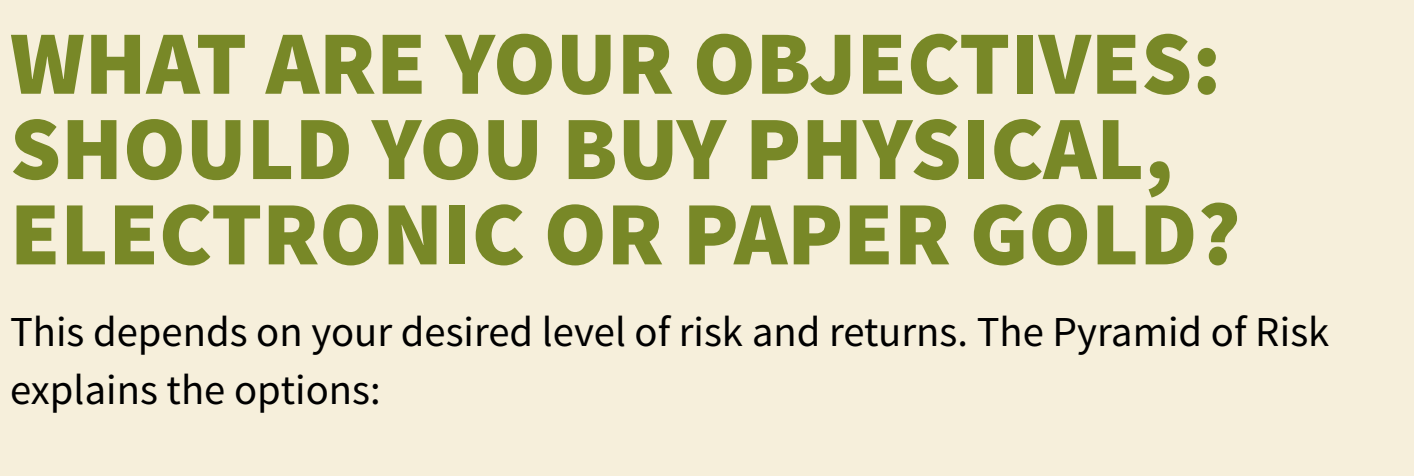




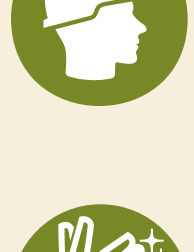
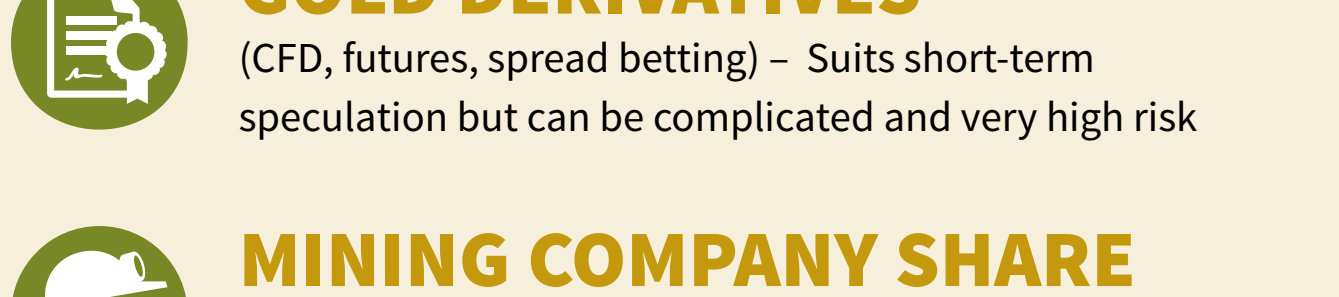
7 CRUCIAL CONSIDERATIONS BEFORE YOU BUY GOLD OR SILVER

ONE



WHAT ARE YOUR OBJECTIVES: SHOULD YOU BUY PHYSICAL, ELECTRONIC OR PAPER GOLD?

