



**What do I need to consider when I invest in precious metals?**



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Before you invest in precious metals we urge you to think about the following points, which we consider key. It will allow you to sharpen your personal risk assessment.

Storage inside or outside the banking system:

Most importantly, store your precious metals outside the banking system. The ordeal over MF Global has shown that even segregated storage may not offer the needed security one would expect. We have also seen instances in the US where client advisors at banks had to open the safe deposit boxes with their clients so they could confiscate the gold on behalf of the government. In Greece for example people recently were not allowed to access their Safe Deposit Box during the potential "Grexit-Phase".

Diversification across safe jurisdictions:

Keep assets outside the country you live in and in a safe jurisdiction, which will still respects property rights and

were the power of politicians is limited. In our view the most secure place today is Switzerland. The politicians are only marginally better than others, but Switzerland has some key advantages. Switzerland has a strong federal structure limiting the power of central government and is the last remaining direct democracy left on this planet, the power of politicians is therefore limited.

Avoid countries which have confiscated gold in the past:

Avoid countries which have already experienced government confiscation in the past such as the USA, Germany, Italy and Russia. Although the British government so far never confiscated precious metals, we would be extremely cautious in signing a contract that is operating under British Law because the UK lost its independency since they gave up the Empire after WWII and became the junior partner of the USA.

In addition we would also be cautious storing metals within the European Union. As we have seen in the past, the politicians in the Euro zone have frequently broken with the EU constitution when it comes to Maastricht Criteria and right now it seems they are on the way to a transfer union, something which has been strongly precluded in the past. Therefore we see a potential risk that the EU bureaucrats can implement further restrictions or confiscations orders, because they can decide without questioning the citizens of the Euro zone.

Find out under which law you are signing up as a client:

Keep in mind that if you are investing in physical gold or silver with a company that is operating under the jurisdiction of one of the above mentioned countries this might be a disadvantage when the government decides to freeze assets on a global basis of a company e.g. operating under US law.

How can you communicate with your partner during a crisis-scenario:

Look at the possibilities on how to execute transactions. Is it only possible online and what is the alternative if the internet is down or blocked? Is it possible to communicate via fax, by postal mail or can you organize everything in a small period of time personally on the spot? Try to find out how the account is set up. If it is through a bank then it could take a tremendous amount of time to unwind the assets especially if you believe that the next crisis will involve the financial / banking system.

However, because no one knows the future and the specific needs and risk assessment of private or institutional investors are different, we have decided to offer you an overview about certain ways how to invest into physical precious metals.

At the end of day it is you, who has to decide which risks you are willing to take so that you still feel comfortable with the choice you made.

We have a new extensive Gold Report being uploaded to the members area within the next couple of days... We will keep you posted!