



Guardian Gold Australia provides a guide to investing in physical bullion, and things you should know if you are thinking of investing precious metals.

A close-up photograph of several gold bullion bars. One bar is in the foreground, showing its rectangular shape and some markings. Another bar is partially visible behind it, and a third one is further back. The bars are resting on a dark surface, and the lighting highlights their metallic texture and edges.

# GUIDE TO **PHYSICAL** **BULLION** **INVESTMENT**

GUARDIAN GOLD



[www.guardian-gold.com.au](http://www.guardian-gold.com.au)



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*“Investor optimism around the Trump administration has led to artificially inflated asset prices, ruinously low interest rates, the increased popularity of index funds, and the infiltration of behavioral economics into our financial lives. Evidence of systemic risk market volatility, ballooning global debt, and political instability is everywhere for those paying attention..”*

**James Rickards**

*American Lawyer, Author and Precious Metals Expert*

## | Why Gold?

Gold's natural beauty, global distribution and advantageous chemical properties capture and mystified the imaginations of the ancients. With an almost unconscious admiration that has spanned the millennia, gold took its place in the global societies the pre-eminent form of money.

Gold is tangible, so highly revered it finds its way intact down the generations. Our relationship with gold and the role it plays in modern finance has evolved over time. What hasn't changed is its unrivalled application as a store of value.

Trust and security is everything to us at Guardian Gold and Guardian Vaults which is why we only deal with the most reputable of bullion producers.

At Guardian Gold, we understand that securing wealth through purchasing metals can often be time consuming when considering where to buy, how to transport, where to store and how to insure.

Amongst the vast benefits of choosing to expose yourself to bullion, we hope to demonstrate why so many clients have chosen physical bullion investment.

