

How To Make A Fortune Buying & Selling Gold Coins!



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Discover How To Buy & Sell Gold Coins For Profits!

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A Brief History Of Gold – And How It Has Been The Worlds Most Wanted Commodity For Centuries

Gold has been a star performer in the portfolios of some of the wealthiest dynasties in the history of the world. Just a few of the prolific people who have used gold to build their incredible wealth include the DuPonts (who now own a massive chemical business), the Rothschilds (once upon a time the richest people in the world), the (JP) Morgans and Egypt's royal Farouk family. We could go on and on forever about more family empires who owe their core wealth to gold but there's no need - the bottom line is that investment in gold has always given a sensational return over the centuries – and statistically it has put stocks, real estate and bonds well and truly in their place.

Want some proof that gold has created staggering wealth in recent times? Consider these startling facts:

- During the 1960's investment in this "secret gold" brought about **average annual returns of 100%**.

- Between 1972 and 1974 the secret gold saw **increases of 350%** (while the stock market was heading desperately south).

- Then between 1976 to 1980 this secret gold brought investors an **average of 300% per year**.



- Gold saw **annual increases of 340%** between 1987 & 1989.
-
- The average investor keeps piling into stocks, real estate & bonds - completely unaware that **certain types of gold have been outperforming their risky holdings every year since 2000** (and the last couple of years have seen double returns over stocks). And as you're about to discover, we're right at the start of something very big...

It's interesting to note that the earliest record of gold being used as a form of money/investment occurred as early as 700BC. Since this time, all cultures and races throughout the world have craved to own gold – and many centuries on the strength of gold has gone from strength to strength.

In the present time, **gold is an attractive commodity to hold because it's price is seeing a general upward trend** (and many experts agree that this is set to continue for many years to come). It's possible to own gold for a **relatively modest outlay** and so most people have the means to invest in it. Gold also brings with it a certain beauty and status symbol that most other investments simply cannot compare to.



When Gold Became A Dirty Word...When Gold Became “Illegal”!

1933. The year that would change the way gold was seen and how it was traded. Prior to 1933 paper money was backed by physical gold - the gold standard. The gold standard was the norm – world governments would give you physical gold in exchange for cash if you demanded it.

But it all changed in 1933. The U.S. government had got itself into a sticky mess – debt and deflation were widespread in the economy. The government took a drastic step – ordering all citizens to trade all their gold coins in exchange for paper cash, while increasing the value of gold immediately thereafter.

Owning gold coins became ILLEGAL. Many gold coins (even those that were nothing short of a work of art) were melted down. No individual was allowed to own gold coins and this carried on for decades. Then, in the mid 1970’s gold coin ownership was legalized again...with some startling effects.

This “false inflation” strategy certainly worked in the mid-30’s for the U.S. government – shortly after the long standing gold standard was destroyed, the value of the US dollar nose-dived while the price of gold soared. Even so, the American economy made a staggering recovery – and there are those who believe that the current U.S. government are emulating the very same strategy that Franklin Delano Roosevelt employed in the mid 30’s.

You should be very excited, because the conditions are startlingly similar now as they were when the gold standard was executed. The U.S. economy (as then) is struggling with deflation, debt and a faltering economy. The amount of paper money being produced today is increasing. The value of the dollar is decreasing.



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And guess what? The price of gold at the time of writing is steaming forward ...and it seems we could be heading towards another major boom which could mean huge gains for those who harbor gold holdings in their portfolios.



Why Investing In Gold Now Could Make For Spectacular Returns – The Facts Don't Lie And This Is Why The Resurgence In Gold Prices Could Mean Big Things For Those Who Invest Early

Right now the U.S. government is desperately trying to fight deflation (lower prices) and it has categorically stated that it will look to prevent this at any cost. The long and short of this is that more “paper money” becomes available while the amount of gold stays constant. Can you think what this means?

The same amount of gold costs more paper dollars (or “money”) to buy.

So as the amount of money being printed goes up – so gold prices strengthen. It's expected that a significant amount of money will be printed over the next years, and you don't need me to tell you what that means for where gold prices are heading.

