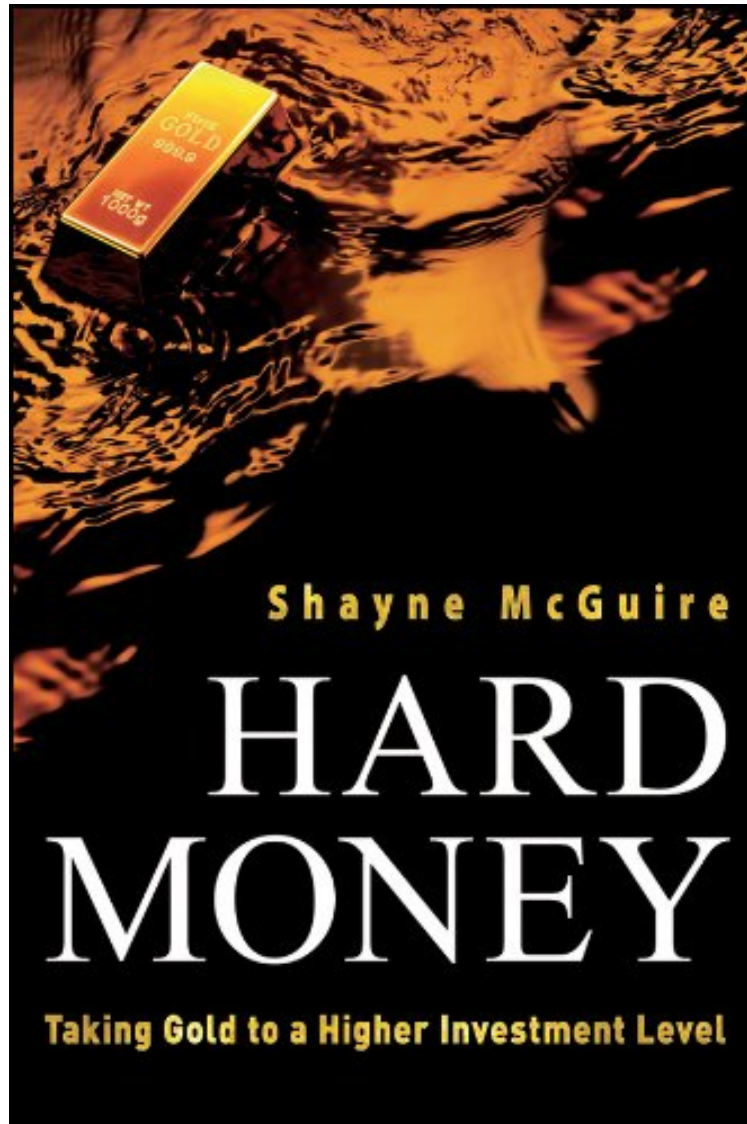


[Download free ebook] Hard Money: Taking Gold to a Higher Investment Level

Hard Money: Taking Gold to a Higher Investment Level

Shayne McGuire

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Shayne McGuire : Hard Money: Taking Gold to a Higher Investment Level before purchasing it in order to gage whether or not it would be worth my time, and all praised Hard Money: Taking Gold to a Higher Investment Level:

3 of 3 people found the following review helpful. ETFs and gold stocks are paper assets, NOT "Hard Money"By Noah LeedThis book is well-researched and well-written, and potentially very helpful to one with a speculative strategy that falls in line with the ideas presented. But for someone (especially of more modest means) attempting to develop a more conservative wealth-preservation strategy, I feel there are some vital points that need far greater emphasis than given here. While the author does mention the difference between paper gold and physical gold, he spends too little

