gold Investment News](#): A variety of info, including coin price guides, spot values, dealer list, resources and marketplace directory
- [Numisma-Link](#): An online classified directory of internet resources pertaining to rare coins, with emphasis on bibliographic resources, numismatic organizations and educational sites

Ultimately, being well-informed before you buy can make the difference between netting a fortune and making a poor numismatic investment decision that will really cost you.

Specialize

One of the biggest mistakes that novice numismatic collectors make is the lack of specialization. Novice numismatists often buy random coins with the hope of striking it rich by getting something valuable. However, you can dramatically increase your earning potential by focusing on a specific collection. A full collection of numismatic pieces can net exponentially more when you sell to collectors; a coin that might only be worth \$7,000 by itself could get you a value of \$15,000 to \$30,000 as a part of a complete collection - or more if it's a highly desirable collection in good condition.

For more detailed information on investing in numismatic coins, take a look at our publication: [Some Interesting Options for Your Precious Metals Portfolio](#).

BARS AND INGOTS

Bars and ingots are some of the least common methods of investing in precious metals, but they warrant consideration. Bars and ingots aren't for everyone, but they can be a valuable component of your precious metals portfolio - particularly under the right circumstances.

What do you need to know about investing in bars and ingots?

The Benefits of Owning Bars and Ingots

Bars and ingots are great precious metal investment vehicles for a few reasons. First, bars and ingots require the least processing before purchase, so they tend to have the lowest premium associated with physical precious metals. This makes them ideal for investors who want to get the most value for their investments.

Additionally, bars and ingots are often available in larger quantities, which makes them a good investment option if you want to make a substantial investment. For example, you can buy bullion bars in a variety of quantities for larger investments, including (prices quoted at today's spot price, which will vary):

- 400 oz. gold bullion bar: \$660,200
- 100 oz. gold bullion bar: \$165,050
- Kilo gold bullion bar: \$58,213
- 10 oz. gold bullion bar: \$16,505
- 5 oz. gold bullion bar: \$8,250.50
- 1,000 oz. silver bars: \$31,120
- 100 oz. silver bars: \$3,112

THE RISKS OF OWNING PHYSICAL PRECIOUS METALS

Owning physical precious metals is not without risk. For some people, these risks will make physical ownership a poor option for their precious metals portfolios. For those individuals, certificate or stock ownership may be a better option. However, the risks of owning physical precious metals are relatively small, and the right risk avoidance strategies can help prevent potential losses associated with these risks.

Theft

Theft is probably the most serious risk associated with owning physical precious metals - particularly if you store large quantities of precious metals in your home or business. However, there are options to mitigate the theft-related risks associated with owning physical precious metals, including:

- Don't share with people that you own physical precious metals. Many thefts are by people who go in targeting certain items that they know about in advance.
- Store your physical metals in a safe, and use a good home security system to protect all of your valuables.
- Store your precious metals in a safe deposit box or other safe, protected storage option.
- Let your precious metal dealer retain possession of your physical precious metals and deal with storage and security.