Sadly, there are even more reasons why the current gold run could well be the start of a huge bull run. Traditionally, gold has always performed strongly during times of uncertainty. I say “sadly” because as the long running war on terrorism sees no end in sight the amount of paper money needed to pay for conflicts etc rises. This huge increase in paper money will only continue to peg up the gold prices.



The Gold Shortage – One Of The Biggest Investment Banks In The World Is Predicting A Gold BOOM Caused By A Fundamental Shortage, A Glut Of Government Printed Paper-Money & Other Factors.

[Credit Agricole](#), a leading French investment bank recently released a SHOCKING report (Cheuvreux report, named after the equity research department of Credit Agricole) that has highlighted the very real possibility of a coming gold boom.

"We are raising our mid-cycle gold price estimate to USD900/oz from USD750/oz and see the possibility of a spike to USD2,000, or higher. Covert selling (via central bank lending) has artificially depressed the price for a decade."

At the time of writing, gold prices were at the mid \$500 levels per ounce, and many experts are predicting that the price could soar past \$2000 per ounce. Why? The report highlights the basic shortage of gold stock – world governments are desperately short of gold bullion (possibly by levels higher than 50%). Demand for global gold remains high, yet world supply is highly limited (only 2,500 tonnes produced worldwide). In addition the over-supply of paper money and artificial suppression of gold prices over the last decade means that gold could well explode to as much as \$2,000/oz – potential upside gains of almost 400%!

"As for gold itself, you can get some from coin and bullion dealers, but as the Cheuvreux report gets around, there may not be much left."



Buying Gold Coins – The Undiscovered Investment That The Wealthiest Families Would Rather You Never Knew!

Now you may ask why rare gold coins instead of say gold bars? After all, gold bars are cheaper to buy than gold coins! True, but the appreciation potential of gold coins in a bull market is far better than gold bars. It's also easier to sell gold coins than bars, and to receive a higher price for them.

You've already seen the types of appreciation that our secret gold has brought over various stages in history. But before you dip your toes into the rare coin market you should be aware of the highly important considerations set out in this document.

Here, you'll discover the most important factors that you must be aware of when investing in gold coins. This simple yet powerful information could well decide how your gold portfolio performs – because not all gold coins are made equally...and their value and potential appreciation can vary wildly based on many factors. After we discuss the major points of successfully investing in the gold coin market we'll look at some of the most valuable rare coins that could grace your portfolio.

So why certain rare gold coins?

1. Because the pedigree gold coins we're going to talk about are a form of pure gold. This sounds obvious, but these coins will rise as the base value of gold as a commodity rises. And as we have seen, the likelihood of this to happen in the short/medium term is very high.
2. These rare gold coins not only give you a superb vehicle for owning GOLD but they have a sub-market within gold. The collectors market is huge – and this means that as the gold prices rise, so does the rare coin market.

3. The specific gold coins we'll disclose in this guide are the ones that should in our opinion perform the best within any market condition – when choosing gold coins you should ensure that they have a **high popularity** (if the coin has been in great demand in the past you can almost guarantee that it will continue to experience demand in the future). There should also be a **large market** that will potentially buy the gold coins – owning a coin that cannot be readily sold can have serious problems for the coin holder in getting a fair price when the time comes to take profits.

Shortly, we'll discuss some of the major considerations you should take into account before choosing which rare gold coins to add to your portfolio. But first, let's look at the most important rules you need to know in order to add rare coins to your investment portfolio.

The Buying Process – Six Golden Rules To Remember When Investing In Rare Gold Coins

Rule 1 – You Must Know Which Coins To Buy

Gold coins can be segregated into various types. For example there are **standard gold bullion coins** and then there are rare collectible coins. The standard bullion coins sell for more or less their base gold value. Rare collectible coins can fetch a hefty premium to their base value. You're unlikely to find absolute bargains in the coin market (i.e. coins that you can resell for instant and huge gains) – but when the price of gold is increasing you can be sure the value of your rare coins will also increase. We'll investigate some of the most potent gold coins to own shortly.

Rule 2– You Must NEVER Be Attached To Your Coins. They Are Investments And You Should Sell When The Conditions Are Right.