time on the matter. The two are as different as night and day, and cannot be lumped together under the broad heading of "investing in gold." Buying physical gold is not truly an "investment" but rather is simply the purchase of a (monetary) commodity. If you expect to buy low and sell high, and thus realize a return, you are really just gambling... this is not investing in the true sense of the word. But when you invest and buy stock in a gold mining company, for example, you are now playing within the financial system. Like any company, you expect yours to be productive and grow along with the economy (yet still be subject to its ups and downs). Buying into a productive, growing asset yields return, but means you run the risk of losing everything, should the company become insolvent. Owning a share of an asset that suddenly ceases to exist means you now own nothing. When you possess physical gold, however, you ALWAYS own it: the only way it loses all its value -- for good -- is if someone steals it from you. That does not mean the price of gold won't be as volatile as a stock price, potentially climbing or declining dramatically. But if held for decades or even centuries, gold will always have a buyer in the long run, or have value in barter. No paper asset can make that claim. For that reason, as the author correctly claims, physical gold is the "ultimate financial insurance." He says "gold is the only viable investment asset that allows a person to remove wealth from the financial system per se." But when one does this, and holds gold to hedge against the potential destruction of paper-asset values, the gold is not really an "investment asset" -- it is a non-performing insurance policy. And I say non-performing because as long as you hold it, its market price is irrelevant. If you were to sell it to realize a profit, you would no longer own any insurance! So pick one or the other: non-performing insurance policy OR speculative investment asset, but it can't be both at the same time. Suppose you buy a house as a speculative investment, and then insure it. Suppose you paid \$1000 a year for the policy. Now suppose someone "rents" your policy from you for \$1100 a year. As long as your house doesn't burn down, you profit from your insurance policy... it is a performing asset, yielding an annual return. But realize, the moment your house burns down you will find the insurance function of your policy no longer exists for you! So ONLY physical gold, in YOUR possession, can be true insurance. Paper gold might work, or might not; any insurance policy that fails to pay the expected claim obviously fails to insure. I, like many others, have every expectation that the paper-gold market will ultimately collapse and de-link from the physical market, leaving some of those who THOUGHT they held gold to find they held nothing but an empty promise. While early in the book the author mentions gold as a way to remove wealth from the financial system, he then spends virtually the rest of the book talking about PAPER gold, where your wealth remains WITHIN the financial system (and thus subject to dissolve with the collapse of that system). Stocks, ETFs and other vehicles all have the potential to crash to near zero, along with other paper assets, even as the price of physical gold skyrockets. Physical gold is REAL wealth. Paper gold is NOTIONAL wealth, and in that respect is no different than any other paper asset. True, you cannot eat either the real asset OR the paper asset, but after a financial firestorm, only one remains intact: the REAL one. The author mentions government as a potential source of trouble for ETFs, but he neglects to mention the biggest fear of all: that paper claims on gold far exceed the actual physical supply available to fill all those claims. They are paper promises, like any other IOU. Seeing the price of gold soar to tens of thousands of dollars per ounce will be pretty frustrating if you have claims to gold that you can't actually redeem. So if you are playing the paper market in gold, silver and other precious metals via stocks and funds, approach that as a limited part of your portfolio with all the associated volatility and risk as any other paper assets within the system. Whether 2% or 10% or 20% of your total assets, realize those asset values could collapse right along with the other equity, bond, or real estate assets that you are balancing them against. Then consider the ONLY true financial insurance against paper-asset value collapse is the ONLY global monetary metal: actual gold, that you can positively access and secure in time of emergency and financial chaos. Without possession, your wealth remains notional. What happens if ten other people also lay claim to "your" gold, that is "securely" held in some third-party vault? It would be no different than a classic bank run, where the deposits have all been loaned out ten times over. So what percent of your portfolio should be in physical gold? Zero. Here's my view: purchase gold not as part of the investment portfolio, but as both an insurance policy and a store of wealth, with no expectation of any return. Consider it as savings that bears no interest. Consider it as insurance: do you expect a return from your homeowner's insurance? Of course not. It is an expense, and if you are lucky you will never need it... it will simply be money down the drain. But gold doesn't go down the drain! If you buy physical gold, just a little at a time over many years to even out price variation, you can pass it on to offspring or other relatives for many generations so THEY will have insurance... because one day, we (or our kids) ARE going to need it. The fiat dollar is not forever.

Gold is. 2 of 2 people found the following review helpful. A balanced perspective on gold By Jeremy Krittl I highly recommend this book for anyone already owning gold or considering to make it part of their portfolio. The author makes an excellent argument for investing in gold using sound economic data and reasoning. People who are relatively new to this subject will find a very comprehensive and readable introduction in these pages. What I liked most about this book was getting the author's perspective as a money manager for a large and respected pension fund. He gives a reasonable and mainstream view on gold that avoids end of the world doom and gloom. Perhaps the greatest contribution this book makes is one of the author's investment theses: a key factor that could drive the price of gold higher is the rediscovery and reevaluation of gold as key strategic holding among institutional investors. That is something a small personal investor may not have considered. I thought the author did an excellent job of presenting

the various investing options for personal investors who are considering to invest in gold. 3 of 3 people found the following review helpful. Excellent Book By Someone Actually "In The Arena" Of Gold Investing By David B Rees Having been in the investment field since 1972 I have always found books written by those actually making the "day-to-day" decisions the most useful. Shayne is one of those "in the arena" when it comes to gold investing for sure. His position with the Teacher's Retirement Systems of Texas directly responsible for investments in gold and other precious metals makes his perspective unique. This book is well organized giving the supply/demand picture for gold - and presents specific chapters giving the background for each major reason the price of gold may rise. He does an excellent job of giving a historical perspective for historical price movements in gold - and how they relate to the current situation. In an easy to read fashion he presents the facts very logically. This is a must read for any professional or novice currently owning gold - or looking to own gold. David B. Rees C.F.A.

An in-depth guide to making gold a serious part of your portfolio Gold, the long forgotten store of value that was once the center of the global financial system, suddenly matters a great deal again. It has become a leading asset by virtue of its strong performance, and its booming demand has made it the only financial asset that remains in an uninterrupted bull market. And yet gold remains one of the least-owned financial assets in investment portfolios today. *Hard Money* helps investors move beyond the simple, yet widely accepted notion that gold makes sense in today's financial environment, and explores ways to magnify potential investment returns driven by precious metals. This reliable resource examines the investment vehicles (bullion, stocks, derivatives, and even rare coins) and strategies (aggressive, conservative, passive, and variations) aimed at beating the price of gold as it rises, and ways to protect a portfolio should the metal decline. Identifies five key drivers that should continue to push gold higher in the years ahead Explores the ins and outs of investing in gold and making this precious metal a part of your portfolio Examines the pros and cons of multiple ways to buy gold via coins, ETFs, mining and royalty stocks, and other investment vehicles Author Shayne McGuire is a highly-regarded expert on gold Written in a straightforward and accessible style, *Hard Money* offers key strategies to enhancing returns with new methods for investing in gold.