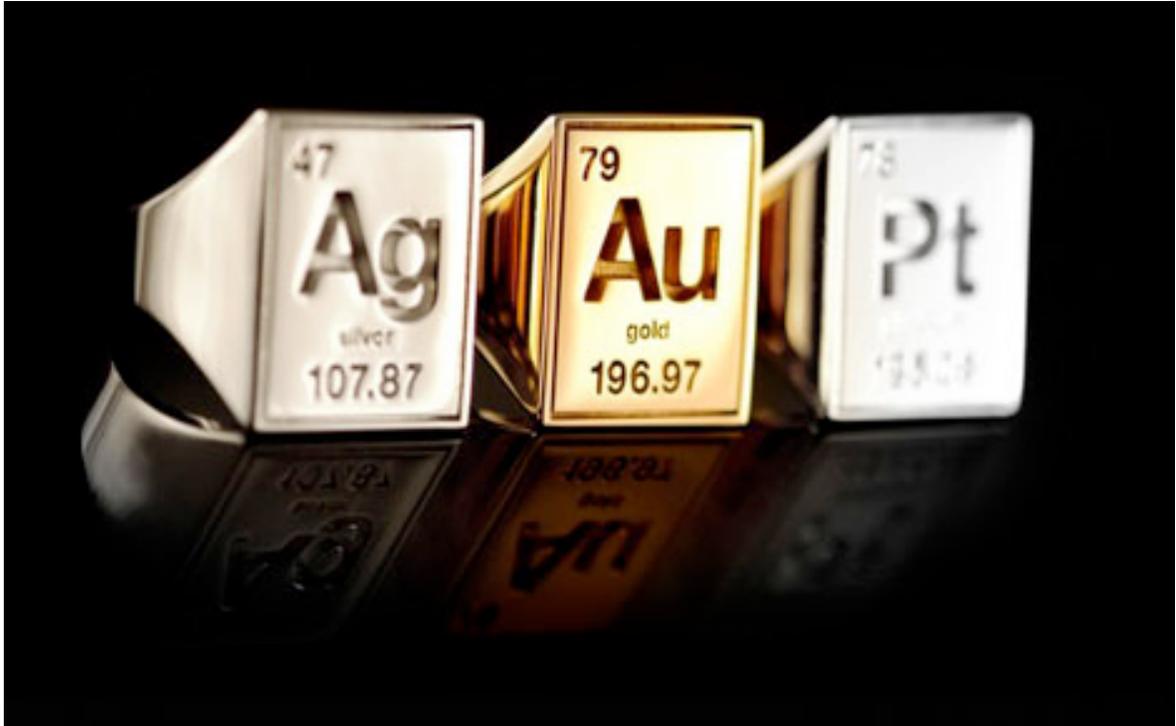
No matter what techniques you choose, maintain an active insurance policy that will specifically cover theft of your precious metals to mitigate the risk of loss.

Government Confiscation

Some precious metal deterrents and alarmists will cite the risk of government confiscation of your physical precious metals as an argument against owning physical metals as a part of your portfolio. They may refer you to Executive Order 6012, signed by U.S. President Franklin D. Roosevelt in 1933, "forbidding the Hoarding of Gold Coin, Gold Bullion, and Gold Certificates within the continental United States." This order required everyone to deliver all but a small amount of rare gold coins to the Federal Reserve in exchange for \$20.67 per ounce, and was overturned in 1971.

While this executive order did cheat a substantial number of citizens out of their wealth when FDR immediately increased the value of gold, this is an act that has been subsequently called by analysts "unconstitutional." The likelihood of such a confiscation occurring again is extremely small, and if it did, it would not occur without warning. This is a fallacious argument which should have little to no bearing on your decision to own physical precious metals.

What to Buy



Building a successful precious metals portfolio isn't just about how and when you buy. A big portion of building a portfolio that performs the way you want it to is in what you buy. Is gold the right precious metal for your investment goals? Silver? Or is platinum better aligned with your needs?

Understand the benefits and factors associated with these precious metals so you can make an educated decision about what to buy.

GOLD

Gold. It's the metal of kings. Gold has been coveted throughout history for its brilliant color, its delightful luster and its relative scarcity. Gold has been used for barter and currency, and its value lies in a wide array of factors. Is gold the right investment vehicle to help you build your dream precious metals portfolio?

Why Gold?

Gold is the most popular investment vehicle for a variety of reasons. It retains its value well, it has a wide array of uses, and it has intrinsic value. Gold is also becoming extremely popular among emerging markets. Is gold the right precious metal for your portfolio?

Increasing Value Due to Emerging Markets

Gold has been extremely desirable throughout history. It's a sign of wealth. It makes beautiful jewelry. It can be melted, refined and shaped into a variety of forms. The wealthy and well-to-do have taken gold as a status symbol throughout the history of this precious metal.

These factors are, in large part, behind the growing popularity of gold today in emerging markets around the world. Demand for gold is growing in China, India, Russia and the Middle East - for a variety of reasons. These countries are extremely gold-friendly, and as they grow and develop economically, they're buying up gold. And this growing demand is a positive development for gold investors.

India, for example, is a huge consumer market for gold. China, too, is loosening its strict regulations and permitting its citizenry to own gold and build wealth in a freer economy. With over 2 billion people who are new to the market and want gold, demand is skyrocketing. And with increased demand comes a rise in the value of gold.