You must remember that you are an investor. You're in this to make money. You must detach yourself from any emotional attachment to your coins. This means that when you make your target gains you should be prepared to sell without hesitation. One of the biggest reasons many people are poor at investing is that they are emotionally attached to their investment vehicles and succumb to the forces of fear and greed. Remember that no bull market lasts forever – you can typically know when a bull market is at it's height when the average person knows something about it (and when it's being discussed at dinner parties). THIS is more of an indication to sell and take profits while the last minute mob buy into what they believe to be a sure thing. Keep tuned to what experts are saying about the movement of gold.

Rule 3 – Get A Guarantee For The Value Of Your Coins

Gold coins can be expensive. When you buy a gold coin via a dealer try and obtain a price guarantee – this is a specific value guarantee that the dealer places on your coin. On the flip-side beware of shady guarantees that some dealers may make in order to sucker inexperienced buyers to purchase their coins – typically this would be something like a 10% to 20% premium buy back guarantee. Such claims are more than likely to be fraudulent.

Rule 4 – Cream Rises To The Top...Quality Coins Will Soar In A Booming Gold Market Better Than Average Ones

All ships rise with the tide – gold coins will always rise in value as their underlying gold value increases. However, the truly magnificent coins will increase in value even more than the sub-standard ones. As you would expect, it's also easier to sell the coins with the most pedigree in any market condition. Remember this rule when making your purchase.

Rule 5 – Understand The Grading & Evaluation Process

Education and experience are two tools that will give you a strong advantage in the rare coin market. Don't be afraid to learn as much as you possibly can about grading &

evaluating rare coins. It may take some time to understand how to do this, but it's a highly potent skill to have. Further, educate yourself on the potential of as wide a variety of coins as possible. This will make it far easier for you to spot a rare coin bargain as soon as you see it. It may surprise you to learn that a lot of rare coin dealers aren't as educated about the market & products as you may think. If you already have an inventory of gold coins, you can get them independently graded if you wish – it can be well worth the expense & effort if the coins get a valuable grading.

Rule 6 – You're In This To Make MONEY. Watch Gold Prices & The Likely Market Movements Like A Hawk

Following Rule 2, you should be on the lookout for the optimum time to sell your gold coins. You're holding gold coins for one reason only – to make MONEY. As the gold market rises you should consider at what point you want to take your profits. What are the experts saying about the short and medium term gold movements? Watch the gold movement like a hawk and never be afraid of taking your profits. While there is security in the knowledge that gold coins will always have a long term value you should not let this distract from your ability to take quick profits.

Now that you have an understanding of the fundamental rules you need to follow before investing in gold coins, let's look at the different types of gold coins available and their composition.

The above rules will surely hold you in good stead when it comes to owning the secret gold that are rare and valuable gold coins. Remember, that gold coins can be acquired for a relatively modest outlay so most people have the ability to acquire them and benefit from their gains.

As you learn more about gold coins you'll become more expert in identifying the best opportunities in the coin market. You'll learn that the rarer coins in rare circulation

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represent your best opportunities. You can go to the PCGS and NGC to see which coins have the lowest survival rates. You'll be able to identify coins that fall under a particular collection (these increase their value) or that are especially rare.



The Grading & Composition Of Gold Coins – Understanding The True Value Of Your Gold Coin Investment!

Coin grading has become a requirement in the rare coins market simply because of its popularity with non-professionals. The rare coin market has exploded in recent times and with it came the need to verify (or grade) the quality of various coins.

Consequently, the process of official grading came about.

One of the most reputed grading services available is the PCGS (www.pcg.com) or Professional Coin Grading Service. Here are the main stages of the grading process:

1. The coin is checked for authenticity. It's also checked to ensure it is unaltered.
2. If the coin is authentic and unaltered the grading experts will assign a "grade" to the coin. Several of the coins characteristics are taken into account when coming up with a grade including toning, marking, luster and general appearance.
3. The grading number is assigned (between 1 to 70). 70 is the highest (best) grade of coin available.

Now that you have a generic understanding of the grading process of coins let's move on to possibly the most exciting chapter in this book – finding the "secret gold" with the most potential.



Which Secret Gold To Invest In? The Rare Gold Coins With The Most Potential!

Earlier we talked about some of the characteristics our potential gold investments should have. The coins should be fairly popular, actively traded and have had a distinguished past (where they have been in demand). The gold composition of the coin will be important along with the relevant grading.