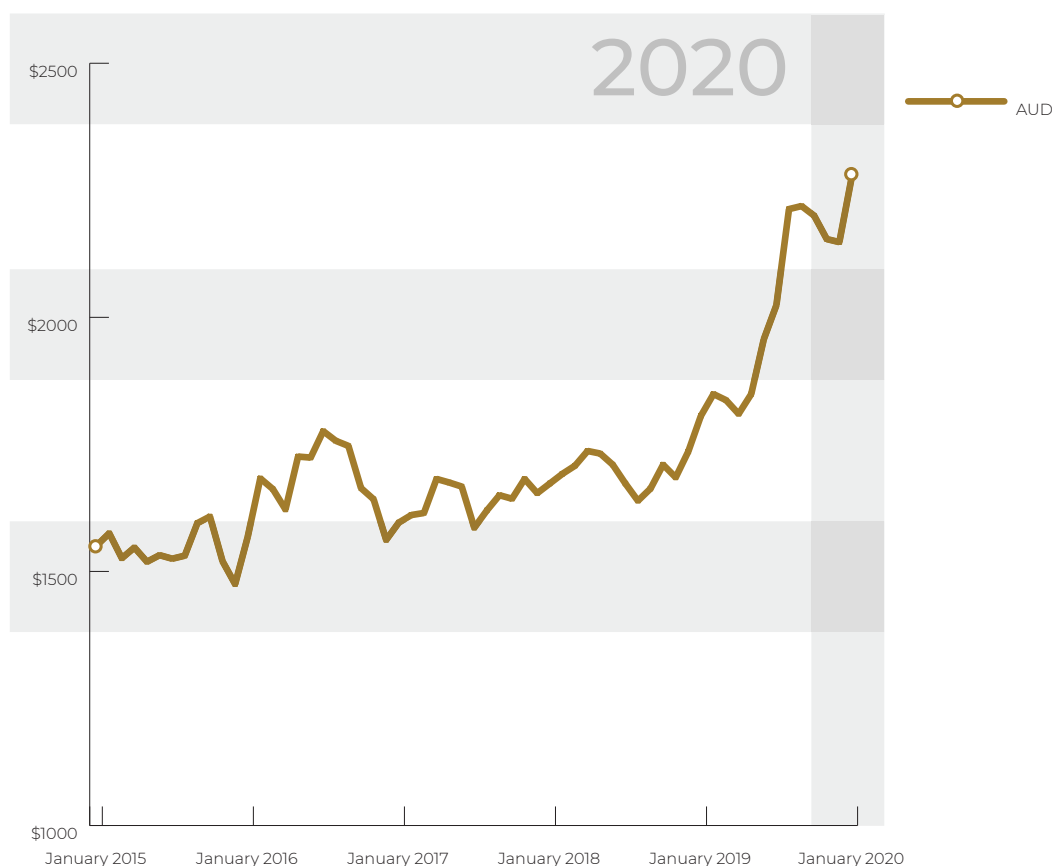


**Neil Tremaine**  
*Chairman, Founder*

# In Times of Uncertainty

## PRECIOUS METALS

The rally in the price of Bullion and more specifically gold, since mid 2018 has seen the price per oz rise from AUD \$1,600 in August 2018 up to AUD \$2,278 in January 2020. This has aligned to market uncertainty and as investors look for a store of wealth.



### BULLION TO STORE WEALTH

"John Pierpoint Morgan was called to testify before Congress in 1912 in the aftermath of the panic of 1907, on the subject of Wall Street manipulations and what was then called the "money trust," or banking monopoly, of J. P. Morgan & Co.

In the course of his testimony, Morgan stated that "money is gold and nothing else" was right in two respects. The first and most obvious is that gold is a form of money.

The second and more subtle point, revealed in the phrase "and nothing else," was that other instruments purporting to be money were really forms of debt, unless they were redeemable into physical gold."  
(Aftermath, 2019)

# Benefits of Bullion

## IN TIMES OF UNCERTAINTY

Bullion investment has provided benefits in the current economic environment. While the price of Gold bullion has grabbed headlines, precious metals also provide some key benefits as global trends are placed in the forefront for investors.

### > GLOBAL CURRENCY DEBASEMENT

Continuing, if not expanding, quantitative easing ("QE") in the US, Eurozone, UK and Japan.

### > CONTINUING TRADE TENSION

Trade tensions continue between the US and China.

### > PLUNGING GLOBAL BOND YIELDS

The market value of bonds trading with a negative yield during 2019 was at USD 17 trillion.

### > ESCALATING TENSIONS

Escalating geopolitical tensions in the Middle East.

Gold tends to perform positively in times of economic uncertainty as well as in acute crises. Unfortunately, the global financial problems are far from being resolved. Thus, in the foreseeable future, an allocation to gold will remain the imperative for many investors and could result in a positive trend of the gold price for the remainder of 2020 and beyond.

Portfolio diversification, i.e the allocation of funds to different asset classes and investments, should remain a must for astute investors over the coming years.

Gold provides wide-ranging benefits that have always been greater than the sum of their parts. From, lasting natural value to protection against uncertainty, holding physical gold within a well diversified portfolio provides many benefits.

Investment in Bullion has been utilised as a hedge against market volatility, currency devaluation and geopolitical turmoil. Take any of the major redefining events of the last few decades and a retreat into bullion as the global safe haven is evident.

# Why Gold?

## BENEFITS OF PRECIOUS METALS

### GOLD AS A HEDGE

Many investors buy gold to hedge against the decline of a currency, usually the US dollar. As a currency falls, it creates higher prices in imports and inflation. As a result, gold is seen as a defence. Because of this, many central banks have in recent times significantly increased their holdings of gold to defend the value of their currencies.

### GOLD AS A SAFE HAVEN

Protecting investors against a possible economic catastrophe - this is the reason many investors bought into gold during the global financial crisis. Alternative safe havens, such as bonds and bank cash deposits look less attractive in the current market conditions with little or even negative yields.

### BALANCING YOUR PORTFOLIO

Any concentrated asset can create higher risk for investors. While stocks, bonds and precious metals all have their benefits, the most well-rounded portfolios are those that diversify across many types of asset classes to achieve balance. **Modern Portfolio Theory** shows the ways that different asset classes grow relative to each other. Gold can play an important role in this.