This depends on your desired level of risk and returns. The Pyramid of Risk explains the options:



GOLD DERIVATIVES

(CFD, futures, spread betting) – Suits short-term speculation but can be complicated and very high risk



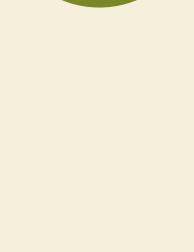
MINING COMPANY SHARE

Potential for higher returns if mining company does well. Very high counterparty risk and returns may take years



PRECIOUS METALS FUND

Well regulated and invested into a mix of mining shares. Annual management charges and slightly higher risk



FULLY ALLOCATED ETF

Cheap, fast and easy to buy and sell, but has counterparty risk. May be leveraged, but cannot take delivery. Also includes management charges.



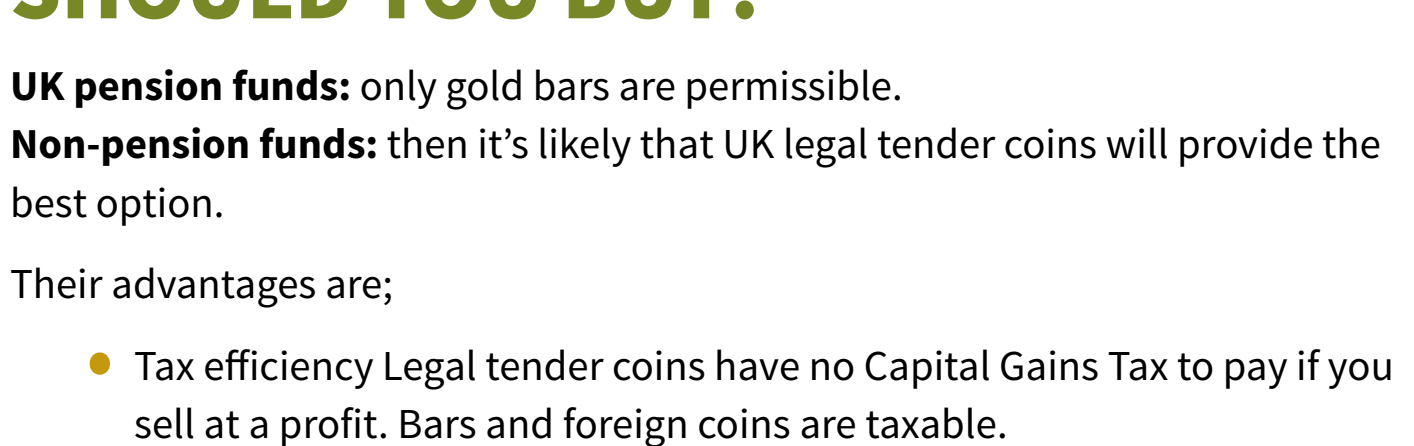
PHYSICAL COINS AND BARS

A tangible asset, which can be tax-free, and has no counterparty risk. Slightly more expensive but can be delivered or stored for you.

For further info please visit our 'Tangible Asset' page [link]

[ADD LINK?](#)

TWO



WHICH TYPE OF COINS OR BARS SHOULD YOU BUY?

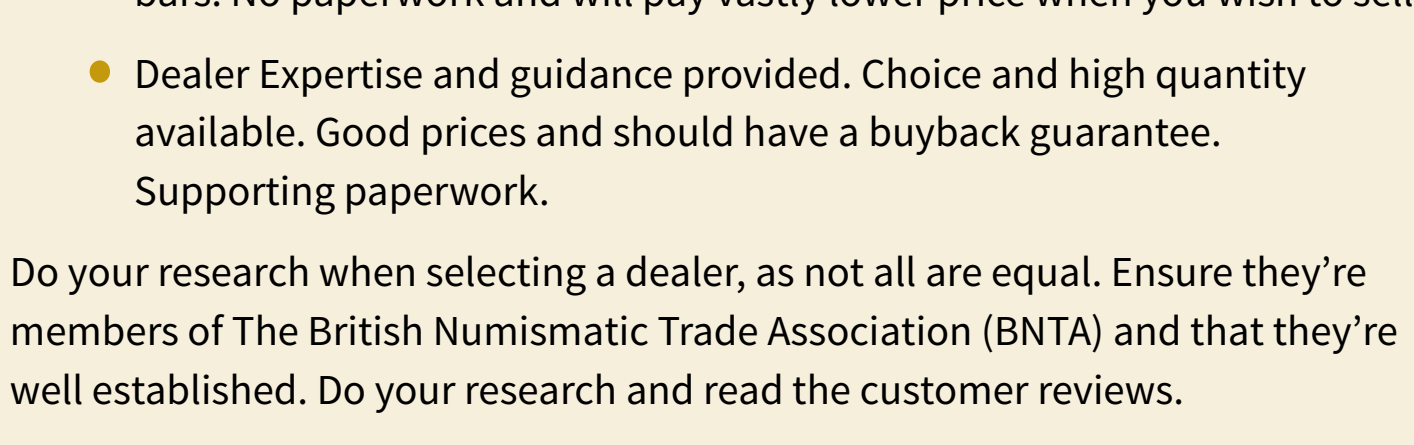
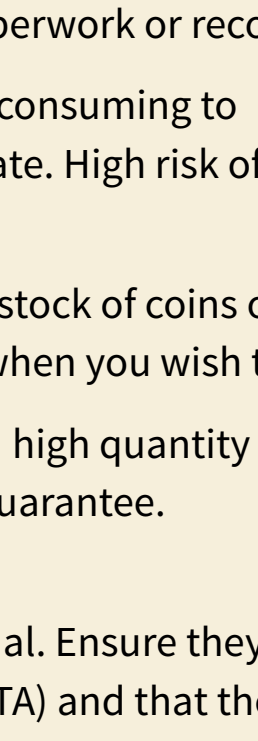
UK pension funds: only gold bars are permissible.