The Secret Gold – Which Rare Coins To Invest In

Coin Name: \$20 St Gaudens

Description: One of the worlds most popular & well regarded coins. Used as actual money in the United States until the infamous coin for cash exchange in 1933. Most likely to hold it's value during poormarkets and soar during bullish markets. Many of these coins are graded Mint State 65 or better.

Coin Name: British Gold Sovereigns

Description: In the world of rare coins, British Gold Sovereign make up some of the worlds “most wanted” list.

Types:

Queens - (minted 1893 to 1901)

Kings – Edward VII (minted 1902 to 1910)

Kings – Canada Mint (minted 1911 to 1919)

Kings – India Mint (minted 1918)

Kings – George V (minted 1911 to 1935)

Coin Name: Texas Commemorative Half Dollar



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Description: The popularity & scarcity of this coin makes it a fine addition to any investment portfolio. The coins were minted between 1934 and 1938 and it's estimated that 30% of the issued coins no longer exist.

Coin Name: German Gold 20 Marks

Types:

Kaiser Wilhelm II Military Bust (minted 1913-1915)

Kaiser Wilhelm II (minted 1888 to 1912)

Description: Due to the scarcity of these coins they tend to fetch very good prices.

Coin Name: French 20 Gold Francs

Types

:

Emperor Napoleon I (minted 1809 to 1815)

Lucky Angels (minted 1871 to 1898)

Roosters (minted 1899 to 1914)

These are some of the best french coins to hold gold deposits in. The Angel is far more scarce than the Rooster but tend to be available at the same price so holding this particular french coin can be a good addition to any gold portfolio.

Coin Name: South African Krugerrands

Description: These South African coins have had a turbulent history and were at one time banned from the U.S. – now, they are one of the most popular gold coins traded and over 42 million of these coins have been minted, mostly between 1967 to the mid 1980's to cope with increasing demand for gold. This is one of the best ways to own gold in coin form because they are quite readily available but are relatively inexpensive.



Coin Name: Indian Head Eagle

Description: Minted in the early 19th century, the Indian Head Eagle coin is regarded as one of the U.S. most elegant coins. Given their relative scarcity and collectibility factor these coins tend to be rather pricey but the mint state of these coins are typically high and thus will grow very well in value.

Coin Type: Canadian Maple Leaf

Description: This is one of the purest forms of gold coins with each coin providing an almost 100% gold composition. As such, the Canadian Maple Leaf coin is one of the best ways of investing in gold and gold coins. It's also possible to purchase the maple leaf for practically the base gold price (the premium on these coins is far less than with other coins).

Coin Type: Swiss Gold 20 Francs

Description: The "Helvetias" were minted between 1897 to 1949 and are considered by many experts to be among the best pedigree coins available within Europe.

Coin Type: Capped Bust Eagle

Description: It's estimated that there are no more than 65,000 of these coins in circulation, and aside from their gold content they are a favourite with many coin collectors.

Coin Type: US Gold Coins Dating Pre 1834



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Description: In 1834 a lot of then existing gold coins were melted down. This makes any well preserved gold coins from prior to this date extremely valuable.

Coin Type: Australian Kangaroo

Description: The Australian Kangaroo was initially minted in 1989 and is still being produced to date. It's known for its high gold content & is considered a leading gold coin to buy/sell.

Coin Type: Chinese Panda

Description: First minted in 1982 and still being produced, the Panda is a 24 karat gold coin well regarded by coin collectors.



Where To Buy Gold Coins For Investment

Investing in gold coins can be an expensive affair. Depending on the type and condition of the coin you may be required to invest several hundred to several thousand dollars so it's worth knowing the best places to buy gold coins (and how to avoid being ripped off).

Coin Dealers

One obvious and reliable way of buying pedigree coins for investment is through a reliable coin dealer. Note that it can be risky using the first dealer you come over in Google!

The question is how do you know that a coin dealer is reputable? Here are some traits to look out for before doing business with any coin dealer:

- 1. How Long Has The Dealer Been Around For** – Here, you're looking for some evidence that the dealer is experienced and has been in business for a relatively long amount of time. An experienced dealer is more likely to be "on the ball" and length of time indicates that they won't suddenly close shop and scamper (in case you're sold a donkey).
- 2. Is The Coin Dealer Recommended By His Peers Or Fellow Coin Investors?**
It's always reassuring to do business with a dealer that is well respected and comes recommended by fellow dealers and investors. It significantly reduces your chances of going through an unethical or dishonest coin dealer.