It isn't just the consumer market in China and India that is driving the demand and rising global value of gold, however. Central banks in China, Russia and the Middle East are also buying up gold, creating huge stockpiles and increasing demand as the resource becomes more scarce. Anyone who capitalizes on this trend along with these central banks will realize a substantial profit.

Finally, growth of wealth in the Middle East has translated to a rise in demand for gold. Many individuals and businesses in the Middle East are using their oil profits to invest in gold. This increase in demand also contributes to the rising value of this precious metal.

As long as global demand continues to outstrip supply, gold will continue to increase in value. And with these global markets poised for growth, now is a great time to take advantage of these growth trends and invest in gold to build your dream portfolio.

Inflation Makes Gold Extremely Valuable

Historically, gold has been an excellent hedge against inflation. Gold has outpaced the Consumer Price Index repeatedly, making gold investment an extremely profitable method of protecting your wealth against inflation.

From a very simplistic standpoint, the more wealth you leave sitting around in liquid cash form, the more wealth you'll lose to inflation. The more wealth you sink into gold investment, the more you'll outperform inflation - and grow your wealth, not lose it. On a base level, it just makes sense to invest in gold as a hedge against inflation.

On a more global scale, worldwide currency markets are a telling sign of the kind of inflation we'll soon be (and to some degree, already are) fighting. Almost every country in the world is growing its money supply at historically high levels. This translates to

more dollars chasing fewer goods, which means we're on the verge of facing massive inflation, or even currency collapse. With your money safe in gold, you won't have to worry about the inflation trends that are beginning to erode our nation's wealth.

Gold History and Trends

A look at gold's history and trends shows that gold shines brightest during periods of inflation. As we are in the midst of a massive inflation bubble, with some countries already facing economic ruin due to incredibly high levels of inflation and national debt, now is the time to invest in gold and capitalize on its historic trend of outperforming inflation.

In fact, gold is the only investment class that has beaten inflation as a whole. If you look at stocks, bonds, passbook accounts and other asset classes, you'll see that while these classes may perform well in isolation, inflation tends to erode their value and diminish the wealth they are capable of generating.

Gold, on the other hand, has a long history of trending well above inflation - making it the perfect asset class for investment at this juncture.

With gold prices fluctuating modestly in the past 12 months, gaining and losing nearly \$200 in per troy ounce in spot prices, it's not trending as a fantastic short-term investment right now. However, as a long-term investment class, gold has a history of being extremely profitable.

Supply and Demand

At the most basic level, gold looks extremely profitable from an investment standpoint due to our current supply and demand situation. Because of increases in demand and a shortfall in supply, there is currently an annual shortfall in the gold market of anywhere from 1,100 to 1,500 tons of gold every year. This shortfall is expected to increase as demand increases.

This is extremely good news from an investment standpoint.

When the demand outstrips the supply, gold's value goes up. It's as simple as that. Gold supply has not met demand in the historical trend, and demand is projected to increase due to the emergence of global markets and new uses for gold.

For example, 10% to 15% of the worldwide gold demand is industrial in nature. Gold is extremely resistant to corrosion, and it has high thermal and electrical conductivity, so it's great in electronic devices and medical equipment.

Gold has been used in pollution control equipment and in fuel cells, and new uses have been found recently that may dramatically increase the demand for gold.

Gold also looks very promising in the developing field of nanotechnology. Nanotechnology is in its infancy at present, but the next decade should see substantial

development in this field, and gold is expected to play an important role in that development.

In short, as we continue evolving our technology, gold is going to increase in demand. As a commodity in which supply already falls short of demand, this means gold is poised to realize dramatic increases in value across long-term investment portfolios.

The Value of Gold

Gold is unique among commodities in that it is a tangible investment that has its own intrinsic value. The value of gold is not reliant on the government, on companies or on debtors. While these forces can exert influence on gold's value through market manipulation and changes in supply and demand, gold remains a physical good with its own intrinsic value - and as such, it's more likely to retain that value and is a safer investment overall.

Another interesting factor in gold investment is this intrinsic value as it relates to the premium. As you know, there is a premium associated with mining and processing the raw precious metal, and transforming it into the gold coins, bars and ingots that are today's investment vehicles. But the premium is a fixed amount.