Non-pension funds: then it's likely that UK legal tender coins will provide the best option.

Their advantages are;

- Tax efficiency Legal tender coins have no Capital Gains Tax to pay if you sell at a profit. Bars and foreign coins are taxable.
- Liquidity Easy to buy and sell due to their desirability and track record. Don't buy obscure precious metals, as your sale price will reflect their diminished appeal.
- Divisibility Owning one huge bar may appeal to your ego but it means you have to sell all or none of your holding. Coins give you flexibility to sell as little or much as you like.
- Value Benefit from economies of scale without compromising your divisibility. When you need to sell, UK legal tender coins can fetch amongst the best prices in the market.

THREE

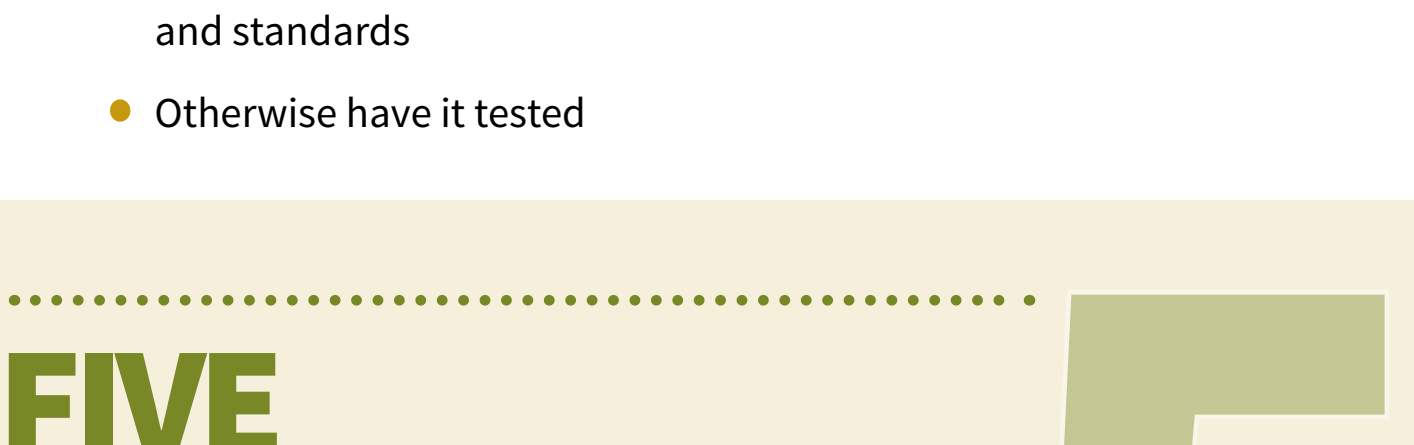
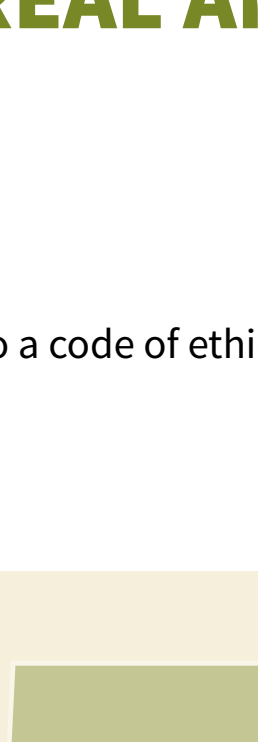


WHERE TO BUY?