The PCGS website has a listing of authorized dealers. Visit the below site and choose the Authorized Dealers link.

<http://www.pcgs.com>

Or, you can choose to use the PNG dealer directory:

<http://www.pngdealers.com>

Rare Coin Trade Shows

You can also discover more information about gold coins by visiting special seminars and exhibitions that tend to specialize in gold and rare coins. There is often a tremendous amount of information available in these shows and they can be a great way of learning more about rare gold coins and finding reliable contacts and dealers.

In the past, the coin market has had a dirty reputation because of sleazy agents and salesmen mis-selling coins for 50% to 500% over their market value. It's important you do not get taken for a ride by these shady dealers.

Other Sources

You can get details of gold coin dealers in specialist magazines from your local newspaper store.

Yet another interesting source to obtain gold coins is via [eBay](#). This is an online auction site (the biggest in the world by far) and has millions of registered users selling practically everything you can imagine.

EBay has a dedicated coin category and you have an excellent opportunity to invest in gold from this source. For example, at the time of writing there were a number of gold coins listed for sale on eBay:

- 24 British Gold Sovereign
- 208 St Gaudens
- 7 Swiss Gold
- 5 Texas Commemorative Half Dollar
- 22 South African Krugerrands

And literally hundreds more gold coins.



**** There Is A Huge Market For Rare & Valuable Gold Coins On eBay...**

208 items found for **St Gaudens**

List View | [Picture Gallery](#) Sort by: T

Compare Item Title [PayPal](#) Bids

Featured Items

<input type="checkbox"/>		Five (5) \$20 St Gaudens PCGS MS65!!! Make Best Offer! Spotless, beautifully bright GEMs! Uncommon grouping!		Buy It Now or Best Offer
<input type="checkbox"/>		HIGH-END 1910 ST. GAUDENS PCGS GEM MS65 VERY PQ+ Click Buy-it-Now for FREE FedEx Shipping - Act Now!		Buy It Now
<input type="checkbox"/>		SUPER PQ 1913-D ST. GAUDENS GOLD PCGS GEM MS65 ~ Only 3 PCGS-Graded MS66 Valued at \$40,000 ~		Buy It Now
<input type="checkbox"/>		HIGH-END 1923 ST. GAUDENS GOLD PCGS GEM MS65 + PQ ~ Just 3 Finer in MS66 Valued at \$50,000 ~		Buy It Now
<input type="checkbox"/>		FINEST KNOWN 1915-S ST. GAUDENS GOLD PCGS GEM MS66 Low PCGS Population with NONE Graded Higher!		Buy It Now
<input type="checkbox"/>		SCARCE DATE 1909-S ST. GAUDENS GOLD PCGS GEM MS65 + PQ Tremendous Upside Potential - MS66 Valued at \$20,000		Buy It Now

Beware Of “Dodgy Dealers” Lurking On eBay

On the whole, eBay is a great place to buy and sell just about anything (including coins). However, before investing in any gold coins on eBay you must perform the simple following checks:

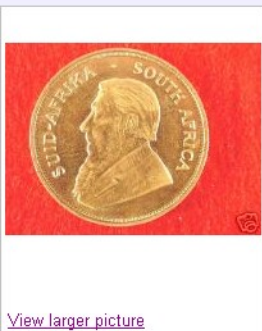
First, See what the “sellers feedback” is like – eBay allows all buyers to rate their buying experience. They are able to rate all sellers they buy from and insert comments for

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all the eBay community to see. This means that “cheats” and rip off merchants are soon exposed for what they are. Before buying any gold coins from a seller you should always check their feedback. You can do this by going into the details of the coin. Here’s an example for you:

1978 South African Krugerrand Item number: 270035915542

Bidder or seller of this item? [Sign in](#) for your status [Watch this item](#) in My eBay | [Email to a friend](#)



[View larger picture](#)

Current bid: **US \$546.56**

Make no payments for 3 months - [Apply](#)

End time: **Oct-10-06 08:15:59 PDT** (5 days 5 hours)