That means that thicker coins, for example, which contain a higher volume of gold have a greater value relative to their premium. Coins that contain less gold have a lower value relative to their premium, which makes their intrinsic value even less when you adjust for the premium.

This means that gold in all of its forms might not represent the best investment for every portfolio. Evaluate the form of gold, its premium, and your timeframe to determine whether it's the right investment for you. A 1/10 gold coin at a 15% premium might not make much sense as a short-term investment, for example. Whereas a full troy ounce of gold may have the same fixed premium, but it would be a lower percentage relative to the value of the coin - so a Gold Buffalo with an 8% premium might be a great investment option for a mid-term 3 to 5 year investment.

Finally, with the value of gold holding steady at over \$1,500, with historic data that suggests a steady, progressive, solid increase, gold is currently rated as a fairly safe investment option. In fact, experts agree that gold's history and trends suggest a push beyond this value range, with expectations for gold's price to increase to \$2,000 or more on a mid-to-long term prospectus.

SILVER

Silver is a precious metal that tends to get overlooked by "serious" investors who want a high-value investment vehicle. And let's face it - gold, for example, has a certain cachet as an investment that silver lacks. But silver isn't the underdog for everyone. Savvy investors are beginning to realize silver's potential.

Why Silver?

Silver may be less glamorous than gold, but it has a ton of value as a potential investment. Silver is poised to exponentially outperform gold as an investment vehicle, with some experts predicting that silver has the potential to triple in value in the next three to five years. This is due largely to the high volume of industrial uses for silver, making its supply and demand status hugely important to the metal as an investment vehicle. Why is silver poised to deliver such dramatic returns to investors?

The Value of Silver

At the core of silver's potential is its value. Historically, the value of silver has been roughly proportional to the value of gold at a 40:1 price ratio. However, trends in silver values suggest a steady, progressive, solid increase and push beyond this historic price ratio.

In fact, some experts are saying that silver may hit or exceed \$130 per ounce in the next three to five years. With a spot price that has hovered just at or above \$30 per ounce for the past year or more, silver's meteoric climb into the triple digits would represent an increase of three or four times its current value. That's a huge potential for return on a relatively modest investment.

Silver is More Affordable Than Gold

Another element of silver's attractiveness as an investment vehicle is that it is more affordable than gold. This means that investors who don't have a lot of initial cash may find silver a more viable investment than gold.

Long-term, silver's affordability means it has the potential to dramatically outperform gold.

Consider a precious metal investment at today's spot prices, for example.

An investor who has \$10,000 to spend in gold can buy just over 6.25 troy ounces at a spot price of \$1600 per ounce. If the value of gold goes up \$100, a relatively modest but realistic increase, the investor has made \$625. For a \$200 price increase per ounce, the investor realizes a profit of \$1250.

Consider the same investment in silver. At today's spot price of around \$30 per ounce, the same \$10,000 can buy an investor 333 ounces of silver. If silver only increases to \$50 per ounce - a value it last hit in mid-2011 - that investment has realized \$6,660 in profit for the investor. If the analysts are right and silver does appreciate in value to \$130 per ounce, that same investment would net the silver investor an amazing \$33,300 in profit!

Silver's affordability means it is currently poised to dramatically outperform gold. However, its volatility and historically low prices makes it a slightly less "safe" investment than gold. As a long-term investment vehicle, however, silver is poised to be

extremely profitable. If analysts are right, it will also be a very profitable mid-term investment.

Industrial Uses for Silver

Silver is more than a precious metal that is pretty for its own sake. Silver has a wide array of industrial uses, which makes it valuable far beyond any arbitrary value it gains from investors or consumers. Silver's industrial uses include:

- Batteries
- Bearings
- Brazing and soldering
- Catalysts
- Clothing (used in linings to kill bacteria)
- Coins
- Computer components
- Electronics
- Jewelry and silverware
- Mirrors and coatings
- Photography
- Solar energy
- Surgical instruments
- Water purification

Additionally, silver is currently experiencing a dramatic growth in uses in technology and the medical industry. It's being used in the developing field of nanotechnology. The industrial demand for silver in Asia is simply exploding right now, due to new developments in technology and manufacturing.

In fact, there are more new patents for silver every year than for all other metals combined.