Perth Mint Cast Bar

*“..Investors have been pushed into stocks and other assets that have equity-like returns. As a result, too many people are holding these types of securities and likely to face diminishing returns.*

*.. those investments that will most likely do best will be those that do well when the value of money is being depreciated and domestic and international conflicts are significant, such as **gold**.*

*Additionally ... most investors are under weighted in such assets, meaning that if they just wanted to have a better balanced portfolio to reduce risk, they would have more of this sort of asset. For this reason, **I believe that it would be both risk reducing and return enhancing to consider adding gold to one's portfolio.**”*

**Ray Dalio**

Co-Chief Investment Officer &  
Co-Chairman of Bridgewater Associates,

# ETFs and Gold Shares

## VERSUS PHYSICAL GOLD

Alternatives exist to owning physical gold that have advantages. Investors looking for exposure to precious metals can explore a number of options. This includes gold ETF's, Gold shares and Gold mining companies. All have the price of Gold as a determining factor, with different levels of risk for investors.

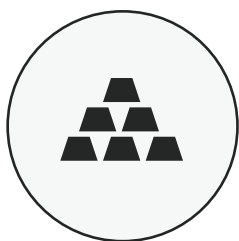
It must be considered that owning Gold through an ETF or shares never provides actual ownership of the physical metal, also exposing the investor to third party risk.

Like any other equity-linked security, mining shares are exposed to equity risks and therefore are exposed to several risks such as market volatility, corrections, share price fall, receiving lower dividends, company restructuring or the real threat of a particular gold miner failing.

When it comes to gold ETFs, it is essential to remember that an ETF isn't a contract to own physical gold. Rather, an ETF shareholder merely owns a right that is supported by the fund's bullion assets, but they are not the rightful owner of any physical gold per se.

As with everything in the markets, there is never a solution that will be 100% risk free, and that will be a good fit for all investors. However, by holding physical gold, you eliminate many risks. Because physical gold has - to a large extent - negative correlations to the stock market, physical gold has lower levels of volatility, and it is better at keeping its real value through economic downturns.

Shares and ETF's, unfortunately can become victims of many risks and short-term whims in the market. Ultimately, gold should be used as a potential hedge against unpredictable and aggressive market behaviour, a way to mitigate risks and protect your assets.



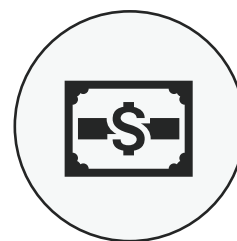
### > GOLD SHARES

Designed to track the price of gold, can be traded like shares.



### > ETFs

An exchange traded fund that has one principal asset - gold.



### > MINING SHARES

Shares of companies that mine gold.

# Physical Bullion

## FORMS AND BRANDING

When it comes to investing in physical bullion, “cast” bars typically require less design and detail, they can appear rougher in appearance. While “minted” bars typically have a more polished appearance and feature design elements.

Investors must research brands and types of bullion that suit their strategy. LBMA approved brands are carried by Guardian Gold, which is Guardian Vault’s partner brand.

### > PRIVATE AND CONFIDENTIAL

Online platforms allow trading of physical bullion, while also being a private and confidential investment.

### > DIRECT ACCESS TO A TANGIBLE ASSET

Physical Bullion allows direct access to investments.

### > NO COUNTER-PARTY RISK

Physical Bullion lowers risk associated with other methods of investment. You are not exposed to another company or business and their risks.

## POPULAR INVESTMENT GRADE BULLION



### CAST SILVER

• 100oz to 1kg cast bars



### CAST GOLD

• 5oz to 1kg cast bars



### PERTH MINT CAST PRODUCTS

• Hallmarked gold and silver  
• Cast & minted bars



# Physical Bullion Challenges

## SECURING YOUR VALUABLES

Investing in Physical bullion can be a great way to expose a portfolio to the benefits of gold or silver. However, challenges can arise with physical investments, in having to store, insure and sell. Guardian Gold supports a seamless process to make it simple for investors.

### OPEN A FREE ACCOUNT

Visit [guardian-gold.com.au](https://guardian-gold.com.au) to setup a free account, which enables purchasing directly via the platform. Accounts must be approved by a Guardian Gold consultant before trading can commence. This can take up to 5 business days.