Shipping costs: [Calculate](#)

Ships to: Worldwide


Item location: PA Treasury Vault, United States

History: [7 bids](#)

High bidder: [jazzcellar2](#) ([806](#) ★)

You can also: [Watch this item](#)
Get alerts via [Text message](#), [IM](#) or [Phone call](#)
[Sell one like this](#)

Meet the seller

Seller: [statetreasurercasey](#) ([2303](#) ★) 


Feedback: **100% Positive**

Member: since Apr-16-01 in United States

- [Read feedback comments](#)
- [Ask seller a question](#)
- [Add to Favorite Sellers](#)
- [View seller's other items](#)

Buy safely

- Check the seller's reputation**
Score: 2303 | 100% Positive
[Read feedback comments](#)
- Check how you're protected**

 This item is covered up to **\$1,000**
[See eligibility](#)

Listing and payment details: [Show](#)

On the top right are the sellers details and this particular seller seems like a very safe one. Why? For a start look at his feedback – 100% positive for a total of 2303 transactions. The seller also has been given “powerseller” status (this means they have made a large volume of satisfactory transactions in the past). Slightly below, you can go and check the feedback that the previous buyers have left for this seller (all have been positive).

So, on the surface all appears well. However, here’s the second check you should make before confirming your purchase of the coin...

Second – drop the seller an email and ask him about the coin and it’s characteristics. A lot of information will have been given in the listing description but you may wish to ask additional questions such as the grade given or anything else that the listing may have left

out. Not all sellers on eBay will be experts (in fact some may have no knowledge on gold coins at all) – you can certainly use this to your advantage.

Look Out For New Gold Coins – The United States Mint commented in 2005 that the 24-karat gold coin market is worth **\$2.4 billion**. They also released the countrys first 99.99% pure 24 karat gold coin – never to be circulated and available only to gold investors and coin collectors.

The coin was produced because the mint understands both the general direction of gold prices as well as the underlying demand for “secret gold” – quality gold coins.

Often, you can pick up a new gold coin issue such as this – new coins are produced from time to time and if the gold content is good and other “valuation” aspects discussed in this book are right then it’s a great chance to capitalize on the strengthening gold price.

You can also find rare old gold coins from visiting various antique dealers and general antique shops. In some exceptional cases you can also find old gold coins in places such as flea markets and general antique exhibitions. Many people just aren’t tuned into how valuable gold coins are about to become – and many may not even know that the gold coin they’ll let go for \$50 is a genuine St Gauden in mint condition.

The Hype Surrounding “Sunken Treasure” Gold Coins – if you’ve been a gold coin collector/investor for some time then you’ll no doubt be aware of golden coins available for sale that have been rescued from sunk ships. Beware that these coins are sometimes marketed cleverly and sold at hefty premiums over and above their actual value. In some cases this can be a good chance to own valuable gold coins – but only if the analysis stacks up. Ultimately, you will want to analyze the coin thoroughly. What is it’s gold content? What will it’s value be on the open market? Has the coin suffered any damage

because it has been submerged underwater for so long (this is quite likely so try and avoid buying sunken treasure coins that you have not seen firsthand).

Keep in mind also that as an investor, any coins you own must be of the highest graded quality to appreciate in value. Typically, you would want a grading of at least MS-63 and nothing below that. Always remember, the better coins will perform better and sell whatever the market condition.

Bullion Coins Are Not Rare – Beware Of Dealers Who Will Try And Make You Think They Are! Bullion coins are those that have a value based on their gold content rather than their rarity. These type of coins will increase or decrease in value based more on the underlying price of gold than anything else. Coins that fall under this category include the South African Krugerrand and Canadian Maple Leaf. Some shady dealers may try and overstate the actual value of these coins by making them out to be rarer than they actually are. Be on the lookout for this sneaky tactic when buying and always obtain quotes from multiple dealers before purchasing.



Different Ways Of Investing In Gold Aside From Coins

Before we look at additional ways to invest in gold, let's address the question of WHY gold is set to become a very promising bet over the next few years.

In the mid-90's gold slumped to a shocking low causing closures of gold mining companies all over the world. The price of gold was at the \$250/oz level and many funds/investors were bailing out. How things have changed since the turn of the millennium – there has been a mini-boom in the precious metals market – and within that gold appears to be heading to a MAJOR boom.