Even better, from an investment standpoint - since the price of silver has such a small relationship to the cost of the finished product, there is simply no substitute for silver in industrial and manufacturing applications. For example, if the price of silver were to rise to over \$100 per ounce, the only substitutes for silver would be platinum or palladium - metals that are valued far higher than \$100 per ounce.

As a result, silver is secure in its industrial value up to a very high cost because the closest related metals are valued exponentially higher. There's simply no substitute.

Monetary Uses for Silver

Once upon a time, silver was widely used in currency. Old silver dimes, and coins with higher denominations, contain up to 90% silver, and are worth far more for the metal content than the face value of the coins. This is true of most silver coins, dimes or higher, before 1964.

Silver has proven its historic value in money. In fact, some countries are currently reconsidering the use of silver in their currencies going forward, with some countries moving to adopt silver in certain coin denominations.

As a coin with a track record of being used for monetary value, the potential is there for this use to resurface. In the meantime, silver's former status in currency means that older silver coins may be valuable for both their numismatic value, and for the metal value, making silver numismatics even more of a potential growth opportunity.

Silver History, Trends, and Supply and Demand Status

Many people don't realize this because silver has such a relatively low value, but the amount of available silver in the world is less than one-third of the total global gold supply. And there's an important distinction in the supply and demand chains for these two metals: while the gold supply has increased, the supply of available silver in the world has actually decreased.

As we consume more silver than we produce, demand goes up, making this a very interesting metal to watch in the coming years.

Demand for silver has outstripped supply for 15 straight years. The annual silver deficits have run as high as 200 million ounces in boom years, and as low as 70 million ounces in recession years. This is a very important fact, as even in recession years, we fell 70 million ounces short of meeting demand with the available silver supply.

In fact, the vast majority of silver isn't mined directly. Instead, silver is often mined as a byproduct of mining lead, zinc, copper and gold. Because silver is typically produced as a side effect of base metal mining, miners are unlikely to ramp up their production in response to the rising prices of silver. Silver isn't instrumental to their business, so its price fluctuations are typically not profitable enough to justify a dramatic increase in production.

That means that as silver increases in value, investors are less likely to see a glut of supply flood the market - the value of the metal itself is secondary to most mining operations.

As a metal with rising demand, a dwindling supply and a wide array of new uses every year, silver is poised to create a dramatic demand surge that means fabulous opportunities for investors.

PLATINUM

Platinum belongs to the Platinum Group Metals, which include the increasingly common investment vehicles of platinum, palladium and rhodium. In fact, when platinum is mined, it is often mined in alluvial deposits mingled with the other PGMs palladium and rhodium. Platinum has a long history of being used in jewelry and automotive applications, but has only grown in popularity as an investment vehicle over the past 15 years, when the United States Mint began producing American Platinum Eagle coins for bullion investors.

What is platinum's potential for investors?

Why Platinum?

In some ways, platinum is really the dark horse of the precious metals industry. Platinum has historically performed very well from a value standpoint, but the high cost of platinum has been a deterrent for some investors. However, platinum is currently experiencing a growth trend that analysts predict should continue, and when you get a full picture of platinum's history and supply and demand situation, you'll understand why.

Supply and Demand

Platinum is a very interesting precious metal from a supply and demand standpoint. Platinum's supply is notoriously fickle; with demand typically outstripping supply. Platinum is interesting from a supply and demand perspective for technical reasons, as this is a challenging metal to mine and is often found in small quantities. In fact, platinum is one of the rarest elements in Earth's crust, sometimes occurring in nickel and copper ores. More often, platinum is found chemically uncombined, or combined with other platinum group metals in alluvial deposits.

Roughly 5 million troy ounces of platinum are produced every year. For comparison, roughly 80 to 85 million troy ounces of gold are produced every year. As a relatively scarce metal with substantial demand, there simply isn't enough platinum supply to meet market demand. As a result, platinum has maintained historically high values.

Platinum also experiences an added element of volatility because roughly 80% of its production comes from politically-unstable South Africa. This causes huge concerns about production disruptions, and contributes to short-term price fluctuations and volatility - particularly during times of political unrest.

Platinum's Uses in Jewelry and Industry

Because platinum is resistant to wear and tarnish, it is well-suited for making fine jewelry. In fact, 51% of the world's platinum supply is used in making jewelry.