- Ebay Browse from home. May pick up a bargain if the seller has no reserve. Very high risk. May not be authentic. No paperwork or recourse.
- Auction Some may provide decent quantities. Time consuming to attend and can be more expensive than you anticipate. High risk of buying illiquid gold.
- Jeweller May be convenient to pick up. Very limited stock of coins or bars. No paperwork and will pay vastly lower price when you wish to sell
- Dealer Expertise and guidance provided. Choice and high quantity available. Good prices and should have a buyback guarantee. Supporting paperwork.

Do your research when selecting a dealer, as not all are equal. Ensure they're members of The British Numismatic Trade Association (BNTA) and that they're well established. Do your research and read the customer reviews.

FOUR



HOW DO YOU KNOW IT'S REAL AND HIGH QUALITY?

- Buy from an established, reliable source
- Obtain a Certificate of Authenticity
- Only buy from BNTA members, who must adhere to a code of ethics and standards
- Otherwise have it tested

FIVE



IS THE TIMING RIGHT?

- Gold is still 30% lower than its peak, so does offer value
- Global economic outlook is bleak, suggesting mainstream markets may suffer and gold could thrive
- Terrorism and political turmoil increasing which may fuel interest in gold as a safe haven
- Gold is a medium to long term investment so exact timing isn't crucial
- Average your buying cost, with a Monthly Saver account

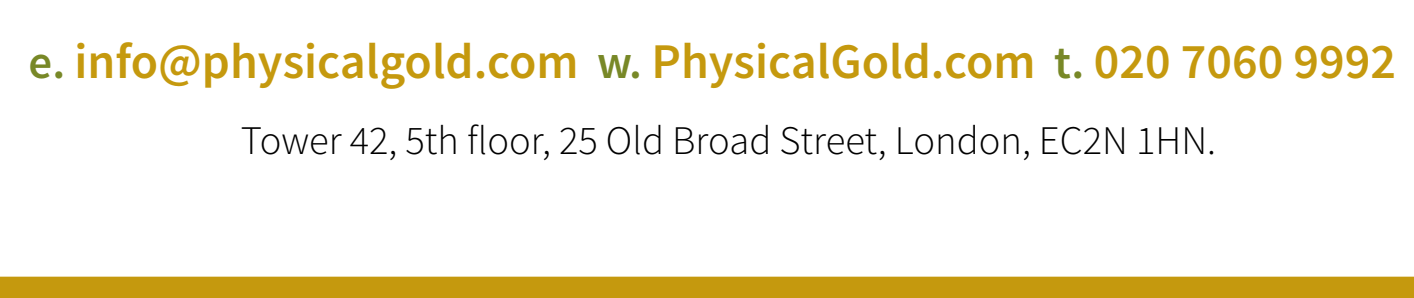
SIX



HOW WILL YOU SELL IT?

- To optimise your prices, sell coins one at a time to collectors, but this may take time
- Sell to a jeweller for ease, but expect low value as they may melt down the gold
- Sell on Ebay, to potentially secure a high price. But beware Paypal charges and don't forget your reserve price!
- Sell back to your dealer for the best combination of convenience, instant liquidity and price. Ask if they offer a Buyback Guarantee when you buy in the first place.

SEVEN



WHERE CAN YOU KEEP IT?

- Keep it at home (hidden in a safe, under the bed or in the cookie jar!). But ensure your home insurance covers the value
- Keep it at your bank, in a deposit box. But due to their popularity, if you don't already have one, they're extremely difficult to acquire.
- In a 3rd party safe deposit facility. May cost around £150/year but access is 24/7
- Use your gold dealer's professional vaulting facility. Best option for peace of mind as it will be fully insured and kept in pristine condition. However, you can't run it through your fingers and for security reasons, you may be unable to view it.