Why? Well as we discussed earlier we're seeing gold strengthen against many major currencies, especially the US dollar. We're also seeing a worrying increase in major terrorism with no end in sight. Uncertainty rules right now, many major economies (including the U.S) are in a state of unrest. And when that happens, gold prices flourish. On top of that, because the world output has declined, gold is also in short supply – with such an imbalance within the supply/demand ratio the effects on price are quite obvious. These are just some of the reasons that many experts are predicting gold to go on a huge run that may rival anything we have seen in the past 100 years.

We've looked at the “secret gold” and seen the advantages that it can bring to your investment portfolio. Now, we'll analyze different vehicles that can be used to hold gold and how to purchase them.



Buying Stocks In Gold Companies

If you are an experienced investor you may want to consider purchasing individual gold stocks. This way you're buying into a company that has extensive gold reserves (or is about to mine them) and you're using the experience of the management to take full advantage of the rising gold trend.

While performing detailed evaluation of gold stocks is outside the scope of this book here are some very important factors to consider when investigating gold mining companies:

Back Experienced Management

It's like everything in life – experience counts big time. Backing a gold mining company that has an experienced management with a fine track record is far more likely to bring you success than a company with no experience behind it.

What's The Net Asset Value Of The Company?

This is the question you need answered to find out what would happen if the company collapsed tomorrow. This is the question that will expose the potential downside of your stock play. You can compare the net asset value to the current market cap of the company to see if the stock is being sold at roughly base value. The closer the net asset value is to the market cap the safer the bet. Unfortunately, during many market booms the net asset value may be lagging way behind the market cap.

Does The Company Have The Funds & Resources To Meet It's Goals?

Mining for gold is a very specialist industry. Gold exploration is a costly process and processing the metal requires extensive and expensive equipment. Cashflow is often a concern when dealing with smaller mining stocks so analyze the current cash situation carefully before investing. Find out how long the company can survive on its cash

reserved and how effective it is in securing loans should push come to shove. Is it already geared to a high extent and how is it servicing the debt?

For more information on how to analyze mining stocks & other highly profitable investments you can visit the Surefire Winners website below:

<http://www.surefire-winners.com>

There is a saying in investment that says “all ships rise with the tide”. It means that during boom periods (such as gold is experiencing now) many average and below average companies will also see their stock prices rise. However, the trick is to find a good market and then pinpoint the very best companies within that market to invest in. This way you enjoy both the wider industry boom as well as the big gains delivered by a company that is outperforming all others.

Where The Big Gold Deposits Are – Look To Chinese Companies

Traditionally, the big gold producing countries have been Australia, South Africa and the United States but China is strongly coming up as a gold mining nation. They are expected to get into the top three gold producing nations within a decade and the exciting thing is that gold stocks in China are available at a reasonable discount compared to their international peers. While it's out of this book's scope to provide specific stock tips, you may well be able to discover highly valuable gold plays in China (or invest in funds with exposure to Chinese gold).



Buying Gold Based Investment/Mutual Funds

For individuals who like the idea of owning gold but not confident enough to pick stocks, buying mutual/investment funds is a very good alternative. It allows the investor to own a diverse portfolio of gold based investments that have been selected by a professional.

There are a diverse range of investment/mutual funds available for the gold investor and there is the option to opt for solely gold based funds or a precious metals mix.

Understanding how to analyze an investment fund is almost as complicated as analyzing an individual stock, but the following should be considered before choosing a particular fund.

Funds Can Have Costly Fees Attached To Them

Before going with a fund you should beware that the fund managers will take a fee that comes out of your investment. The actual fee is a percentage of your investment and it can vary depending on the type of fund (typically between 0.2% to 2% or even more). This is an annual fee that is taken from the value of your investment (and it doesn't matter if they have made or lost you money – they will still take their fee). There are a huge number of mutual and investment funds spanning over all sectors and what they charge can vary quite significantly.

Big Multi-National Run Funds And Their Sleazy Marketing Tricks

Some fund management companies launch new funds frequently (based on the latest investment flavor of the month). This can have an adverse effect on the way your fund performs if enough research/attention is not being given to it.

Performance Tables – Do They Matter?