Platinum also boasts a wide array of uses in industrial applications, too. Roughly 29% of the world's annual platinum supply is used in the automotive industry, for components such as the catalytic converter and related parts.

The remaining supply of platinum is consumed in electronics uses, as well as in chemical and petroleum refining processes.

A small percentage of platinum is used for collectible objects such as bullion coins.

Platinum's use in industry and jewelry means that its value is unlikely to decline, as it is driven largely by supply and demand factors. With consumer and investment uses of platinum relatively low compared to the overall supply, the market isn't as subject to market manipulation as the gold and silver markets. If you're looking for a solid investment that will retain its value, platinum is a strong performer that carries relatively less risk than other precious metal investments.

Changes in World Markets and Developing Countries

Changes in world markets and developing countries has led analysts to project a rise in demand and subsequent rise in value for platinum.

With platinum's primary use in industrial demand - far more than investment demand - the growth of industry in developing countries means that the demand for platinum is poised to increase, perhaps dramatically.

Additionally, platinum as an asset class is positively correlated with economic growth; as economies grow, so to does the value of platinum tend to climb. This is a contrast to the value of gold; when the economy is doing well, the value of gold tends to languish, whereas the value of platinum climbs during economic growth. However, unlike gold, platinum's value tends not to decline when economic conditions aren't in a pattern that favors platinum.

Ultimately, as developing nations experience increased economic growth, develop new applications for platinum, and grow their industrial and manufacturing capabilities, the demand for platinum will skyrocket and its value will soar.

Where to Buy



RETAIL

Retail dealers of physical precious metals used to be the only way to buy precious metals as part of your portfolio. However, retailers are constrained in a variety of ways, and they no longer represent the best way to build your precious metals portfolio. Retailers tend to have a smaller inventory, and do less buying and selling than online dealers. Additionally, retailers have the overhead of a physical storefront and marketing which they must pass along to investors.

Because of these factors, you're unlikely to get the best deals with physical retailers. These shops and dealers have become the relic of a bygone era; today, the Internet is king.

INTERNET

The Internet has become the best option - and for many people, the only option - for investing in physical precious metals. The Internet has all of the advantages denied to physical retailers. Internet dealers are able to maintain a higher inventory, with easy access to pieces when they don't have what you desire in stock. They operate with fewer expenses, including none of the overhead associated with a physical storefront. Savvy, reputable Internet dealers pass these cost savings on to their buyers in the form of lower dealer premiums and better deals.

However, with the Internet, there is one caveat: beware of your source. You must be careful to only buy from reputable sources online. With Internet dealers, it's all too easy to fall victim to counterfeiting scams, bait-and-switches and other illegal tactics to cheat investors out of their hard-earned cash.

American Standard Gold is recognized as an industry-leading Internet-based precious metals dealer. American Standard Gold continues to help consumers diversify their portfolios and find the right solutions for their investment needs - and American Standard Gold is proud to be your trusted partner in your precious metal investment.

Conclusion



WHICH INVESTMENTS ARE RIGHT FOR YOUR PORTFOLIO?

With the right tools, identifying the best investments and building your dream portfolio in precious metals doesn't have to be rocket science. With the tools we've given you here, combined with our other publications: *6 Critical Mistakes You Can't Afford When Buying Precious Metals*, and *Some Interesting Options for Your Precious Metals Portfolio*, you should have all the background you need to begin making intelligent investment decisions and compiling your dream portfolio.

Remember:

Analyze Your Needs

Identify your financial needs and investment timeframe to begin making the smart decisions for your precious metals portfolio.

Select Your Investment Vehicle

Select the precious metals investment vehicle that most closely aligns with your objectives and goals, be it investing in gold bullion, silver bars or numismatic coins - or a variety of physical precious metals. Keep in mind your investment timeframes and the relative liquidity of the type of precious metals you intend to buy in order to select the most appropriate investment type for your needs.

Buy from a Trusted Partner

Finally, buy from a trusted partner. Online retailers realize a substantial cost savings, can carry a much more extensive inventory - and pass on those benefits to you. The precious metal investment professionals here at American Standard Gold are happy to help you secure and maintain your dream portfolio in physical precious metals.

Please feel free to contact us to discuss your needs - we're happy to be your trusted provider for all your physical precious metal transactions.