### BROWSE AND PURCHASE

Browse a range of LBMA approved bullion products while displaying live prices. Payment is available by BPAY, Electronic Funds Transfer and credit card up to \$5,000.

### STORE OR COLLECT AT GUARDIAN VAULTS

Store or collect your purchase in a state of the art secure storage facility, available in both Melbourne and Sydney. Providing peace of mind in relation to the privacy and security of your investments. Options to insure investments are also available.

### BUY BACK SERVICE

Guardian Gold provides a buy back facility for products purchased from Guardian Gold enabling customers to manage their investment with confidence. All funds are transferred to a nominated bank account within 3 business days.

FOR STORAGE OPTIONS, VISIT  
THE GUARDIAN VAULTS  
WEBSITE.

[www.guardianvaults.com.au](https://www.guardianvaults.com.au)



# Contact Us

## PHYSICAL BULLION INVESTMENT

Use the below information as reference to contact your closest Guardian Gold facility. This information can also be found on the Guardian Gold website, listed below.



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Open your camera on your smart phone and hover over the QR code to find direction to our facility.

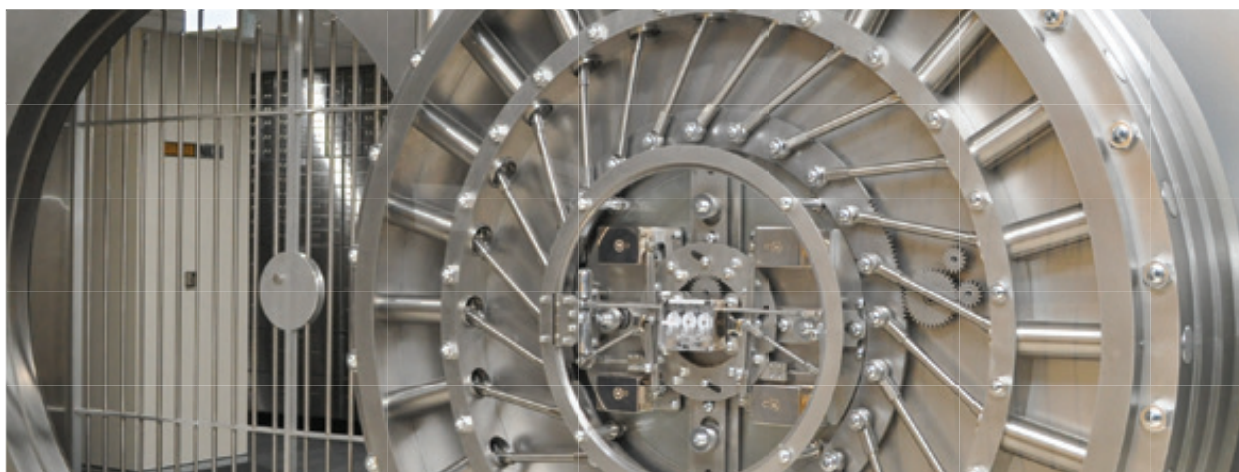


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[www.guardian-gold.com.au](http://www.guardian-gold.com.au)



Open your camera on your smart phone and hover over the QR code to find direction to our facility.



# Sources & Disclaimer

GUARDIAN GROUP

## SOURCES

> **SOURCE:** Dalio, Ray. (2019). 'Paradigm Shifts', LinkedIn, Available at: <https://www.linkedin.com/pulse/paradigm-shifts-ray-dalio/> Accessed: 2 September 2019.

**SOURCE:** 'Gold Price Performance AUD', Gold Price, Accessed: 1 May 2020, <https://goldprice.org>

**SOURCE:** Rickards, J. (2019). 'Aftermath'. Penguin Business, pp.219-2020, Back cover

**SOURCE:** London Bullion Market Association, World Gold Council, Perth Mint  
Prepared by <https://www.marketindex.com.au/gold>  
Accessed: 28 September 2019

## > DISCLAIMER:

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If you require advice about a financial product, you should contact a properly licensed or authorised financial advisor.



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