Many experts are divided on the usefulness of performance tables of funds. Many believe that in terms of picking funds performance tables are quite worthless. So should you abolish performance tables altogether? The best thing to do is analyze the performance of several funds over a period of time. Understanding who is running the fund and what their track record is can be as important as anything the performance tables may suggest.

Ultimately, there is no “perfect” method of investing in anything – though investment/mutual funds can be a very good vehicle for the inexperienced person who understands the potential of gold and wants exposure to it from a company ownership perspective.

A variation to buying into funds that hold gold stocks is to use an **exchange traded fund** – here the investor buys into shares that are directly linked to the market price of gold.



Buying Gold Bars

Buying solid gold bars might be something you think only happens in certain types of movies, but in fact some investors do buy up gold bars. Gold bars are available in different sizes and can even have different finishes. Obviously, the bigger the bar the more you pay overall...but the unit costs can actually be cheaper when you buy bigger bars.

You can obtain gold bars from special dealers who will provide a certificate of authenticity. The gold bar should be 99.99% pure and come sealed in plastic. As with coins, you can also obtain gold bars from eBay but this can be somewhat trickier than buying coins here. Gold bars are fairly simple to both buy and sell and so can form a good vehicle to own gold.

Gold Futures & Options

Experienced traders & investors may wish to consider using futures & options as a way of making swift gains from the price of gold. This type of trading can be risky unless you know what you are doing.

Gold Certificates

It's possible to purchase a gold certificate that marks you as the owner of bullion stock that is held by an institution. It's a little known way of holding and benefiting from a bullish gold market without the hassle of stock/fund picking. The expenses to be considered are insurance & storage.

Jewelry

While it may not be your typical financial investment, gold jewelry is still a form of gold (and in some countries is used as a means of saving & accumulating wealth).



Final Thoughts On Buying Gold Coins For Investment...

I hope you have thoroughly enjoyed reading this book and that it has opened your mind to the possibilities of gold as an investment option. Please feel free to drop by the www.surefire-winners.com trading & investment site when you get a free moment.

Next we will look at another opportunity – buying rare collectible coins as an investment.



Buying Rare Coins (Not Gold) As An Investment

The advantages of buying rare gold coins are clear – gold is and probably will always be a highly valuable commodity to own. Buying rare gold coins allows the investor not only to have a stake in the competitive collectors market, but also to own gold at a time when the general price of gold is on an upturn.

However, it is also possible to invest in non-gold rare coins that can also increase in value. The rare coin market is cyclical, and many rare coins have been trading at the lower end of their historical spectrum of late. This represents a buy & hold opportunity if you know which coins to invest in.

Here are a few tips on buying and selling rare coins:

Many Of The Same Rules Apply As When Purchasing Gold Coins

When purchasing rare coins, many of the fundamental rules that we went over for purchasing rare gold coins still apply. For example, you would always want to go via a reputable and established dealer and try and obtain independent valuation advice before purchasing an apparent rare coin.

Educate Yourself On Rare Coins & What Their Values Are Before Purchasing

The more you learn about rare coin collectables the better. Familiarize yourself with the most valuable rare coins that will always preserve their value.

Shop Around

Before committing to any purchase, shop around to see if the rare coin can be purchased any cheaper elsewhere. Visit several dealers and get a feel for the price before jumping in. An increasing number of coin dealers are misrepresenting the actual value of the coins they sell. Even if the actual details of the coin are correct they try and capitalize on the



naivety of inexperienced collectors and charge double, treble or more of the actual value of the coin. In such a case the buyer may have to wait a lifetime or more for the actual value to catch up with what they paid for it!

Take Any Investment Opportunities With A Pinch Of Salt

Many rare coins that are not gold can still have investment value – but remember that a non-gold coin will not have the safeguard value that gold coins provide. Beware when being given any sales pitch about the investment value of any rare coin.

Silver Coin – Take Advantage Of A Strengthening Silver Market

Silver, like gold, is seeing an upturn in its base price (at the time of writing). This means that investing in rare coins with a high silver content can provide an additional safety net.



Bodies To Go To For Further Information

The following coin organizations will be able to guide you further:

<http://www.ictaonline.org/>

<http://www.ftc.gov/> (for any disputes that may arise with your coin purchases)

